



Rialtas na hÉireann  
Government of Ireland

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# Secure Tenancy Affordable Rental investment scheme

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**Invitation to Submit Expression of Interest**

18 July 2023

# Contents

- Section 1 - Scheme Overview ..... 3
  - Table 1.1: Maximum investments per unit under the Scheme ..... 4
- Section 2 – Operation and Management of the Scheme ..... 4
- Section 3 – EOI Submission..... 5
- Appendix A – Application Form..... 9
- Appendix B: Declaration ..... 13

## Section 1 - Scheme Overview

- 1.1 The Housing Agency hereby invites expressions of interest (“**EOI**” or “**Proposals**”) from interested and eligible parties (“**Proposers**”) to participate in a new Secure Tenancy Affordable Rental investment scheme (the “**Scheme**”). The Scheme is open to market operators who will make available residential units for Cost Rental<sup>1</sup> tenure. Proposers must agree to the designation of the units under Cost Rental legislation and let the units to eligible tenants on a Cost Rental basis. The Scheme shall be subject to a maximum budget as decided by the Government. The Scheme is time bound and will operate from 1 August 2023 until 31 December 2027 subject to funding ceiling set by Government being reached or the Department of Housing, Local Government and Heritage announces the closure of the Scheme.
- 1.2 The purpose of this document (the “**Invitation**”) is to provide an overview of the Scheme, to set out the eligibility criteria for EOI and to set out the application process for market operators who wish to submit an EOI. The Cost Rental Investment Scheme Expression of Interest Application Form is in Appendix A to this Invitation and the Scheme document can be accessed through the Housing Agency’s website at [www.housingagency.ie](http://www.housingagency.ie). This document is to be read in conjunction with the Scheme.
- 1.3 Under the terms of the Scheme, the State will make an investment, subject to the limits set out in Table 1.1 below, in the amount required to enable the Proposal to achieve target rents of at least 25% below market levels to assist eligible households in the private rental sector, who due to solvency constraints are unable to obtain housing at market conditions and are experiencing acute affordability pressures in the private rental sector, particularly in urban centres where prevailing rents are especially high.
- 1.4 The investment provided shall not exceed the amount necessary to cover the net costs incurred in discharging the public service obligation, including a reasonable profit. The net cost will be calculated as the difference between costs and revenues as defined in Section 7 of the Scheme.
- 1.5 Accordingly, the exact amount of investment per unit may vary and will be specific to the cost and revenue characteristics of each proposal as determined by the Housing Agency, but will not exceed the limits specified in Table 1.1 below.
- 1.6 The maximum investment per unit will be €175,000 for Dublin and €150,000 for the rest of the country. An additional investment of €25,000 per unit will also be available, subject to meeting the sustainability criteria set out in Section 7 of the Scheme.

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<sup>1</sup> See Section 3 of the Secure Tenancy Affordable Rental investment scheme

**Table 1.1: Maximum investments per unit under the Scheme**

Area	Maximum Scheme Investment per unit in €	Maximum Scheme Sustainability Investment per unit in €	Maximum Total Scheme Investment Available per unit in €
Dublin	175,000	25,000	200,000
Rest of Country	150,000	25,000	175,000

**Section 2 – Operation and Management of the Scheme**

2.1 The Scheme will be managed by the Housing Agency on behalf of the Department of Housing, Local Government and Heritage (“**DHLGH**”).

2.2 Proposers should note that open book assessments of development costs will be required to ensure that the financial support provided achieves reduced costs/affordable rents to the occupiers and the leveraging of homes for Cost Rental, which would not otherwise be provided, at the target discount on rents of at least 25% compared to market levels.

2.3 A selection and appraisal process will be undertaken by the Housing Agency based on the criteria set out in the Scheme.

2.4 The approval process for the Secure Tenancy Affordable Rental investment scheme is comprised of three pre-contract stages:

- Stage 1:** Expression of Interest (EOI)
- Stage 2:** A detailed due diligence process managed by the Housing Agency leading to eligibility
- Stage 3:** Completion of Cost Rental Investment & Equity Participation Agreement.

