ipav | Institute of Professional Auctioneers & Valuers

PRE-BUDGET SUBMISSION

2027

"The Voice of Auctioneers & Valuers in Ireland"

Accelerating Solutions

for Ireland's Housing & Property Crisis

Contents

1.

Introduction

Ireland's housing and property market is in crisis. Chronic undersupply of homes, combined with rapid population growth and planning delays, have left Irish housing 250,000 units short of European averages, according to the Irish Fiscal Advisory Council (August 2025). Meanwhile, annual housing completions hover around 36,000 – just over half the ~60,000 homes per year needed by 2030 to meet national targets.

https://www.cso.ie/en/releasesandpublications/ep/p-ndc/newdwellingcompletionsq42025/

Rents and house prices have surged, fuelling an affordability emergency for first-time buyers and renters alike. Young people and families across Ireland face shrinking homeownership prospects, while social and affordable housing waitlists lengthen. This crisis is undermining Ireland's social cohesion, economic competitiveness, and intergenerational equity. Rents have soared to historic highs, and homeownership is increasingly out of reach for young families and workforce.

We commend the Government's recognition of the housing emergency and significant budgetary surpluses allocated to capital investment but now is the time for unprecedented action. The 2027 Budget offers a critical window to radically accelerate housing delivery and reform policies that currently impede supply, regeneration, and affordability. The Institute of Professional Auctioneers & Valuers (IPAV), representing auctioneers and valuers nationwide, stands ready to support ambitious solutions that unleash supply and support communities.

The following recommendations provide a comprehensive package of proposals across housing, planning, taxation, and economic measures. We present each recommendation with a clear proposal, rationale, evidence, and intended impact, drawing on the latest data and aligning with insights from experts to underscore the urgency. In combination, these measures can deliver a step change in housing supply and market stability, ensuring Ireland's housing system supports our national social and economic goals.

2.

Key Recommendations

12 proposals for Budget 2027

1. Empower SME Homebuilders & Expand Development Finance

PROPOSAL

Boost support for small and medium-sized (SME) residential developers to strengthen their capacity to deliver new homes. This includes:

- Scaling up Home Building Finance Ireland (HBFI) funding for SMEs and lowering effective borrowing costs. Expand HBFI's capital base and consider subsidising or capping interest rates for smaller projects, given that HBFI's small development loans currently carry interest margins up to 7.5% over Euribor. Introduce state-backed equity co-investment funds targeting SME housing projects to share risk and attract private finance.

https://www.hbfi.ie/products/small-developments

- Dedicated technical assistance: Establish an 'SME Developer Accelerator' programme to help small builders navigate planning, procurement, and compliance. Provide one-stop-shop support (e.g., simplified legal templates, modular housing guidance) to reduce overheads for small projects.
- Ensure existing measures reach SMEs: Tighten HBFI's mandate if necessary to prioritise smaller developers. Large firms dominated HBFI's initial loan allocations, contrary to original intent. Recent changes show improvement, over 80% of HBFI's €3.3bn approvals by end-2025 were for loans under €20m, aimed at SMEs but continued vigilance is needed.

https://www.hbfi.ie/about-hbfi/hbfi-data

RATIONALE

Most new homes in Ireland are built by small builders, yet these SMEs face disproportionate challenges. They lack the access to capital and economies of scale that large developers enjoy, making it difficult to finance and complete projects. Ireland's housebuilding market is highly fragmented: a 2026 HBFI analysis found 90% of homebuilding firms deliver under 50 units/year.

https://d2436q3iluvdzn.cloudfront.net/news/The-Scaling-Challenge.pdf

These local builders can collectively produce tens of thousands of homes if they can secure financing and timely approvals. Currently, many are hindered by expensive loans, difficulty obtaining equity, and capacity constraints. By levelling the playing field (through cheaper finance and support services), more small developments will launch, in turn easing supply bottlenecks in regional towns and rural areas that large developers often overlook. If Ireland is to hit 60,000 homes per year by 2030, SMEs must be empowered to greatly increase their contributions.

EVIDENCE

- Market Structure: According to Home Building Finance Ireland's 2026 report, 794 housebuilders (90% of the total) are "small" (<50 units/year). Only 1% are large players, yet those 11 large developers delivered 32% of new homes 2020–2025. Clearly, Ireland relies heavily on SMEs for housing supply.
- Funding Gap: Delivering 50,000+ homes per year likely requires €20–30 billion in annual development finance, which is currently out of reach for many small builders. Traditional banks are cautious with smaller loans, and HBFI's interest rates of ~7% poses viability challenges for SME projects.
- SME Viability and Pipeline: Housing commencements have increased in early 2026, at least to February. However, March and April, although up on 2024, have shown a notable month-on-month decline on the earlier part of the year despite strong demand, signalling that rising costs and risk/viability are likely discouraging new builds. Enhancing finance and support for SMEs can counteract this by making more projects financially feasible.

https://www.rte.ie/news/business/2026/0423/1569762-home-building-finance-ireland-report/

https://www.housingagency.ie/data-hub/commencements

IMPACT

Strengthening SME homebuilders will yield more homes, faster. Improved access to affordable capital and guidance can jump-start numerous small developments currently stalled. This spreads construction activity across all regions, supporting balanced development. Over time, some small builders will scale into medium or large developers, permanently increasing our building capacity. Additionally, local economic benefits will accrue, as smaller builders often source labour and materials within their communities. In summary, boosting SMEs is one of the most potent ways to increase housing supply and meet national targets, while diversifying the industry and ensuring no town or county is left behind in the housing solution.

