

Pre-Budget Submission 2027

Co-operative Housing Ireland's Pre-budget Submission: Budget 2027

Submission to:

Department of Finance

Department of Public Expenditure and Reform

Department of Housing, Local Government and Heritage

Policy Context

Budget 2027 comes at a time when the rising cost of living remains a serious issue for households across Ireland. This is certainly true of Co-operative Housing Ireland's member tenants who have consistently flagged rapidly rising expenses as their primary concern in recent surveys. This is supported by the observations of Neighbourhood Specialists who see member tenants struggling to meet the competing financial demands of energy bills, food, transport, and rent.

In this context, Co-operative Housing Ireland strongly supports the recommendations of its colleagues across the community and voluntary sector for targeted, permanent supports for the individuals and families who are most at risk of being pushed into poverty by ongoing economic challenges. Budget decisions must align with and bring to life the ambitions of the *Road Map for Social Inclusion 2026-2030*¹.

The continued high level of demand and need for social-rental and affordable housing in Ireland underpins many of the cost-of-living issues which must be addressed by the Budget. Rent levels are now at approximately double those seen during the Celtic Tiger era, with house prices around 25% higher than their Celtic Tiger peak². As of May 2026, 17,447 people were homeless in Ireland, 5583 of whom are children³. As of November 2025, there were 61,719 households on Local Authority waiting lists for social-rental⁴.

Budget 2027 will also be delivered during Ireland's Presidency of the Council of the European Union. While the Presidency does not allow Ireland to create new EU laws or require Member States to adopt specific housing policies, it does provide an important opportunity to influence European policy development. Through agenda-setting, negotiation, and consensus-building, Ireland can ensure that housing remains one of the EU's political priorities, approximately half of all households renting are in receipt of some form of housing support and the Housing Commission estimates that there is a pent-up demand for 200,000 homes.

The new housing plan, *Delivering Homes, Building Communities 2025–2030*, outlines the ambitious target of delivering 300,000 homes by the end of 2030 including 72,000 social-rental and 90,000 affordable/starter homes⁵. This will require annual delivery of 50,000-60,000 units per year, a significant increase on the 36,284 new dwelling completions in 2025. Early evidence from the CSO in 2026 suggests there are reasons to be hopeful with a 33% increase in completions recorded from Q1 2025 to Q1 2026. 7,856 completions were recorded in the first quarter of this year which is ahead of forecasts. 8,408 starts were also recorded in Q1 suggesting the pipeline of delivery will remain strong into next year⁶.

The new national housing plan explicitly recognises AHBs as central to meeting social-rental and cost-rental targets. The plan acknowledges that AHBs have delivered around 50% of new social-rental homes over the past four years⁷, underlining their role as core partners alongside local authorities and the Land Development Agency (LDA).

1 Government of Ireland, *Roadmap for Social Inclusion 2026-2030* (2026): 10-11.

2 CSO, *Residential Property Price Index March 2026* (2026).

3 Focus Ireland, *Number of people who are homeless and relying on emergency homeless accommodation* (2026).

4 The Housing Agency, *Summary of Social Housing Assessments 2025 Key findings* (2026): 8.

5 Department of Housing, Local Government and Heritage, *Delivering Homes, Building Communities* (2025): 5.

6 CSO, *New Dwelling Completions Q1 2026* (2026).

7 *Delivering Homes, Building Communities* (2025): 22.

The report of the Approved Housing Body Strategic Forum reinforces this, stating *AHBs have consistently been pivotal in delivering housing for vulnerable populations, supporting State housing strategies, and addressing acute housing needs. Their contribution accounts for a significant share of Ireland’s social and affordable housing delivery under Housing for All*⁸.

With 918 new homes delivered in 2025, Co-operative Housing Ireland was responsible for roughly 2.5% of all delivery last year. In terms of social-rental homes, 9,098⁹ were delivered in 2025, meaning CHI delivered roughly 10%. To keep pace with this social-rental delivery, CHI will need to delivery up to 7,200 additional homes by the end of 2030.