## **Stage 1: Expression of Interest**

2.5 Stage 1 seeks Expressions of Interest from Proposers of suitable Proposals to deliver dwellings which will be subject to Cost Rental designation and achieve target rents as set out elsewhere in this document. Proposers will submit Proposals to the Housing Agency to be assessed in accordance with the high-level criteria set out in Section 3 below – see Minimum Criteria for Proposal. Preference in terms of assessment will be given to proposals which can deliver Cost Rental dwellings according to the criteria set out in the Scheme for progression to Stage 2. See Section 13 of the Scheme for further information.

## **Stage 2: Due Diligence Assessment**

2.6 The Criteria for progression to Stage 2 are set out in Section 13 of the Scheme. Stage 2 assessment will require additional information, including submission of a detailed financial model for each Proposal, to be provided for assessment by the Housing Agency and its advisors. The Housing Agency will set out comprehensive details of the information required to each qualified Proposer at this stage. See Section 13 of the Scheme for further information on the assessment of proposals in Stage 2.

## **Stage 3: Cost Rental Investment and Equity Participation Agreement**

2.7 Subject to the preceding stages being completed successfully, a Cost Rental Investment and Equity Participation Agreement may be entered into by the Housing Agency with the Proposer. Proposals will be subject to formal approval by The Housing Agency and the Minister for Housing, Heritage & Local Government. See Section 13 of the Scheme for further information.

## **Section 3 – EOI Submission**

3.1 The Expression of Interest (EOI) Application Form is included at Appendix A of this Invitation.

3.2 Please note that EOI are being sought on an open call basis, commencing from 1st August 2023. The call for Proposals will remain open until the available funding is fully allocated or until the Housing Agency and DHLGH announce the closure of the Scheme. The following key points should be noted:

- a) All Proposals received that meet the minimum criteria will be given consideration for funding, subject to detailed due diligence, the level of funding available and the criteria set out at Section 13 of the Scheme.

- b) A template Cost Rental Investment and Equity Participation Agreement is in preparation at the date of publication of this Invitation and will be made available on request from the Housing Agency.
- c) The Housing Agency will conduct an initial assessment to determine whether all information required by the EOI Application Form has been included by the Proposer. Where incomplete information is supplied, the Housing Agency reserves the right to reject the submission without further recourse to the Proposer.

3.3 Proposers are required to self-declare that they meet the requirements as set out in the Declaration form in Appendix B to this document.

3.4 The Housing Agency will formally notify Proposers that their Proposal (and/or their proposed structure) is considered suitable to move to Stage 2, which consists of a full due diligence assessment of the relevant Proposals. All Proposers who submitted Proposals at Stage 1 assessment which are not being progressed immediately will also be contacted in writing by the Housing Agency and may be considered further once Proposals have been moved through Stage 2. Where an application does not progress to Stage 2 due to insufficient information being provided, the Proposer may be invited to resubmit the application with the required information.

3.5 The Housing Agency accepts that at the time of EOI Stage 1 submission, some of this information available to the Proposer may not be complete or finalised. However, it is a requirement of EOI Stage 1 submission that Proposers submit the best available information regarding these items to the Housing Agency to underpin the viability of the Proposal. The Housing Agency has the right to query any aspect of a Proposal and request further information prior to making its assessment in Stage 1. Notwithstanding the provisions of Section 3.1(d) above, the Housing Agency reserves the right to provide a Proposer with an opportunity to provide further information if it determines that such information is missing from its EOI Application Form or requires further clarification.

### **Minimum criteria for the Proposal:**

3.6 The minimum criteria for Proposers and Proposals is as follows:

- a) Proposers must be willing to designate any units which receive Secure Tenancy Affordable Rental investment scheme funding as Cost Rental units under Part 3 of the Affordable Housing Act 2021 (as amended) for a period of 50 years.
- b) Proposals must deliver rents that are a minimum of 25% below the relevant open market rents for similar properties in the relevant area with the benefit of the investment and which are affordable to the target cohort under Cost Rental legislation as it stands at the time of the Proposal.
- c) Proposals must deliver new units which:

- have not commenced construction; or
- are under construction; or
- are recently completed but have never been previously rented

Proposals involving adaptive re-use of non-residential buildings are also considered eligible. (See Section 13 of Scheme for further information).