2. Reduce Capital Gains Tax (CGT) to Unlock Land for Housing & Business

PROPOSAL

Cut Ireland's Capital Gains Tax rate from 33% to 20% to incentivise the sale of underutilised assets, particularly development land, and stimulate domestic reinvestment. This reduction would align Ireland's rate with international norms and should be accompanied by time-limited CGT exemptions on sales of vacant residential properties and farmland transferred for family succession or housing (to encourage prompt transactions that put underused land and property into productive use).

RATIONALE

Ireland's 33% CGT is the 6th highest across 35 major European cities.

https://taxfoundation.org/data/all/eu/capital-gains-tax-rates-europe/

High CGT is acting as a "lock-in" barrier that discourages the sale and redevelopment of land and property in Ireland. Landowners often hold onto sites suitable for housing rather than incur a 33% tax on sale, constraining the land supply for development and thereby restricting housing delivery. Lowering CGT, even temporarily, would boost land mobility: owners get to retain more proceeds, making sales more attractive. This can unlock idle development land, aiding Government housing targets. Additionally, at a macro level, reducing CGT to 20% would unfreeze capital tied up in assets, encouraging reinvestment into new businesses and projects, strengthening domestic direct investment and generational transfer of businesses/farms. Lowering CGT is a "quick win" – it costs relatively little (CGT is only ~2% of tax revenue) but can have outsized economic benefits.

https://www.revenue.ie/en/corporate/documents/research/capital-taxes-profile-2015-24.pdf

Some further insight from a tax expert:

https://www.businesspost.ie/analysis-opinion/its-time-for-a-reduction-in-capital-gains-tax/

EVIDENCE

- Unlocking Land for Housing: High CGT is widely cited as a barrier to land transactions and development. The State has introduced the Residential Zoned Land Tax specifically to increase the supply of housing by encouraging the development of land that is zoned for housing but remains idle. It discourages land hoarding by imposing a tax on the market value of serviced, undeveloped land. Irish policy already recognises that landowners will hold land rather than sell or develop, and that tax incentives have proven ability to change behaviour, even if such measures are challenged by 'politically correct' attitudes, especially following the financial crash of 2008. Any rational analysis will show that historically they have proven their effectiveness. The fact that parameters of past initiatives were extended excessively doesn't undermine the basic principle.
- Stimulating Reinvestment: The 33% CGT deters business owners from selling and reinvesting in new ventures. At 20%, entrepreneurs would retain more capital to fund new projects, boosting innovation and job creation.
- Fiscal Sustainability: CGT makes up a small fraction of overall tax receipts (~2%), meaning the revenue impact of a rate cut is limited. Moreover, increased transaction volume could partially offset the lower rate.

https://www.revenue.ie/en/corporate/documents/research/capital-taxes-profile-2015-24.pdf

IMPACT

A CGT reduction to 20% would energise Ireland's property and business markets. More development land would come to the market – currently one of the tightest bottlenecks for housing – enabling builders to secure sites at reasonable prices and commence projects. It would also encourage ageing business owners and farmers to pass enterprises and land to the next generation, aiding SME growth and rural development. The measure would send a clear pro-investment message: that Ireland rewards those who invest and reinvest in the economy. Overall, a targeted CGT cut is a high-impact, low-cost change that can unlock stuck assets, boost housing supply, and support entrepreneurship.

3. Tackle Vacancy & Dereliction through Adaptive Reuse

PROPOSAL

Aggressively bring vacant and derelict properties back into use through expanded grants and targeted tax measures, with a stronger focus on unlocking multi-unit and mixed-use buildings in town centres. Specifically:

- Scale up and redesign Croí Cónaithe schemes to support larger adaptive reuse projects. The existing Vacant Property Refurbishment Grant (€50k for vacant, €70k for derelict homes) and the introduction of the Vacant Above the Shop Grant are positive steps. However, these measures remain primarily geared towards single-unit projects and do not sufficiently address the viability challenges associated with converting larger vacant buildings (e.g. multi-storey over-the-shop properties, former offices, or mixed-use town centre buildings). A revised model should introduce a sliding-scale, viability-gap based grant, using an open-book appraisal approach, to support developments delivering multiple residential units from a single building.
- Reform the Vacant Above the Shop Grant to enable delivery at scale. At present, applicants must apply as private individuals. In practice, a significant proportion of above-the-shop and town centre properties are held within registered company structures, meaning that professional landlords, developers and many property owners are excluded from the scheme. This restriction materially limits uptake and delivery. Eligibility should therefore be extended to registered companies and corporate ownership structures, subject to clear conditions on delivery and use.
- Introduce staged grant payments. Provide grant funding on a drawdown basis linked to construction milestones, rather than a single end-payment. This would address cashflow barriers and make refurbishment projects more viable, particularly for SME developers and property owners.
- Tax Reliefs for Reuse: Introduce a time-limited CGT exemption on the sale of long-term vacant properties where the purchaser undertakes refurbishment and occupation. Additionally, provide a targeted income tax incentive for landlords who carry out substantial refurbishment and bring units back into the long-term rental market at sustainable rents.
- Vacant Homes Tax & enforcement: Continue to strengthen the Vacant Homes Tax where required to ensure long-term vacancy is not financially viable. At the same time, provide greater resourcing and enforcement capacity to Local Authorities, including the use of Compulsory Sale Orders for persistently derelict properties.

