



Chartered property,  
land and construction  
surveyors

# UNLOCKING POTENTIAL: STRATEGIC INVESTMENTS IN HOUSING, INFRASTRUCTURE AND GENERATIONAL RENEWAL

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PRE-BUDGET SUBMISSION 2026

JULY 2025

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# FOREWORD

As Ireland faces a crucial period of demographic change, climate action, and economic uncertainty, it has never been more vital for Government policy to be grounded in evidence, informed by insight, and focused on long-term outcomes.

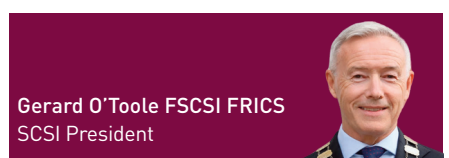
The Society of Chartered Surveyors Ireland (SCSI) is pleased to present this Pre-Budget Submission for 2026, an informed contribution to the national conversation on how best to unlock housing potential, revitalise infrastructure, and support the evolving needs of our built and natural environments.

This submission reflects the collective expertise of surveying professionals working at the coalface of property, land, and construction. It outlines practical, data-driven recommendations aimed at enhancing housing affordability and viability, improving planning and delivery mechanisms, promoting sustainability and generational renewal, and leveraging private and institutional investment alongside public funds.

The proposals in this report are ambitious but achievable with the right leadership and policy certainty. We believe a multi-tenure, multi-sector, and multi-generational approach is essential for lasting impact. Our recommendations aim not only to address present challenges but also to establish foundations for a more equitable, resilient, and thriving built and natural environment for future generations.

We are grateful to our members for their continued engagement on these important matters, and we look forward to constructive dialogue with policymakers in the months ahead in preparation for Budget 2026.

*This submission reflects the collective expertise of surveying professionals working at the forefront of property, land, and construction.*



Gerard O'Toole FSCSI FRICS  
SCSI President

# EXECUTIVE SUMMARY

The 2026 Pre-Budget Submission from the SCSi presents a comprehensive set of recommendations to inform budgetary priorities that can unlock housing supply, accelerate infrastructure delivery, and support long-term economic resilience.

This submission recognises the State's investment in housing and infrastructure to date, but cautions that public funding alone cannot sustain the scale of delivery required. With ambitious national targets of over 300,000 homes by 2030, it is essential to diversify funding models, streamline regulatory frameworks, and promote private sector participation.

## Residential

Key priorities for the residential sector include addressing affordability and viability constraints, expanding support for mixed-tenure housing, improving utility connection and planning timelines, and revising Government housing scheme thresholds to reflect inflation. Recent reforms to the rental sector are unlikely to suffice on their own to increase the supply of new housing, but will require further support to drive down costs and improve delivery timelines.

## Commercial/agriculture

In the commercial and agricultural sectors, this submission advocates for targeted support to unlock brownfield and infill sites, reviewing Sustainable Energy Authority of Ireland (SEAI) supports for retrofitting commercial properties, and reforms related to land transfer taxation to encourage generational renewal of agricultural land.

## Skills/sustainability

This submission also calls for a national skills strategy to address shortages in surveying and construction-related professions, alongside investment in modern methods of construction (MMC), digital innovation, and retrofitting capacity to meet climate and circular economy goals.

To ensure strategic resilience, the SCSi recommends leveraging the newly established Infrastructure, Climate and Nature Fund to mitigate economic cycles and safeguard affordable housing delivery during downturns, as well as the establishment of an investment vehicle for personal savers to invest in the delivery of new housing supply.

Collectively, these proposals aim to develop a more flexible, data-driven, and sustainable built environment – one that promotes balanced regional growth, climate action, and inclusive housing outcomes.

*This submission recognises the State's investment in housing and infrastructure to date, but cautions that public funding alone cannot sustain the scale of delivery required.*





# ECONOMIC CONTEXT

The 2026 Budget cycle for Ireland brings with it the need for a targeted and informed domestic investment strategy to boost productivity and shield the national economy from internal and external challenges.

In Ireland, tight labour market conditions, chronic undersupply of housing, and rising financing costs all present internal challenges to economic growth, while rising trade tensions between the EU and USA, heightened international tax competition, and continuing supply chain disruptions pose external challenges that need to be overcome. To do this, Ireland needs a strong and clear, evidence-based fiscal strategy to reflect and benefit from the competitive edge it currently holds.

Ireland's Modified Domestic Demand is forecast to grow by 2% for the full year of 2025, and by 2.1% per annum on average in 2026 and 2027.<sup>1</sup> Inflation has also returned to consistent levels, with the headline Consumer Price Index (CPI) at 1.7% year on year in June 2025.<sup>2</sup> The labour market continues to operate at historically tight levels as the seasonally adjusted unemployment rate fell to 3.9% in February 2025,<sup>3</sup> and has remained below 4% for most of the past year, underpinned by robust inward migration and high participation. As cited in the SCSi's Tender Price Index, construction inflation has also stabilised – commercial construction costs rose by a comparatively modest 3% over 2024, with half-year increases of only 1.5% – but labour shortages and rising

financing costs risk reversing this progress if capacity is not expanded.