- d) Proposals must provide details of when the units will be available for designation as Cost Rental units. Where the units proposed have not commenced construction, the units proposed must have commenced construction by a date agreed between the Proposer and the Housing Agency but no later than 31 March 2025 and the units must be completed by a date agreed with the Housing Agency but no later than 31 December 2027.
- e) Proposals must consist of at least 2 types of dwelling (e.g. 1 bed, 2 bed etc.) and must include 2 bed dwellings.
- f) Proposals must consist of a minimum of 10 dwellings.

3.7 Proposer(s) must be able to produce evidence of their tax compliance. This evidence is not required for EOI Stage 1 submission but will be assessed as part of Stage 2 due diligence and will be a condition precedent of entering into a Cost Rental Investment and Equity Participation Agreement.

3.8 The Housing Agency reserves the right to alter this Invitation. Any changes will be notified via public announcement on the Housing Agency website.

3.9 Proposers should take note that this request for Expressions of Interest does not constitute an offer or commitment to enter into a Cost Rental Investment and Equity Participation Agreement and the Housing Agency and DHLGH reserve the right not to enter into any Cost Rental Investment Equity Participation Agreement in respect of Proposals received pursuant to this Expression of Interest (EOI).

3.10 Proposers shall bear all costs associated with the preparation, submission and clarification of their submission. The Housing Agency will not be responsible and/or liable for any costs, expenses or losses which may be incurred by a Proposer in the preparation, submission or clarification of its submission, regardless of the conduct or outcome of the process.

3.11 No contractual rights will exist unless and until a formal written agreement has been executed by the Housing Agency with a Proposer. DHLGH is not responsible for any costs incurred by Proposers in preparing a response to this document. Following the completion of Stage Three and subject to the approval of the Housing Agency and of the Minister for Housing, Local Government & Heritage, the successful Proposer will be required to accept the terms and conditions of the Agreement. The Proposal will be incorporated by reference into the Agreement between the Housing Agency and the successful Proposer.

3.12 The Housing Agency reserves the right to share information submitted by an Interested Party in response to this Invitation and Scheme with other State

entities and bodies involved in the delivery of housing. These bodies include but are not limited to Local Authorities, the DHLGH, and the NDFA. Data may also be used for research purposes. In such instances, the sensitivity of commercially sensitive data will be respected and such data anonymised where appropriate.

- 3.13 Please note that a Proposer's response to this Invitation and any subsequent discussions with the Housing Agency will be treated in the strictest confidence, but may be subject to disclosure under the Freedom of Information Act. Accordingly, Proposers should indicate clearly in their responses any information contained therein that should be considered as commercially sensitive and respondents must specify the reasons for its confidentiality or commercial sensitivity. The Housing Agency will, where possible, consult with respondents about confidential or commercially sensitive information so identified before making a decision on a request received. Please note that a blanket statement stating all information contained in the Application Form is commercially sensitive is not appropriate.
- 3.14 An offer to invest under this Scheme may be withdrawn by the Housing Agency at any time for any reason, including failure to observe timelines agreed for completion of stages of assessment or delivery of units.
- 3.15 Any Proposer that submits an EOI Application Form denotes acceptance of the conditions of the Scheme.
- 3.16 Any queries relating to the Scheme and the Invitation from Proposers can be directed to the Housing Agency at [STARIS@housingagency.ie](mailto:STARIS@housingagency.ie).
- 3.17 By submitting a EOI Application Form, a Proposer confirms that all Data Subjects<sup>2</sup> whose Personal Data<sup>3</sup> is provided in their EOI Application Form have consented to the processing of such Personal Data by the Housing Agency and the bodies identified in section 3.12 of this document, for the purposes of its interaction with the Housing Agency or that it otherwise has a legal basis for providing such Personal Data to Housing Agency for the purposes of its participation in this market sounding exercise and that it will provide evidence of such consent and / or legal basis to Housing Agency upon request.

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<sup>2</sup> As defined in the GDPR.

<sup>3</sup> As defined in the GDPR.



## Appendix A – Application Form

# Secure Tenancy Affordable Rental investment scheme (STAR) Expression of Interest Application Form

### 1. Proposer Details

<b>1.1 Contact Name</b>	
<b>1.2 Proposer Entity Name<sup>4</sup></b>	
<b>1.3 Proposer Entity Address</b>	
<b>1.4 Legal nature<sup>5</sup> of Proposer including details of any Consortium Members, Joint Venture Partners<sup>6</sup> or Subsidiaries</b>	
<b>1.5 Name of Parent Company (if applicable)</b>	
<b>1.6 Proposer VAT Number(s)</b>	
<b>1.7 Contact Phone Number</b>	
<b>1.8 Contact Email Address</b>	
<b>1.9 Confirmation that the Proposer agrees in principle to the designation of the</b>	

<sup>4</sup> Proposer name should be the name of the legal entity that would enter a Cost Rental Investment and Equity Participation Agreement with the Housing Agency, subject to contract, due diligence and terms and conditions outlined elsewhere in these documents.