RATIONALE

Ireland's vacancy and dereliction levels remain unacceptably high. Census 2022 identified approximately 166,700 vacant dwellings nationwide (excluding holiday homes), with a significant proportion vacant for extended periods.

There is clear evidence of demand to bring these properties back into use. The Vacant Property Refurbishment Grant has attracted over 15,000 applications since September 2025, demonstrating strong interest from property owners. However, delivery remains constrained and current schemes are largely focused on individual dwellings, rather than unlocking the more impactful opportunity presented by larger vacant and underutilised buildings.

These buildings often involve complex conversions, higher compliance costs and greater planning risk, creating a viability gap that current grant levels do not address. In addition, existing schemes do not fully reflect ownership reality, particularly in town centres where properties are frequently held in company structures. Excluding these actors limits the State's ability to mobilise supply at pace.

International experience shows the importance of a more structured approach. In Scotland, town centre regeneration programmes have supported the conversion of vacant upper floors and commercial buildings into residential use through coordinated funding and local authority delivery. These approaches demonstrate that whole-building regeneration, rather than single-unit interventions, is required to achieve scale.

EVIDENCE

- Scale of Vacancy: Census 2022 recorded approximately 166,700 vacant dwellings nationally, representing a significant untapped housing resource.
- Strong Demand for Reuse: The Vacant Property Refurbishment Grant received over 15,000 applications since September 2025, reflecting substantial market appetite for refurbishment.
- Viability Constraints: Larger adaptive reuse projects, particularly in town centres, face higher cost and complexity, and are not currently viable under existing grant structures.
- Ownership Reality: A significant proportion of above-the-shop and urban properties are held within registered companies, which are currently excluded from key grant supports.

https://www.cso.ie/en/releasesandpublications/ep/p-cpp2/censusofpopulation2022profile2-housinginireland/vacantdwellings/

https://www.gov.ie/en/department-of-housing-local-government-and-heritage/publications/vacant-property-refurbishment-grant/

IMPACT

A strengthened and better-targeted approach to vacancy and dereliction would deliver a rapid increase in housing supply using existing building stock.

Expanding grants to support multi-unit adaptive reuse will enable the conversion of entire buildings, unlocking multiple homes from a single intervention. Reforming eligibility to include corporate ownership structures will significantly expand participation and delivery capacity.

Combined with targeted tax incentives and stronger enforcement, these measures will help:

- Increase housing supply at speed without new land take
- Revitalise town centres and reduce visible dereliction
- Improve the viability of complex refurbishment projects
- Support SME developers and property owners
- Reduce pressure on greenfield development

Unlocking vacancy at scale represents one of the most immediate and cost-effective opportunities to address Ireland's housing shortage.

4. Level the Rental Playing Field for Small Landlords

PROPOSAL

Retain and revive individual landlords in the private rental sector by offering equitable tax treatment and regulatory stability. We recommend introducing tax relief on rental income for small-scale landlords (e.g., those with 1–3 properties) to significantly lower their effective tax rate closer to corporate landlord levels. Options include allowing deduction of LPT and more expenses against rental income (beyond current limits), or a rate reduction/credit that brings the effective tax on rental profits down from ~50% to a far more sustainable level. Additionally, ensure new rental regulations are balanced: e.g., any enhanced tenant protections or long-term lease requirements should be paired with incentives (like the tax relief above) to keep small private landlords in the market.

RATIONALE

Thousands of small landlords have exited Ireland's rental market, selling homes to the owner-occupier market or larger funds. This exodus shrinks rental supply, contributing to surging rents and limited options for tenants. Why are they leaving? Extremely high tax burdens (a one-property landlord's rental income is taxed up to ~52% under income tax, USC, PRSI) and increasingly complex regulations have squeezed their net returns and increased perceived risk. Meanwhile, institutional landlords (REITs and funds) often pay near-zero tax on rental profits due to exemptions, creating an uneven playing field.

The outcome has been a steady decline in small landlords: e.g., RTB data shows 7,062 Notices of Termination received in Q1 2026, up 51% from Q1 2025.

https://www.rtb.ie/wp-content/uploads/2026/05/NoTs_Received_RTB_Q1_2026_.pdf

While professional funds are playing a role in providing rental housing, Ireland still relies on small landlords who provide the majority of affordable long-term rentals, particularly outside city centres and for family homes. Stemming the tide of small landlords leaving is critical to avoid further rental crises. It seems there is policy ideation, even if not publicly acknowledged, to 'professionalise' all landlords, as policy changes over recent years would seem to suggest. We believe that in time this policy will be seen to have been unwise, taking out a whole cohort of the market that provided flexible and more affordable rentals that worked for landlords and tenants.

EVIDENCE

- Landlord Attrition: RTB Quarterly Update Q1 2026 shows 4,259 or 60% of the Notices of Termination in Q1 2026 were issued as the landlord intends to sell the property. The trend is clear: many long-time landlords are cashing out.
- Tax Disparity: Individual landlords can face effective tax rates above 50% on rental profits (46–52% at higher incomes), in stark contrast to large institutional investors, which typically pay minimal corporate taxes on rental income via REIT structures and interest deductions. This disparity has been noted by landlord associations and think tanks as a key driver of exits.
- Impact on Renters: The loss of small landlords often means their properties are sold to owner-occupiers, permanently removing units from the rental market, aggravating the supply shortage and increasing rents.