Public finances remain exceptionally strong. A general Government surplus of €8.7bn is projected for 2025,<sup>4</sup> driven by buoyant corporate tax receipts. This affords our Government the scope to protect capital programmes should external conditions deteriorate. These buffers also heighten the importance of allocating resources towards capacity-enhancing investments rather than pro-cyclical current spending. Housing market indicators further underscore the urgency of such investments.

We therefore enter the Budget 2026 cycle with solid fiscal headroom and easing inflationary pressures, although we continue to contend with structural constraints in housing and infrastructure, tight labour market conditions, and a more moderate pace of external demand growth. Prudent use of windfall surpluses to accelerate strategic capital spending – particularly in residential construction, utilities and climate-critical retrofitting – offers the most effective safeguard against cyclical risks while laying the foundations for long-term productivity, sustainability and social cohesion.

1. Quarterly Bulletin 2025:1 – Unprecedented rise in policy uncertainty due to shift in geoeconomic relationships

2. Consumer Price Index June 2025 - Central Statistics Office

3. Monthly Unemployment February 2025 - Central Statistics Office

4. Department of Finance, Annual Progress Report 2025.

# BUDGET PRIORITIES FOR 2026: RESIDENTIAL SECTOR

## AFFORDABILITY AND VIABILITY OF HOUSING DELIVERY

The current ambitious target set by the Government to deliver an average of 50,500 new homes annually between 2025 and 2030, aiming for a total of 303,000 homes over this period, is welcomed by the SCSl. The new housing supply target is for 41,000 homes in 2025, increasing incrementally to 60,000 by 2030.

Budget 2025 allocated capital funding of €2.157bn (an increase of €257m on 2024) to deliver 10,000 new-build social homes (700 additional homes in 2024). Despite these targets, actual overall housing completions have fallen short. In 2024, approximately 30,330 new homes were completed, a 6.7% decrease from the previous year, missing the Government's target of 33,000. There was an annual decrease of 2.5% in the total number of dwelling units approved in Quarter 1 (Q1) 2025 to 8,177 units, down from 8,387 units in Q1 2024.<sup>5</sup> The new housing target of over 300,000 homes will require substantial investment across debt finance, equity finance, mortgage finance, and exchequer funding to meet national supply targets. The current levels of investment by the State in new housing supply are unprecedented; however, it remains unsustainable given the significant uptick required in new housing supply over the next five to ten years.<sup>6</sup>

### Rental market concerns

To effectively support the rental market through targeted incentives, a comprehensive revision of the Residential Tenancies Act is essential to address existing regulatory shortcomings. The SCSl's Residential Property Market Monitor Review and Outlook 2025 report highlights a concerning trend of private landlords exiting the sector, frequent regulatory changes and the complexity of tenancy rules. Rent Pressure Zones have had unintended consequences by restricting new supply and delaying the investment decisions necessary to expand rental accommodation for tenants. The new rental reforms announced in June this year have positive elements, such as added security of tenure for tenants. However, it is uncertain if the reforms will have a lasting positive effect of enticing new and existing landlords to invest and stay in the market.

The SCSl previously called for improvements to tax rates/reliefs on rental income for smaller landlords, contingent on reliable market data regarding landlord numbers, registered tenancies, and market inflows and outflows. **The SCSl again calls on the Government to consider a review of the tax approach to smaller landlords and**

5. Central Statistics Office Q1 2025.

6. QB3 – September 2024. Economic policy issues in the Irish housing market.

to consider offering preferential rates conditional upon offering long-term leases to tenants to encourage sustained investment in the sector.

Figure 1 highlights that new tenancy registrations in 2024 are lower than the number of new tenancies in 2023 (55.2k in 2024 and 56.5k in 2023). Although the reported decline may relate to routine turnover in the market, the SCSI's most recent Residential Market Monitor reports show that the top three primary drivers for the increase in buy-to-let properties entering the market for sale remain consistent:

1. Tightening rental regulations.
2. Declining net rental yields.
3. Landlords emerging from negative equity.<sup>7</sup>

Furthermore, improvements are urgently required in the Residential Tenancies Board's (RTB) adjudication process, which is currently hindered by inefficiency and resource constraints. The SCSI calls for the new plan to improve the RTB's current adjudication process, which is lengthy and inefficient due to a lack of RTB resources.

