



**Chambers
Ireland**
Advancing business together



Consultation on the National Housing Plan 2025-2030

Submission by Chambers Ireland

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About Chambers Ireland

Chambers Ireland is an all-island business organisation with a unique geographical reach. Our members are affiliated Chambers of Commerce in cities and towns throughout the country – active in every constituency. Each of our member Chambers is central to their local business community and all seek to promote thriving local economies that can support sustainable cities and communities.

Executive Summary

The urgency of accelerating housing delivery has reached a critical juncture. Capacity constraints in essential infrastructure—particularly water and wastewater treatment and electricity supply—are directly impacting the viability and pace of new developments. These systemic delays are compounded by a congested planning process, where judicial reviews and appeals continue to stall projects. The cumulative effect is a material threat to our economic growth and directly impacts our competitiveness.

Resolving these infrastructure and regulatory barriers must be treated as a top-tier national priority requiring immediate action across all levels of government and industry. Among our proposals, we are calling for greater coordinated action between state and semi-state bodies, planning authorities, and developers. Local authorities will have a role to play and should have greater authority to make the necessary decisions in developing tailored housing solutions that address specific regional needs.

We are calling for Modern Methods of Construction (MMC) to be utilised and substantial investment in upskilling and apprenticeships in the construction sector will be necessary to address the associated skills shortages. Sensible approaches are also required regarding rightsizing, mixed-tenure apartments and purpose-built student accommodation to encourage densification and effective urban planning.

Our perspective

Housing remains one of the biggest issues facing businesses across Ireland and is a substantial constraint on our competitiveness. The urgency of addressing issues with the State's housing cannot be overstated, as delays in policy implementation and development directly impact the economic growth and operational capabilities of businesses nationwide.

While we have consistently raised the delays associated with planning in delivering our infrastructure, much that is within our country's control has not been actioned with sufficient urgency. For example, while the Commission on Housing should have been established without delay in 2020,¹ work did not commence by the Commission until two years later and it took further two years before a report was published. Considering the problems associated with the sector over the past few years, this does not reflect the urgency required to expedite housing delivery.

Businesses are experiencing difficulties regarding talent in terms recruitment and retention, and this is a direct consequence of the lack of available housing in every area across the country. The potential for a company to grow and expand their operations in Ireland is increasingly being impacted by the availability of housing to meet employee needs², from an FDI to an indigenous SME.

In addition, the cost of housing is the single largest expense for workers and this is having a considerable impact on businesses. Many of our members have reported that a lack of affordable housing is causing potential employees to decline job offers and current employees are facing significant difficulties in finding suitable accommodation.

¹ <https://enterprise.gov.ie/en/publications/publication-files/ireland-competitiveness-challenge-2020.pdf>

² https://chambers.ie/wp-content/uploads/2024/07/Chambers-Ireland_2025-Pre-Budget-Submission_Final.pdf page 7.

For many years we have been at a saturation point where housing is an issue in every area of the country. As an example, one concern we highlighted³ in relation to the National Planning Framework (NPF), was the emphasis on densification and compact growth and whether it fails to adequately account for housing demands in more rural areas. Our network of Chambers across the country have all reported shortcomings in the supply of housing and, where businesses may be established in more rural areas, the NPF review does not go far enough in addressing the needs of these businesses and their employees. Ultimately there should be a greater balance in commuter towns of local employment opportunities for local residents, and in cities we need greater investment in developing brownfield sites to create housing for more people who wish to live and work in the city.

With the publication of Housing for All, we advocated for housing targets to be viewed as minimum targets, as opposed to optimum thresholds. Our ambition in this space should be greatly increased, particularly in the short to medium term in order to meet existing unmet demand. Looking to the future and our growth ambitions for the country, scaling up housing delivery and enabling the associated necessary infrastructure - including energy, water and wastewater treatment - should be front and centre over the next five years, as the population continues to grow and companies seek to attract global talent to meet workforce demands.

Scaling up Supply

Scaling up housing supply is crucial to addressing shortages and there needs to be a full Government focus on this issue.

