



Matheson

Matheson Update:  
**Government introduces new  
measures in respect of the multiple  
purchase of houses and duplexes**



The Government has announced a number of stamp duty and planning measures to restrict the multiple purchase of houses and duplexes. These measures do not apply to apartments.

The measures fall into three categories;

1. The imposition of a stamp duty charge of 10% on the multiple purchase of 10 or more houses or duplexes whether purchased in one transaction or on a cumulative basis over a 12 month period;
2. An “owner occupier guarantee” to be introduced by legislative amendment to the Affordable Housing Bill enabling Local Authorities to designate a specified number of houses and duplexes in a development for owner occupiers; and
3. New planning guidelines requiring Local Authorities and An Bord Pleanála when processing planning applications, to set aside houses and duplexes for individual non-commercial purchasers.

### The new stamp duty charge

The Minister for Finance brought a Financial Resolution to the Dail on 19 May 2021 proposing the imposition of a new stamp duty charge of 10% (the “**Charge**”) on the multiple purchase of 10 or more houses or duplexes whether purchased in one transaction or on a cumulative basis over a 12 month period. The Financial Resolution was passed by the Dail and the Charge applies from 20 May 2021. The Charge applies to all houses and duplexes in the State, irrespective of their location; they can be in one development or they can be in any number of different locations in the State.

The multiple purchase of apartments is specifically excluded from this higher stamp duty rate. Apartments are defined as residential units in an apartment block meaning a multi-storey residential property of not less than 3 apartments with grouped or common access.

Multiple purchases of houses and duplexes by Local Authorities and Approved Housing Bodies are also excluded.

Prior to the introduction of the Charge, the rate of stamp duty on all residential properties was 1% on the first €1,000,000 of the purchase price and 2% on the excess over €1,000,000 of the purchase price. These rates will now increase to 10% where 10 or more houses or duplexes are purchased in one bulk purchase or where such houses or duplexes are purchased on a cumulative basis over a 12 month period. Houses or duplexes purchased by connected persons will also be taken into account. Once the tenth house or duplex is purchased, the higher stamp duty rate applies to the previous 9 purchases also. If the purchaser has already paid the stamp duty on any of the acquisition deed(s) for the 9 houses or duplexes, this payment is offset against the new 10% charge applicable. Houses or duplexes purchased before the imposition of the Charge on 20 May 2021 can count

towards triggering the threshold of 10 but the higher rate of stamp duty of 10% will not apply to such house or duplex, the Charge will only apply to houses or duplexes purchased on or after 20 May 2021.

There is a three month transition period from 20 May 2021 whereby the Charge will not apply to the purchase of houses or duplexes where binding contracts had been entered into prior to 20 May 2021 but the transactions had not yet completed.

The stamp duty increase will also apply to the indirect multiple purchasing of houses or duplexes as the Charge applies to the acquisition of shares in a company, units in an IREF or interests in a partnership that derive their value from houses or duplexes.

### The “Owner Occupier Guarantee”

The Affordable Housing Bill is currently going through the Oireachtas (see our previous briefing on this Bill [here](#)). The Minister for Housing, Local Government and Heritage, Darragh O’Brien (the “**Minister**”) announced on 18 May 2021 that he will introduce a legislative amendment to the Affordable Housing Bill to provide for an “owner occupier guarantee”.

The Minister has confirmed that apartments will be excluded from these provisions.

This “owner occupier guarantee” will enable Local Authorities to designate a specified number of houses and duplexes in a development for owner occupiers similar to requirements under Part V of the Planning & Development Act 2000.

The percentage designation of the houses and duplexes set aside for owner occupiers will be a pre-determined range of at least 0-50% of the units in a development. Local Authorities will be able to determine the exact designation based on their own Housing Needs and Demand Assessment. Current Part V requirements will be additional to any owner occupier designation.

### New Planning Guidelines

The third set of measures introduced are the new planning guidelines issued by the Minister under section 28 of the Planning & Development Act 2000 (as amended) on 19 May 2021 by way of Departmental Circular NRUP 03/2021 in respect of the Regulation of Commercial Institutional Investment in Housing (the “**Guidelines**”).

The Guidelines are applicable to all relevant decisions made to grant planning permission from 20 May 2021 in respect of applications including 5 or more houses and/or duplex units which were not specified as “build-to-rent” development at the planning application stage. The Guidelines also apply to decisions on Strategic Housing Development (SHD) applications to An Bord Pleanála.

The Guidelines set out planning conditions to which planning authorities and An Bord Pleanála must have regard in any planning permission granted for residential development that is not specified as being for ‘build-to-rent’ purposes at planning application stage. These conditions are:

- prior to the commencement of any house or duplex unit in a development, the developer and the relevant Local Authority must enter into an agreement that restricts all houses and duplex units in the development to first occupation by individual purchasers (not a corporate entity) and/or those eligible for the occupation of social and/or affordable housing including cost rental housing;

- this agreement shall be for the period of the duration of the planning permission, except where after a two-year period from the date of completion of each house or duplex, it is demonstrated to the satisfaction of the planning authority that it has not been possible to transact a house or duplex for use by individual purchasers and/or those eligible for the occupation of social and/or affordable housing, including cost rental housing; and
- satisfactory evidence must be received by the planning authority regarding the sale and marketing of the specified house or duplex and if satisfied, the planning authority will confirm in writing to the applicant that the agreement has been terminated and that the requirement of this planning condition has been discharged in respect of each specified house or duplex. The house or duplex could then be made available for sale to other parties.

Further details on these measures will be available over the coming weeks and we will update you accordingly. In the meantime please get in touch with any of the contacts listed below or your usual Commercial Real Estate Department contact should you require further information in relation to the material referred to in this briefing note.

*Full details of the Commercial Real Estate Department, together with further updates, articles and briefing notes written by members of the Commercial Real Estate team, can be accessed at [www.matheson.com](http://www.matheson.com).*

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