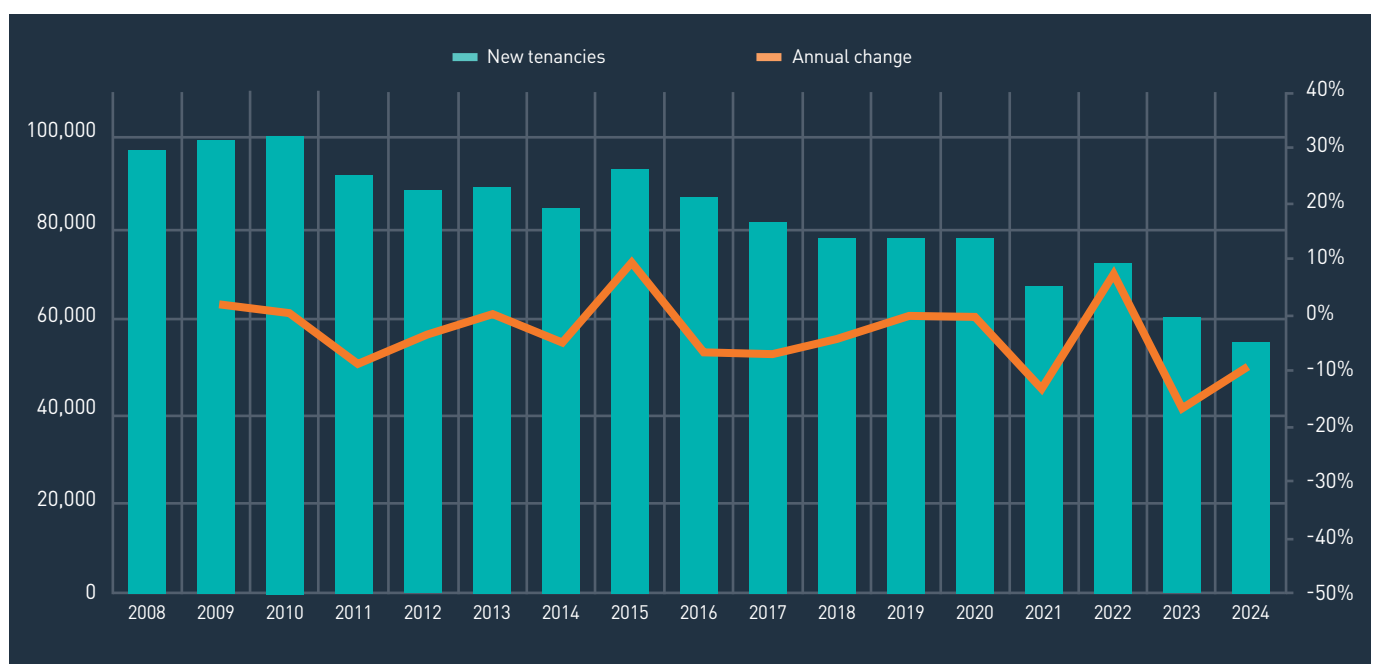


FIGURE 1: New tenancy registrations in Ireland.

Source: The RTB Rent Index, Q4 2024.

## VACANT AND DERELICT HOUSING

In line with meeting the housing needs of a growing population and advancing Government sustainability and circular economy goals, the SCSI emphasises the potential of renovating or repurposing underutilised vacant and derelict properties for residential use. However, as noted in the SCSI Real Cost of Renovation Report 2023, there is currently no comprehensive national database detailing the location, duration of vacancy, or condition of such properties suitable for residential reuse. **The SCSI recommends the creation of a detailed register**, as it would enable more effective policymaking to unlock this latent housing supply and provide accurate data on vacancy rates and the scale of properties available for renovation.

*The SCSI emphasises the potential of renovating or repurposing underutilised vacant and derelict properties for residential use.*

7. SCSI Annual Residential Market Monitor Review and Outlook 2025.

The SCSi calls on the Government to introduce tax relief to encourage an increase in the levels of renovation of vacant and derelict buildings, and retain the current financial supports available via the Vacant Property Refurbishment Grant, also known as the Croí Cónaithe (Towns) Fund. **The SCSi recommends a time-limited Capital Gains Tax (CGT) exemption for owners (relief should expire within a short number of years after introduction).**

To encourage more private and business investment to renovate vacant and derelict stock to the rental market, **the SCSi recommends that the**

**Government provide a 10-year tax relief from rental income. Such relief should be made available on refurbished vacant and derelict properties converted to residential (relief to expire within five years of introduction).**

The cost of building materials and labour has continued to increase in recent years, and to tackle the viability challenge with renovating units, **the SCSi calls on the Government to introduce a 9% VAT rate on construction products that contribute to carbon savings in the operational phase of a building's life cycle, e.g., energy-saving materials.**

## FUNDING NEW SUPPLY

### Diversification of funding models

The State remains the primary source of investment in Ireland's housing delivery, with €6bn committed for 2025. While this scale of public funding has been essential in recent years, it is not viable as a long-term solution. The SCSi advocates for the development of alternative and diversified funding models, including those that leverage private and institutional capital. With household bank deposits in Ireland nearing €160bn, the Government should explore the potential for State-backed investment schemes that would enable private citizens to contribute directly to housing provision. Access to finance continues to pose a significant challenge, particularly for small and medium-sized developers. **The SCSi recommends enhanced supports aimed at broadening market participation.** The Land Development Agency's Project Tosaigh model offers a strong example,

demonstrating how targeted land activation and forward purchase agreements can provide the financial certainty necessary for developers to commence construction.