The housing crisis in Ireland is significantly impacting the recruitment and retention of staff across all sectors. The lack of affordable housing is causing potential employees to decline job offers and current employees are facing difficulties in finding suitable accommodation. According to the Central Statistics Office (CSO), residential property prices increased by 8.7% nationally in the 12

³ https://chambers.ie/wp-content/uploads/2024/09/Chambers-Ireland_NPF-Review-2024-Submission_Final.pdf

months to December 2024, while the median price of a dwelling purchased during this period was €355,000.⁴ In addition, the Society of Chartered Surveyors Ireland (SCSI) reported⁵ that over 80% of estate agents consider current residential property prices as expensive or very expensive. Their mid-year 2024 market monitor noted that a couple with a combined income of €107,000 and a 10% deposit could afford to buy a new three-bedroom semi-detached house in only one of the surveyed locations. This affordability gap is particularly challenging for local businesses and multinational companies, as it ultimately drives up wage demands and by extension affects their ability to attract and retain talent.

One of our core recommendations focuses on facilitating greater alignment between the relevant actors. Effective coordination is essential between state and semi-state bodies, planning authorities, and developers to accelerate developments on zoned and serviced lands. This should be facilitated with the objective of streamlining planning processes, reducing bureaucratic delays, and ensuring that all parties are aligned.

The new Strategic Housing Office⁶ in the Department of Housing, Local Government and Heritage has the potential to play a pivotal role in this alignment but delivery on this item as part of an overall package of measures is urgently required. The office should be relentless in its aim to ensure that developments are progressing as planned.

Similarly, the new Infrastructure Division in the Department of Public Expenditure, NDP Delivery and Reform should be utilised to its fullest extent. This division must help address infrastructure-

⁴ https://www.cso.ie/en/releasesandpublications/ep/p-rppi/residentialpropertypriceindexdecember2024/keyfindings/?utm_source=

⁵ https://scsi.ie/residential-property-mid-year-market-monitor-2024/?utm_source=

⁶ <https://www.gov.ie/en/department-of-housing-local-government-and-heritage/press-releases/minister-browne-establishes-new-housing-activation-office/#:~:text=The%20Programme%20for%20Government%202025,investment%20in%20servicing%20zoned%20land>

related challenges that often delay housing projects, such as connections to key services like water and wastewater treatment, and electricity.

Related to this point, the pace at which new housing developments can connect to essential services like water, wastewater, and the electricity grid is becoming a critical factor in the overall speed of housing delivery. This is the case even on land that is already zoned for development. The timely connection to such key services is crucial for the completion and occupancy of new housing developments. Delays in these connections significantly slows down the overall pace of housing delivery.

Providing sufficient resources to state and semi-state agencies responsible for services, such as Uisce Éireann and EirGrid, is therefore essential. These agencies urgently need the capacity to support the rapid development of housing projects by ensuring timely connections to essential services.

Modern Methods of Construction

Last year we highlighted that housing supply needs to increase substantially⁷ on an annual basis to meet demand, and that current targets are insufficient. The updated Housing for All Action Plan should account for this increase. However, scaling up delivery faces challenges like high costs and capacity constraints, including: financing, construction costs, and innovation through Modern Methods of Construction (MMC)⁸.

While we welcome that the Government is considering MMC and efforts have been made to address the associated skills gaps⁹. Commitment to scaling up supply and MMC will necessitate significant upfront capital being made available and viable financial supports for developers are

⁷ [Chambers-Ireland_Housing-for-All-Action-Plan-Submission_Final.pdf](#)

⁸ https://chambers.ie/wp-content/uploads/2024/07/Chambers-Ireland_2025-Pre-Budget-Submission_Final.pdf page 29.

⁹ <https://enterprise.gov.ie/en/news-and-events/department-news/2024/july/290720241.html>

therefore essential. In line with our point throughout our submission regarding urgency, MMC can expedite delivery and reduce resource demands but it will equally necessitate extensive education and training for industry professionals. Accordingly, increased investment in upskilling and apprenticeships in the construction sector will be necessary to address the associated skills shortages.

Mixed-tenure and Apartment Developments

An issue raised by our members focuses on the fact that developers are increasingly facing a viability gap when it comes to the development of apartments. This gap refers to the difference between the cost of building apartments and the market sale price. In many cases, the cost of construction exceeds the potential sale price, making it financially unfeasible for developers to proceed with these projects. As a result, only 20% to 30% of apartment planning permissions are actually built, while the remaining 70% to 80% are never realised. Working capital is an issue too and because developers often face substantial upfront costs for land, materials, and labour, while sales revenue is only realised much later in the process.

This significant shortfall in apartment development is a major concern, especially in urban areas where the demand for housing is high and apartments play a crucial role in addressing housing needs.

