



Chartered property,  
land and construction  
surveyors

# PRE-BUDGET SUBMISSION 2025

Foreword	3
Summary of recommendations	4
Economic context	5
Three budget priorities for 2025	7
Sustainable and affordable housing	7
Investing to increase construction capacity and improve sustainability	13
Maintaining and advancing standards: further resourcing of the public sector	16

# FOREWORD

The Society of Chartered Surveyors Ireland (SCSI) is the leading professional body for property, land and construction professionals in Ireland.

Members of the profession are typically employed in the construction, land and property markets through private practice, in central and local Government, in State agencies, in academic institutions, in business organisations and in non-governmental organisations. The SCSI acts in the public interest: setting and maintaining the highest standards of competence and integrity among the surveying profession; and, providing impartial, authoritative advice on key issues regarding the built and natural environment for business, society and across the political spectrum.

Ireland's population now exceeds five million and the year-on-year increase in population levels provide opportunities and challenges for various sectors and the economy, including in the realm of urban planning and housing affordability. This submission outlines the SCSI's pre-Budget recommendations to foster sustainable growth, economic resilience, and community well-being through innovative and sustainable building development, renovation and monitoring practices.

The construction and property industry stands as a cornerstone of Ireland's economy, providing not only the physical infrastructure necessary for daily life but also a significant level of employment across the country. It is important that the custom and practice of collaboration between government and stakeholders continues and increases to ensure key decisions made for the built environment are the right ones and are fully

considered before implementation. With the publication of our Pre-Budget Submission 2025, we look forward to engagement with Government departments on these important topics.

*This submission outlines the SCSI's pre-Budget recommendations to foster sustainable growth, economic resilience, and community well-being through innovative and sustainable building development, renovation and monitoring practices.*



# SUMMARY OF RECOMMENDATIONS

Adequately fund the establishment of an accurate construction cost-reporting regime across all Government departments, agencies and local authorities. The International Construction Management Standards should be adopted, see [www.icms-coalition.org](http://www.icms-coalition.org). Further details of this recommendation are contained within [SCSI's Real Cost of New Housing Delivery Report 2023](#).

The SCSi welcomes the temporary waiver of S.48 development contributions to help address input costs of new housing. As an example, their removal and water connection waivers can result in delivery cost reductions of €17,500 on average within the Greater Dublin Area (GDA). The SCSi calls for a longer-term temporary removal of levies until such time that housing completions consistently exceed targets.

Longer-term budgeting and announcement required regarding the lifetime of the Help to Buy scheme to bring more clarity to the development sector.

Adequate budget required for the potential establishment of a special department that solely oversees and manages the Residential Tenancies Board dispute and adjudication process to ensure determination in three months.

Investment should be provided to increase auditing of the rental market to ensure overall rented compliance and address short-term lets without the necessary permissions.

Provision for appropriate funds to introduce a feasibility grant (beyond the fund available for vernacular structures and traditional buildings) to ensure best allocation of funding and approach for the full renovation of units and payments to be made available earlier in tranche payments. See [SCSI's Real Cost of Renovation Report](#) for further details.

Dedicated funding is required to make improvements to the property sales and conveyance process, which can be achieved with the roll-out of e-conveyancing.

Further financial resources should be made available to attract and retain appropriate skilled staff to local/building control authorities to enable 100% inspection of high-risk properties and to deliver social housing projects and support higher levels of building completions/inspections.

Increased funding to be allocated for research and innovation to include retrofit training to successfully cultivate a workforce that is capable of successfully overseeing and executing retrofitting projects.

Review of construction/project works tendering competitions to ensure there is increased access to appropriate construction professionals, thereby increasing competition and value for money prospects for the State. Removal of restrictions that currently exist for the procurement of construction professionals relating to school extensions overseen by the Department of Education.

Further consideration should be given to the development of an overall budgeting account and dedicated department to tackle biodiversity loss and climate change.

The State must undertake a comprehensive review of current and future taxation and levy policies, regulations and incentives to assess their impact on biodiversity. The State should significantly increase commitments and long-term funding with specific and targeted tax incentives and tax breaks to incentivise and support the regenerative economy, green technology and biodiversity activities.

€110 million was set aside in Budget 2024 for transitioning to circular economy initiatives, such as the Deposit Return Scheme. An added allocation of funding is required to further support the construction sector progress to better reuse of building materials.

Counter-cyclical investment – the SCSi welcomes the Government announcement for the establishment of the Infrastructure, Climate and Nature Fund (in Budget 2024). The SCSi recommends that this fund is made available for the purpose of delivering additional affordable housing to the market, especially during times where new housing output is challenged because of weaker economic performance. This ensures availability of investment for affordable housing during a downturn in the economy.

# ECONOMIC CONTEXT

## Global economic performance

Ireland's economy remained strong in recent years, considering substantial interest rate hikes, high inflation, geopolitical tensions such as the conflicts in Gaza and Ukraine, and Covid challenges still impacting some sectors such as increasing office vacancy rates. The world economy has improved somewhat for advanced economies and the outlook remains positive in terms of continued gross domestic product (GDP) growth. There are already signs of interest rates falling to more normal levels, with less-advanced economies signalled to be the last to see a return to more modest levels of inflation. Ireland's economy continues to demonstrate resilience and growth, reflecting the country's robust economic fundamentals and strategic positioning within the global market. The country's economy is heavily influenced by its thriving tech sector, financial services, and pharmaceutical industries, which contribute significantly to its economic output.

## Domestic economic performance

The property market in Ireland has performed well in 2024, marked by a complex interplay of factors. Demand for both residential and commercial properties remains high, driven by a growing population, increased urbanisation, and continued foreign direct investment (FDI). However, the market also faces challenges, notably affordability issues. Residential property prices have experienced

upward pressure, particularly in urban areas such as Dublin, Cork, and Galway, where demand outstrips supply.