IMPACT

Tax parity and supportive regulation for small landlords will stabilise the rental market. By significantly improving after-tax returns, many would reconsider selling. This directly translates to preventing further loss of rental properties and could even encourage some former landlords to re-enter the market. A healthier small landlord base is crucial for broad distribution of rental homes across Ireland, especially outside major cities where institutional investor interest is low. With better retention of these landlords, tenants face less disruption and slower rent increases. In summary, making the rental market viable for "accidental" and small-scale landlords is vital for preserving Ireland's rental stock, and thus a cornerstone of protecting tenants as well.

5. Incentivise Rightsizing & Age-Friendly Housing

PROPOSAL

Implement incentives for older homeowners to 'rightsize' and expand development of age-friendly housing. Key measures:

- Stamp duty exemption for older (e.g., 60+) homeowners who downsize from a large family home to a smaller dwelling, thus removing a significant cost barrier.
- "Right-sizing Grant" (or financial support) to help with moving costs and minor modifications for older people who sell family-sized homes and relocate to more appropriate housing.
- Support new retirement living options via planning and financing assistance. For example, expedite planning for senior housing communities and long-term management frameworks (so older residents can confidently move into professionally managed, accessible homes within their localities).

RATIONALE

A growing share of Ireland's housing stock is under-occupied by an ageing generation. Many older people wish to downsize to more manageable homes but are hesitant due to lack of suitable housing options and financial disincentives. As a result, thousands of larger homes remain off the market – despite younger families facing shortages of such homes. With Ireland's 65+ population projected to exceed one million by 2030, facilitating rightsizing is essential for better housing utilisation and elderly well-being.

https://www.cso.ie/en/releasesandpublications/ep/p-rpp/regionalpopulationprojections2023-2042/

The Government has taken a welcome step by easing mortgage rules in 2026 to improve access to bridging loans for older movers.

https://www.thejournal.ie/central-bank-mortgage-rules-bridging-loan-downsize-7006576-Apr2026/

However, more direct incentives are needed – particularly removing stamp duty for downsizers and providing grants to truly unlock mobility. This will free up family homes for those who need them, while ensuring older population have comfortable, age-friendly housing choices.

EVIDENCE

- Demographic Change: The 65+ age group is Ireland's fastest-growing cohort; CSO projections show it will double (to ~1.8 million) by 2057 and surpass 1 million by 2030, reflecting urgent need for senior housing.
- Under-Occupancy: Earlier CSO-based analysis indicated that over three quarters of households aged 55+ had at least two spare bedrooms. While Census 2022 confirms the continued prevalence of larger homes, the CSO has not published a directly comparable updated measure of underoccupancy.
- Cohort of Older Renters: The number of private renters aged 65+ has nearly doubled over the past decade, reaching almost 17,000 households in Census 2022, a small but rapidly growing group with precarious housing security in retirement. This underscores the importance of expanding senior-appropriate housing for both homeowners and renters.
- International Precedents: Internationally, Australia combines stamp duty concessions with pension and tax incentives to actively encourage downsizing, while jurisdictions such as the UK highlight the absence of such measures as a key barrier to housing mobility.

https://www.cso.ie/en/releasesandpublications/ep/p-rpp/regionalpopulationprojections2023-2042

IMPACT

Empowering older people to rightsize will deliver multiple wins: it increases the supply of family homes, promotes healthier ageing in place, and reduces social isolation. Furthermore, a robust rightsizing initiative can lower pressures on health and social care, by ensuring older people live in homes that meet their needs. Freed-up family homes allow younger families to buy and move up the housing ladder, making better use of existing stock. In turn, new housing that caters to older people e.g. accessible apartments, bungalows, and supported living communities, will see fresh demand, stimulating construction activity. Taken together, these measures optimise Ireland's housing stock and improve quality of life across generations.

6. Speed Up Property Sales with a Seller's Legal Pack

PROPOSAL

Modernise and expedite Ireland's home-buying process by implementing a mandatory Seller's Legal Pack (SLP) for property transactions. This requires legislation (as proposed in the 2021 Property Buyers' Protection Bill) mandating that sellers provide a complete legal information pack – including title deed, BER certificate, planning permission compliance, etc. – to prospective buyers before a sale agreement is reached. The Government should allocate resources to ensure a smooth rollout (standardised pack contents, an accessible digital platform for document sharing, and education for industry stakeholders) and enforce compliance to guarantee a level playing field.

