



Irish Housing Policy

A Year in Review

The difficulties and challenges faced in the Irish residential market have been well documented in recent years. Investor activity declined in the post-Covid period and the delivery of new homes has been slow, meaning those in search of accommodation for rent or for purchase, have faced acute supply shortages and sustained price pressure. Since the formation of the current Government in early 2025, it has been clear that housing and infrastructure have been the key focus, with a host of policy and legislative changes announced over the course of the year. At this point in time, there is much reason for optimism regarding a meaningful increase in housing output over the medium-term.

This document will aim to provide an overview of the measures announced throughout 2025, with a particular focus on supply side initiatives. It is important to acknowledge that the full impact of these initiatives will take time to come to fruition, but it is expected that there will be a continued improvement in new housing supply in 2026 and beyond.





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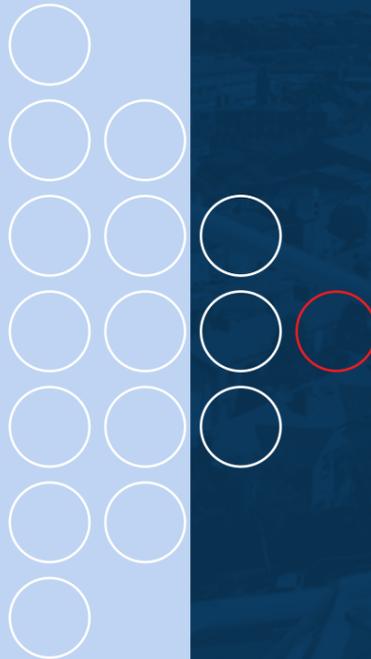
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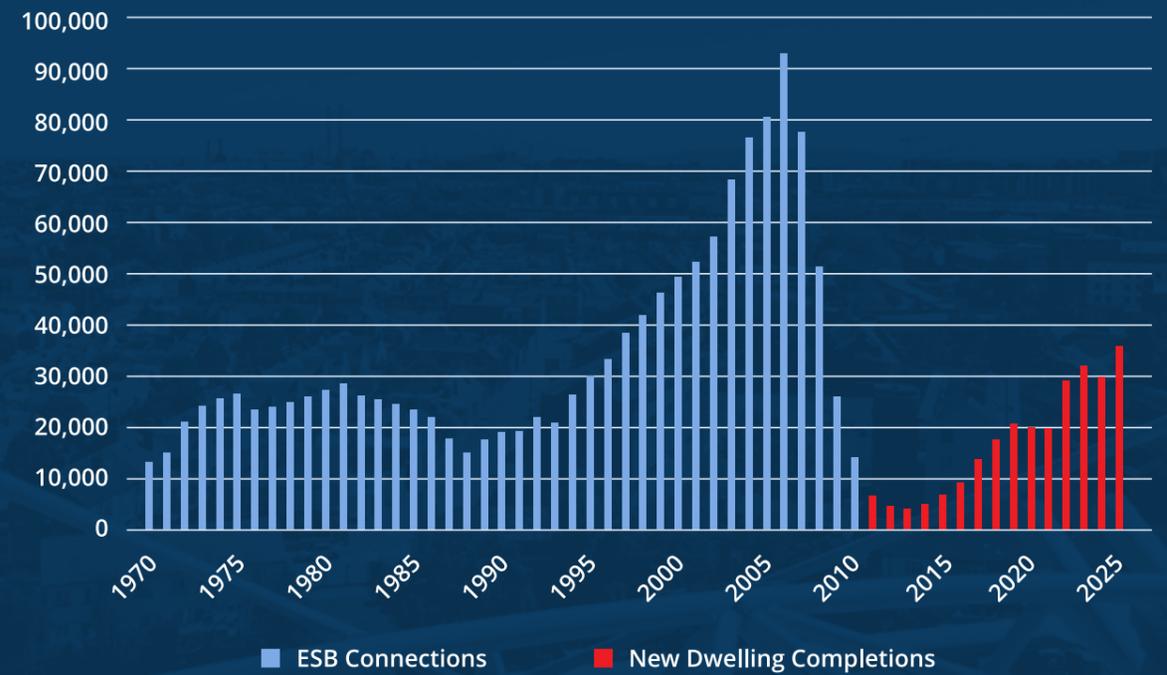


Contextual Background

The delivery of new homes in Ireland hit its peak in 2006¹, when 93,419 homes were delivered to the market. In the years immediately after, and particularly post the Global Financial Crisis, housing output declined dramatically.

