

DUBLIN CITY COUNCIL

PURCHASE OF
DOMESTIC GROUND RENT



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Q: What is Ground Rent?

A: In Ireland there are different types of ownership of property. Owning the leasehold interest in a property means that you own just the building but not the land upon which it is built and that your ownership is for a fixed number of years. If you own a leasehold property, you must pay a ground rent to your Landlord because he or she owns the ground upon which the property is built.

Q: Why am I paying Ground Rent to Dublin City Council?

A: When the house was originally purchased, Dublin City Council gave a lease of the land to the purchaser (usually for 150 years), which specified among other things that a rent is to be paid twice yearly by you to Dublin City Council.

Q: What are the benefits of buying my Ground Rent from Dublin City Council?

A: The benefits of buying the Ground Rent are as follows:

- (i) If you buy out the Ground Rent it means that you own the land outright. There are no period of years attached to the ownership and there will no longer be a need to pay bills for ground rent twice a year.
- (ii) If you wish to sell the property in the future you will not require the consent of Dublin City Council to assign/transfer your leasehold interest in the land to the new owner.
- (iii) All things being equal, a freehold property is a more attractive property to buy than a leasehold property.

Q: How do I purchase my Ground Rent?

A: Dublin City Council requires the following three items:

- (i) *The applicant's is required to complete and sign (both applicants in the case of joint ownership) the application form (overleaf).*
- (ii) *The applicant also needs to produce evidence of ownership (title) to their property.*

If the applicant's is the original owner of the house they should provide a copy of their lease (or Transfer Order) with Dublin City Council.

If the applicant's is not the original owner then they will need to provide a

copy of the original Lease and a copy of the Assignment transferring the property into their name. Alternatively a Land Registry Folio showing the applicant's lease details and ownership will suffice.

The Title Deeds to a property are usually held by the bank or mortgage lender from whom you took out your mortgage. If your mortgage has been cleared you may have the Title Deeds yourself or they may be held by your Solicitor.

If you require a Land Registry Folio, you should contact The Property Registration Authority (formerly The Land Registry), Chancery Street, Dublin 7 - Tel. 01 8048154 or Lo Call 1890 333 001.

(iii) *The Applicant should submit the appropriate fee (purchase price).*

The Purchase price is calculated at seven times the annual rent, plus any arrears which are owing.

E.g.	Annual Rent	€19.05	€133.35	(€19.05 x 7)
	Arrears	€76.20	<u>€76.20</u>	
	Purchase Price		€209.55	

There may be additional fees if the property is part of our Guarantee Scheme i.e. Administration Fee of €25.39 and Property Registration Fee of €85.00.

E.g.	Annual Rent	€22.86	€160.02	(€22.86 x 7)
	Arrears	€68.58	€68.58	
	Additional Fee		<u>€110.39</u>	
	Purchase Price		€338.99	

Payment may be made by Cheque, Postal Order or by Credit Card payable to Dublin City Council.

Q: Is the transaction complete at this stage?

- A: No. (i) Upon payment to Dublin City Council the applicant/s will be issued with a completed Form C and a Land Registry application form, Form A. It is vitally important that you complete Form A and lodge same together with the Form C in The Property Registration Authority as soon as possible, otherwise the transaction will remain unregistered.
- (ii) If the property comes under our Guarantee Scheme the information will be passed to our Law Department who will prepare the necessary legal documents (hence the additional fees of €110.39 mentioned above) and Dublin City Council will lodge same with the Land Registry.