In relation to mixed-tenure housing, the Croí Conaithe Cities scheme should be revised. We are of the view that the requirements should be reduced to enable the scheme to work outside of our large urban areas. There should be scope allowed for a number of apartments to be sold on the open market without the requirement for 100% owner occupancy.

Rightsizing

In recent years, funding for local authorities to facilitate private rightsizing has been discontinued. Previously, local authorities received funding to purchase private homes, which were then

converted into social housing, allowing the downsizer to move into a local authority housing project. Currently, local authorities are implementing a new approach where downsizers can sell their homes privately before moving into a local authority downsizing project.

Previously, when homes were converted into social housing, it reduced the availability of housing stock for those not eligible for social housing schemes. By allowing homeowners to sell their properties privately, the housing market remains more accessible to potential buyers, including people who do not qualify for social housing seeking to purchase homes. This ensures that the housing stock remains available to the general market, preventing Approved Housing Bodies (AHBs) from bidding on these properties and potentially driving up prices.

Local authorities can play a crucial role in facilitating rightsizing by developing specific housing projects tailored for older adults. For example, Cork City Council has implemented schemes that provide suitable housing options for older people, allowing them to downsize while freeing up larger homes for families. Providing financial incentives for older adults to downsize can be effective. This could include grants or subsidies to help cover the costs of moving and purchasing a new, smaller home. Additionally, ensuring that older adults can sell their homes privately before moving into a downsizing scheme can help maintain housing stock for workers.

Utilising MMC can also expedite the delivery of suitable housing for older adults. Implementing extensive education and awareness programs about the benefits and best practices of rightsizing can encourage older adults to consider this option. These programmes can provide information on the advantages of moving to a smaller, more manageable home and the positive impact it can have on their quality of life. Offering support services to assist older adults with the transition to a new home can make the process smoother. This could include help with packing, moving, and settling into new accommodation, as well as providing information on local amenities and services.

Age-friendly initiatives, such as those promoted by the World Health Organization's Age-Friendly Cities Initiative¹⁰, can raise awareness and appreciation of the needs of older people. These initiatives can help create communities that are supportive and accommodating to older adults who wish to downsize. Developing housing projects in strategic locations with proximity to care facilities, services, and public transport can make rightsizing more attractive to older adults. Ensuring that the design of these homes meets the needs of older adults, such as accessibility features and lifetime living designs, is also crucial.

Planning Issues

Housing delivery has been significantly hindered by the planning system's slow and inconsistent decision-making processes. We have frequently highlighted that lengthy approval times, legal disputes, inconsistent application of rules, and poor coordination between local and national authorities have led to delays, increased costs, and uncertainty for developers¹¹. This has greatly impacted our ability to build new homes and achieve the goals of the National Development Plan, including delivery on essential infrastructure for transport, health, education, water, and energy.

While we welcomed the Planning and Development Act,¹² we equally acknowledged that much more should be done to facilitate infrastructure delivery. This is even more important considering the estimated population¹³ increase over the coming years which will necessitate even greater delivery. Substantially greater resourcing and support for planning authorities will hence be

¹⁰ <https://www.who.int/teams/social-determinants-of-health/demographic-change-and-healthy-ageing/age-friendly-environments>

¹¹ https://chambers.ie/wp-content/uploads/2024/07/Chambers-Ireland_2025-Pre-Budget-Submission_Final.pdf

¹² <https://chambers.ie/press-releases/planning-bill-marks-vital-step-towards-reform/>

¹³ https://www.cso.ie/en/releasesandpublications/ep/p-plfp/populationandlabourforceprojections2023-2057/?utm_source=

crucial. By enhancing multidisciplinary teams, planning authorities can improve decision-making capabilities and ensure well-informed choices are being made.

In addition, local authority planning departments need more resources to make timely, consistent, and integrated decisions that are transport-orientated. This should be complemented by resourcing the Courts and judicial system and promoting Alternative Dispute Resolution methods¹⁴. Finally, the Environment and Planning Court must be adequately resourced to improve efficiency and ensure swift adjudication of planning decisions.

Large-scale brownfield developments

Large-scale brownfield sites are crucial for the development of the State's housing stock. Brownfield sites provide an opportunity to utilise existing infrastructure. This includes roads, utilities, and public services, which can significantly reduce the time and cost associated with developing new housing.

Redeveloping brownfield sites helps in addressing environmental concerns by cleaning up and repurposing contaminated lands. This contributes to the greening of urban areas and supports the Sustainable Development Goals. Although brownfield sites may have higher initial development costs due to contamination and other issues, they are often more economically viable in the long run. This is because they are typically located in areas with high demand for housing and where services are already in place, ensuring a quicker return on investment.