Co-operative Housing Ireland’s vision is of a society where everyone has access to housing delivered co-operatively. With this in mind, Co-operative Housing Ireland’s priority for the upcoming budget is ensuring that AHBs are supported to continue to deliver, manage and maintain the high-quality affordable homes required to meet needs.

The investment proposals in this submission will protect future delivery of social-rental and affordable housing through

1. Guaranteeing sustainable funding for social-rental and affordable housing.
2. Incentivising the utilization of Modern Methods of Construction and supporting retrofit programs.
3. Reinvigorating the ‘third arm’ of housing delivery, co-operatives.
4. Supporting the consolidation of the AHB sector through mergers and stock transfers.

1. Sustainable Financing for the AHB Sector

While there has been an increase in the number of homes being funded and delivered under recent housing plans, the goal of 300,000 new homes by 2030 is an ambitious one. The AHB sector will be vital in achieving this target but must receive appropriate funding to do so.

1.1 Gearing Limitations

Point 6.6 of the new housing plan¹⁰ makes specific reference to gearing, stating

To enable AHBs to meet new delivery projections, the legacy impediments to delivery such as debt levels and cost/income constraints from legacy funding schemes need to be addressed. Government will therefore initiate a programme of reforms as laid out in the reports of the AHB Strategic Forum and AHB Gearing Working Group. These reforms will seek to alleviate constraints impeding short-term delivery, while concurrently supporting longer-term structural reform, resilience, and sustainability.

Gearing is further explored in the AHB Strategic Forum Report, culminating in recommendation 6; capital Funding Reforms to support more sustainable growth for Large AHBs (gearing, direct delivery and reclassification)¹¹. Here, gearing is acknowledged as one of the key challenges facing the AHBs which have delivered the most units in recent years.

Co-operative Housing Ireland has been proactively engaging with the Department of Housing, Local Government and Heritage (DHLGH), Indecon and other stakeholders on the challenges of high debt levels for AHBs.

8 Department of Housing, Local Government and Heritage, *Report of the Approved Housing Body Strategic Forum* (2025): 3.

9 CSO, *New Dwelling Completions Q4 2025* (2025).

10 *Delivering Homes, Building Communities 2025–2030* (2025): 75

11 Report of the Approved Housing Body Strategic Forum (2025): 58

This issue is a result of the sector's success in delivering much-needed homes under the *Housing for All* plan. If the AHB sector is to continue delivering new social-rental homes at scale and sustain year-on-year growth, the State will have to consider alleviation measures such as grants, equity investment and debt conversion options.

Reducing the current high gearing levels will also encourage other funders to lend to AHBs as the risk associated with high debt-to-asset ratios is reduced. Diversifying sources of debt is a sound financial management practice for all borrowing organisations. The diversification of funding sources for the delivery of social-rental housing is a stated objective within *Delivering Homes, Building Communities*, the report of the AHBSF, and the report of the Housing Commission¹².

The Housing Europe 2025 Ireland report notes that financial gearing levels among larger AHBs (including CHI) have 'risen rapidly', reaching a point where further growth could hinder future delivery and threatens to limit short to medium-term housing delivery if not addressed soon.'

Recently, Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation, Jack Chambers announced a new Risk Appetite Statement saying

*We are prepared to take informed, responsible risks to deliver the infrastructure our country urgently needs, and to deliver it faster and we will back decision makers to get infrastructure delivered.*¹³

The AHB sector certainly shares the view that risks are necessary to tackle the severe housing challenges facing Ireland. AHBs have been ambitious and taken risks, especially when it comes to new tenures like cost-rental and new delivery methodologies such as MMC. However, AHBs also carry regulatory and fiduciary responsibilities as well as a duty of care to existing tenants. Co-operative Housing Ireland has the experience, skills, and momentum to do more, but this requires an immediate solution to gearing. Exceeding gearing limits goes beyond assumption of reasonable risk and is not responsible from a governance and financial planning perspective.

