

## **Comhairle Chontae na Mí**

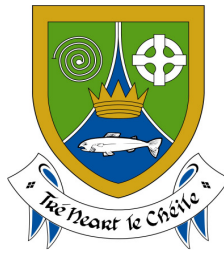
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## **Meath County Council**

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### **Main Terms and Conditions of the Repair & Lease Scheme**

- There must be sufficient proof that the property has been vacant for at least one year.
- Parties engaged to carry out works by property owners, under the scheme must have up to date tax clearance certificates before payments can be made. Property owners must be notified of this requirement at the outset.
- Eligible expenditure under the scheme is limited to the cost of essential works required to bring properties into compliance with the Housing (Standards for Rented Houses) Regulations 2019. Where works that are in excess of these essential works are undertaken, these should not be included in the €80,000 per unit and must be paid for by the property owner outside of the scheme. Where all works are being completed on a single contract, non-essential works costs must be itemised.
- All direct leases must be for duration of between 5 - 25 years. No shorter terms will be eligible.
- All Rental Availability Arrangements must be for duration of between 5 and 10 years. No shorter terms will be eligible.
- Properties are required to be furnished.
- Where an owner has multiple units in a single development, funding may be apportioned between the units subject to a minimum spend on each unit - to be determined by the local authority taking into account the total number of units and total funding level and subject of the overall limit of €80,000 per unit delivered under the scheme. So for example, if 6 dwellings are being brought into the scheme, total funding for the 6 properties may not exceed €480,000. This allows an owner to bring multiple dwellings into the scheme even where the repairs on one of those units exceed the permitted €80,000 per unit limit. The necessary repairs may include work on common areas that are required for the property to meet rental standards, e.g. stairs, hallways etc. Funding for such common areas must fall within the total allocation of €80,000 per unit; no additional funding is available.
- Where the property owner is managing the works, they will be responsible for the preparation of a schedule of works and seeking quotes from contractors.

#### **Lease amount, term and offset arrangements.**

Property owners may choose to enter either into a:

1. Direct Lease Arrangement, or
2. A Rental Availability Arrangement.

The main differences between the two contracts are that under a rental availability arrangement, the owner retains responsibility for day-to-day property maintenance and is the landlord to the tenants. The owner must also register the tenancy with the RTB. Under this type of arrangement, the owner receives approximately 92% of current market rent this may be slightly increased in situations where service charges are above a certain amount. The lease can **only** last between 5 and 10 years.

Under the direct lease arrangements, the owner receives approximately 80% of current market rent. This may be slightly increased in situations where service charges are above a certain amount. The lease can **only** last between 5 and 25 years.

**Current market rent is determined by the Local Authority in agreement with the property owner**

Both the direct lease and the availability agreement are subject to a minimum term of 5 years. The lease payments to the owner are of a level that will ensure repayment of the original funding over the term of the agreement. The owner will also need to take any tax liability into account when considering the level of repayment. It may be that shorter-term agreements are only suitable in areas with higher levels of market rent or where the cost of repairs is at a lower level.

The benefits of the RLS in conjunction with the long-term lease arrangement to the property owner include:

- Guaranteed rent on a property that has not been generating an income;
- Upgrade of property that might otherwise become derelict;
- No loss of rent during vacant periods;
- No dealing with tenants and day-to-day maintenance; **(Only Direct Lease Agreement, not Rental Availability)**
- No need to collect rent or find a new tenant;
- Avoid advertising costs;
- The property will be returned to the property owner at the end of the term in good repair order and condition, save for fair wear and tear. **(Only Direct Lease Agreement, not Rental Availability)**

The financial offset is by way of a rent-free period, a consistent reduction over the duration of the lease or for an agreed term within the lease period.

### Flowchart of process