RATIONALE

Conveyancing in Ireland remains painfully slow and uncertain, often taking 16 plus weeks from 'sale agreed' to completion. This leads to stress, increased costs, and high fall-through rates for buyers and sellers alike. Many delays are caused by last-minute discovery of title issues, missing documents, or legal queries. Voluntary efforts, such as a 2025 Best Practice Charter, have not solved the problem, as average timelines remain stuck at 16 plus weeks.

https://www.gov.ie/en/department-of-the-taoiseach/publications/best-practice-charter-for-solicitors-and-estate-agents-in-conveyancing/

The Competition and Consumer Protection Commission (CCPC), in its 2025 'Room for Improvement' report, explicitly recommended a mandated pre-sale legal pack to protect consumers and reduce delays. This echoes IPAV's own long-standing advocacy for such a reform. By front-loading critical information in a seller's pack, all parties can identify and resolve legal issues before a sale is agreed, rather than in the closing phase, making transactions much faster and less prone to collapse.

https://assets.ccpc.ie/data/docs/default-source/about-us/rai-publications/research-reports-2025/research-report-homebuying-room-to-improve.pdf?sfvrsn=205a57f3_1

EVIDENCE

- Chronic Delays: Conveyancing still averages ~16–17 weeks despite technological advances. This far exceeds the 8-week completion target in the Government's Housing for All plan, indicating the status quo is failing to meet policy goals.
- Problem Scope: An IPAV 2024 survey of estate agents found 32% of properties listed for sale had unresolved legal issues (e.g., title defects or missing documents) that later stalled those transactions. These properties should have been 'sale-ready' before listing.
- Buyer Risks: According to CCPC research, nearly 30% of buyers encounter unexpected legal issues after going 'sale agreed', forcing renegotiations or withdrawals, and the majority of those buyers said they would have bid differently (or not at all) had they known earlier. This is an untenable situation for consumers, who spend on surveys and legal fees only to have sales fall through.
- International Norms: In many countries (e.g., some USA states, Australia, Scotland, Denmark and parts of Canada), sellers customarily provide certain disclosures upfront. The UK has moved toward reintroducing a Home Information Pack concept for similar reasons.

IMPACT

Requiring a Seller's Legal Pack will fundamentally transform the efficiency of home sales in Ireland. Buyers will enjoy greater confidence and transparency, making informed offers with all key facts in hand. Sellers benefit from fewer deals collapsing or being delayed because a problem emerges late in the process. Completion times could realistically fall to 8 weeks or less for straightforward transactions cutting in half the current norm. This speed would also increase overall market throughput, as capital tied up in lengthy closings is freed sooner for subsequent transactions. Ultimately, a mandated SLP will modernise Ireland's conveyancing system to match best practice globally, reducing costs, uncertainty, and stress for tens of thousands of home buyers and sellers each year.

7. Update the Help-to-Buy Scheme for Today's Prices

PROPOSAL

Strengthen the Help-to-Buy (HTB) scheme so it continues to effectively assist first-time buyers (FTBs) in a higher-cost environment. Key adjustment: Raise the maximum eligible home value from €500,000 to at least €650,000 and index this cap to house price inflation hereafter (e.g., adjusting annually based on the CSO Residential Property Price Index). The core mechanics of HTB, providing up to €30,000 or 10% of the purchase price as a tax rebate for FTBs of new homes should remain, as the support is proven to help with deposit formation. But the price cap must reflect current realities to avoid arbitrary exclusion of otherwise eligible buyers.

RATIONALE

When HTB launched in 2017, a €500k cap comfortably covered virtually all typical starter homes. Since then, CSO data show that house prices have risen by nearly 50% since 2017, highlighting the sustained upward pressure in the market over the past decade, driven by the very supply shortage we are addressing. According to the CSO, the median house price for sales up to March 2026 was €390,461 with new-builds often higher. It is now quite common for modest family homes in Dublin and other urban centres to exceed €500k. This means many aspirant first-time buyers are locked out of HTB support simply due to inflation, undermining the scheme's objective. By lifting the cap to ~€650k and indexing it, HTB will again be accessible to the broad middle of the market.

EVIDENCE

- Price Inflation: CSO data indicates that house prices increased by approximately 50–60% between 2017 and early 2026. By way of illustration, a €500,000 home in 2017 would now typically be valued in the region of €750,000–€800,000.
- HTB Utilisation: The HTB scheme has been highly popular with nearly 55,000 first-time buyers utilising it since 2017. Without adjusting the cap, however, usage could dwindle as fewer new homes qualify.
- Regional Differences: In parts of Dublin, the 'floor' for new family homes often exceeds €500k, meaning even relatively standard homes (3-bed suburban semis) are no longer eligible. This is inadvertently penalising FTBs based on where they live, contrary to the scheme's egalitarian spirit.

IMPACT

Raising the HTB cap will revive the scheme's reach, enabling more first-time buyers to bridge the deposit gap for a new home. That, in turn, stimulates supply: developers of starter homes can plan projects with confidence that buyers will have government backing for deposits up to the new threshold. Importantly, indexing the cap hereafter ensures HTB's value is not eroded by future inflation. Overall, a modernised HTB will continue to fulfil its role as a cornerstone support for homeownership, helping a new generation buy homes and instil confidence in construction of those homes.

8. Zero Stamp Duty for First-Time Buyers on Second-Hand Homes

PROPOSAL

Eliminate stamp duty for first-time home buyers (FTBs) purchasing second-hand residential properties below a certain value (e.g., up to the median price of ~€500,000). This would create some parity with new homes where FTBs pay stamp duty on the price excluding VAT, can apply for First Homes Scheme and Help to Buy, thereby removing some of the current tax disincentive against buying existing homes.

