

The Voice of Auctioneers & Valuers in Ireland

IPAV 2026 Pre-Budget Submission

*Transformative Housing Policy
Change Needed to Stimulate
Supply*





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1. Introduction

IPAV is keenly aware that the Government is operating in a period of major global uncertainty.

The severity of the housing shortage is already well documented across copious studies, not least of which was the Report of the Housing Commission initiated by the Government and published in May 2024. The Irish Fiscal Advisory Council said in August 2025 that Ireland's housing stock is estimated to be around 250,000 units below the European average on a per capita basis.

It is essential to invest in housing taking a holistic approach with short and longer-term solutions. Ireland's population is growing at a much faster rate than property construction and re-purposing.

In the short-term the government urgently needs to address supply with a number of unprecedented measures, given the size of the challenge.

In the longer-term it needs to review planning for towns and cities. There needs to be commitment to an urban planning approach to help combat urban sprawl. City plans should have the majority of public service facilities and green space accessible within 15 minutes' walking distance to include work, education, shops, parks and healthcare.

As the representative voice for auctioneers and valuers in Ireland we are uniquely positioned to observe the inefficiencies, barriers, and untapped potential across the housing and property sectors. The following recommendations aim to increase housing supply, regenerate vacant and derelict stock, and ensure the property market supports Ireland's economic, social and climate goals. We believe that transformative change is needed to stimulate supply.

2. Recommendations

2.1 Introduction of Tax Relief for Urban Regeneration

Proposal: Reinstatement of a new tax relief for refurbishment of vacant or underused residential and mixed-use properties in designated areas within cities and towns, to ensure housing is delivered in targeted areas and in desirable quantities.

Rationale

- There are over 166,000 vacant homes in Ireland as per the 2022 Census, approximately 7.8% of the national housing stock.
- In many cities and town centres, viable housing units remain idle due to poor economic returns on refurbishment.
- IPAV believes that any fair analysis of the previous Section 23 tax incentive scheme would conclude that it was a resounding success in terms of stimulating building. This is because positive ‘carrot’ type incentives, in contrast to ‘stick’ type approaches do work, and have been proven to, historically. The development of the Temple Bar area in Dublin is just one example of how positive tax incentives work, the IFSC another. While the original Section 23 did go too far, with the parameters being far too wide, leading to unsuitable and inappropriate developments in some areas, and excessive lending for such developments, the underlying principle was very much one of success. We have absolutely no doubt it could be so again.

Impact: A targeted relief would promote investment in older properties and encourage town centre living, in alignment with the Town Centre First Policy, the National Planning Framework (NPF) and support Ireland’s Climate Action Plan.

2.2 Capital Gains Tax Exemption for ‘Over the Shop’ Redevelopment

Proposal: Provide a full Capital Gains Taxation (CGT) exemption from the sale of residential units developed above commercial premises, where they were previously vacant. We recommend a limited time frame of three years.

Rationale

- Studies suggest that up to 40,000 units could be unlocked above shops in Ireland’s towns and cities.
- Many of these are structurally sound but require regulatory and financial incentives to become viable.
- As many of these properties have been inherited and are subject to CGT of 33% if sold, owners are leaving them lying idle and not placing them on the market. No CGT is being collected, 33% of 0 is 0. There would be very minimal loss of revenue to the exchequer with this exemption.

Impact: This would help address the chronic shortage of housing in urban areas and promote sustainable urban densification. It would be very positive for prospective new owners and the community.

2.3 The Immediate Enforcement of the Special Purpose Vehicle for Derelict Properties

Proposal: As recommended by the Taoiseach's Task Force, the introduction of the Special Purpose Vehicle (SPV) should be enacted without delay. The SPV allows for the creation of a development company owned by the Council.

Rationale

- As of 2024, there are over 1900 properties listed on Derelict Sites Registers, with thousands more unofficially derelict.
- These properties are often structurally sound but remain vacant due to the tax disincentive of refurbishment relative to capital gains upon sale.
- It was reported on RTE.ie in August 2025 that the number of Derelict buildings in Dublin City has increased by almost 80% in the last four years.
- The SPV, as a development company is allowed to do things a little differently than the city council. It would be able to acquire properties outside of the Compulsory Purchase Order process.

Impact: This measure would bring additional supply to the market without the requirement of additional infrastructure while having a positive impact on the community.

2.4 Provide for Payment of the Vacant Property Refurbishment Grant in Instalments

Proposal: Allow the Vacant Property Refurbishment Grant to be drawn down in milestone-based instalments.

Rationale

- Many eligible applicants cannot front the cost of works and wait for reimbursement.
- This limits uptake, particularly in lower-income and rural households.

