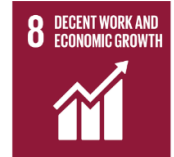




**Chambers
Ireland**
Advancing business together



European Affordable Housing Plan

Submission by Chambers Ireland

October 2025

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About Chambers Ireland

Chambers Ireland is an all-island business organisation with a unique geographical reach. Our members are the Chambers of Commerce in the 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.

Key Priorities:

- **Cut the red tape:** Regulatory complexity across all relevant sectors is slowing down delivery. The EU must simplify legislation like the Energy Performance of Buildings Directive so that businesses can implement them more efficiently.
- **Unlock investment:** The Capital Markets Union, Savings and Investment Union, and the Banking Union all have a critical role to play in mobilising investment into housing and infrastructure across the EU. All must be implemented without delay.
- **Accelerate and streamline permitting procedures:** Lengthy, fragmented planning processes are a major barrier to the supply of housing. Streamlining approvals would help deliver housing faster and attract investment into towns and cities.
- **Localise the energy transition:** The energy transition in the building sector must reflect local realities, including housing stock, infrastructure, climate and income levels, to ensure all companies and consumers have access to affordable and reliable energy. Renovation plans need to be practical and achievable for communities across the country.
- **Ensuring a mix of new technologies:** EU housing policy should support a mix of technologies and materials whether it is timber, concrete or hybrid builds and allow for different energy systems suited to the needs of each Member State.
- **Flexible heating solutions:** Ireland needs a range of decarbonisation options, including district heating, heat pumps and renewable gases. One-size-fits-all will not work, especially in older buildings.
- **Simplify procurement:** Public contracts should be easier for SMEs to access, as overly strict criteria risk pushing up costs and locking out local developers. Similarly non-pricing criteria such as circularity and European preference criteria must be applied cautiously, as they risk increasing costs.
- **Revise State Aid rules:** EU state aid rules are outdated and should allow flexible, targeted and time-limited aid to allow local and national governments to support housing delivery while preserving a level playing field.
- **Support smart, green transport:** Housing plans should include safe, affordable mobility like EV charging in densified residential areas and smart transport links.

Executive Summary

Ireland, like many EU Member States, faces a severe housing shortage that directly impacts our ability to attract and retain talent, exacerbates labour shortages and undermines the competitiveness of our economy.

Chambers Ireland welcomes the European Affordable Housing Plan (EAHP) as a timely opportunity to address these challenges through coordinated EU action, long-term financing, regulatory simplification and support for innovation. While housing is a national competence, there are significant legislative levers that can be pulled at EU level to enable delivery, mobilise both public and private investment, and reduce regulatory barriers to help facilitate the expansion of housing supply across the country.

Why the European Affordable Housing Plan Matters for Ireland

The Irish housing crisis has become one of the most pressing issues facing businesses across the country. In recent years, feedback gathered through many of our consultations¹ has consistently highlighted the shortage of affordable and available housing as a significant barrier to business growth and competitiveness. This challenge is particularly acute in our urban centres where high demand and limited supply have driven up costs and made it increasingly difficult for employers to attract and retain skilled workers. The situation is not unique to Ireland; the Eurochambres Economic Survey², which draws on responses from tens of thousands of businesses across Europe, echoes these concerns and has frequently identified labour shortages, often exacerbated by housing difficulties, as a core challenge for the business community.

It is also essential to recognise the distinction between affordable housing, which requires active participation and investment from the private sector, and social housing, which is typically managed by public authorities or local communities. While both are vital components of a healthy housing ecosystem, increasing the overall availability of housing - across all tenures and price points - must remain a central objective. Only by addressing both the supply of affordable homes and the broader housing market can Member States like Ireland hope to overcome the challenges that threaten its economic competitiveness and the well-being of its communities.

Creating a Reliable, Long-Term Planning and Financing Framework

Despite increased efforts in housing delivery, property prices have continued to rise, with the Irish Residential Property Price Index increasing by 7.5% in the year to March 2025³. The

¹ <https://chambers.ie/wp-content/uploads/2025/05/Chambers-Ireland-Submission-regarding-the-National-Housing-Plan-2025-2030-May-2025.pdf>

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

² <https://www.eurochambres.eu/wp-content/uploads/2024/11/EES2025-Report.pdf>

³ <https://www.cso.ie/en/releasesandpublications/ep/p-rppi/residentialpropertypriceindexmarch2025/>

affordability gap is further highlighted by the fact that only 46 rental properties across 16 study areas were available within Housing Assistance Payment (HAP) limits during a recent survey⁴. Addressing this requires the establishment of a stable and predictable investment environment that encourages both public and private sector involvement. For households - particularly younger people seeking to enter the housing market - improved access to mortgages is essential, while companies need reliable avenues for securing finance to support development and construction.

While housing is a national competence, we strongly support EU-level initiatives that would make long-term, low-interest and potentially guaranteed funding available to local authorities, housing initiatives and private developers. Such measures would provide the certainty needed for stakeholders to plan and invest in housing projects with confidence. It is equally important that policymakers at all levels work to ensure a steady and sustained demand for construction and renovation and move away from the uncertainty of short-term funding cycles.

Mobilising finance for housing

The plan should also consider the necessity of implementing the Capital Markets Union, the Savings and Investment Union, and the Banking Union. Each can play a distinct but complementary role in unlocking the vast pools of capital required to address acute housing and infrastructure deficits as they arise in each Member State. In Ireland, implementing all would provide both the tools and the framework to transform how investment is facilitated.