1.2 AHB Legacy Funding Deficits

Gearing and income stability are best considered together. The underlying risk profile of the operating model being used by the AHB sector is a key factor in determining the impact of gearing levels. While the high levels of gearing are associated with the 100% debt financed CALF scheme, homes delivered under older now-defunct schemes are also creating financial challenges for AHBs. For example, the Capital Loan and Subsidy Scheme (CLSS) introduced in 1991.

Since its inception over 10,000 homes were provided nationally under this scheme. In total, CLSS homes have successfully housed an estimated 26,000 people from social-rental waiting lists.

Unfortunately, CLSS did not provide for lifecycle maintenance, component replacement or deep energy retrofits. As this stock ages, significant funding will be required to address Capital Expenditure (CapEx) for older housing stock.

CHI was an active participant in the CLSS scheme up to its closure in 2009 and delivered 1,166 homes through the program. This is a sizeable proportion of the organisation's overall stock representing approximately 17% of CHI homes.

¹² The Housing Commission, *Report of the Housing Commission* (2024): 9.

¹³ Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation [Government increases risk appetite to accelerate delivery of critical infrastructure projects](#) (2026).

AHBs carry out ongoing reviews of the financial sustainability of homes in line with the financial regulatory standards and legal obligations operative in the sector. These reviews have increasingly concluded that the CLSS homes are inherently financially unviable under the funding model as it exists today.

Over roughly the next 30-years, there will be a deficit of €117.4m in funding (€14.3m annual recurring costs, €103.1m capital), just over €100,000 for each of these 1,166 homes.

Currently, CHI is using de facto reserved income to manage running and capital costs of CLSS homes. Cross subsidising is not sustainable. This income has a specific future purpose and depleting these reserves will have very serious implication.

CHI's 2027 pre-budget submission asks to ensure sustainable financing for the AHB sector:

5. Pursue debt-conversion policies to reduce AHB gearing ratios including an immediate provision to convert the portion of debt causing a breach in gearing limits into equity to protect specific projects.
6. Introduction of an element of equity/grant-financing to future AHB funding schemes.
7. Allow for funds held aside for loan repayments to be used for other projects (for example, retrofit work).
8. Funding for both the capital cost of delivering communal areas and other community facilities, and the current costs of managing and maintaining them.
9. Introduce a cost-recovery model for CLSS properties.

2. Modern Methods of Construction (MMC) and Retrofitting

While the delivery of additional homes is naturally a priority for all stakeholders, it is important to consider both how these homes are built and how existing homes can be improved using new technologies. The Housing Commission report places energy efficiency and retrofit work at the centre of future housing investment. The relationship between housing and energy has also been recognised by the EU who appointed a Housing and Energy Commissioner for the first time in 2024¹⁴. Additionally, national climate and energy strategies, and SEAI residential and community grants, increasingly target social and affordable housing as a priority area.¹⁵

For CHI, retrofit and green initiatives are an opportunity to invest further in retrofit projects which protect existing stock, reduce maintenance costs, and lowers tenants' energy bills.

14 Dan Jørgensen, Commissioner (2024-2029), Energy and Housing. Available at: https://commission.europa.eu/about/organisation/college-commissioners/dan-jorgensen_en

15 Minister O'Brien announces suite of new SEAI grant supports – bringing energy upgrades to more and more homeowners (2026). Available at: <https://www.gov.ie/en/department-of-climate-energy-and-the-environment/press-releases/minister-obrien-announces-suite-of-new-seai-grant-supports-bringing-energy-upgrades-to-more-and-more-homeowners/>

2.1 MMC

Modern methods of construction (MMC) and off-site production are more environmentally friendly than traditional construction. The AHB sector is committed to reducing its carbon footprint. Financial incentives should be provided to manufacturers and developers, including AHBs, to deliver more homes via modular construction methods. They are better for the environment and create more carbon-friendly and energy-efficient buildings through utilizing green materials.