Impact: A much greater uptake of the grant. Making funds available at key stages (e.g., roof, windows, heating systems) would improve access, and speed of project delivery.

2.5 Launch a 'Livret A'-Style Housing Investment Savings Account

Proposal: Introduce tax-free housing investment savings account, similar to the Livret A model in France, enabling individuals to invest in approved housing or save for homebuilding. Approximately 40% of its funds are with the commercial bank while the balance is invested in sustainable development projects including affordable housing urban renewal.

Rationale

- At the end of May 2025 Irish consumers had €166 billion in savings with Irish banks and of this, over €142 billion is held in overnight deposit accounts attracting a mere 0.13% in interest.
- A structured, tax-free housing savings account would channel private savings into productive, socially beneficial investment, and it is in line with the EU's savings and investments union (SIU) strategy which aims to create better financial opportunities for EU citizens.

- According to Barry Andrews MEP, in France, the Livret A system has helped to provide 80,000 new housing units, in addition to 14,000 other homes for targeted sections of the population, such as young workers, the elderly and those in need of emergency accommodation.

<https://www.businesspost.ie/analysis-opinion/barry-andrews-a-french-savings-system-could-offer-a-blueprint-to-solve-the-irish-housing-crisis/>

Impact: The state could sustain the current level of public investment. This initiative would mobilise domestic capital into the housing sector, reduce pressure on state financing, and promote financial literacy.

2.6 Reduce VAT on Construction Products – Focus on Energy-Efficient Materials

Proposal: Reduce the standard 13.5% VAT rate on green construction products that improve a building's operational energy performance (e.g., heat pumps, solar PV, insulation, triple-glazing).

Rationale

- The residential sector accounts for 25% of Ireland's final energy use and nearly 11% of greenhouse gas emissions.
- Reducing VAT on energy-saving materials could incentivise faster adoption of climate-resilient building technologies, supporting Ireland's Climate Action Plan 2024 goals.

Impact: This would lower costs of homebuilding and renovations, particularly in retrofitting older stock, while supporting national carbon reduction targets.

2.7 Improve Access to Affordable Finance for Small Builders

Proposal: Reduce HBFI (Home Building Finance Ireland) interest rates (currently 7%) for small-scale developments and provide blended finance or partial guarantees. IPAV has previously documented how the €750 million taxpayer HBFI loan fund, designed to support SME builders, actually ended up primarily with large firms.

Rationale

- As recently acknowledged by the Irish Fiscal Advisory Council, despite the dominance of large firms in accessing schemes like HBFI, the overall construction sector is still made up primarily of SMEs. In 2023, the top 10 builders accounted for only one-third of commencements. That means the other two-thirds were carried out by smaller firms.
- Large firms disproportionately accessed the HBFI scheme. SMEs still make up most of the sector, but many of them either didn't access HBFI or found it unsuitable.
- High finance costs discourage activity in rural and small urban areas where margins are tighter.
- It's highlighting a misalignment; the scheme missed its target audience. As a result, the scheme failed to reach the SME builders it was originally intended to support.
- In a country of Ireland's size and context, SMEs provide stability, while large operators have the flexibility to shift focus abroad if more attractive opportunities arise.

Impact: Access to affordable finance would enable smaller builders to bring forward "shovel-ready" projects, particularly outside major urban centres, thereby helping meet the Government's target of 50,000 new homes per annum.

2.8 Level the Tax Playing Field between Small Private and Institutional Landlords

Proposal: Reform taxation so that individual landlords are taxed more equitably, relative to institutional investors (e.g., REITs, IREFs).

Rationale

- Small landlords face marginal tax rates of up to 52%, while institutional investors benefit from substantially more favourable tax structures.
- As a result, these landlords have exited the market in very large numbers over several years. Despite some public commentary around a recent increase in numbers, the reality is there were over 21,000 fewer landlords registered with the Residential Tenancies Board (RTB) between 2017 and 2024. And while a new RTB methodology from Q2 2023 onwards showed an increase, primarily in very large landlords, the most recent RTB data published in May 2025 showed a drop of over 1,100 in the total number of private sector landlords, small and large, between Q4 2024 and Q1 2025. That drop is primarily accounted for by landlords with just one tenancy.

Impact: Fairer taxation would retain small-scale landlords, stabilise the rental market, and reduce upward pressure on rents. Additionally, it has the potential to incentivise investment into the buy-to-let market.

2.9 Permitting Rent Re-Set to Market Levels after 8 Years for Existing Tenancies

Proposal: Under current rules, rents for existing tenancies can only be increased annually by CPI or 2%, whichever is the lower. Landlords with existing long-term tenants should be allowed to reset the rent to prevailing market levels after a period of 8 years.