<sup>5</sup> State if entity is a Limited Company, DAC, SPV, Private Equity fund etc.

<sup>6</sup> Please attach a consortium or JV structure diagram if appropriate.

<b>Proposed Dwellings for 50 years<sup>7</sup></b>	
<b>1.10 Proposer Track Record in delivering and managing rental accommodation</b> (Please set out high level summary details of the Proposer’s stock of rental accommodation including number of dwellings, location of dwellings and length of time the Proposer has been active in the rental sector)	

## 2. Details of Proposal

<b>2.1 Site Address and Eircode and Land Folio Number (if available)</b>	
<b>2.2 Google Maps link</b>	
<b>2.3 Local Authority Area</b>	
<b>2.4 Planning Reference</b>	
<b>2.5 Proposal Status<sup>8</sup></b>	
<b>2.6 Proposer’s relationship to the Proposal<sup>9</sup></b>	
<b>2.7 Proposed Delivery Timeline for the Proposed Dwellings</b>	
<b>2.8 Proposed Average Delivery Cost per Dwelling<sup>10</sup></b>	

<sup>7</sup> Designation under Section 30 of the Affordable Housing Act 2021 subject to a successful application by the Proposer under Section 29. Designation will be a condition precedent if the Proposer is successful in securing STAR funding for the proposed dwellings under the terms of the STAR Scheme.

<sup>8</sup> Please state if the proposed dwellings are in pre-commencement, under construction, almost complete etc.

<sup>9</sup> Please state if the proposed dwellings, or the site upon which they are to be constructed, is owned by the Proposer, or if the Proposer has an exclusive agreement to acquire the properties or any other arrangement that exists between the Proposer and the Proposal.

<sup>10</sup> Average delivery cost per dwelling is to reflect the all in cost of acquiring, constructing, or otherwise delivering the proposed dwellings to a standard ready to occupy by Cost Rental

## 2.9 Description of Proposed Dwellings<sup>11</sup>

Studio	1-Bed	2-Bed	3-Bed	Total Dwellings

## 2.10 Proposed Cost Rent for Proposed Dwellings

(Please note that Proposers are required to include a professional valuer's valuation to support open market values for the proposed dwellings as set out in the table below)

Unit Type	Market Rent <sup>12</sup>	Proposed Cost Rent	% Discount
Studio			
1 bed			
2 bed (3 person)			
2 bed (4 person)			
3 bed			
4 bed			

**2.11 Proposed Average STAR investment per dwelling**

**2.12 Proposal Total STAR investment in the Proposal**

tenants. Please note that fit-out for Cost Rental tenancies is to Housing (Standards for Rented Houses) Regulations 2019 (as amended). For clarity, white goods, floor finishes and window coverings are required but other furnishing is NOT required.

<sup>11</sup> If the proposed dwellings are a portion of a larger housing development, please briefly describe the overall development as well as the proposed dwellings. The unit breakdown cells are for the proposed dwellings only.

<sup>12</sup> Please insert the monthly market rents and the proposed monthly Cost Rents.

<b>2.13 Data Sharing</b>	Please tick the box to confirm consent for data to be shared in accordance with the terms of the <input type="checkbox"/> Scheme
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### 3. Business Plan and Proposed Funding Arrangements

**3.1 Preliminary Business Plan:** Please include a Preliminary Business Plan (submit a separate document) setting out the Proposer’s business plan for the delivery, letting, management and maintenance of the proposed dwellings over a 50-year period, in accordance with the provisions set out in Part 3 of the Affordable Housing Act 2021 and related Regulations.

**The Preliminary Business Plan should be no more than 4 x A4 pages in length.**

**3.2 Proposed Funding Structure and Cost of Funds:** Please set out details of the Proposer’s intended funding structure, including the intended proportion of debt to equity and the intended sources of debt and equity. Please also indicate, based on information available at the time of submission, the cost of debt funding and the minimum return on equity.

