



Co-operative  
**housing**  
Ireland

# Budget 2026

# **Co-operative Housing What We Want to See in Budget 2026**

**October 2025**

## **About Co-operative Housing Ireland**

Co-operative Housing Ireland is an Approved Housing Body (AHB) providing over 6,000 high-quality homes to lower-income households. As a representative body, Co-operative Housing Ireland champions co-operative principles in delivering homes and supporting communities. Co-operative Housing Ireland has been a leader in providing truly affordable homes across Ireland since 1973.

Co-operative Housing Ireland's vision is a society where everyone has access to housing delivered co-operatively. It is our mission to provide homes co-operatively to meet the needs of our communities by working in partnership:

- to enable vibrant and sustainable communities
- to be a voice for delivering housing co-operatively and for those in housing need
- to support co-operative and other community-led housing initiatives

## **Context of Budget 2026**

Co-operative Housing Ireland, along with our partners in the Housing Alliance, own or manage more than 50,000 homes nationwide. The AHB sector has a proven track record of delivering social and affordable homes at scale. As Government-recognised strategic delivery partners, we invest in homes, services and communities.

While the AHB sector continues to deliver high-quality social and affordable housing for those in need, there are certain constraints on AHBs related to the current social housing funding model, as well as legacy issues related to previous schemes. These issues need to be addressed through Budget 2026.

With the full details of next year's budget soon to be announced, Co-operative Housing Ireland hopes to see the following included to allow the AHB sector to keep delivering new homes, while also ensuring our existing properties are properly maintained.

## **Delivering New Homes**

### **AHB Debt Levels and Gearing**

- A commitment to a State guarantee of AHB debt to reduce risk for lenders in light of high gearing ratio and create more diverse sources of finance for AHBs.
- Introduction of measures to assist AHBs with their gearing ratios. Gearing refers to the amount an organisation can borrow against the value of the assets they hold. Taking on a level of debt which is close to the value of an organisation's assets is considered risky and would work against the long-term stability of the sector. Ireland's largest AHBs are approaching their maximum gearing ratios meaning they will be unable to secure the loans needed to deliver on housing targets.
- Debt alleviation measures are required including the introduction of grant funding to prevent future gearing issues, as well as debt conversion options to tackle current debt levels.

### **Reducing the Cost of Delivery**

- Introduction of an element of grant funding for the provision of new social and affordable homes.
- Commitment to the provision of low-cost public land for AHBs to reduce gearing levels and lower the financial burden placed on cost rental and co-operative residents.
- Introduction of VAT relief on social, affordable, and cost rental homes.
- A greater focus on advancing modern methods of construction (MMC).
- Initiatives to increase capacity in the Irish construction sector and ensure appropriate levels of skilled personnel are available to complete required projects.

### **Support for New Models of Community-Led Housing**

- A plan to develop appropriate legislation and associated policies to allow for the formation of Community Land Trusts (CLTs) in Ireland.
- Creation of a Community-Led Housing Fund to build capacity. A targeted fund could provide start-up grants for groups to build early-stage capacity.
- Introduction of targeted low-interest funding for the development of community-led housing.
- Amendments to the qualifying criteria of existing programmes such as the Vacant Property Refurbishment Grant, the Ready to Build Scheme, and the Local Authority Home Loan to allow registered co-operatives and community-led housing projects to apply.
- Allocation of a specific budget for a Community Land Trust pilot programme with the long-term goal to implement this as a mainstream housing option.

## **Stability and Confidence in the Sector**

- Introduction of ‘safety net’ mechanisms regarding development risks, establishing predictability for all stakeholders. This would serve as a clear and actionable guide for all parties to ensure projects can continue to progress even in the context of challenges such as high inflation or supply chain issues.
- Development of a single application system for AHBs looking to deliver mixed-tenure schemes. This should cover Capital Advance Leasing Facility (CALF), Cost Rental Equity Loan (CREL), and any new sources of finance introduced to support community-led housing. This would prevent delays and funding from different sources being released at different times.

## **Future-Proof Older Homes**

### **Legacy Scheme Funding Deficits**

- An immediate increase in the management and maintenance allowance associated with the Capital Loan and Subsidy Scheme (CLSS). This could involve straightforward adjustments to the existing management and maintenance payment. Taking this approach is in line with the funding principles of current social housing funding (the P&A model) in relation to cost coverage.
- Funding for capital works through an ongoing application process (similar to existing state remediation schemes). This must include the core requirement of replacing housing components that are at the end of their serviceable life on ageing CLSS stock. From an operational standpoint, this can mirror comparable capital funding schemes already in place.

### **Funding for the AHB Retrofitting Programme**

- Establish a ‘one-stop-shop’ scheme specifically for AHBs. This would reduce the administrative burden associated with applying for multiple funding streams for each project. AHBs, as large providers of social housing/housing to lower income households, are in a unique position to aggregate projects, leverage economies of scale, and offset the upfront capital costs of retrofitting homes.
- Provide grant funding of at least 90% to make energy upgrades viable for AHBs. Currently, the SEAI provides a maximum of 50% funding, requiring AHBs to draw on already limited reserves. This caps how ambitious AHBs can be in their retrofitting programmes.

### **Multi-Unit Developments (MUD) Act Reform**

- Appropriate funding for the establishment of an OMC Regulatory Unit within the Housing Agency to regulate OMCs, ensure good governance, and provide a dispute resolution service.

- Funding to create a register of OMCs so that the State can directly communicate with them about the execution of their responsibilities and the forthcoming defects remediation scheme. This should also include a database of OMC directors so that they can be properly briefed on their legal responsibilities and provided with training and support.