Despite these challenges, the property market's outlook remains positive, supported by Government initiatives aimed at increasing housing supply and enhancing infrastructure. As Ireland navigates through 2024, the interplay between economic growth and property market dynamics will be crucial in shaping the country's overall economic landscape.

The European Commission's latest macroeconomics forecast for Ireland expects the economy to grow by 1.2% in 2024 and 3.6% in 2025 (Table 1). Some of the main reasons given for the GDP growth is a strong labour force and demand, strong domestic demand and falling inflation.

**Table 1: European Commission economic forecast for Ireland, May 2024.**

Indicators	2023	2024	2025
GDP growth (% , YOY)	-3.2	1.2	3.6
Inflation (% , YOY)	5.2	1.9	1.8
Unemployment (%)	4.3	4.4	4.4
General government balance (% of GDP)	1.7	1.3	1.2
Gross public debt (% of GDP)	43.7	42.5	41.3
Current account balance (% of GDP)	9.9	9.1	9.5

Source: European Commission.





One concern raised by the European Commission is that there is a forecast decline in Government surpluses. The Government registered a budget surplus of 1.7% of GDP in 2023 and this is forecast to decline to 1.3% in 2024. This is expected to level-off beyond 2025 to around 1.2%. Ireland's inflation rate now stands at 1.6%, down from a peak of almost 10% year-on-year (YOY) in the middle of 2022. The European Central Bank, in its May release highlighted that: "The dynamics of underlying inflation and the strength of monetary policy transmission were to further increase our confidence that inflation is converging to our target in a sustained manner, it would be appropriate to reduce the current level of monetary policy restriction. Among other considerations, the subsequent pace of rate cuts will be slower if there are upward surprises to underlying inflation (especially in relation to the underlying dynamics of domestic inflation and services inflation) and the level of demand (in view of the implications of demand conditions for the medium-term inflation outlook) and will be faster if there are downward surprises to underlying inflation and the level of demand". Ireland's strategic position as a gateway to the European market, coupled with its highly skilled workforce and attractive corporate tax regime, have solidified its reputation as a key player on the global economic stage. It is important that this position is maintained to ensure continued economic growth, especially over the medium term, as Ireland progresses with the development of key road, rail and building infrastructure for the benefit of future generations.

*Ireland's economy remained strong in recent years, considering substantial interest rate hikes, high inflation, geopolitical tensions such as the conflicts in Gaza and Ukraine, and Covid challenges still impacting some sectors such as increasing office vacancy rates.*

# THREE BUDGET PRIORITIES FOR 2025

## SUSTAINABLE AND AFFORDABLE HOUSING

### Trends in residential prices

Housing affordability remains a key challenge with residential prices and rents continuing to rise at levels beyond the average income in many locations. This is a significant concern for those seeking accommodation

and for businesses that are challenged with enticing recruitment in areas where housing costs are prohibitively expensive. The national property price index increased 80% since 2011 (Figure 1), with 7.9% of an increase recorded in the year to April 2024. Dublin prices increased

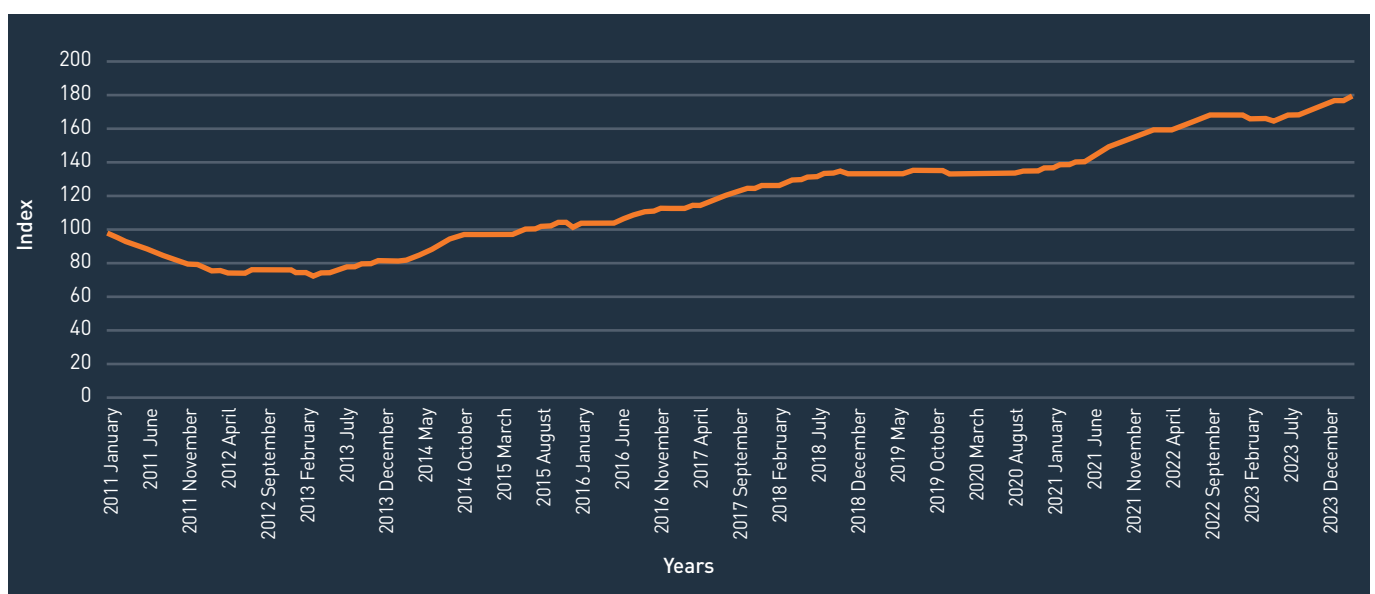


FIGURE 1: National Residential Property Price Index (all housing).

