

NEW RENTAL SECURITY SCHEME Is The Big STAR For Tenants

The Secure Tenancy Affordable Rental (STAR) investment scheme, with a budget of €750m, aims to deliver over 4,000 Cost Rental homes by 2027 and to assist eligible households in the private rental sector, who are experiencing acute affordability pressures in the rental market.

Managed by the Housing Agency, the Secure Tenancy Affordable Rental (STAR) investment scheme was launched in August 2023 to increase the supply of Cost Rental homes through new channels, alongside existing schemes such as the Cost Rental Equity Loan.

Given the urgent need for more affordable housing and the challenges facing the housing sector, STAR is available to all market operators that will make homes available for Cost Rental tenure.

Conditions for the STAR scheme:

- Homes supplied must be designated as Cost Rental for a minimum of 50 years.
- Rents must be set at a level at least 25 per cent below comparable market rentals.
- The homes must comply with the legislation set out in the Affordable Housing Act 2021.
- Homes must be new with a minimum of ten dwellings per application.
- Applying organisations must demonstrate a proven track record of delivering and managing residential accommodation.
- The scheme will operate until 31 December 2027.
- To be eligible to apply to live in a Cost Rental home, individuals' incomes cannot exceed €66,000 in Dublin and €59,000 elsewhere.

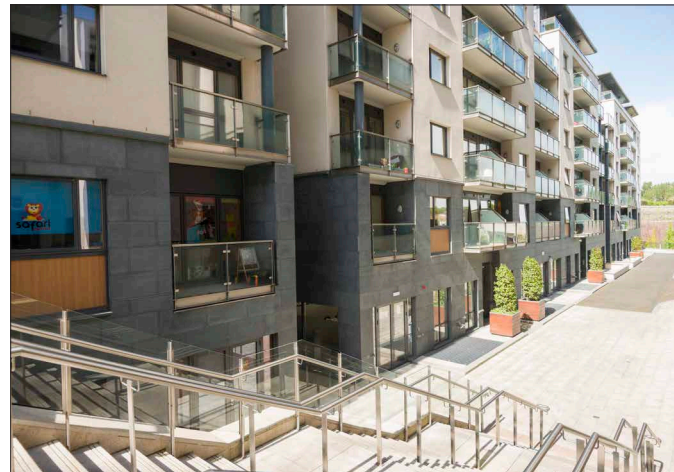
The STAR scheme involves a three-stage application process:

1. The submission of an Expression of Interest (EOI).
2. Detailed due diligence process, including a full cost assessment.
3. The completion of a Cost Rental Investment Equity Participation Agreement.

Since STAR launched in August 2023 several EOIs have been received for developments in the Dublin area from various applicants, including the Land Development Agency (LDA). Applications are assessed on a rolling basis, with the first contract expected to be signed shortly.

There is a clear demand for more Cost Rental accommodation and the government is targeting 18,000 Cost Rental homes to be funded by 2030. What differentiates STAR from other such schemes is that it is open to all market operators.

The STAR scheme addresses the viability gap that exists between the cost of building and the amount of rent



that can be charged for Cost Rental accommodation making it possible financially for commercial entities to supply Cost Rental homes.

This will deliver greater numbers of affordable homes and encourage development in areas that might not proceed without the investment.

Local authorities will benefit from the delivery of cost rental homes by private providers and this increase in supply of affordable homes will also help to build more diverse, mixed tenured communities.

Funding available under STAR scheme:

Location	STAR investment available per home	Sustainable investment per home	Total amount available per home
Dublin	€175,000	€25,000	€200,000
Other locations	€150,000	€25,000	€175,000