The incorporation of Design for Disassembly (DfD) into modern methods of construction should also be incentivized to ensure the materials and building components re-enter the supply chain at end of life, reducing waste, reusing embedded carbon, and promoting circularity.

2.2 Decarbonization and Retrofit

Ireland has the highest electricity prices in the EU at €0.4042 per kWh, the only country to breach €0.3 per kWh¹⁶. In the context of such high energy prices, it is vital that social housing residents be provided with the most energy efficient homes possible.

Until earlier this year, SEAI grant funding for retrofitting of social housing by AHBs was capped at 50%. Under this funding model, covering the remainder of the costs has been a significant challenge for the sector. CHI welcomes the announcements under the National Residential Retrofit Plan 2026 regarding an increase in grant value to approximately 75% of overall upgrade costs and support for the upgrading of multi-unit developments¹⁷.

From 2027, funding for such retrofitting will come primarily from the EU Social Climate Fund. In order for such funding to be made available, each Member State must submit a Social Climate Plan to the European Commission, setting out the measures planned in 2026-2032 to support those most at risk of being left behind during the green transition. To date, Ireland has not submitted a Social Climate Plan. It is anticipated that such a plan will be submitted and adopted.

CHI is also in favour of establishing a standalone retrofit scheme for AHBs. Given the scale, capacity and expertise of the sector, a specific program to coordinate retrofit work for AHBs is worth pursuing. The Report of the AHB Strategic Forum supports this through recommending a 'Green Deal' for AHBs, even suggesting this could be accomplished through an AHB-owned co-operative¹⁸.

The Housing Europe 2025 Ireland report underlines that many AHBs lack sinking funds to cofinance retrofits and that current state retrofit supports are poorly aligned with AHB structures, calling for dedicated retrofitting budgets for older AHB stock.¹⁹

¹⁶ Eurostat, *Electricity price statistics* (2026). Available at: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Electricity_price_statistics

¹⁷ Department of Climate, Energy and the Environment, *Minister O'Brien announces increased grant rates for Approved Housing Bodies and households at risk of energy poverty* (2026). Available at: <https://www.gov.ie/en/department-of-climate-energy-and-the-environment/press-releases/minister-obrien-announces-increased-grant-rates-for-approved-housing-bodies-and-households-at-risk-of-energy-poverty/>

¹⁸ *Report of the Approved Housing Body Strategic Forum* (2025): 60.

¹⁹ Housing Europe, *The State of Housing in Europe 2025* (2025) Available at: https://www.housingeurope.eu/wpcontent/uploads/2025/10/ireland_the_state_of_housing_in_the_eu_2025_digital.pdf

CHI's 2027 pre-budget submission asks to scale MMC in the social housing sector and support retrofit work:

10. Reduce VAT rates for MMC.
11. Allow for planning levy waivers for MMC projects.
12. Provide additional funding multipliers for green modular construction projects.
13. Submit Ireland's Social Climate Plan.
14. Allow for funds held aside for loan repayments to be used for other retrofit projects and other green initiatives.
15. Establish a standalone AHB retrofit scheme/AHB-owned Retrofitting and Refurbishment Co-operative.

3. Housing Co-operatives and Community Land Trusts (CLTs)

Housing co-operatives were acknowledged in section 6 of the Affordable Housing Act 2021²⁰ which allows local authorities to enter arrangements with a wide range of community-led housing organisations. Unfortunately, neither the new housing plan or the AHB Strategic Forum report advance these models through supportive legislation/policy or a commitment to funding. The aforementioned proposal for an AHB-owned retrofit co-operative is the only mention of co-operatives in the report.

This is despite broad political and sectoral enthusiasm for community-led housing. Earlier this year, the Oireachtas Joint Committee on Housing, Local Government and Heritage heard evidence from stakeholders on 'cooperative and community-led affordable housing', with the Chairperson of the joint committee describing such models as a complement to traditional delivery routes that can ensure permanent affordability and community involvement²¹. However, despite this enthusiasm, no enabling legislation, funding stream or land acquisition pathway has been created to facilitate the establishment of this alternative provision of housing in Ireland.