Source: Central Statistics Office.

by 8.3% over the same period. In the context of the European Union, house prices showed a slight climb of 0.2% for the year.<sup>1</sup>

The lack of new housing to address the levels of demand is a feature within the market for the past decade. Many governments have been unable to introduce sufficient policy interventions to ensure that the imbalance of housing supply and demand is addressed. The residential development sector was slow to gear up and produce a satisfactory level of new housing following the financial crash of 2008, and this remains a frustration 16 years on. Ireland's population continues to increase with higher-than-expected levels of immigration adding further strains on the housing market. The Department of Housing, Local Government and Heritage has a budget of €6.9bn in 2024, an increase of €1.3bn in two years. The State is now the most active investment participant in the market by far, and it is therefore imperative to create an investment-friendly environment to attract sufficient private investment in housing delivery to ensure a sustainable level of investment into housing for future years. The recent ESRI report<sup>2</sup> on housing targets highlights that somewhere between 35,000 to 53,000 new housing units are required per year based on 12 different projected population growth rates, but that does not include pent-up demand. There is general agreement in the industry that the current target of 30,000 new units per year is insufficient and that the required level is closer to 50,000. This highlights the need for enticing private investment into housing and also in the area of social housing, which will be imperative to ensure housing is available for a range of tenures and income levels for a growing economy.

### Funding housing from the private sector

The private sector plays a crucial role in generating capital. In Ireland, private households have approximately €137bn in bank deposits. Feedback from the SCSi members, which include estate agents and letting agents, indicates a consistent trend of landlords exiting the private rental market, driven by various factors. Nonetheless, the enticement of new smaller investors in this sector requires attention. The Government should consider introducing incentive schemes that would allow private citizens to invest in the rental market through a State-backed investment vehicle. To effectively implement such incentives, it would be necessary to thoroughly revise the Residential Tenancies Act, addressing the current market's shortcomings. SCSi research points out that complex rental regulations and low net returns versus the risks

involved in smaller-scale residential investment have accelerated the departure of many landlords from the market. Additionally, the Residential Tenancies Board's (RTB) current adjudication process needs to be heavily improved upon, as it is lengthy and inefficient. The responsive nature of the RTB is unsatisfactory, and dispute resolution needs increased prioritisation.

### Driving more affordability in housing

While measures like the Affordable Housing Fund, Cost Rental Equity Loan (CREL), Help to Buy, Secure Tenancy Affordable Rental Scheme (STAR), First Home Scheme, and Local Authority Home Loan Scheme are positive initiatives, there are gaps in addressing the ongoing challenges of affordability for both renters and prospective homebuyers. A detailed evaluation is needed to determine if these measures are sufficient or if additional initiatives or adjustments are required to ensure affordability in the housing market.

SCSi recommendations aim to bridge the ongoing affordability gap, tackle delays in the planning process, and reduce construction costs to enhance project viability. The SCSi consistently emphasises that there is no single solution to address the need for increased housing supply at a viable delivery price, while ensuring affordability for purchasers. To tackle the challenges of viability and affordability, a range of measures must be implemented to assist purchasers in entering the property market. The challenges encumbering the viability and affordability of the residential housing sector are discussed more in depth in the SCSi's [Real Cost of New Housing Delivery Report 2023](#). The following sections outline several considerations and recommendations put forth by the SCSi for consideration ahead of Budget 2025 to ensure that there are adequate supports and funding in place to effect change in these areas.

Affordability of housing remains a key issue, particularly for first-time buyers seeking to purchase a starter home. This is well-documented and tracked in the latest SCSi Real Cost of New Housing Report 2023, which follows on from our 2020 analysis, and saw an average increase in the cost of new housing delivery within the GDA of 24% (€90k) compared to mid 2020. This includes an increase in 'hard costs' (bricks and mortar) of 27% and an increase in 'soft costs' (land, levies, finance, VAT and margins) of 21% since the previous report in 2020. The latest report identified that a couple/buyer would need to earn €104,000 per annum to afford to purchase a three-bedroom new home in the GDA, without taking into account Government supports such as the First Home Scheme.

1. Eurostat housing price statistics.

2. ESRI report 'Population projections, the flow of new households and structural housing demand'.



# THREE BUDGET PRIORITIES FOR 2025

To highlight the affordability status, the report sets out some scenarios as follows.

### Scenario 1

A first-time buyer couple with a combined gross salary of €100,000 looking to buy a three-bedroom semi-detached home in Dublin for the average price of €534,643. Firstly, the Help to Buy Scheme is not applicable to this house sale as the purchase price is above the ceiling price. This couple will need to come up with the full €53,464 deposit without Help to Buy support. If this couple could only borrow the mean 3.3 times gross income (mean loan-to-income (LTI) borrowing), then they would need additional funds to buy the property. As the purchase price of the property is also above the First Home Scheme price ceiling of €475,000, the applicants are ineligible. This leaves a funding gap of €151,179.

### Scenario 2

A first-time buyer couple with a combined gross salary of €100,000 looking to buy a three-bedroom semi-detached home in Co. Cork for a price of €375,000. If this couple successfully applies for the full €30,000 tax back via Help to Buy, this could be utilised for their deposit. If this couple could only borrow the mean 3.3 times their gross income (mean LTI borrowing), then they would need additional funds to buy the property. The funding gap is €7,500. As this is below the First Home Scheme minimum facility (€10,000), the scheme will not fund the financial gap.

### Scenario 3

A first-time buyer couple with a combined gross salary of €100,000 looking to buy a three-bedroom semi-detached home in Galway City for

a price of €420,000. This couple successfully applies for the full €30,000 tax back via Help to Buy. This could be utilised for their deposit. If this couple could only borrow the mean 3.3 times gross income (mean LTI borrowing), then they would need additional funds to buy the property. The funding gap is €48,000 and the First Home Scheme could provide this funding gap to conclude the purchase.