¹ Data from 1970 to 2010 uses ESB connections as a proxy for new home delivery, and isn't directly comparable to the New Dwelling Completions series.

Figure 1: New Home Delivery, 1970 - 2025

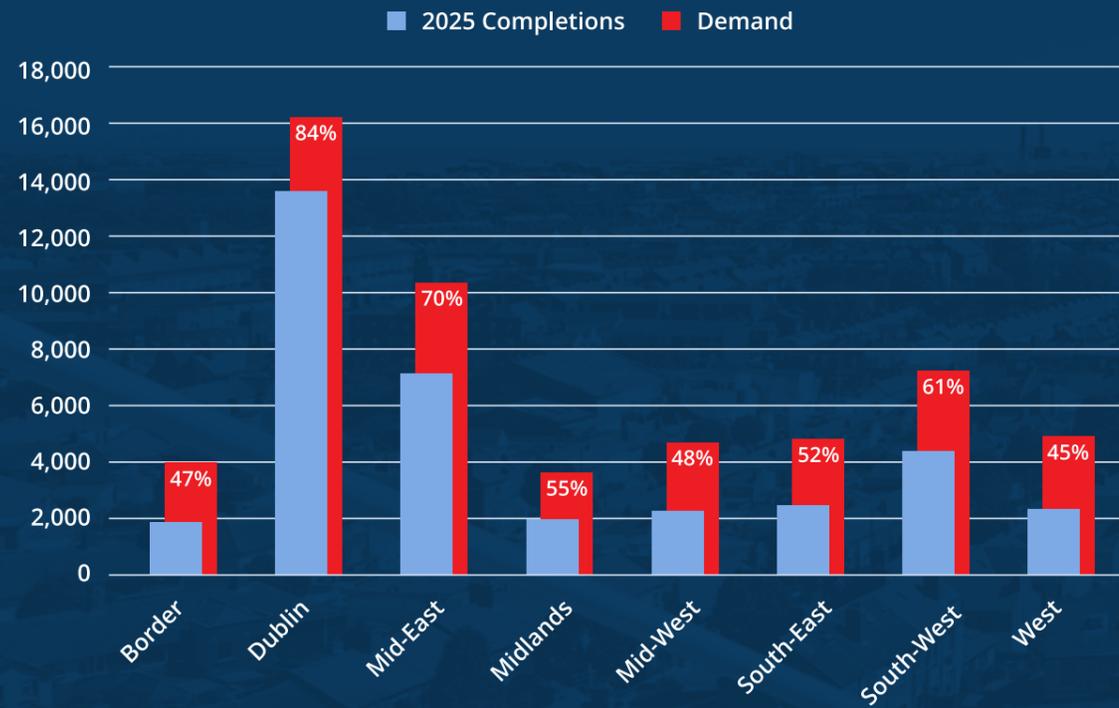


Source: CSO

In 2013, Ireland delivered the lowest number of new homes to the market on record, with just 4,575 units completed that year. Since then, there has been some recovery in the new homes market, with 2025 marking the highest recorded output since the New Dwelling Completions series began in 2011. However, it is still important to acknowledge that this at a significantly slower pace than is needed to meet demand.

In recent years, the population of Ireland has experienced significant growth, with latest estimates from the Central Statistics Office suggesting that as of April 2025 approximately 5,458,600 million people are usually resident in Ireland. This population growth, coupled with the slow pace of new home delivery over the past 15 years, has led to significant deficits between supply and demand for homes across all parts of the country.