*The SCSi advocates for the development of alternative and diversified funding models, including those that leverage private and institutional capital.*

## UTILITY CONNECTIONS

An additional critical factor in supporting balanced and sustainable growth in the housing market is ensuring timely access to utility connections for new projects. As highlighted in the SCSi National Housing Plan 2025, housing developers bear responsibility for providing all private infrastructure and related components required for new or modified utility connections. The process of securing water connections is protracted, from initial enquiry through to final connection, and has been further complicated by increasingly stringent Uisce Éireann specifications, contributing significantly to rising housing delivery costs. These cost increases stem from specification enhancements, requirements for individual connections rather than carrier drains, and elevated snagging and inspection fees. Challenges with both Uisce Éireann and ESB extend beyond connection fees, encompassing difficulties in accurately forecasting total connection costs and significant delays that impede project completion timelines. Such delays have

consequential impacts on financing, resource allocation, and cash flow management. Therefore, **the SCSi recommends that immediate measures be implemented to address these challenges, including prioritising electricity connections for new housing developments ready for occupancy.** As part of the upcoming Budget, the Government must ensure that the funding commitment is in place to support its policy objectives for utility infrastructure projects through a ring-fenced multi-annual capital allocation through 2029. This commitment is necessary to deliver ESB and Uisce Éireann strategic plans. In relation to development levies, the SCSi previously welcomed the temporary waiver of s.48 development contributions to reduce the input costs of new housing. For example, removing these contributions, along with water connection waivers, can reduce delivery costs by an average of €17,500. **The SCSi advocates for a longer-term temporary removal of levies until housing completions consistently exceed targets.**



# TAXATION AND SUPPLY ACTIVATION

## Residential Zoned Land Tax (RZLT)

The Residential Zoned Land Tax (RZLT), now implemented, aims to boost housing supply by incentivising the timely development of serviced and zoned residential lands. However, gaps in data regarding land prices and the availability of such land limit effective policymaking. Land remains a scarce and highly desirable asset, and the lack of market transparency hinders a proper understanding of both land and housing dynamics. The SCSi Real Cost of New Housing/Apartment Delivery report highlights that land costs account for approximately 13-16% of total housing delivery expenses. The establishment of a land price register, as proposed in the Housing for All plan, would support a more transparent and efficient market, aiding in the application of RZLT and other mechanisms like the proposed Land Value Sharing (LVS) legislation. While the SCSi recognises the intent behind LVS, it cautions that its introduction must avoid complex calculations, ensure appropriate timing, and prevent unintended barriers to development. **The SCSi maintains that existing development levies are a more appropriate method of capturing land value increases** and advises that any implementation of LVS be postponed until robust land price data can justify its necessity.

SCSi data on overall housing delivery costs highlighted in 2023 that average site values for the delivery of a three-bedroom house in the Greater Dublin Area were €67,000, accounting for 15% of overall delivery costs. A lack of information on land affects the level of understanding within the market in both land and housing. **The SCSi calls on the Government to resource the introduction of a land price register.** A land register would help implement policies and interventions that will result in more affordable housing, bring much-needed transparency to an opaque section of the property market in Ireland, allow for the prediction of future expectations for both land use and values/prices, and give the State greater certainty in planning for its own infrastructure.

## Infill and brownfield development

The draft National Planning Framework (NPF) projects an increase of approximately 950,000 additional residents in Ireland between 2022 and 2040. The SCSi welcomes revisions to housing targets; however, the successful implementation of the plan hinges on providing adequate support to unlock brownfield sites for high-density development in areas with significant housing demand. Given the NPF's objective that at least 40% of all new housing be delivered within existing built-up areas, such as cities, towns, and villages via infill and/or brownfield sites, a concerted and sustained effort is required to ensure that the

*The SCSi recommends that the Government commission a study to examine the delivery of zoned and serviced development land to the market in other European countries to identify new models for the more cost-effective delivery of key road and utility connections.*

development sector is equipped with sufficient zoned and serviced land to facilitate timely housing supply. The 2023 Expert Group Review of the 2018 NPF urges that the NPF incorporate specific compact growth targets for all local authorities. Moreover, a balanced distribution of planning permissions across rural and urban areas, greenfield and infill sites, should be mandated, with local authorities required to report regularly on approvals and completions to monitor development patterns effectively. The NPF appropriately recognises the importance of supporting and incentivising infill and brownfield development to accommodate future growth in cities and other major urban centres. While this inclusion is commendable, the SCSi notes that the framework would benefit from clearer guidance and direction to planning authorities, ensuring that this policy intention is consistently reflected and prioritised within local development plans.

**The SCSi recommends that the Government commission a study to examine the delivery of zoned and serviced development land to the market in other European countries** to identify new models for the more cost-effective delivery of key road and utility connections. The Government should also commission independent research with a specific examination of the 'soft costs' across similar jurisdictions and building designs (also covered in the SCSi's Building Homes Report) to identify additional areas to reduce costs. The commissioned report could also examine additional macroeconomic factors that influence the level of affordability and financial viability of such projects.