RATIONALE

Under current rules, FTBs pay stamp duty at the standard rate (1% up to €1 million) on both second hand and new homes. However, buyers of new homes benefit from other advantages including the deduction of VAT for stamp duty purposes and have access to the First Home Scheme and Help to Buy. Given today's market conditions, many first-time buyers must turn to the second-hand market. New builds are not only limited in number but often more expensive or not available in desired areas. It is counterproductive and inequitable to penalise those FTBs who choose or have no choice but to buy an older home. Waiving stamp duty for FTBs on second-hand purchases, at least up to a regional price cap, would lower upfront costs by several thousand euro, money better used towards a deposit or renovations. This measure would also stimulate housing market mobility: sellers of those second-hand homes (often older owners) may be more inclined to move and list their property, knowing FTBs have improved purchasing power.

EVIDENCE

- FTB Trends: While new build construction is increasing, a significant share of new units are not sold to individual buyers (e.g., bulk purchases for social housing or by funds). As a result, the majority of FTB purchases are second-hand homes. Recent BPFI data show that new homes account for between 29% and 41% of first-time buyer purchases, meaning the majority, around 60%, continue to be second-hand homes. Ensuring support covers second-hand buys is, therefore, essential.
- Financial Relief: On a €400,000 home, scrapping the 1% duty saves a FTB €4,000. That is meaningful relief, where margins are tight.

- Housing Chain Effects: The UK's stamp duty relief for FTBs (on purchases up to ~€500k equivalent) is credited with boosting FTB transactions and supporting overall housing market activity. Increasing FTB participation in turn encourages existing owners to sell and move, a crucial dynamic in a healthy housing market.

https://bpfi.ie/publications/bpfi-mortgage-drawdowns-report-q4-2025/

IMPACT

Zero-rating stamp duty for FTBs on second-hand homes will improve housing affordability and market fluidity. For thousands of aspiring homeowners, it shaves off time needed to save. For the market as a whole, the measure is likely to result in more properties being listed and sold: as first-timers are empowered to buy older homes, current owners can confidently sell and move, unlocking housing chains. This policy dovetails with Recommendation 5 (rightsizing) by making it easier for older owners to sell and for young families to buy their homes. The direct cost to the Exchequer is modest given FTBs are only a slice of second-hand purchases, and many such transactions are lower-priced, but the societal benefits in terms of increased homeownership and mobility are substantial.

9. Spur Student Accommodation Development

PROPOSAL

Jump-start new purpose-built student accommodation (PBSA) through targeted fiscal incentives and partnerships. Key actions:

- Reintroduce tax incentives for PBSA projects, such as capital allowances or targeted tax-exempt status for new student housing developments meeting affordable rent criteria. These incentives could be time-bound (e.g., for projects commenced by 2029) to prompt immediate action.
- Facilitate university-private partnerships (UPPs) by co-funding or guaranteeing loans for on-campus and near-campus housing. The State can use a small portion of its surpluses to co-invest in student housing where the market isn't delivering, ensuring rents remain affordable.
- Streamline planning and reduce levies for PBSA: Provide swift planning decisions (within statutory deadlines) for PBSA projects and consider waiving development levies for projects that provide a significant portion of below-market or "cost rental" student beds.

RATIONALE

Ireland faces a severe student housing shortage that is adding pressure to the wider rental market. There were over 215,000 full-time third level students in Ireland in 2024/25, compared to just 47,600 purpose-built student accommodation beds at end 2025, highlighting a significant structural imbalance between demand and supply.

https://www.rte.ie/news/business/2026/0217/1558989-shortage-student-beds/

This shortfall, tens of thousands of beds, forces many students to compete in the general rental market, often displacing other renters or leading to substandard living conditions. The Government's past attempts to facilitate PBSA (e.g., through the National Student Accommodation Strategy) have not kept pace, partly due to financial viability issues as construction costs soared. However, we have historical proof that tax incentives can spur rapid student housing expansion: during the 1999–2006 period, the Section 50 student accommodation scheme helped deliver a wave of new student residences before it expired. Reviving similar supports, adapted to today's needs, would quickly re-engage private investment in PBSA, complementing capital commitments from the Department of Further & Higher Education.

EVIDENCE

- Supply-Demand Gap: By end-2025, Ireland faced a shortfall of at least 38,900 student bed spaces across Dublin, Cork, Limerick and Galway, with Dublin experiencing a student-to-bed ratio of approximately 2.7:1, underscoring the scale of the accommodation deficit.

- Recent Decline in PBSA Development: Rising construction costs and high interest rates have led to many planned PBSA schemes stalling or being repurposed. As of late 2025, only ~2,600 new PBSA beds were under construction across the country, which is insufficient.
- Investor Interest if Viability Improves: Reports by property advisors (Cushman & Wakefield, Savills) note that investors see potential in Ireland's student housing if the right conditions exist, given stable demand and long waiting lists. By mitigating viability issues with targeted tax or funding support, the State can align public need with private capital.

IMPACT

Accelerating PBSA construction will directly relieve pressure on the wider rental market. Every new student bed potentially frees up a rental room or apartment that would otherwise house a student, benefiting young workers and families seeking accommodation. Meanwhile, students benefit from purpose-built, safe, and ideally more affordable living close to their campuses which can improve educational outcomes and student welfare. The measure will also create construction jobs and possibly attract international students, who often decide to study based on availability of accommodation. In summary, addressing student housing is a win-win: it's both a housing supply solution and an investment in education and future talent development.

10. National Irish Savings & Investment Scheme

PROPOSAL

Ensure that the Minister for Finance's planned Savings & Investment Scheme channels household savings into national priorities like housing and enterprise. The scheme should be modelled on international successes: for example, a Tax-Free Investment Account with an annual contribution limit (e.g., €5,000–€10,000 per person) and tax-free interest/dividends on funds held for at least, say, 5 years. The Government could commit to matching a small portion of contributions or guaranteeing minimum returns on a share of the funds that are directed to specific public-interest projects (housing, green infrastructure, etc.).