Figure 2: 2025 Completions versus Annual Demand, NUTs 3 Region



Source: CSO, Sherry FitzGerald Research



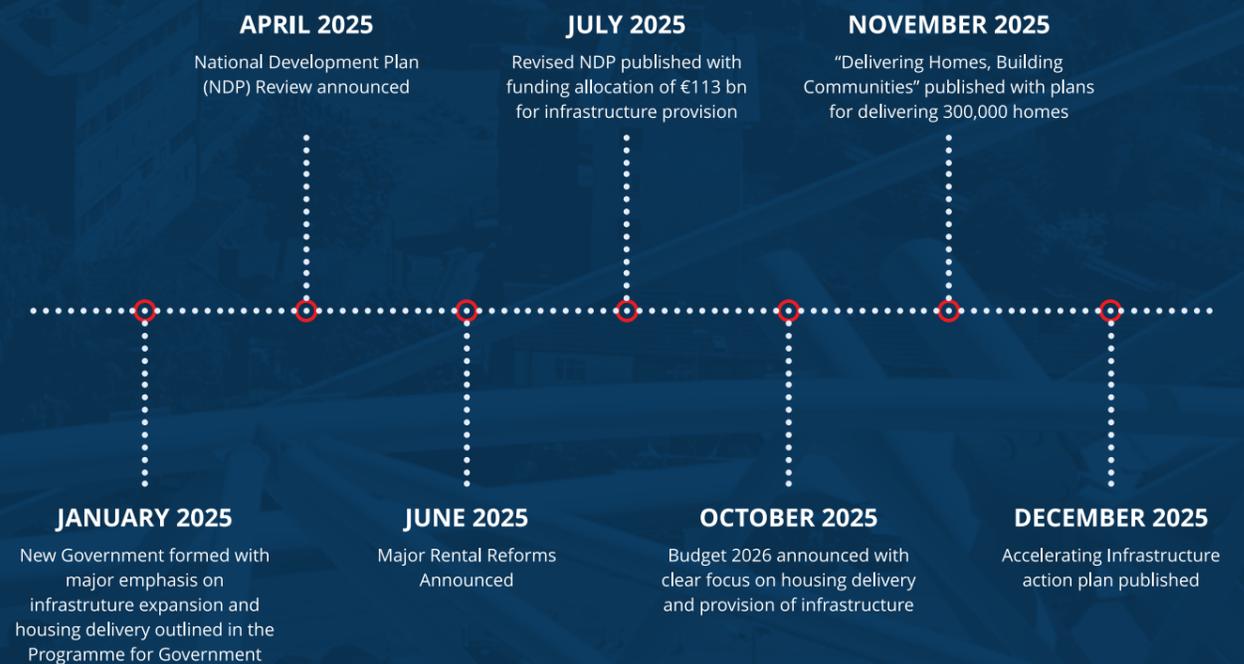
In 2025, 64.6% of annual demand¹ was fulfilled across Ireland. This is an improvement on 2024 when just 53.6% of demand was met. However, the amount of demand satisfied varies by region, with the West seeing the lowest percentage fulfilled at 45%, and Dublin seeing the highest, with 84% of demand satisfied last year.

¹ Annual Demand in this case refers to Sherry FitzGerald Research estimations of 56,200 units per annum.





Figure 3: Timeline of Key Housing and Infrastructure Announcements 2025



Source: gov.ie

Policy and Legislative Changes

When the current Government was formed and the Programme for Government was announced in January 2025, it was clear that housing delivery and the provision of key infrastructure projects were the key focus for the next five years.

2025 was a pivotal year for Irish housing policy, with the Government advancing large-scale reforms aimed at increasing supply, stabilising the rental sector, and underpinning delivery through expanded national infrastructure investment.

In April, the government announced the approval of a full review of the National Development Plan, with a particular focus on housing delivery, and capacity expansion for energy, water and transport. This review was then published in July and included a budget of €275.4 billion for total public capital investment for the period 2026 to 2035, with an allocation of €113 billion specifically for infrastructure provision. For the first five years, the Department of Housing, Local Government and Heritage was allocated €36 billion. Other allocations outlined for this period include €24.3 billion for transport, €12.2 billion for water and €3.5 billion for energy grid upgrades, all of which will aid the provision of housing.

Also in April, it was announced that a Housing Activation Office would be established, with three main objectives falling under its remit.

1. Identifying and addressing barriers to the delivery of infrastructure projects crucial to housing development by aligning funding and coordinating infrastructure providers.

2. Engaging and aligning stakeholders to address barriers in a cohesive manner.

3. Delivering actions to coordinate and accelerate the delivery of necessary infrastructure and unblocking issues on the ground.

Revised housing targets for each local authority were also announced in April 2025 under the revised National Planning Framework, and Local Authorities have since been asked to significantly increase the quantity of zoned residential land in order to meet the new targets.

In June, a set of rental reforms was announced, including the immediate expansion of Rent Pressure Zones to all counties. Additionally, it was announced that there would be further changes to the rental system effective March 1st 2026. These include substantial restrictions on no fault evictions and the introduction of six year rolling tenancies to strengthen security for renters. Between tenancies landlords will be allowed to reset rents to market rates - except after a 'no-fault termination'.