### Speeding up the property buying process

The SCSi is playing a leading role in the Housing for All Conveyancing and Probate Implementation Group under the Department of An Taoiseach. Progress achieved to date includes:

- a public information pack to improve knowledge of the process, minimise delays and equip homebuyers with the information required to engage efficiently with professional conveyancing services – this will be available shortly on gov.ie to ensure maximum accessibility;
- a Best Practice Charter, setting out principles of best practice for the main professions involved in the delivery of conveyancing services;
- an initial baseline survey run by the Competition and Consumer Protection Commission to gauge the experience of consumers in the conveyancing process;

- a revised Consumer Protection Code published by Central Bank, requiring banks, retail credit firms and credit servicing firms to provide title deeds within 10 working days of a request;
- options to get more titles registered in the Land Registry more quickly and to expedite the registration of properties/transfer of deeds have also been brought forward;
- legislation will be prepared later in the year to support increased use of statements of truth to replace certain hard copy affidavits or statutory declarations in the conveyancing process;
- greater efficiencies in response times for information requests from the various stakeholders; and,
- development of a proposal for a national e-conveyancing system.

**The SCSi calls on the Government to set aside sufficient financial resources for the establishment of a national e-conveyance system to speed up the property sales/buying process.**

## BUDGET RECOMMENDATIONS

Policy area	Recommendations	Impact
Mixed tenure approach	The SCSi advocates for mixed-tenure developments under Croí Cónaithe and suggests the adoption of clustered rural housing instead of ribbon developments.	Improve housing supply diversity; better align delivery with local and rural housing needs.
Assisting small landlords	Lower income tax rates required for small landlords offering long-term leases.	This will retain private landlords and boost long-term rental availability.
Vacant and derelict properties	Introduce a time-limited Capital Gains Tax exemption for owners (relief should expire within a short number of years after introduction).	To encourage more vacant and derelict properties to the market for sale.
Vacant and derelict properties	Government to provide a 10-year tax relief from rental income. Such relief should be made available on refurbished vacant and derelict properties converted to residential use (relief to expire within five years of introduction).	Tax relief to encourage more investment in renovating stock for residential use.
Vacant and derelict properties	Government to introduce a 9% VAT rate on construction products that contribute to carbon savings in the operational phase of a building's life cycle, e.g., energy-saving materials.	Positively impact the issue of increasing construction costs, as project viability can be particularly challenging when renovating vacant and derelict buildings.

Policy area	Recommendations	Impact
e-conveyancing	The SCSi emphasises the need for dedicated funding to enhance the property sales and conveyancing process, particularly through the implementation of e-conveyancing. Digitalising the conveyancing process will make key documents accessible in digital format and will reduce delays and improve efficiency.	Improved level of property sales and could reduce costs and delays for multiple parties involved in sales, i.e., buyer/seller/professional team.
RTB adjudication process	Sufficient funding is needed to support the potential creation of a dedicated department focused exclusively on managing dispute resolution and adjudication.	A specialised department would be well positioned to implement streamlined procedures, introduce efficient case management systems, and allocate targeted resources, ultimately enabling quicker dispute resolution and helping to reduce case backlogs.
Land mobility and utilities	Address delays in water and electricity connections by initiating utility co-ordination earlier and prioritising connections for near-complete housing developments.	This will reduce housing delivery delays and improve cost predictability, thereby accelerating project timelines.
Vacant and derelict properties	Establish a national database on vacant/derelict housing, including location and condition.	Enable targeted renovation policies; unlock unused housing stock. See the SCSi's Real Cost of Renovation Report for further details.
Rental market monitoring	Targeted investment is needed to strengthen auditing within the rental market, ensuring regulatory compliance and addressing unauthorised short-term lettings.	This will help bring more rental units to the market by identifying and addressing non-compliant practices. Increased auditing enables the RTB to detect breaches – such as unapproved rentals or safety violations – and take corrective action, fostering a fairer, more transparent rental sector for both landlords and tenants.
Funding model diversification	Introduce citizen investment schemes; enhance finance access for SME developers; expand use of Project Tosaigh.	Reduce sole reliance on public funds; improve project viability and participation.
Residential Zoned Land Tax (RZLT)	Create a land price register; delay Land Value Sharing (LVS) until robust data exists; maintain use of current development levies.	Improve transparency and planning efficiency; avoid additional development barriers.
Infill and brownfield development	The SCSi recommends targeted support to unlock brownfield sites, including setting compact growth targets for local authorities and requiring regular reporting on planning approvals and completions.	This will promote high-density development in existing built-up areas, ensuring timely housing delivery and better urban planning.

# BUDGET PRIORITIES FOR 2026: COMMERCIAL SECTOR

## COMMERCIAL RETROFITTING

As part of the National Plan for Decarbonisation, Ireland aims to retrofit 30% of commercial buildings to a BER B rating and install zero-emission heating in 50,000-55,000 premises by 2030. Commercial buildings are major energy users, and retrofitting them is key to cutting emissions and lowering energy costs. The commercial property sector finds itself at a crossroads where it is facing the dual challenge of meeting these ambitious sustainability requirements while ensuring economic viability. The decarbonisation of our existing stock of commercial buildings is a key area of the Climate Action Plan 2021. The SCSi's Real Cost of Retrofitting 2025 report offers an analysis of office block retrofit costs and viability. Through seven diverse commercial retrofit case studies, it outlines for the first time the real costs of retrofitting office buildings and the financial challenges and opportunities presented by such projects. Among several recommendations, the report calls for a review of SEAI grant allocations and thresholds to encourage a greater level of 'fabric first' upgrades. Many buildings, if appropriately thermally efficient in their retrofit, can enjoy decades of low energy demands compared to a 15-year lifespan of most heat pumps and other similar plant and equipment installations, for example. In relation to synthetic and natural insulation in retrofits, **the SCSi recommends providing incentives or supports for the use of insulation materials with lower embodied carbon footprints, such as natural insulation**

options, where technically feasible and cost-effective. This will align with the broader goal of decarbonising the building stock.