### Residential tenancies legislation reform

The rental sector continues to experience significant demand across many areas of the country. Anecdotally, SCSi agents report that the supply of available units to rent is at one of the lowest levels ever experienced. The SCSi tracks agent sentiment regarding the availability of property for rent and the activity in the marketplace in relation to investment properties. When asked about their view on the number of buy-to-let properties being placed on the market for sale, **Figure 2** highlights a further increase in this trend into 2023..

SCSi members have noted several reasons why landlord retention for lettings has been so low over the last few years. When asked about landlords' views regarding re-investing in the buy-to-let sector, 78% of SCSi agents are of the view that second-hand rental stock will not be replaced in the next two years. This is likely a direct result of the ongoing exodus of landlords across all regions.

According to SCSi members, these are the top three primary reasons for occupied residential investment units coming back onto the market for sale (ranked, weighted average):

1. Rent restrictions too complex and restrictive.
2. Landlords finding compliance with housing standards too onerous.
3. Net rental returns too low.

The primary objective of the Housing for All plan, published by Government, is to increase the supply of new housing. However, the

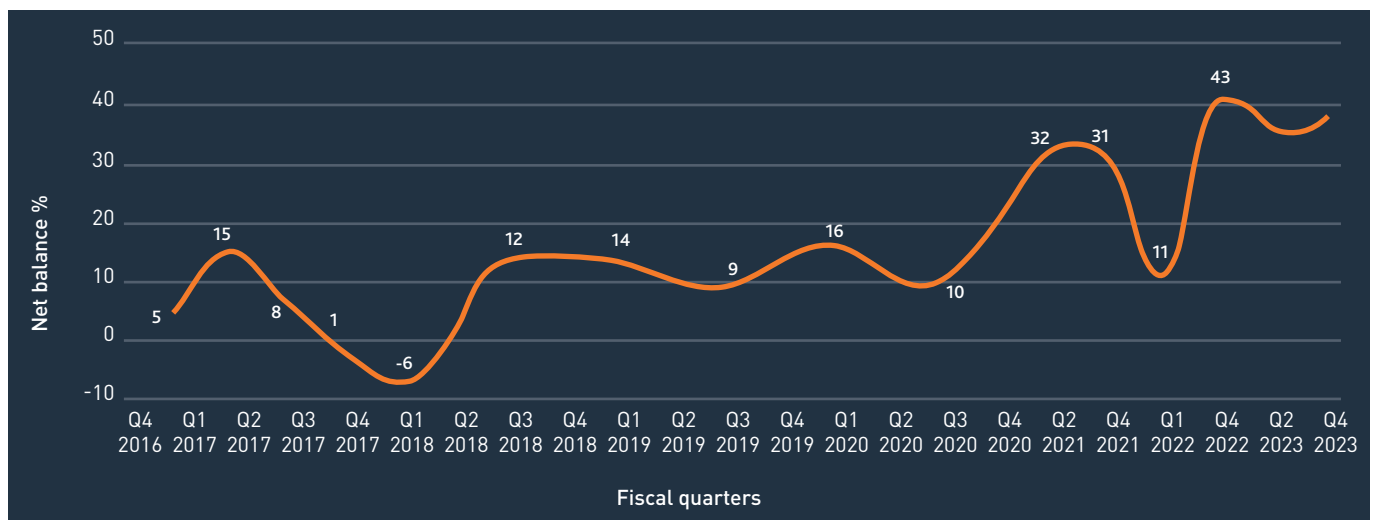


FIGURE 2: SCSi sentiment index – buy-to-let properties coming on the market for sale. Net balance = proportion of respondents reporting a rise in a variable (e.g., occupier demand) minus those reporting a fall – if 30% reported a rise and 5% reported a fall, the net balance will be 25%. Net balance data can range from -100 to +100.

Source: SCSi research.

# THREE BUDGET PRIORITIES FOR 2025

evolution of complex rental regulations is hampering new supply and delaying investment decisions to supply more rental accommodation for tenants. When rent certainty measures were introduced, which limited rent increases for a period to 4% to all tenancies in rent pressure zones with immediate effect, these disproportionately impacted landlords that may have agreed to rent property to tenants at a below-market rent value. This has created the following challenges:

1. Below-market rents associated with a tenancy can impact the capital value of that property. For a new investor to purchase such a property, they are required by law to maintain below-market rents subject to rent certainty measures. There are no rebalancing opportunities permitted with the rental regulations.
2. As property prices continue to rise, landlords are utilising the opportunity to sell their investment as rental regulations are complex and for those landlords locked into below-market rents, it is becoming a more attractive proposition to sell their investment.

### Challenges within the rental market

Prior to July 2021, rent pressure zones were designated areas – located typically where rents were highest and access to affordable accommodation was deemed difficult for households – where rents could not be increased by more than 4% annually. Following the amended Residential Tenancies Act 2021, this approach to rent pressure zones has been replaced by linking rents to the Consumer Price Index.

When introduced in 2018, rent pressure zones and rent certainty measures were introduced as a short-term intervention to address

the challenges faced within the private rented sector. Rental prices have steadily increased since 2013. Rental increases can be largely attributed to increased demand and inadequate supply for rental properties. The latest RTB figures in 2023 show that national annual growth of rental prices was up 9% for new tenancies and 6% for existing tenancies.<sup>3</sup>

There are several imminent challenges that are negatively impacting Ireland’s private rental market such as rental inflation, the exodus of landlords from the market, and non-compliance among landlords and tenants.

Increased regulation and high taxation have hastened the exit of many landlords according to SCSi research. As property prices continue to rise, landlords are utilising the opportunity to sell their investment as rental regulations are complex and for those landlords locked into below market rents, it is becoming a more attractive proposition to sell their investment.