Under the rental reforms, rolling tenancies of minimum duration (TMDs) of six years will apply. The legislation will distinguish between smaller landlords who own 3 or fewer rental properties and larger landlords or companies by allowing limited flexibility for smaller landlords to end a tenancy during its six-year period. All landlords will retain the right to terminate a tenancy where there is a breach of tenant obligations, and the property can be sold at any time with the tenant in situ.

Also as of March 1st, a national rent register will be available, and the national rent control system will be linked to inflation using the Consumer Price Index (CPI) for Ireland, applying to all new tenancies nationally. To protect tenants in times of high inflation, annual rent increases will be capped at 2% or the

rate of inflation as measured by the CPI, whichever is lower. To support investment in the construction of new apartments, rent increases for new apartments will be linked to CPI only.

In October 2025, the Government announced Budget 2026 which included an €11.3 billion allocation to the Department of Housing, Local Government and Heritage. Key housing measures announced as part of Budget 2026 included:

- VAT on new-build apartments reduced to 9%, effective immediately until end of 2030, improving project viability.
- Exemption from corporation tax on rental income from cost-rental properties, incentivising long-term, affordable rental supply.

- Expansion of the Living Cities Initiative to regional centres including Athlone, Drogheda, Dundalk, Letterkenny and Sligo until 2030, supporting the regeneration of urban supply.
- New derelict property tax to replace the derelict sites levy, and extension of the Residential Development Stamp Duty Refund Scheme.
- Additional funding has been allocated for retrofitting and delivery of social homes, adaptation grants for older people and those with disabilities and the remediation of homes affected by defects.
- €1.2 billion euros for a programme to deliver thousands of affordable and cost rental homes including the Help to Buy scheme.



Following on from the Budget, the Department of Housing, Local Government and Heritage published “Delivering Homes, Building Communities” in November 2025, a housing plan targeting the delivery of 300,000 homes by 2030.

Key measures outlined in *Delivering Homes, Building Communities* include:

- Target the construction of 300,000 new homes, including 72,000 social homes and 90,000 affordable housing units.
- Total allocation of €8.75bn for the Land Development Agency and expansion of its role to include delivering homes in a wider geographic area and acquiring more private and State land.
- Removing the blockages to housing delivery through addressing infrastructure deficits, notably introducing a €1bn Infrastructure Investment Fund.
- 20,000 homes brought back into use through the Vacant Property Refurbishment Grant which has been expanded to include support for the refurbishment and conversion of over the shop units.
- Increase the supply of one bedroom and four bedroom properties, to provide more stock for homeless single adults and large families. Also include extra funding €100m to buy second hand



homes to house families in emergency accommodation.

- Extension of the Help-to-Buy and First Home Schemes for the duration of the plan, providing certainty to purchasers and developers alike, and the extension of the Rent Tax Credit to 2030, also;
- Additional €400m support for the Irish Strategic Investment Fund allowing developers the opportunity to access additional funding to deliver more housing.

In December, the Government Published the Accelerating Infrastructure Action Plan, which focused on four major reform pillars; Legal Reform, Regulatory Reform and Simplification, Coordination and Delivery Reform and Public Acceptance. The reform of the Judicial Review system falls under the first pillar and will be eagerly anticipated in 2026, as it is widely seen as one of the largest obstacles to housing delivery. The report outlines 29 additional time-bound actions ranging from measures targeting

EU legislation and the use of AI to utility provision.

On December 31st, it was also announced that the First Home Scheme ceilings were increased by €25,000 in 17 local authorities, effective from January 1st, 2026, further supporting first-time buyers.

It is undoubtedly clear that housing and infrastructure have been the key focus of the current Government since its formation, with a host of policy and legislative changes announced over the course of the year. This report touches on some of the main policy changes announced in 2025, but many more initiatives have not been included.

While all of the actions outlined above are indeed positive, it is very important to acknowledge that meaningful increases in housing supply will take time, and that in particular, the Government's target to deliver 300,000 homes in its tenure will be incredibly difficult to achieve.

The implementation of policies announced in 2025 will switch the focus to housing delivery, and key output and pipeline indicators will be closely monitored and evaluated in 2026 and beyond. That said, there is more reason to be hopeful about the delivery of new homes of all tenures to all parts of the country now than there has been at any point in much of the last decade.



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