

Broker News

3rd June 2022



Self-Build approach, 2+ Bed Apartments, Short Valuation Forms & Top Tips

Self Builds - Approach

In recognition of construction cost inflation as well as issues being experienced with transport/delivery costs, delays in distribution and supply chains, the following approach will apply to self-build applications with immediate effect.

1. Brokers should refer to the SCSi website for guidance on rebuild costs (see chart below) and challenge borrowers where build costs are materially below SCSi guidelines. The Mortgage Store Credit team will also be referring to the SCSi website and will challenge where costs are below SCSi guidelines with a minimum benchmark of c.€1,400 per sq. meter (excluding associated build costs and fees) to apply.

			Rebuild Cost per sq.m						
House type	No. of bedrooms	Typical Size per sq.m	DUBLIN	CORK	GALWAY	WATERFORD	LIMERICK	NORTH WEST	NORTH EAST
Terraced Town House	2	70 sq.m	€2,302 sq.m	€1,940 sq.m	€1,836 sq.m	€1,766 sq.m	€1,831 sq.m	€1,565 sq.m	€1,845 sq.m
Terraced Town House	3	95 sq.m	€2,195 sq.m	€1,811 sq.m	€1,779 sq.m	€1,681 sq.m	€1,762 sq.m	€1,478 sq.m	€1,754 sq.m
Semi Detached	3	95 sq.m	€2,290 sq.m	€1,841 sq.m	€1,811 sq.m	€1,721 sq.m	€1,791 sq.m	€1,491 sq.m	€1,855 sq.m
Semi Detached	4	118 sq.m	€2,252 sq.m	€1,822 sq.m	€1,725 sq.m	€1,638 sq.m	€1,729 sq.m	€1,478 sq.m	€1,721 sq.m
Detached	4	118 sq.m	€2,252 sq.m	€1,891 sq.m	€1,791 sq.m	€1,701 sq.m	€1,816 sq.m	€1,491 sq.m	€1,794 sq.m
Detached Bungalow	4	146 sq.m	€2,160 sq.m	€1,824 sq.m	€1,701 sq.m	€1,593 sq.m	€1,816 sq.m	€1,441 sq.m	€1,729 sq.m

Total rebuilding costs range from €15,300 for a single attached garage to €27,500 for a double attached garage. This table is a guideline based on a typical speculatively built, estate-type house in the Dublin, Cork, Galway, Waterford, Limerick, North West and North East regions. These figure may differ slightly from our online calculator due to rounding. See important notes below.

Note: Our Credit team will assess affordability for +10% contingency and any marginal cases will be discussed with you through your Relationship Manager. To avoid delays in the customer journey, for marginal cases (e.g. tight on build cost relevant to the minimum €1,400 per sq. foot and less than 15% contingencies in place) the initial discussion with the customer should include how over-runs >10% would potentially be funded (and included in the Cover Memo)

2. All new applications for self-builds – the Architects/Engineers letter of supervision to be dated within 1 month. Costings to be reconfirmed by the Supervising Architect/Engineer prior to first drawdown based on works to date and cost to complete.
3. Change in proposals or Offer re-issues on self-builds, where the original Architects/Engineers letter of supervision is over 2 months old, a letter from the architect/engineer is required confirming the costings provided on original cert are still valid – as above subject to costings prior to first drawdown.

Clarification: 2+ Bed Apartment LTV

Following credit policy changes in respect of apartment LTVs introduced in 2020, we can now confirm that LTV of up to 90% is permitted on 2+ bed apartments, aligning with 1 bed apartment maximum LTVs.

There are no minimum property values for 2+ bed apartments and the policy applies for both <3.5 times and >3.5 times income (usual credit criteria and availability of CBOI exceptions apply).

Existing minimum property values and LTI limits still apply to 1 bed apartments.

Maximum LTV Apartments/Duplex	Dublin City and County, Dublin Commuter Counties & Cork/Limerick/Galway Cities	Elsewhere
1 bed	<p>90% for Dublin Postal codes 1 -24 inclusive >3.5x LTI permitted (subject to availability of CBOI exceptions) Minimum property value €200k - otherwise max LTV 80%</p> <p>90% Dublin County and Dublin Commuter counties as well as Cork, Limerick & Galway cities: LTI must be ≤3.5x Minimum property value €150k - otherwise Max LTV 80% for Cork, Limerick and Galway cities, or 70% for Dublin county and Dublin Commuter Counties (Louth, Meath, Kildare, Wicklow)</p>	70%
2+ Bed	90%	85%

Short Valuation Forms – Process Improvement

In our continued efforts to make improvements to the journey for you and your customers, we have enhanced our process for Short Valuation Forms.

Following the roll out of the revised Valuation report form in Q4 2021, we have now aligned the Short Valuation report to an editable document which can also be accepted online and will reduce timelines for the valuer.

The centralised mailbox is mortgagevaluations@boi.com

Please note – all email reports need to be submitted on the new version of the valuation report which we have attached and will shortly be available for download from our Broker Website.

Top Tips

1. Declaration Form – Must be submitted with application docs

In order for an application to progress through the Triage stage of our process, the full Declaration Form i.e. all pages included must be uploaded to Rome at time of application. If digitally signed version is being provided, it must be accompanied by Digital Cert of Completion.

If the Declaration or part of the Declaration is missing, we cannot progress the case past Triage to the next stage.

2. Broker Documents Mailbox – incorrect reference numbers

To allow us to upload documents to relevant applications in a timely manner, please quote the correct Case ID/ Application number in the subject line of emails sent to the Broker Documents mailbox. If not quoted correctly, it can delay the upload of documents.