### Investment for the Residential Tenancies Board

The RTB’s current adjudication process needs to be heavily improved upon, as it’s lengthy and inefficient. The responsive nature of the RTB is unsatisfactory, and dispute resolution needs increased prioritisation. There is a growing concern with regard to over-holding of residential units after the expiry of a tenancy, and this is proving to be a significant challenge and financial cost to owners which needs addressing. The RTB should consider creating a separate disputes section that deals with rent arrears cases and overholding, and its sole role would be to expedite these types of serious cases and

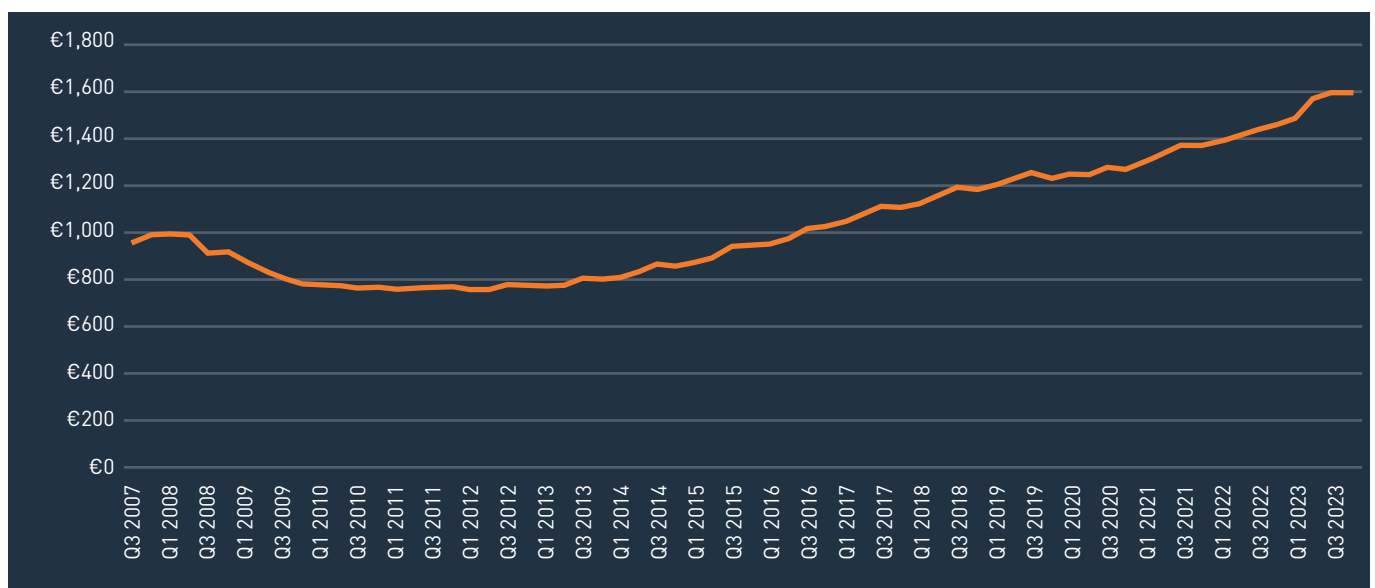


FIGURE 3: National standardised average rent (€) in new tenancies Q3 2007-Q3 2023.

Source: Residential Tenancies Board Rent Index.

3. Residential Tenancies Board Q4 2023.

# THREE BUDGET PRIORITIES FOR 2025

process them in timely manner, so the hearing can take place and the final determination order be issued to all parties within two to three months.

There are reasons why landlords can end a tenancy (plus six months), which include the property no longer suiting the tenant’s needs, the property being needed by the landlord for their personal/family use, the landlord wants to offer the property for sale, or there are plans for a significant refurbishment of the property. In the main, the exodus of landlords from the market is creating uncertainty for tenants and the solution to provide more certainty in this regard is to entice landlords to stay/invest in housing. However, given the strength of current protections and the cost and practical challenges of executing legal evictions, landlords are acting earlier against non-compliant tenants to protect their investment. The RTB has helped this situation with their mediation services; however, fear and uncertainty on both sides tends to leave the landlord/tenant relationship as adversarial in nature rather than willing partners.

Government needs to prioritise the implementation of an effective long-term strategy for the housing market that fosters a more sustainable rental sector overall.

*The RTB’s current adjudication process needs to be heavily improved upon, as it’s lengthy and inefficient. The responsive nature of the RTB is unsatisfactory, and dispute resolution needs increased prioritisation.*

## Budget recommendations

Policy area	Recommendation	Impact
Accurate cost comparison	Adequately fund for the establishment of an accurate cost reporting regime across all Government departments, agencies and local authorities. Further details of this recommendation are contained within <a href="#">SCSI’s Real Cost of New Housing Delivery Report 2023</a> .	Provides clarity within public debate regarding the delivery costs for private and public sector housing. An accurate comparison between public and private housing will ensure that any measures to improve overall delivery costs and affordability of housing are part of a healthy and fully informed housing debate.
E-conveyancing	Dedicated funding is required to make improvements to the property sales and conveyance process, which can be achieved with the roll-out of e-conveyancing. The SCSi awaits the publication of the Government’s report on conveyancing and probate. The SCSi supports efforts by Government and relevant stakeholders to digitise the conveyance process by making various documents available in a digital format and more easily accessible to speed up the process/alleviate delays. Further details of this recommendation are contained within the <a href="#">SCSI’s submission to the Joint Oireachtas Committee on Justice</a> .	Improved level of property sales and could reduce costs and delays for multiple parties involved in sales, i.e., buyer/seller/professional team.

