HARDWARE ASSOCIATION IRELAND

2026





Table of Contents



3 Introduction

Proposal: De-Carbonising our Built Environment

Proposal:
Housing
Targets

- Proposal:
 Upskilling the
 Sector
- Proposal:
 Rejuvenating Empty
 Homes
- Proposal: Reducing
 Business Costs
- Proposal: "Above the Shop" Homes
- About Hardware
 Association Ireland

Proposal: For New Homes



Housing is the most acute infrastructural challenge facing us. It impacts all aspects of our lives and businesses.

Ireland today needs a fairer deal for first time buyers, more homes, more home ownership, greater population density in our towns and cities, and less vacancy and dereliction. We need decisive reductions to our carbon emissions and need to reframe our thinking by optimising supply from existing properties. The value proposition for this is clearsighted, it is a smart investment.

Younger people have been worst hit by the housing crisis. We are witnessing a collapse in home ownership amongst those under 44 years old. Coupled with this there has been a huge rise in working adults living with their parents. Each of these factors leads towards a level of pent-up demand of at least 120,000 homes.

Looked at another way, if the growth in our housing stock had kept pace with the growth in population we would have an extra 120,000 homes today. This is about the same as the housing stock of Galway City and County – so in practical terms we are missing a county.

This growth in the population is continuing to outpace the growth in the number of new homes being built, and the gap is widening. Since the crash in 2008 the population has grown by 1.1 million (25%) from 4.4 million in 2008 to 5.5 million in 2025.

This 25% growth in population (1.1 million people) is more than twice the combined cities of Cork (228,000), Limerick (105,000), Galway (86,000) and Waterford (60,000) = total 479,000. While the rest of the economy bounced back, housing did not.

In the 10 years prior to 2008, there were 656,000 homes built, and the population grew by 600,000. In the 10 years prior to 2025 there were 216,000 homes built, and the population increased by 800,000.

Between 2016-2025 growth in population outpaced that of the housing stock in 23 out of 26 counties. Thankfully, our population is comparatively young and will continue to grow. Over the next 20 years it is expected that it will grow by 1 million in the Republic and the population of Northern Ireland will reach more than 2 million. By 2042 it will be at a level similar to that prior to the Famine and soon after it will surpass it. The parents of the generation that will pass this milestone are already born and probably in school at this point.

A key challenge for Government is to provide an affordable future for young people.

Hardware Association Ireland (HAI) believes that the recommendations detailed herein are a coherent and compelling response to the challenges and opportunities that we face – an active strategy of what we can do. They are both appropriate and pro-social with a particular relevance for much-needed regeneration throughout the country.

Proposal 1: Housing Targets



Ensure that our Housing Targets will meet the needs of our growing population.

The targets set out in the National Development Plan must cater for the housing needs of a growing population and economy and ensure that the requisite infrastructure underpinning this is also mandated and funded.

Three different perspectives show a similar level of demand. This equates to 120,000 housing units.

Chart 1: Existing Stock of Housing Units vs Population Growth Rates 2006-2024

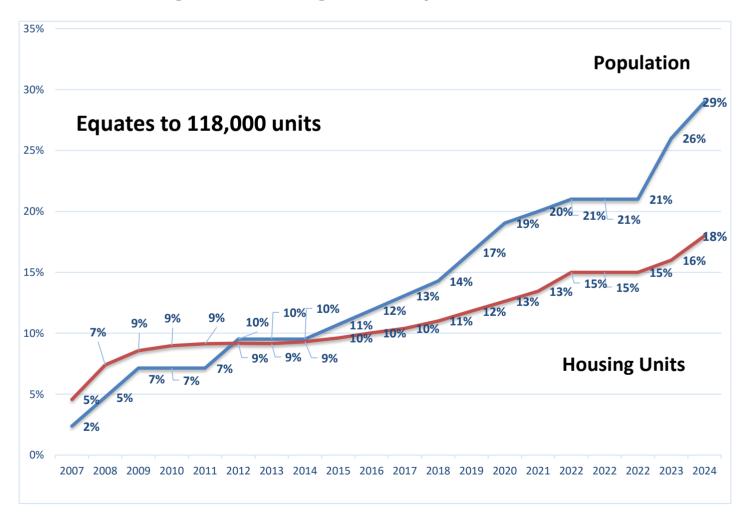
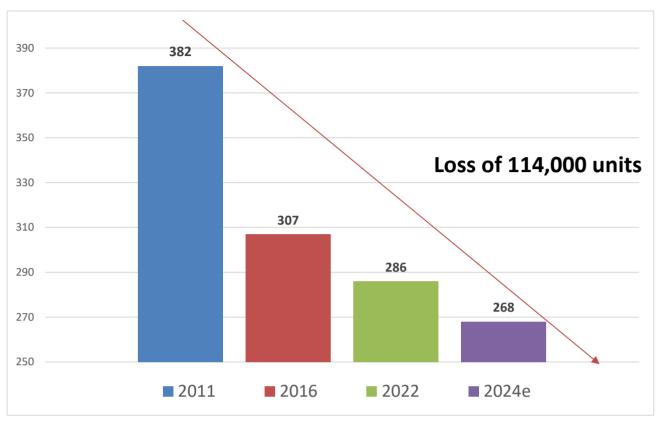
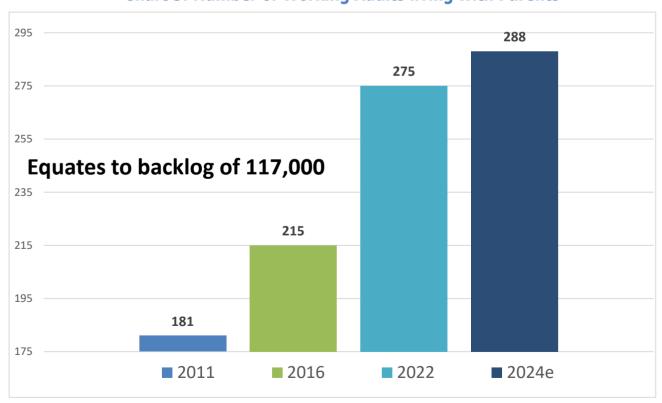