⁴<https://www.cso.ie/en/csolatestnews/pressreleases/2025pressreleases/presstatementhighlightsfromthehousinghubmay2025/>

Capital Markets Union

Once implemented, the Capital Markets Union will create a single, integrated market for capital across the EU. Ireland, like many Member States, faces major investment needs in housing and infrastructure and this can help take the pressure off public finances.

The CMU is needed to reduce fragmentation in capital markets and improve access to funding for long-term and strategic projects. By supporting cross-border investment it can additionally help direct private savings toward more productive uses such as housing and infrastructure. This is particularly important for Ireland where planning and regulatory delays have long discouraged investment. A more integrated market would allow Irish developers and infrastructure providers to access wider pools of funding, including from institutional investors across Europe.

Savings and Investments Union

The Savings and Investments Union is essential to address the gap between high household savings and low levels of productive investment. The SIU will be essential in freeing up capital because:

1. by developing EU-wide savings products, improving financial literacy, and aligning supervisory practices, it will make investing simpler and more attractive; and
2. by linking savings to strategic investments, it will help finance housing and infrastructure while offering better returns to savers.

There are over €10 trillion in savings held in low-yield bank deposits across the EU (including around €160 billion in Ireland). The SIU will be critical in this context as it will encourage savers to invest in capital markets and unlock funds. This is particularly relevant in Ireland, where the

housing deficit exceeds 250,000 homes and infrastructure investment trails other high-income European countries by around 25%⁵.

Banking Union

The Banking Union will provide a framework that reduces systemic risks and builds confidence in cross-border banking. This is especially important in the context of public-private partnerships that are key to expanding housing supply. A strong and integrated banking system can support these partnerships through long-term lending and credit facilities, alongside capital market instruments. The Banking Union's supervisory and resolution systems would also ensure that banks can lend securely and sustainably, even during economic uncertainty.

For the aforementioned reasons, we are steadfast in our support for all Unions to be implemented during the current mandate. The plan must consider their implementation as being critical to freeing up funding for infrastructure and housing.

Streamlining and Harmonising Regulation

One of the most significant obstacles to increasing housing supply in Ireland is the complexity and fragmentation of existing regulations. The planning and permitting processes are often complex, leading to significant delays and increased costs for developers and businesses. We urge the European Union to provide clear and straightforward regulatory frameworks, while also discouraging the practice of 'gold-plating' EU regulations at the national level during the transposition or implementation of any legislation, that goes beyond what is mandated. Regular regulatory reviews should be conducted in Ireland and across Member States to identify and

⁵ <https://www.fiscalcouncil.ie/infrastructure/>

eliminate burdens that do not contribute to safety or quality but instead constrain the delivery of housing.

Furthermore, where appropriate, the harmonisation of technical standards across borders would be particularly beneficial for Irish SMEs that operate in multiple areas. At the same time, any harmonisation efforts must respect the unique characteristics and needs of national and regional markets and ensure that regulation supports rather than stifles local innovation.

Promoting Innovation and Digitalisation

Innovation and digitalisation can have a transformative effect in addressing the housing crisis, particularly as modern methods of construction increasingly develop. Increased EU funding for research and the adoption of advanced technologies, such as artificial intelligence, 3D printing, and robotics can significantly enhance productivity and efficiency within the construction sector. For example, the success of 3D-printed homes in Dundalk demonstrates the real-world potential of innovative construction technologies to address housing needs while also sparking interest in future-focussed careers within the sector.⁶

The construction industry in Ireland stands to benefit greatly from targeted support through EU programmes like Horizon Europe, as well as from the recognition of housing and construction as strategic priorities within the broader EU budget. Beyond technological advancement, it is also crucial to make the sector more attractive to workers. This includes expanding and promoting apprenticeship pathways to ensure a steady stream of talent which will help ensure long-term capacity.⁷

⁶ <https://www.dundalk.ie/news/members-news/3d-printed-homes-success-spurs-interest-in-3d-construction-careers/>

⁷ <https://housingireland.ie/apprenticeship-crisis-within-the-construction-industry/>

Ensuring Competitive Sustainability and Energy Requirements

There should be greater entrepreneurial freedom and support for innovative forms of construction and housing, rather than detailed top-down specifications for how to achieve our climate targets. Modern methods, materials, and technologies can often deliver better results than overly prescriptive and complex rules.

Sustainability measures should not become more burdensome or complicated than traditional construction processes and failing to take this into account risks stagnation in housing development. Excessively detailed requirements and unclear obligations risk hindering the implementation of sustainable projects, particularly in regions where supportive infrastructure is still lacking. In Ireland, this is increasingly the case given that our infrastructure needs to be delivered expeditiously, taking into account our significant projected population increases⁸ over the coming years. In many cases, sustainability gains arise beyond formal project planning; for example, through smarter use of materials, shorter transport distances, or resource optimisation during implementation.

EU funding programs for sustainable construction and renovation projects can offer valuable support to companies, particularly in the case of energy modernisation. The conversion of existing buildings provides significant CO2 savings potential, while also strengthening circular economy practices. However, this requires simple and reliable framework conditions, as overly stringent or complex requirements can easily create financial risks and delay implementation.

⁸ https://assets.gov.ie/static/documents/fcba0a03/DFIN_Demographics_Paper_-_Online_Version.pdf