# THREE BUDGET PRIORITIES FOR 2025

## Budget recommendations

Policy area	Recommendation	Impact
Development levies	The SCSI welcomes the temporary waiver of S.48 development contributions to help address input costs of new housing. As an example, their removal and water connection waivers can result in delivery cost reductions of €17,500 on average within the GDA. The SCSI calls for a longer-term temporary removal of levies until such time that housing completions consistently exceed targets.	Clarity to the development sector on input costs.
Counter-cyclical investment	The SCSI welcomes the Government announcement for the establishment of the Infrastructure, Climate and Nature Fund (in Budget 2024). The SCSI recommends that this fund is made available for the purpose of delivering additional affordable housing to the market, especially during times where new housing output is challenged because of weaker economic performance.	Ensures availability of investment for affordable housing during a downturn in the economy.
Help to Buy	Longer-term budgeting and announcement required regarding the lifetime of the scheme to bring more clarity to the development sector.	Reduce stop/start impact of the scheme.
RTB adjudication process	Adequate budget required for the potential establishment of a special department that solely oversees and manages the dispute and adjudication process.	A department that specialises in this area can develop streamlined procedures, implement effective case management systems, and allocate resources specifically for handling disputes, which would lead to faster resolution of disputes and reduce the backlog of cases.
Rental market monitoring	Investment should be provided to increase auditing of the rental market to ensure overall rented compliance and address short-term lets without the necessary permissions. Aimed to increase the number of units for rent on the market.	Increased auditing of the rental market ensures greater compliance with regulations and enhances accountability among landlords and tenants. Conducting thorough audits will allow the RTB to identify any non-compliance issues, such as unlawful rental practices or failure to meet safety standards and take appropriate actions to rectify them, which promotes a fair and transparent rental market for all parties involved.

## THREE BUDGET PRIORITIES FOR 2025

## Budget recommendations

Policy area	Recommendation	Impact
Renovating vacant units for residential use	Provision for appropriate funds to introduce a feasibility grant (beyond the fund available for vernacular structures and traditional buildings) to ensure best allocation of funding and approach for the full renovation of units and payments to be made available earlier in tranche payments. See <a href="#">SCSI's Real Cost of Renovation Report</a> for further details.	Protect State money and more targeted allocation of funding to assist renovators.

## INVESTING TO INCREASE CONSTRUCTION CAPACITY AND IMPROVE SUSTAINABILITY

### Residential retrofits

Almost 12,000 homes had property upgrades in the year-to-date Q1 2024,<sup>4</sup> which is well below the 52,200 annual target set. Although there is an annual increase of 8%, significant challenges exist to meet targets. The median capital cost to upgrade a home from a median BER rating of E to A is €63,249. The median grant cost to the homeowner is €40,000.

There are many funding mechanisms available to homeowners, along with Sustainable Energy Authority of Ireland (SEAI) grants to retrofit homes. Many funding supports provide end-to-end project management and money-saving advice for all levels of home retrofitting, along with a low-cost loan rate.

Similarly, some energy providers also provide supports to homeowners to upgrade homes in tandem with SEAI grants. In Italy, their *Ecobonus 110* is a tax reduction for domestic renovation works. The measure was introduced as part of a Covid economic stimulus package and applies to the whole building sector. This 110% ecobonus or 110% renovation bonus is a tax deduction of 110% of the expenses incurred for energy efficiency in Italy. The scheme was aimed at running for an 18-month period. For work to qualify for the ecobonus, the building must be improved by at least two energy classes. Italy also has a smaller ecobonus of 50-65% for works such as the replacement of frames, shutters, awnings, air conditioning or windows.

The Government should consider tax incentives to a category of homeowners unable to service loans for retrofitting where

contributions to repay all or part of the tax incentive could be considered where utility savings are being realised by the homeowner.

### 'Deep' or 'shallow' retrofit – innovation for our sector

In some instances, a shallow retrofit may be sufficient for a household. This would eliminate the need to move out of a property while works are being undertaken.

A deep retrofit is a process which involves the complete energy overhaul of a home through a range of high-impact measures, which lead to a high-performing home and significant energy savings over time. There are technical challenges in getting deep retrofits right, and many documented large-scale failures on already completed projects. For many properties, similar reductions in greenhouse gas emissions and improvements in occupier satisfaction can be achieved in a shorter period of time with shallow retrofit, combined with the installation of renewables. A shallow retrofit usually involves an energy upgrade by undertaking a number of energy-saving measures in the home, e.g., heating system upgrades and cavity wall insulation.

Many property values may not be high enough for a deep retrofit to make economic sense, and therefore other options are required to improve thermal performance using a 'shallow' retrofit.

The Energiesprung "energy jump" model, which originated in the Netherlands, is among the most-successful European near-zero energy building (NZEB) projects. As an exterior insulation system,

4. SEAI National Retrofit Plan Quarterly Report.



retrofitting does not require the resident to move out and is generally completed within one week. The process uses prefabrication as much as possible. Prefabricated panels are installed over existing external walls and roofs. 3D-scanning techniques are employed for each property, measuring all relevant dimensions. These scans are then fed into a building information modelling (BIM) system that generates drawings for factory manufacture. This framework of custom factory production and short on-site periods would prove appealing to homeowners, who would not be able to move out of their homes, even temporarily. This approach would be highly desirable; it would require technological innovation in Ireland to make it achievable.

Finally, it is worth noting that houses and apartment blocks will present different challenges when undertaking retrofitting and these need to be accounted for during initial planning stages. Apartments can cause difficulties. It may be prudent to initially focus on individual housing units (single and two-storey properties, whether terraced, semi-detached or detached). New policies such as these should be further explored, and sufficient budget allocated for research and innovation and training of new skilled staff in the rollout of such new measures.

### Pipeline of surveying professionals

The ongoing housing crisis and the requirement to achieve net zero carbon emissions by 2050 remain urgent priority areas that must be addressed. To achieve the ambitions set out in the National Development Plan (NDP) 2021-2030, it is imperative to have a sufficiently skilled labour force across the built environment.

The SCSi carried out its own research to identify what level of surveying professionals are needed to meet future business and construction demands. A key objective of SCSi research was to project future demand for surveying professionals and to ascertain whether the future supply of qualified surveyors will adequately meet demand over the period 2023-2026. Estimates of future employment demand across every level of experience were provided based on three possible scenarios of economic growth as measured by GDP, namely 4% per annum (p.a.), 3% p.a., and 2% p.a.