*In relation to synthetic and natural insulation in retrofits, the SCSi recommends providing incentives or supports for the use of insulation materials with lower embodied carbon footprints, such as natural insulation options, where technically feasible and cost-effective.*

# BARRIERS TO AGRICULTURAL LAND TRANSFER

As part of achieving balanced national growth and sustainable land use, the SCSi draws attention to the low levels of land mobility in Ireland's agricultural sector. Land mobility remains constrained, with only 0.5% of agricultural land transacted annually, compared to higher rates in other European countries. This presents a parallel challenge to the housing crisis, as underutilised land in both urban and rural settings contributes to structural inefficiencies in the economy. The 2025 SCSi/Teagasc Agricultural Land Market Review & Outlook report highlights persistent barriers preventing younger farmers from acquiring land, including high costs, competition from non-farming buyers and large-scale operators, and limited access to capital. These issues not only stifle innovation and generational renewal within agriculture but also exacerbate rural depopulation, limiting the viability of rural communities, a concern already acknowledged in the National Planning Framework.

## The SCSi recommends:

- **Reduce stamp duty on non-family transfers** to 1%, aligning it with the rate for family transfers. This reduction would encourage younger generations and new entrants to acquire agricultural land, fostering greater generational turnover and enhancing innovation within the sector. The success of the UK's 'stamp duty holiday' during the Covid-19 pandemic, which led to a 43% increase in property transactions, demonstrates how lower taxes can effectively boost market activity. Applying this approach to agricultural land could similarly enhance land mobility and market participation.
- **Capital Acquisitions Tax (CAT)** significantly impacts land mobility in Ireland, especially concerning intergenerational transfers. High CAT rates, currently at 33%, and relatively low tax-free thresholds can impose substantial financial burdens on younger generations inheriting agricultural land. Although agricultural relief exists, reducing the taxable value of qualifying agricultural property by 90%, beneficiaries must meet specific criteria, such as the 'farmer' test, which requires that 80% of their total assets are agricultural property. Failing to meet these conditions can result in significant tax liabilities, potentially forcing heirs to sell portions of the land to cover the tax, thereby delaying generational renewal and diminishing productivity in the agricultural sector.
- **Reduce CAT rates for active and young farmers:** Lowering CAT rates for active and young farmers would facilitate earlier land

transfers, promote generational renewal, and enhance agricultural efficiency. Implementing a graduated relief system for beneficiaries who lease land to qualified farmers could further ensure that agricultural land remains in productive use. Expanding the definition of "active farmers" to include part-time farmers or those transitioning into farming would increase the flexibility and effectiveness of this policy.

- **The current Capital Gains Tax (CGT) rate in Ireland is 33% for most gains.** This high rate can discourage landowners from selling or transferring agricultural land, as the tax liability on capital gains reduces the net proceeds from such transactions. Consequently, this leads to reduced land availability, particularly affecting younger or new farmers, and hinders generational turnover and sector efficiency.
- **Lower CGT rates to enhance land mobility:** The Government should explore reducing the CGT rate to 20-25% and implement an indexed approach to adjust thresholds for inflation. This would reduce the CGT from one-third of the land price to one-fifth to one-quarter. Historical data indicate that lower CGT rates can enhance land mobility by making it more financially feasible for landowners to sell or transfer property. For instance, before October 2008, the CGT rate in Ireland was 20%, which correlated with higher levels of property transactions. Lowering CGT rates could incentivise more landowners to engage in the market, thereby increasing land availability for younger and new farmers, and promoting generational renewal within the agricultural sector. The increase in the stamp duty revenue resulting from higher transaction volumes, due to the reduction in CGT, could offset the impact of the CGT cut.

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# BUDGET RECOMMENDATIONS

Policy area	Recommendations	Impact
SEAI grant allocation	Review SEAI grant allocations and thresholds to better support cost-effective, fabric-first retrofit strategies.	Prioritise deep, fabric-first retrofits to ensure long-term energy savings and reduce reliance on short-lifespan systems.
Incentivise natural materials	Provide incentives for using low-embodied-carbon insulation (e.g., natural materials) where feasible and cost-effective.	Prioritise the assessment and reduction of embodied carbon in construction materials used for retrofitting.
Agricultural land transfer	Reform land-related taxes (stamp duty, CGT, CAT); remove tax barriers that hinder intergenerational land transfer and support younger farmers' access to land.	Enhances land mobility, supports generational renewal, strengthens rural communities, and aligns with balanced regional development goals.
Tax reform (agri sector)	The SCSi recommends reducing the CGT rate to 20-25% and implementing an indexed approach to adjust thresholds for inflation. This would reduce CGT from one-third of the land price to one-fifth to one-quarter.	Lowering CGT rates could incentivise more landowners to engage in the market, thereby increasing land availability for younger and new farmers, and promoting generational renewal within the agricultural sector.