**3.3 Confirmation of Access to Funds:** Please provide preliminary confirmation that debt and equity funding will be available to the Proposer if they are successful in achieving STAR investment funding for the Proposal. The preliminary confirmation should include a letter(s) from an intended funder (provider of debt funding) and a letter from the intended source(s) of equity funding. If the equity funding is available from within the Proposer’s own resources, please include a letter on the Proposer’s headed paper confirming the availability of the internal equity signed by the chief executive officer or chief financial officer.

## Appendix B: Declaration

### MINIMUM PROPOSER REQUIREMENTS AND DECLARATION

**Where a consortium/joint venture of more than one entity is proposed, all parties must complete this declaration.**

#### Minimum Requirements

##### Part 1

A Proposer must meet all the Minimum Requirements for its Proposal to be eligible for evaluation.

#### 1. Declaration of Eligibility

For its Proposal to be considered by the Housing Agency a Proposer (and all entities involved in its Proposal) must ensure that they can sign the Declaration of Eligibility subject to 1.1 to 1.4 set out below.

1.1. A Proposer who has been the subject of a conviction by final judgment for one or more of the reasons listed below as per Regulation 57(1) of the European Union (Award of Public Authority Contracts) Regulations 2016 shall be excluded from further consideration:

- (a) Participation in or membership of a criminal organisation; or
- (b) Corruption; or
- (c) Fraud; or
- (d) Money laundering; or
- (e) Terrorist financing.

1.2. A Proposer shall be excluded from further consideration who is subject to bankruptcy or insolvency procedure or process, as follows:

- (a) the Proposer is bankrupt or the subject of a bankruptcy petition; or
- (b) the Proposer, being a body corporate, is being wound up or the subject of proceedings for compulsory winding up; or
- (c) the Proposer's affairs are being administered by a court; or
- (d) the Proposer is the subject of proceedings in which it is sought to have the Proposer's affairs so administered; or
- (e) the Proposer has entered an arrangement with creditors; or
- (f) the Proposer has suspended business activities; or
- (g) the Proposer is, in the opinion of the Housing Agency, in any situation analogous to any of those mentioned in subparagraphs (a) to (f) under a law of the State, another member state of the European Union or a third country relating to bankruptcy or insolvency of a kind specified in subparagraphs (a) to (f).

1.3. A Proposer may be excluded from further consideration if it has:

- (a) been found guilty of professional misconduct by a competent authority that is authorised by law to hear and determine allegations of professional misconduct against persons that include the Proposer; or
- (b) committed grave professional misconduct provable by means that the Housing Agency can demonstrate; or
- (c) who has not fulfilled an obligation to pay a social security contribution as required by a law of the country or territory:
  - (i) where the Proposer ordinarily resides, or carries on business; or
  - (ii) in Ireland; or
- (d) not fulfilled an obligation to pay a tax or levy imposed by or under a law of the country or territory:
  - (i) where the Proposer ordinarily resides, or carries on business; or
  - (ii) in Ireland; or
- (e) provided a statement or information to the Housing Agency knowing it to be false or misleading or has failed to provide to the Housing Agency a statement or information that is reasonably required by Housing Agency.

1.4. Each Proposer (and all entities involved in the Proposer's Proposal) must provide details in its Declaration of Eligibility where any of the paragraphs of this section 1.3 applies to it.

## Part 2

### Declaration of Eligibility

The following Declaration must be completed and signed by the authorised representative of the Proposer and submitted along with the Proposal.

Declaration

I \_\_\_\_\_ [Name]

of \_\_\_\_\_ [Proposer's name]

hereby declare that none of the grounds for exclusion listed in the Declaration of Eligibility for the Proposal I am submitting apply

And

that none of the grounds detailed in paragraph 1.3 of Part 1 of this Declaration applies save in respect of:

[provide full details to include any pending or threatened litigation or any other legal proceedings or regulatory investigations pending or threatened into the affairs of the Proposer]

I declare that I have taken all reasonable measures to confirm that this information is true and accurate as of this date.

For and on behalf of the Proposer:

Signed: \_\_\_\_\_

Print name: \_\_\_\_\_

Capacity: \_\_\_\_\_

Date: \_\_\_\_\_