Chart 2: Home Ownership by age - 25-44- Actuals + Projections



(Figs in 000s) Source: CSO

Chart 3: Number of Working Adults living with Parents



(Figs in 000s) Source: CSO

Proposal 2: Rejuvenating Empty Homes



Our Housing Targets must include targets for rejuvenating Empty Homes – both single dwellings and multiple dwellings. The National Development Plan must include these.

For the next six years we need at least 58,000 housing units. This presupposes a net annual population inflow of 62,000. It also presupposes that the backlog of 120,000 units will be cleared over a six-year period = 20,000 per annum. It also works with an obsolescence figure of 7,000 units per year.

So,

For population increase = 31,000Clearing the backlog = 20,000Obsolescence of old dwellings = 7,000Total = 58,000

Units needed 2024 - 2030

Total additional units

Units for population increase

Units to fill the backlog

Units to replace old homes

• 186,000

• 120,000

• 42,000

348,453

Table 1: Housing Requirements per Year

	Units needed		Units needed	Units needed			
Рор	To cater for current backlog of 120,000 over six years	5,500,000	for Pop Increase	to replenish old/out of use		Potential in Empty Homes and Above the shops units	New Build Requirement
		Population increase			Total per Year	Total 40,000	
end 2025	20,000	62,000	31,000	7,000	58,000	8,000	50,000
end 2026	20,000	62,000	31,000	7,000	58,000	8,000	50,000
end 2027	20,000	62,000	31,000	7,000	58,000	8,000	50,000
end 2028	20,000	62,000	31,000	7,000	58,000	8,000	50,000
end 2029	20,000	62,000	31,000	7,000	58,000	8,000	50,000
end 2030	20,000	62,000	31,000	7,000	58,000	8,000	50,000
Pop increase							
Total							
Population by end 2030	120,000	5,872,000		Total	348,000		

Table 2: Residential Building Activity by County and Build Type

			[c		Application to the	Vacant Homes
Completed New Homes 2024	Apartments	Housing Estates	Single homes	Total	Vacant Home Scheme by June 25	As a % of Additional Homes in 2025
Carlow	24	161	85	270	141	34%
Cavan	16		133	245	443	64%
Clare	18		206	539	608	53%
Cork	406		609	3,548	1628	31%
Donegal	26	210	403	639	1247	66%
Dublin	6,572	4,074	239	10,885	1574	13%
Galway	125	640	478	1,243	711	36%
Kerry	115	117	250	482	623	56%
Kildare	78	1,200	147	1,425	346	20%
Kilkenny	97	256	154	507	319	39%
Laois	63	432	160	655	234	26%
Leitrim	13	43	64	120	267	69%
Limerick	211	576	221	1,008	570	36%
Longford	21	47	59	127	181	59%
Louth	250	796	126	1,172	298	20%
Mayo	63	206	307	576	818	59%
Meath	236	1,113	273	1,622	280	15%
Monaghan	17	109	128	254	350	58%
Offaly	11	253	131	395	231	37%
Roscommon	40	68	91	199	419	68%
Sligo	19	99	86	204	424	68%
Tipperary	36	238	211	485	669	58%
Waterford	68	547	130	745	342	31%
Westmeath	30	316	137	483	290	38%
Wexford	32	689	348	1,069	490	31%
Wicklow	122	1,063	155	1,340	234	15%
Total	8,709	16,19 7	5,331	30,237	13737	31%

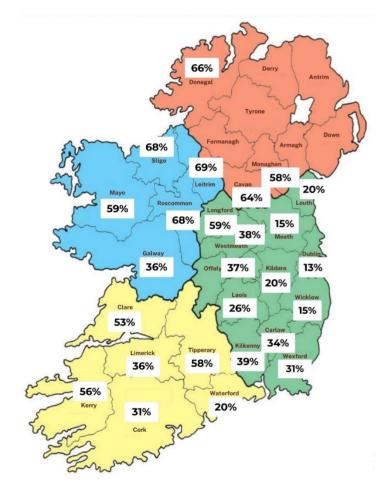
There are over 14,000 applications for the Vacant Homes Grant. These applications will help renovate Empty Homes which are set to become the dominant choice of new homes in 13 counties. It is a major success, and the business case is proven and watertight. Investing in Empty Homes provides more housing than any other Government investment in Housing.