# BUDGET PRIORITIES FOR 2026: THE FUTURE OF SURVEYING, PROFESSIONAL SKILLS AND RESOURCING

A pivotal factor for the successful delivery of the different planning objectives under the National Planning Framework (NPF) and achieving the strategic outcomes is the availability of skilled professionals across the built environment industry. The SCSi Employment, Remuneration, and Workplace Report 2023 highlights a significant shortage of professional skills within the property, land, and construction sectors. Even under optimistic economic growth projections, the demand for qualified surveyors is expected to outstrip supply in the coming years. Furthermore, emerging specialist roles within the industry are intensifying recruitment challenges. According to the SCSi/PwC Construction Market Monitor, 41% of surveyors identified labour shortages as a major impediment to the progress of

retrofit projects, with difficulties in sourcing workers skilled in sustainable technologies. While SOLAS has made strides in upskilling workers for retrofitting, concerns remain regarding low apprenticeship enrolments and an ageing workforce, issues underscored by Chartered Surveyors.

To address these challenges and cultivate sectoral expertise, **the SCSi strongly recommends the development of additional advanced and specialised qualifications.** It is imperative that the Government recognises the vital role surveying services play in both the economy and the built environment, and accordingly supports the profession's growth through targeted investment in third-level education, commensurate with other key sectors.

## CONSTRUCTION INNOVATION AND REGULATION

### Modern methods of construction

Modern methods of construction (MMC) is a broad term that captures a diverse range of building processes, practices and products. The term is used to describe construction that takes place in factories as opposed to on site. Further advancements in technology, such as Building Information Modelling (BIM), etc., have enabled the construction industry to improve efficiency.

The SCSi and the Department of Housing, Local Government and Heritage, in their construction cost reports for apartments in 2021 and again in 2023, outlined recommendations to lower apartment construction costs. These recommendations include broader

*Even under optimistic economic growth projections, the demand for qualified surveyors is expected to outstrip supply in the coming years.*

concepts such as the implementation of MMC, reductions in soft costs, and a review of the technical specifications related to building elements. The SCSi's Building Homes report 2024 highlights that the increased use of standardisation in construction systems and specification of components, such as windows, is evident in the cheaper locations, where manufactured panel systems are more common than labour-intensive site-based activities (such as block or brick laying).

Despite this growing interest in MMC, 60% of construction firms reported that they do not plan to invest in MMC or emerging technologies over the following five-year period.<sup>8</sup> The primary reasons for this reluctance are the high costs and time required for staff to upskill in these areas and use them. This issue is especially challenging for SMEs, which often face higher investment costs with lower short-term returns from the upskilling programmes. To address these challenges, **the SCSi recommends providing more**

**funding and flexible upskilling programmes** for construction professionals and tradespeople, particularly those working in SMEs.

### Building control enhancements

The SCSi welcomed the Draft Code of Practice for those registering as providers of building works and recognises the importance of the legislation in enhancing standards and public confidence in the construction industry. While the SCSi supports the overall structure and objectives of the Code, a few targeted recommendations will enhance its clarity and effectiveness. These include greater detail on pricing transparency under 'Quality Customer Service', broader reporting obligations under 'Legal and Regulatory Compliance', inclusion of standard contract references, and clearer guidance on insurance requirements. These measures will assist in the development of a robust and practical Code that promotes accountability, consistency, and high-quality service within the industry.

## SUSTAINABILITY AND RETROFITTING

### Carbon targets and circular economy

Ireland's 2030 target under the EU Effort Sharing Regulation requires a reduction in greenhouse gas emissions of at least 42% compared to 2005 levels. However, as of May 2024, current policies and measures are projected to achieve only a 9% reduction, and even with the implementation of additional measures, the total projected reduction stands at just 25%, well below the required target. This shortfall underscores the urgent need for enhanced action to align with Ireland's legally binding commitments and its broader objective of achieving a climate-neutral economy by 2050.

The SCSi asserts that a fundamental ambition for the built environment should be to treat every existing building as a 'material bank'. Pre-demolition assessments should be a standard practice to ensure the recovery of valuable materials and to minimise construction waste sent to landfill. The SCSi supports the Circular Economy and Miscellaneous Provisions Act 2022, which provides a legislative foundation for embedding circular economy principles across sectors and promotes increased material reuse and recycling. To assist the practical implementation of these principles, **the SCSi recommends the allocation of dedicated resources to allow for an update of the technical guidance documents provided to construction professionals to reflect circular economy considerations.** Furthermore, the introduction of a labelling system, similar to Building Energy Ratings (BER), for construction

materials and products, should be explored. This would provide transparency regarding the sustainability credentials of building materials and encourage more responsible procurement and usage within the industry.