Based on the median scenario of GDP growth of 3% p.a. between 2023 and 2026, it is projected that a shortage of surveying professionals will occur. Estimates provided in the research are conservative, as they do not consider additional opportunities arising through retirements or promotion, nor do they account for surveyors engaged in sectors outside of the built environment. A key objective of the research is to project future demand for surveying professionals and to ascertain whether the future supply of qualified surveyors will adequately meet demand over the period 2023-2026. For the first time within the surveying profession, this research

provides an investigation of the workplace strategy of property, land and construction professionals. Insight was gathered across two surveys to garner perspectives at organisational and individual levels. Workplace preferences, challenges and enablers are determined, with a hybrid model in the place and time of work prevailing.

### Equal tendering opportunities for surveyors

The SCSi is playing its part to ensure that there is an attractive proposition for second-level students to consider a career in property and construction. The SCSi believes more can be done from the public sector to ensure that there is a level playing field for all professionals and that this will help entice new entrants into the surveying profession. For example, the SCSi requested that the Department of Education bring the school small works procurement criteria in line with the Building Control Amendment Regulations (BCAR) 2014, and that all restrictions on those professionals that provide the roles of design certifier and assigned certifier under BC(A)R 2014 are removed. The current guidance is misaligned with the Building Control Regulations and can restrict boards of management in the selection of the most economically advantageous and competent professionals in their area. The current criteria arbitrarily restrict building surveyors and building conservation accredited surveyors within the public sector, which is unhelpful. From a budgetary perspective, this can reduce competition in the marketplace and reduce value for money on the delivery of public projects.

The Government has clear infrastructural requirements as per the Project Ireland 2040 plan, and therefore local authorities and the Department of Education in particular should be guided to amend tendering restrictions and open opportunities to suitably qualified building and conservation surveyors to tender for public works as part of their infrastructural requirements, including the construction and expansion of schools.

### Biodiversity

The global footprint currently is about approximately one and a half times the Earth's total capacity to provide renewable and non-renewable resources to humanity. According to the United Nations Sustainable Development Goal 12 (Responsible Consumption & Production): "If the global population reaches 9.8 billion by 2050, the equivalent of almost three planets will be required to provide the natural resources needed to sustain current lifestyles".

The SCSi shares the concerns raised in this report and is again joining the call to Government to do more to reverse the human impact on our natural environment. While the Government has

## THREE BUDGET PRIORITIES FOR 2025

primary responsibility for implementing these recommendations, the responsibility does not end with Government. In the SCSi's emergency declaration, we invited our members to be signatories and join the cause. The emergency declaration calls on members to raise awareness of the climate and biodiversity emergencies, and the urgent need for mitigation and adaptation action among us, our

colleagues, employees, clients, peers, collaborators, and supply chains. Further information on the SCSi Surveyors Declare initiative can be found at: [scsi.ie/surveyors-declare/](https://scsi.ie/surveyors-declare/).

The SCSi is calling on the Government to implement and finance the recommendations of the Citizens Assembly report, as called out in our recommendations.

## Budget recommendations

Policy area	Recommendation	Impact
Retrofit training	Increased funding to be allocated for research and innovation to include retrofit training to successfully cultivate a workforce that is capable of successfully overseeing and executing retrofitting projects.	Helps develop a skilled workforce specialised in retrofitting techniques and energy-efficient technologies, which ensures that there are enough trained professionals available to meet the growing demand for retrofit projects in Ireland.
Equal competition for public works	Review of construction/project works tendering competitions to ensure removal of all unfair restrictions on building professionals. Restrictions exist for the procurement of construction professionals relating to school extensions overseen by the Department of Education.	Improve value for money opportunities for contracting authorities by broadening the reach of suitable construction professionals permitted to tender for construction projects.
Biodiversity	The State must undertake a comprehensive review of current and future taxation and levy policies, regulations and incentives to assess their impact on biodiversity if possible. The State should significantly increase commitments and long-term funding with specific and targeted tax incentives and tax breaks to incentivise and support the regenerative economy, green technology, and biodiversity activities. The State must introduce tax incentives and grants for capital investment in retrofitting existing buildings with biodiverse initiatives (roof gardens, vertical gardens, etc.).	An integrated plan to reverse the impact on biodiversity in rural and urban areas.
Sustainable planning	Further consideration should be given to the development of an overall budgeting account and dedicated department to tackle biodiversity loss and climate change.	Integrating biodiversity and climate change considerations into planning ensures that new housing developments are designed and implemented with a focus on environmental protection, which includes preserving and enhancing biodiversity, reducing greenhouse gas emissions, and promoting sustainable land and resource management practices.

# MAINTAINING AND ADVANCING STANDARDS: FURTHER RESOURCING OF THE PUBLIC SECTOR

## Building control

The public sector plays an important role with building inspections, especially of new and renovated properties to ensure compliance with building regulations. In a world of evolving technology and practices, the role of building control authorities is becoming more and more important. Local authorities are required to only inspect between 12% and 15% of new buildings notified to them. This low target set by Government is the definitive factor in the low level of inspections. According to the National Oversight and Audit Commission's 'Local Authority Performance Indicator Report', two local authorities – Mayo and Sligo – did not meet this low bar in 2022, with many others just reaching the minimum target.

A total of 80% of new buildings are now being inspected in Dublin, while the figures in Mayo and Sligo are 7% and 11%, respectively. Many of the issues encountered during inspections are localised and that is why it is so important to have a uniform system of inspections with consistent enforcement across the country.

With the greater utilisation of modern methods of construction (MMC), including prefabrication, to both increase efficiency in the construction process and assist in achieving climate action goals, more inspections may be necessary to ensure the sector is constructing and installing paneling and pods to an acceptable standard. Adequate supports are vital to ensure that MMC are nurtured to provide much-needed supply of homes for Ireland, which may in turn provide Ireland with an export market once established.