Rationale

- Many long-standing tenancies are 30-50% below current market rent highlighting a significant rent gap.
- Draft legislation, commencing 1st March 2026, will allow new tenancies to be set at market rent, creating a two-tier rental system where existing landlords are locked into increasingly unviable rent levels.
- For a number of landlords operating 30-50% below market levels is unsustainable leading to landlords exiting the market and tenants being given a notice of termination.

Impact: Without reform, landlords will continue to sell properties, issuing notice of termination to tenants and further shrinking the private rental stock. Most sales result in owner-occupation, meaning displaced tenants are not replaced within the rental system. These risks are driving up homelessness, which already reached 15,900 people in June 2025 (Department of Housing).

2.10 Accelerate the Delivery of National Development Plan (NDP) Infrastructure

Proposal: Fast-track NDP infrastructure essential to housing delivery, including:

- Water/wastewater systems
- Roads and public transport
- Digital and green infrastructure

Rationale

- Over 100,000 residential units are zoned but not serviceable due to infrastructure delays.
- Timely infrastructure investment is critical to unlocking housing at scale.

Impact: This would support compact growth targets and enable the private sector to meet housing delivery goals under the Government's Accelerating Housing Supply in the 2025 Government Programme.

2.11 Emergency Planning Measures for a Period of Time

Proposal: Emergency planning measures for a period of time until those in the recent Planning and Development Act take effect.

Rationale

- The very welcome Planning and Development Act 2024, a substantial Bill, will take some time to implement, changes like the restructuring of An Bord Pleanála, into a new body, An Coimisiún Pleanála. By enabling Senior Planning Officials and Council CEOs throughout the country to jointly examine planning applications for small developments of up to a maximum of 40 units, planning permission can be granted in a sensible and speedy timeframe.
- In June 2025 it was reported in The Irish Times that more than 85% of planning roles sought two years ago by city and county managers remain vacant.
<https://www.irishtimes.com/ireland/housing-planning/2025/06/03/planners-needed-to-speed-up-housing-delivery-not-hired/>. By engaging Council CEOs to expedite small-scale developments, the measure will help alleviate the current staffing pressures at An Coimisiún Pleanála.

Impact: It would remove a significant impediment to the building of homes and in the short term encourage small builders back to building houses, while the overall planning system adapts to the new Act.

2.12 Fast-Track Planning for Family Redevelopment of Derelict Farm Properties

Proposal: Create a dedicated fast-track planning exemption or priority pathway for families seeking to redevelop derelict or vacant buildings on farmland.

Rationale

- Census 2022 shows that Ireland has over 23,000 one-off vacant rural homes.
- Many of these are suitable for family members seeking to remain in rural communities but planning complexity discourages use.

Impact: This initiative would sustain rural population levels, reduce rural vacancy, and improve generational continuity on family farms.

2.13 Speed up the Conveyancing Process via the Seller's Legal Pack

Proposal: Implement the Seller's Legal Pack for Property Buyers' Bill 2021 to remove blockages that impact the timely sale of property.

Rationale

- The CCPC Report, *Room for Improvement* published in August 2025 recommended legislation for pre-sale requirements to elevate financial loss, stress and time wastage particularly in the early stages of conveyancing.
- IPAV Survey 2024: It found 32% of properties on the market have issues to be resolved (i.e. issue with deeds, boundary issues and other matters). These properties should not be on the market until they are genuinely saleable.

Impact: Only properties with a saleable certificate would be put on the market for sale which would lead to a more transparent, speedier and less costly experience for both the seller and buyer.

3. Conclusion

This submission outlines practical, evidence-based recommendations that align with national policy objectives across housing, climate, and regional development. Auctioneers and estate agents are ready to support the delivery of these measures by connecting private sector activity with public good.

We welcome further engagement with the Department of Finance and relevant stakeholders to assist in implementing solutions to the housing crisis.

4. About IPAV

IPAV is a representative professional body for qualified, Licensed Auctioneers, Valuers and Estate Agents. It is the only Irish representative body catering solely for the professional and educational requirements of Auctioneers and Valuers.

With more than 1,500 members nationwide one of our primary objectives is to uphold, advance and promote professional standards and competence among members.

We operate a comprehensive system of professional education and development for existing members and for those wishing to enter the profession. We introduced the 'Blue Book' European valuation standards to Ireland in 2013. This is the standard recognised by the Irish Central Bank and the European Central Bank for which it holds default status over all other valuation standards in the event of any valuation conflict arising.

IPAV works with other stakeholders and with policymakers to try and influence the development of a sustainable property market where people can buy, sell, or rent properties according to their needs.

This pre-budget submission is intended to help Government implement policies that will achieve that objective.





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