3.1 Co-operative Housing

In the past, housing co-operatives delivered 5% of all new homes annually²². Housing co-operatives, as well as related models such as CLTs, facilitate homeownership whilst ensuring homes funded by the State remain permanently affordable. Where AHBs are asked to deliver homes for affordable purchase as part of larger schemes, Co-operative Housing Ireland believes that housing co-operatives and other forms of Community-Led Housing are more sustainable. Evidence from Ireland and the legacy of the UK's Right to Buy scheme have continuously demonstrated that affordable purchase schemes do not retain affordability on resale, resulting in leakage of publicly subsidised homes into the private market.²³ In contrast, recent EU research, has shown that CLTs and co-ops are effective land-based affordability instruments that prevent land speculation and therefore provide more stability to communities²⁴. However, commitment towards CLTs and co-operative housing must be facilitated through necessary policy amendments, funding and delivery mechanisms as well as extending current

²⁰ *Affordable Housing Act 2021* (2021): 8.

²¹ Joint Committee on Housing, Local Government and Heritage, [Co-operative and Community Led Affordable Housing: Discussion](#) (2026).

²² Co-operative Housing Ireland, [A Timeline of Co-operative Housing Ireland](#) (2021).

²³ Chris Hayes, [Wrong to Sell: How Right To Buy Gave Away Billions in Public Wealth](#) (2025).

²⁴ Julie Lawson and Vivienne Milligan, [International trends in housing and policy responses](#) Australian Housing and Urban Research Institute, 110 (2007)

initiatives and schemes such as Croi Conaithe and the Local Authority loan to these alternative modes of housing delivery.

Co-operatives have also emerged as a viable solution to supply and affordability issues in the student housing space across Europe and beyond. They are particularly successful and well-established in Germany and Switzerland and are becoming more common in the UK and USA ²⁵. The National Student Accommodation Strategy 2026 – 2035 acknowledges that a deficit in

student accommodations is currently contributing to unsustainably long commutes for some students²⁶. Both the cost and lack of supply of student accommodation serves as a barrier to less affluent students to enter higher education at all ²⁷.

Dublin Student Housing Co-op has proposed a *student-run co-operative housing model near university campuses to tackle Dublin's housing crisis by reducing costs and commutes while fostering community, sustainability, and equal access to university life*²⁸.

Cork also has an active student housing co-op which is seeking to *provide not-for-profit, student-run accommodation based on the values of mutual aid, self-help, solidarity, and democracy. Through the well-established co-operative model, we're creating a sustainable, affordable, and community-led alternative to the exploitative status quo*.²⁹

As with the wider housing strategy, the National Student Accommodation Strategy does not reference co-operatives and does not commit any support to this tried and tested method of producing affordable student accommodation.

3.2 Community Land Trusts

Community Land Trusts in partnership with co-operative housing models by design ensure long term affordability through ownership of local assets in perpetuity and the investment of surpluses back into the community. These legal structures provide affordability by linking prices to local incomes or setting prices at a proportion of the market rate³⁰.

As a byproduct of the governance structures embedded in co-operatives and CLTs, social cohesion and accountability are promoted as well as a sense of connection leading to long term sustainability within communities. This aligns with the National Planning Framework, Housing for All which stipulates the desire for Ireland to enhance its development of sustainable communities, that engage meaningfully in embedding mechanisms of inclusivity in Irish social housing³¹.

The European Affordable Plan also recognises the potential opportunities that can arise through CLTs with active momentum building towards providing legislative support, dedicated financing instruments and supportive regulatory frameworks within various member states³².

25 Anke Schwittay, [Student Housing Coops in Europe](#) (2025), Creative Universities.

26 Department of Further and Higher Education, Research, Innovation and Science, [National Student Accommodation Strategy 2026 – 2035](#) (2026).