There is great potential for Brownfield sites in terms of high-density housing projects, which are essential for meeting housing needs in urban areas. These sites can accommodate a large number of housing units including apartments, helping to alleviate housing shortages and support population growth. Brownfield sites are also generally cheaper to acquire compared to greenfield

¹⁴ https://chambers.ie/wp-content/uploads/2024/07/Chambers-Ireland_Housing-for-All-Action-Plan-Submission_Final.pdf

sites and this cost advantage, combined with the existing infrastructure, makes them appropriate for development.

Local Authorities

A balanced regional approach is crucial for housing developments outside major urban centres. By affording greater devolvement to Local Authorities, they can develop tailored housing solutions that address specific regional needs, leading to more effective development. While the restructuring of Local Government under the Putting People First program was significant, today's challenges like housing shortages, climate change, and economic disparities require a more flexible governance structure. Currently, local authorities lack the necessary authority and resources to address these diverse needs effectively. Empowering them with greater authority over resources and services will enhance national service delivery, promote responsive policies and enable greater community involvement.

Above the Shop Living, the Living City Initiative

"Above the Shop" development opportunities have the potential to significantly increase housing stock, reduce vacancy rates, and revitalise urban areas, despite facing regulatory, financial, and infrastructural challenges. However, success of the initiative has stalled. To encourage progress, the role and responsibilities of vacant homes officers should be expanded to include "above the shop" properties. Exploring ways to incentivise above-shop living units, such as grants and adjustments to building regulations for older buildings, is also essential.

The Living City Initiative (LCI) should be expanded until 2035 and it should be expanded to more areas. This will provide long-term stability and encourage urban development projects that align with future goals, benefiting both major cities and our high-growth towns. It will also foster balanced growth and create more sustainable housing and inclusive urban environments across Ireland.

Furthermore, innovative solutions to reuse and repurpose existing building stock, particularly in urban centres, should be incentivised. Expanding access to supports like the Vacant Property Refurbishment Grant¹⁵ can help achieve this. However consideration should also be given to balancing commercial units with residential units in this regard.

Long-Term Funding for Housing Infrastructure

A long-term funding model for housing infrastructure is crucial. Although the €3 billion allocated in Budget 2025 is a positive step, addressing long-term challenges requires a sustained commitment. To that end we propose implementing a transparent, multi-annual investment framework that will help meet targets and improve housing affordability. Project delays risk expiring planning permissions, so extending these permissions is also necessary.

A number of measures can be taken to encourage private investment in the housing market. One effective measure is to reduce the VAT rate on residential construction activity to 5% for a specified period, such as up to 2030. This reduction can lower construction costs and make housing projects more financially viable.

Encouraging collaboration between the public and private sectors can unlock development sites and both the Land Development Agency and the Ireland Strategic Investment Fund can play a crucial role in facilitating these partnerships.

Creating a government agency focused on attracting international capital for housing development - similar to the IDA - can promote investment. This agency can improve public understanding of the benefits of investment and provide feedback to policymakers.

¹⁵ [Over €112m paid out under vacant property refurbishment grant - Agriland.ie](https://www.agriland.ie/en/over-112m-paid-out-under-vacant-property-refurbishment-grant)

Purpose Built Student Accommodation

Universities in our large cities have invested in new accommodation options, but demand still far exceeds supply. Purpose-built student accommodation (PBSA) should be leveraged to ease problems in housing through several strategic measures. By focusing on developing PBSA in regional towns, the competition can be reduced between students and local residents for limited rental stock. This approach not only alleviates housing pressures in these areas but also supports educational growth and stimulates local economies.

Simplifying and accelerating the planning and approval processes for PBSA projects can help expedite their development. Related to our point elsewhere in this submission, this includes faster zoning and land use approvals for education-linked developments to ensure that these projects can proceed without unnecessary delays. Targeted grants or tax incentives for PBSA projects outside major cities can also be introduced to encourage investment.

The availability of PBSA remains critically low compared to the growing number of students in larger cities. By increasing supply, the pressure on private rentals will be reduced by making more housing available for non-student residents. Furthermore, the high cost of living and increased rent¹⁶ both support the argument for more affordable PBSA, which would help reduce the financial strain on students while at the same time ensuring that housing suitable for families remains available to them.

¹⁶ https://www.thejournal.ie/students-accommodation-report-ucd-6459279-Aug2024/?utm_source=