RATIONALE

Irish household deposits stood at €176.6 billion at end of April 2026, according to Central Bank data, mostly earning near-zero interest. At the same time, the country needs sustainable financing for housing, infrastructure, and innovation. The planned national savings/investment scheme would encourage citizens to invest their savings for better returns, while mobilising domestically sourced capital for development. Models from abroad show how powerful this can be: for example, the UK's Individual Savings Accounts (ISA) attracted the equivalent of ~€870bn since 1999, and Canada's Tax-Free Savings Accounts (TFSA) have over 17 million users. Ireland currently lacks a comparable product for broad-based, tax-advantaged saving. The Government has signalled interest in launching such a scheme by 2027, as a way to strengthen Domestic Direct Investment (DDI). It is crucial that the scheme's design is simple, appealing, and directed into productive uses, such as investing in agencies like the Housing Finance Agency to fund affordable housing or SMEs, giving savers a stable return and a sense of contributing to national progress.

EVIDENCE

- Excess Savings: Irish households added tens of billions in savings during the COVID-19 pandemic and beyond, reaching record deposit levels (over €167bn). This is partly due to limited attractive investment options domestically for average savers.
- International Precedents: The UK ISA allows ~£20k per year in tax-free savings. The concept is well-proven, with widespread public participation. France's Livret A (a regulated savings account paying tax-free interest, often funding social housing loans) is held by roughly three-quarters of French households (with a max €22,950 per person). Such high uptake demonstrates that if designed well, a national savings scheme can mobilise substantial capital for policy goals.

https://www.centralbank.ie/docs/default-source/statistics/data-and-analysis/credit-and-banking-statistics/bank-balance-sheets/2025m7_ie_monthly_statistics.pdf?sfvrsn=e38e691a_4

IMPACT

An Irish Savings & Investment Scheme would yield multiple benefits. It provides better returns for savers, encouraging long-term financial planning and reducing households' over-reliance on property as the only investment. It also creates a pool of capital that can support national priorities: imagine Irish households directly investing in, say, social housing developments or green bonds, building assets for themselves while building assets for the country. Over time, this could help stabilise Ireland's housing finance by adding a domestic investor base complementing foreign capital. Additionally, by fostering a stronger saving culture, it enhances financial resilience among the population. In short, a well-crafted scheme turns individual savings into a collective force for Ireland's development, aligning personal financial interests with the public good.

11. Support Apartment Owners via Block Sinking Fund Incentives

PROPOSAL

Incentivise apartment owners to adequately fund the upkeep of their buildings by offering a tax relief on management fees (service charges), especially the portion allocated to capital 'sinking funds' for long-term maintenance. For example, allow apartment owners to claim an income tax credit for a fixed share, say 50% of their annual service charge, conditional on their development meeting minimum sinking fund contributions per apartment per year, as per established best practice or law. This ties the relief to good behaviour encouraging owners to pay fees in full and management companies to set aside robust reserves.

RATIONALE

Ireland faces a legacy of poorly maintained apartments due to inadequate sinking funds. Many multi-unit developments built during the boom now have structural defects or require major remediation (waterproofing, fire safety upgrades, etc.), but management companies often have insufficient reserves to cover these costs because some owners do not pay service charges reliably, or charges were set too low. This leads to deferred maintenance until a crisis hits, at which point the Government is often prevailed upon to step in with taxpayer money to fix issues (e.g., the planned €2.5 billion defective apartments redress scheme). It is far more prudent to incentivise preventative saving through sinking funds than to pay for emergency repairs later. By providing a tax break on service charges, the State effectively rewards owners who contribute to the long-term upkeep of their property. This mirrors logic in other policy areas (pension tax relief encourages retirement saving to reduce future State pension burden). A well-funded sinking fund means a safer, longer-lasting housing stock and fewer future bailouts.

EVIDENCE

- Defects Crisis: A government working group estimated that 50% to 80% of apartments built 1991–2013 have some fire or structural defects – a staggering figure (~100,000 units afflicted). Many of these issues went unnoticed or unaddressed until recently, partly because maintenance funds were not built up or used post-construction.
- Public Cost: The Government in 2024 approved a scheme to reimburse apartment owners who had to pay out-of-pocket for such defects, with estimated taxpayer exposure up to €2.5 billion. Essentially, the State is paying for decades of underfunded maintenance.
- Low Sinking Fund Compliance: Industry sources indicate that across numerous apartment complexes, sinking funds fall far short of what is required, or indeed what is set out in current rules, which is insufficient. Non-payment of fees by some owners exacerbates this: anecdotal evidence from property management companies suggests 20–30% of apartments in some complexes have overdue service charges, undermining collective maintenance efforts.

https://www.rte.ie/news/2024/1029/1477991-defective-apartments-scheme/

https://www.rte.ie/news/ireland/2024/0918/1470703-apartment-works-scheme/

IMPACT

A tax deduction for service charges would encourage apartment owners to prioritise paying their fees, thereby boosting the health of sinking funds across Ireland. Over time, this leads to proactive maintenance and timely repairs in apartment blocks, preventing small issues from turning into major, dangerous problems. Residents will benefit from better-maintained, safer homes with lower unexpected levies. The State benefits by reducing the likelihood of expensive bailouts for building defects. Moreover, healthier sinking funds can improve market confidence in apartment living, an important factor for Ireland's urban density goals as prospective buyers will be less fearful of surprise costs. It's a fiscally sensible measure to share the responsibility of housing quality between the State and homeowners.