27 Alice Reynolds, *Geographies of purpose-built student accommodation: Exclusivity, precarity and (im) mobility*, Geography Compass (2020).

28 Anna Domownik, [Stand Ideas Collective Incubator Showcase 2026 Awards Dublin Student Housing Coop, Co-Founded by TCD Student Matthew Mosse](#) (2026), University Times.

29 The Cork Student Housing Co-operative, [A Student-Led Response to the Accommodation Crisis](#) (2026).

30 Self-Organised Architecture, [SOA + Community Land Trusts \(CLTs\)](#) (2023).

31 Government of Ireland, [National Planning Framework First Revision](#) (2025).

32 European Commission, [The European Affordable Housing Plan](#) (2025).

Ireland's EU presidency presents a possible opportunity to advance CLT legislation and align national policy with emerging EU frameworks aimed at tackling affordability. to advance CLT legislation and align national policy with emerging EU frameworks aimed at tackling affordability.

However, a significant gap remains in Ireland regarding the statutory framework that can allow CLTs to become mainstream providers of permanently affordable housing. Without legal recognition, access to funding, and provision of public land, the benefits being produced by CLTs in other jurisdictions will fail to manifest in Ireland.

CHI's 2027 pre-budget submission asks to support housing co-operatives and Community Land Trusts (CLTs):

16. Introduce targeted low-interest loan products for construction and long-term finance of housing co-operatives.
17. Allocate low-cost public land for mixed tenure schemes which include an element of co-operative housing (e.g. 50% private ownership, 20% social-rental and cost-rental, and 10% coop).
18. Create a community Led Housing Fund to provide predevelopment bridging finance and early stage technical support.
19. Allocate specific budgets and commitments to developing Community Land Trusts through a pilot programme with a long-term goal to implement this as a mainstream housing option.
20. Agree a statutory definition of a Community Land Trust as a co-operative society that meets specified conditions.
21. Develop a statutory asset lock mechanism and make the adoption of such an asset lock a condition of designation as a Community Land Trust.
22. Further sector-specific regulations including those relating to governance, land, housing, and leasehold arrangements that will enable further the legal apparatus for Community Land Trusts.
23. Mandate the Housing Finance Agency (and, where appropriate, Home Building Finance Ireland) to offer longterm loans at 1–2% interest to CLH projects.
24. Fund 3–5 pilot CLT schemes in diverse contexts (e.g. coastal/rural, commuter-belt, urban regeneration).
25. Revise the National Student Accommodation Strategy to provide supports for student co-operatives.

4. Support for Sectoral Consolidation

Many of the larger AHBs in Ireland, including CHI, have explored the possibility of acquiring stock from other housing bodies. Such projects have proven to be expensive, timeconsuming and complex. These difficulties have been recognised for some time. Both the new national housing plan and the report of the Approved Housing Body Strategic Forum acknowledge that dedicated supports and financing are required to facilitate sectoral consolidation.

While policy now clearly promotes consolidation, practical progress has been limited. The AHB Strategic Forum report notes that *'combining AHBs with high debt ratios and those with low or no debt can alleviate immediate gearing pressures by revaluing stock at the date of transfer'*³³. At the same time, the report acknowledges that, *'despite financial pressures, there is limited evidence of mergers or asset transfers'*.

33 Report of the AHB Strategic Forum (2025): 53.

The rationale for mergers and acquisitions goes beyond their potential as a gearing solution. Circumstances where mergers or stock transfers may be appropriate include improving board succession and governance, increasing asset management/development capacity, and shifting focus to service provision.

CHI's 2027 pre-budget submission asks to facilitate sectoral consolidation:

1) Financial support for sectoral rationalisation which covers:

- Contingent liabilities (deferred maintenance expenses)
- Legal and administrative costs
- Transfer of Undertakings (TUPE)

2) Enactment of recommendation 4 of the AHB Strategic Forum report to establish an AHB Sectoral Restructuring Body and a National AHB Sector Sustainability Fund (NAHBSF).



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