### Retrofit programme acceleration

Ireland faces a substantial challenge in achieving its home retrofitting targets, primarily due to the high costs, complexity, and disruption associated with deep retrofits, despite the availability of various grants and funding schemes. As highlighted in the recently published Update to the Report on the Analysis of Skills for Residential Construction and Retrofitting 2024, a total of 55,893 homes have been

*Ireland's 2030 target under the EU Effort Sharing Regulation requires a reduction in greenhouse gas emissions of at least 42% compared to 2005 levels.*

8. SCSi/PWC Construction Market Monitor Report 2023.

retrofitted to the equivalent of a B2 Building Energy Rating (BER) standard since the National Retrofitting Scheme was introduced in 2018. To meet the Government's target of 500,000 retrofits by 2030, an average of 63,444 homes must be retrofitted each year between 2024 and 2030.

The accompanying data indicates that employment in the sector is projected to grow by 21,547 by 2030, up from just 5,280 in 2023. However, replacement demand remains low at only 2,773 (Table 1). Meeting recruitment needs during these peak activity years will be critical to achieving the overall workforce targets necessary to deliver national retrofitting goals.

The SCSi's Employment, Remuneration and Workplace Report 2023 underscores the need to equip professionals with the skills required to meet employer and client demands, and to adapt to the evolving complexities of the sector. To this end, the development of advanced

specialised qualifications is strongly recommended. These may include continuing professional development (CPD), micro-credentials, and qualifications at Level 9 (Master's) or Level 10 (Doctorate) on the National Framework of Qualifications (NFQ).

An informed, strategic approach to qualification development is essential. Stakeholder groups, comprising surveying professionals, education providers, and both public and private sector clients, must work collaboratively to conduct a comprehensive needs analysis for these programmes. Crucially, this will require active support and co-ordinated investment from the Government. Government involvement is essential not only to fund and facilitate education and training pathways but also to ensure policy alignment, promote industry engagement, and help secure the skilled workforce required to meet Ireland's ambitious climate and housing goals.

**The SCSi also recommends a comprehensive and phased strategy to accelerate retrofitting efforts.** This includes the introduction of targeted financial support, such as tax incentives and innovative funding mechanisms, to alleviate the initial financial burden on homeowners. We further underscore the value of promoting shallow retrofits, which can deliver immediate comfort and energy efficiency benefits, while simultaneously exploring scalable, advanced models such as Energiesprong that offer streamlined and less intrusive retrofit solutions. Initial efforts should prioritise single-family dwellings, with the development of bespoke strategies for apartment retrofits to follow. To support this ambition, significant investment in workforce upskilling and the expansion of the retrofit supply chain is essential to ensure the consistent delivery of high-quality outcomes.

**Table 1: Total skills requirement for retrofitting homes 2024-2030.**

Occupations	Expansion	Replacement	Total recruitment
Professionals	2,371	220	2,591
Designated craft	12,928	1,787	14,715
Non-designated craft	1,939	158	2,097
Operatives	4,309	608	4,917
Grand total	21,547	2,773	24,320

Source: An Update to the Report on the Analysis of Skills for Residential Construction and Retrofitting. Department of Further and Higher Education, Research, Innovation and Science, October 2024.

## STRATEGIC USE OF AVAILABLE FUNDS

The SCSi welcomes the establishment of the Infrastructure, Climate and Nature Fund under the Future Ireland Fund and Infrastructure, Climate and Nature Fund Act 2024. **The SCSi recommends that this fund be made available for the purpose of delivering additional affordable housing to the market, especially during times when new housing output is challenged because of weaker economic performance.**

The SCSi declared a Climate and Biodiversity Emergency in 2020, highlighting the unsustainable consumption patterns that underpin biodiversity loss and its inextricable link to climate change. We recommend full implementation of Citizen's Assembly's call for transformative action, ensuring appropriate funding, integrating biodiversity into all levels of planning, promoting regenerative practices across sectors, and ensuring a fair transition for communities affected by environmental and economic shifts.

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# BUDGET RECOMMENDATIONS

Policy area	Recommendations	Impact
Professional skills and resourcing	The SCSi advocates urgent addressing of the critical skills gap, investing in advanced/specialised surveying qualifications, and supporting surveying education to meet growing demand and skill shortages.	This will support retrofit and sustainability targets, and will strengthen delivery capacity across the built environment.
Modern methods of construction (MMC)	Provide funding and flexible upskilling programmes, especially for SMEs, to encourage adoption of MMC and technologies like BIM.	Improves construction efficiency and cost-effectiveness while overcoming barriers to innovation.
Building control enhancements	Strengthen the Code of Practice for Providers of Building Works by improving clarity on pricing, compliance, contracts, and insurance.	Enhances quality, consistency, and accountability in construction standards and improves public confidence.
Carbon targets and circular economy	Update technical guidance documents to reflect circular economy principles and consider a sustainability labelling system for building materials.	Encourages sustainable construction practices, material reuse, and waste reduction, supporting Ireland's climate targets.
Retrofit Programme acceleration	Introduce tax incentives and innovative funding, promote shallow retrofits, and expand training and supply chain capacity for deep retrofit delivery.	Increases retrofit uptake, supports emissions reductions, and improves home energy efficiency and comfort.
Strategic use of public funds	Allocate the Infrastructure, Climate and Nature Fund to boost affordable housing during economic downturns and fully implement Citizen's Assembly biodiversity recommendations.	Supports climate resilience, affordable housing delivery, biodiversity integration, and a just transition.







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