12. Prepare Small Businesses for the AI Transition

PROPOSAL

Launch a 'National AI & Digital Skills for SMEs' initiative funded in Budget 2027 to ensure Ireland's small and medium-sized enterprises (SMEs) and their employees are not left behind by rapid technological change. Key elements:

- SME AI Skills Fund: Provide vouchers or grants to SMEs to subsidise training courses in AI, data analytics, and automation technologies. Prioritise businesses outside the tech sector that might not otherwise invest in these skills, as well as regions outside Dublin.
- Public-Private Partnerships: Collaborate with industry and educational institutions to develop targeted accessible training programs (online modules, evening courses, etc.) focused on integrating AI into business processes (marketing, customer service, manufacturing, etc.) at a small-business scale. Incentivise employee training through, for example, tax credits for employers who upskill staff in key digital competencies.

RATIONALE

The global economy is on the cusp of an AI-driven transformation. While large multinational companies are investing heavily in AI adoption, Irish SMEs risk falling behind. Ireland's economy, with its mix of high-tech multinationals and a broad base of SMEs, is particularly exposed to AI-related shifts in the labour market. An IMF study found that around 40% of jobs globally are exposed to artificial intelligence, with exposure significantly higher in advanced economies such as Ireland, where the share of jobs affected is among the highest.

https://www.politico.eu/article/imf-report-40-percent-of-jobs-exposed-to-ai/

If smaller firms lack the skills and resources to adapt, we could see widening productivity and wage gaps, with adverse effects on competitiveness and employment outside the tech sector. Preparing our SME workforce for AI is an insurance policy for our future prosperity and a means to share the benefits of innovation widely. By investing a small fraction of budget surplus into SME training now, we can avert larger costs later, like dealing with structural unemployment or competitiveness loss.

EVIDENCE

- Irish Uniqueness: The IMF's Managing Director remarked in 2026 that Ireland is relatively well-placed in terms of AI skills, referencing our strong education system and tech sector, but also highlighted that our economy is very "digitally exposed" to AI changes. Ensuring that advantage permeates to SMEs is crucial.
- Demand for Skills: AI-related job postings in Ireland have doubled between 2023 and 2025, indicating surging demand for expertise. Without intervention, SMEs may struggle to attract or train such talent, as larger firms dominate hiring.
- Global Moves: Comparable economies are acting. For instance, Singapore and Finland have national programmes providing SMEs with grants and tools for AI and digital upskilling. Ireland should not lag in enabling our indigenous firms to adopt new technologies.

https://www.imf.org/en/news/articles/2026/05/25/mcs052526-ireland-staff-concluding-statement-2026-article-iv-mission

IMPACT

Empowering small businesses with AI and digital skills will boost productivity and resilience, ensuring that the benefits of technological progress are broadly shared. Participating SMEs could automate routine tasks, optimise operations, and capture new market opportunities, strengthening their competitiveness in a digital economy. Employees, meanwhile, gain valuable skills, improving their career resilience and earning potential. This initiative aligns with Ireland's overall economic strategy of fostering innovation and inclusive growth. In the big picture, an AI-ready SME sector will help sustain Ireland's economic success by spreading innovation beyond the tech giants and ensuring no region or sector is left behind in the next wave of technological change. It also mitigates Ireland's widely acknowledged risk of over dependence upon foreign direct investment.

3. Conclusion

Ireland's housing and property challenges demand bold, assertive action. The above twelve recommendations form an integrated strategy for Budget 2027 that addresses both immediate pressures, housing supply, affordability, rental security, and longer-term resilience, skills and savings. They are intentionally ambitious because only ambition commensurate with the crisis will suffice.

Implementing these measures will require strong political will and cross-departmental coordination, but the evidence and public support are there. Indeed, many proposals align with expert recommendations and, in some cases, the Government's own stated goals (e.g. removing housing market bottlenecks, encouraging downsizing, unleashing small builders, boosting housing via vacant stock, and promoting domestic investment). IPAV stands ready to assist in refining and executing these initiatives.

Crucially, these recommendations reinforce each other. For example, tax reforms (CGT and small landlord relief) would directly augment housing supply and rental stability; rightsizing incentives would free up homes to meet some of the pent-up demand; a revitalised student housing effort would ease rental pressures; vacancy initiatives would deliver quick wins on supply; SME builder support and planning efficiency through existing reforms will accelerate new construction; and an AI skills & savings scheme will ensure our economic base and households remain robust through transitions.

The stakes are high: the housing crisis is eroding our social fabric and undermining future competitiveness. Budget 2027 is the moment to make transformative decisions. By adopting these recommendations, the Government can demonstrate bold leadership and deliver tangible results; more homes, fairer markets, and greater security for all. IPAV urges policymakers to seize this opportunity and work with us to turn these proposals into reality, ensuring that every Irish resident has access to a decent, affordable home and a stake in our shared prosperity.

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.

Institute of Professional Auctioneers & Valuers
The Voice of Auctioneers & Valuers in Ireland

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