For context, the Government's estimate for dealing with the financial costs of the mica, pyrite and apartment defects issues is about €5bn, made up of €250m for pyrite, €2.2bn for mica and €2.5bn for apartment defects. In 2023, local authorities spent a fraction of this sum, around €20m in total, on enforcing building control regulations.

MMC must be carried out strictly in accordance with the manufacturer's instructions. Our members have identified some serious quality control issues with regard to some MMC products, including timber not being protected from the weather when it arrives on site and mould growing on bathroom pods. Therefore, adequate funding and adequate enforcement is required to mitigate against future building defect risks. It is our recommendation that 100% of high-risk buildings should be inspected by local authority building control inspectors during construction. A high-risk building is where multiple people congregate

or sleep. The building control function is loss making for local authorities and should be Exchequer funded to ensure buildings are safe and offset the risk of future issues that the State may have to fund, such as the current legacy defects issues.

## Social housing

The SCSi continues to emphasise the urgent need to increase the delivery of social housing across the State, which is below annual targets.

There are fundamental issues in public housing delivery that have led to significant procurement delays, resulting in additional design and other associated costs. The SCSi has previously highlighted such concerns regarding Ireland's public procurement processes, citing their onerous nature, exclusionary qualifying criteria, poorly defined project briefs, unrealistic budgets, limited client understanding of construction complexity, inadequate collaboration with supply chain members, and suboptimal risk transfer mechanisms. As a result, fewer contractors participate in the tendering process, reducing market competition and potentially compromising value for taxpayers. The latest results within the SCSi/PwC Construction Market Monitor highlight that 55% of surveyor respondents provide consultancy services to the public sector. While this monitor tracks a wide range of public sector competitions, it is positive to see that the level of participation is at least being maintained. Local authorities play a critical role in the delivery of social and affordable housing, and their impact on the speed and cost of housing delivery cannot be overstated. It is crucial to provide appropriate funding for the upskilling of staff of all local authorities, enabling them to meet their delivery targets and improve overall efficiency.

## Circular economy in construction

The SCSi is supportive of the 'Whole of Government Circular Economy Strategy'; however, it is important for such ambitions to be accompanied by clear, attainable deliverables, which are backed by Government financial initiatives such as supports for firms or sectors to undertake appropriate research, development and innovation into recycled aggregates for example, or financial incentives for sectors to transition to a circular economy.

The SCSi believes that an ambition for the built environment should be to treat every existing building as a material bank. An assessment

# THREE BUDGET PRIORITIES FOR 2025

of a building before demolition should be considered to ensure that construction waste to landfill is minimised. There may also be an opportunity in the sector for the development of a market or central repository for second-hand building materials (e.g., windows, steel beams, partition systems) as alternative way to reduce waste and to support the development of a circular economy, similar to the Irish Green Building Council’s Circular Build Construction Materials Exchange (CMEx).

The certification of materials for reuse must also be considered by authorities, as it is important for design and ancillary certifiers and the sector generally to have the necessary clarity and technical guidance around certification, particularly of recycled materials. One practical way to promote and address these concerns is to update technical guidance issued to professionals in the construction sector. It is also worth considering the introduction of a standard whereby all construction materials and products be sold with an informative scale similar to BERs, displaying their sustainability credentials.

The circular economy policy could go further and carry out a ‘root and branch’ review of construction methods for new builds and the sustainable appropriateness of materials. Within this review, life expectancy date of materials/products could be assessed, which might influence manufacturers to provide longer-lasting products rather than the metric of a ‘guarantee’, which fails to adequately inform the expected lifespan under normal conditions.

The sector relies heavily on technical guidance documents (TGDs) and therefore, TGDs require updating to ensure that they facilitate new and refurbished development and the decommissioning of

buildings to support decarbonisation of building stock. TGDs should further provide clarity on the use of recycled materials and certification requirements. There is a concern that TGD details are simply replicated during the design process without a full assessment undertaken, or a holistic understanding, of the requirement to create healthy, secure and sustainable homes at an affordable cost. This may possibly be attributed to an unease to technically innovate where there is a perception of risk if one deviates from Government ‘guidance’.

TGDs should therefore be reviewed to support industry in this area:

- continued research and development in the sector – as outlined previously, research that is undertaken should be harnessed for the betterment of the sector and to feed into overall national goals;
- education – at a public level through awareness campaigns and at a sectoral level through the provision of appropriate courses and mechanisms for continued learning in this space;
- Government should facilitate for innovation in this area – Ireland’s unique climate and built heritage should be at the forefront of this to identify innovative solutions to reducing overall emissions;
- standards should be identified in regard to the appropriate and safe reuse of recycled materials – this brings comfort to designers which in turn makes it more likely to be adopted across industry, and also security to end users ensuring an overall safe product; and,
- projects should be considered at town, village and community level as to how community projects can work towards achieving national targets in this area.

## Budget recommendations

Policy area	Recommendation	Impact
Local authorities	<p>Further financial resources should be made available to attract and retain appropriate skilled staff to local authorities for:</p> <ul style="list-style-type: none"> <li>■ 100% building control inspections in high-risk properties; and,</li> <li>■ growing direct delivery social housing teams within local authorities.</li> </ul>	<p>Improve overall quality of buildings and increase the delivery numbers of social housing.</p>
Circular economy	<p>€110 million was set aside in Budget 2024 for transitioning to circular economy initiatives, such as Deposit Return Scheme. An added allocation of funding is required to further support the construction sector progress to better reuse of building materials.</p>	<p>Guidance to the construction sector on reusing construction materials would be very beneficial and necessitate the establishment of a mature circular economy.</p>



Chartered property,  
land and construction  
surveyors

Society of Chartered Surveyors Ireland  
38 Merrion Square  
Dublin, D02 EV61  
Ireland

+353 (0) 1 644 5500  
[www.scsi.ie](http://www.scsi.ie)