

Getting a loan?

Remember that even if you opt out of the Certification Scheme, your mortgage provider will in all likelihood require that you have various milestones signed off on by a design professional to release the stage payments. Here's a roundup of the main banks' policies in relation to self-build mortgages.

Basic conditions

Registered architects (on the **RIAI** statutory register), chartered engineers (on Engineers Ireland or ACEI statutory registers) and chartered building surveyors (on the SCSi statutory register) automatically qualify as Assigned Certifiers (AC). Chartered Architectural Technologists are working towards getting on the statutory list but many are also building surveyors and therefore qualify as AC.

The banks arguably do not require an AC but a suitably qualified building design professional (referred to as 'professional' in the table below), with Professional Indemnity insurance, to carry out the supervisory functions they require.

However Bank of Ireland requires that ACs act as supervisors on the self-build projects they fund, and Permanent TSB does not accept certification from architectural technologists in a self-build scenario.

Banks may use this term (AC) to refer to such design professionals but this does not mean that the banks require that you 'opt in' to get a mortgage. All banks listed below accept 'opt out' applications on the terms listed, including Bank of Ireland.

The banks also require that the property be valued before and after completion of works and that full planning permission as well as insurance be in place.



Note that the bank must be made aware of all onerous clauses, e.g. agricultural clauses, rights of way, etc.

The affordability factor

The Construction Industry Federation put together a table to highlight the affordability issue associated to the Central Bank rules:

House price/Self-build project cost	€250,000	€300,000	€330,000	€350,000	€400,000
Deposit required by Central Bank rules	€28,000	€38,000	€44,000	€48,000	€58,000
Min annual income required to get loan	€63,400	€74,857	€81,714	€86,285	€112,000
Max loan amount	€222,000	€262,000	€286,000	€302,000	€342,000
Indicative monthly loan repayment on the above*	€1,123	€1,325	€1,446	€1,527	€1,729

Source: Adapted from the CIF, September 2016/*BOI Mortgage Calculator Mortgage over 30 years



Specifics

You can opt in or out of the building control amendment at your own discretion but additional requirements apply for each of these loan providers as listed in the table below. Note that the Central Bank mortgage rules apply to self-build mortgages (maximum LTV 90% for first time buyers on house worth up to €220,000, 80% on the balance and for all other buyers; loan to income level max. 3.5 times full time salary).

What about insurance and property value?

Your construction project will require insurance, there

is no way around this. There's a legal obligation attached and a moral one too.

Your lending institution will also ask to see proof that you have adequate cover. But does choosing to 'opt out' of the assigned designer/certifier requirement make you more susceptible to be turned down for an insurance quote, or more prone to be charged a higher rate? It's difficult to get a sense whether this will happen or not.

The opt in vs opt out debate has also raised the question of whether properties would be valued differently; while it's still early days we did get a reply from AIB about this question in September: "We have not experienced any difference to date or any issues highlighted on the valuations." The other banks surveyed did not comment. ■

Source: Details gathered August/September 2016 by SelfBuild & Improve Your Home from the financial institutions.

LTV: loan to value ratio, in other words how much you're borrowing divided by how much the house is worth in today's market

building control

	Costing details drawn up by...	Supervisory conditions	Stage payments issued	Other details
AIB and EBS	Full costings from professional required.	Whomever certifies the costings confirms that all regulations will be adhered to one way or the other and payments are released on foot of a certificate signed by that individual.	No maximum number of stage payments but bank aims to ensure that the minimum stage payment is no less than €20,000 in normal circumstances.	LTV 90% for First Time Buyers and 80% for Non FTB subject to Central Bank Macro Prudential Guidelines. The Bank requires the final valuation prior to issuing the final 10% of the funds (retention).
Bank of Ireland	A report in a format provided by the Bank must be completed by an AC outlining, among other details, builder's fixed price or detailed costings if direct labour.	AC to supervise the project.	A 'Property Report certificate' from the AC is required at each stage. There are usually four stage payments.	Certificate of Compliance completed by the AC and the builder at the end of the project. LTV up to 90% on site and build costs. 10% retention applies pending receipt of final documentation.
Ulster Bank	Fixed price drawn up by builder or detailed costs (five building stages + professional fees + contingency) drawn up by a professional.	Construction of the property must be either registered with Homebond (HB47 Scheme) or supervised by a professional.	'Architects Certificates' on the Bank's standard 'Stage Payment Certificate' is required at each stage (maximum of 5 build stages + 1 stage allowed for retention).	A minimum retention of €10,000 is withheld pending a final satisfactory valuation and Certificate of Compliance with planning and building regulations. Funding for site purchase available.
Permanent TSB	If choose to opt out, same requirements as pre BCAR with detailed costings by a professional or, provided the works are being supervised by an indemnified professional, by a builder.	Inspection and certification by a professional at the Commencement Notice stage and at specified stages of completion. Also required to complete the Certificate of Compliance with building regulations on completion.	Maximum of six stages, money relating to each is released upon receipt of certificate signed by professional.	LTV 100% build costs or 75% value when completed, whichever is lowest. No funding for site purchase alone, must be part of a self-build project. Minimum 10% retention.