Their rejuvenation have been recognised as a valuable contribution to the Climate Action Plan (Bringing Back Homes Report April 2024). 70% of Empty Homes have a BER rating of D and below. Rejuvenating them will help them attain an A/B or at least a C rating.

Chart 4: Impact – Rejuvenated Empty Homes as a percentage of Total New Homes projected 2025.

State = 31%

Approved applications by end of June 25 and new builds 24.



Source: CSO



Increase the number of Vacant Homes Officers throughout the country. Also extend the brief of the VHOs to encompass commercial buildings.



Waive stamp duty on the sale of empty homes for a two-year period.

Proposal 3: "Above the Shop" Homes

In 2022 a report by Collaborative Town Centre Health Check (CTCHC) found that vacancy rates in commercial property in Ireland are 80% for upper floors and between 18-31% for ground floors – this is several times greater than that in mainland Europe where typical vacancy rates stand at 5%.

"Above the shop" is a very large and distinct segment within the Empty Homes sector.

According to a recent DCU study (1) - Vacant above the shop units (VATSUs) are particularly complex units to bring into reuse, requiring significantly more flexibility, resources, risk mitigation and absorption, contingency planning and multidisciplinary work than other types of vacant units.

It has huge potential and needs targeted incentives to reach that potential. Many of these, especially those with 3 or more storeys, could be converted into 2/3/4 homes. From a cost effectiveness and a practical reason, they need the grants to be based on the number of units rather than on the number per applicant. Current incentives are not attractive enough to encourage uptake.

In a survey earlier in 2025 HAI spoke to 140 Property Owners and Experts. The recommendations from this research, when implemented, will release an additional 20,000 homes into the marketplace building on the success of empty homes and the vacant homes grant.

(1) Opportunities and challenges of vacant above the shops units for residential use in Ireland - Dr Kathleen Stokes and Michelle Connolly March 2024.



Waive capital gains tax on "above the shop" premises for a three-year period.

For owners who decide to sell on.

Give owners of above-the-shop properties a choice of incentives.



Extend the Vacant Home Grant to Above the Shop premises

Many owners of "above the shop" properties have retail businesses on the ground floor that are in the form of Limited Companies.

Allowing a variety of ownership formats including Limited Companies to access these grants would further widen participation and investment.



Extend the grants to such Limited Companies.



Tax Relief on Capital Expenditure:

With 70% of respondents favouring tax breaks, allowing property owners to offset renovation costs against rental income would create a powerful, long-term incentive.

Due to the level of risk involved, there should be a financial benefit to rejuvenate older properties and to encourage adaptive reuse, i.e. converting upper floors to apartments etc. Rental income should not be treated as passive income only and allow landlords to fund a pension from such income and claim a tax allowance.

The incentives to encourage rejuvenation of Above the Shop properties have been analysed by economist Jim Power and concluded to be cost-neutral.



Index-link both the vacant and derelict homes grants and the SEAI grants to the costs of building materials and labour.



Introduce a Graduated Vacant Property Tax: A punitive vacant property tax, increasing annually after a three-year grace period, would push property owners toward action—either through sale or development—while giving them a reasonable window to prepare.



This grace period of three years would also facilitate the time required to prepare a database of such properties.

Apply a 6% annual derelict property tax on derelict properties.



Reform of Unnecessary Regulations.

Affordability - All projects on rejuvenating empty homes need regulation. However, it is widely believed that some of the regulations are outdated, unnecessary and

are an impediment to action. Regulations for over the shop projects are particularly burdensome. The costs in time spent in bringing to fruition and the financial outlay are off-putting. Some regulations do not seem to take into account improvements in building materials and building methods. Two areas in particular stand out – regulations on fire safety and regulations on access. HAI welcomes, and we have contributed to, the Public Consultation on the Review of Part B (Fire Safety) of the Building Regulations and hope that the recommendations will be approved promptly.



Ensure that planning departments in Local Authorities are properly resourced. Their focus needs to be on housing delivery – both new homes and empty homes.



The provision of housing and the infrastructure to support it needs to take priority. This resourcing to include additional staff with technical expertise. Our current planning system is too cumbersome with outdated processes, and legal challenges that are impeding progress.



A one stop shop "regulatory approvals process" within the Local Authority. When feasible delegate planning to Local Authorities rather than An Coimisiún Pleanála.

This was recommended in the Urban Renewal Report of the Joint Committee on Housing, Local Government and Heritage. This is commonplace in other jurisdictions such as the UK where regulations for both single dwellings and HMO (homes of multiple occupancy) are processed swiftly.

HAI endorses this recommendation.



Proposal 4: For New Homes

According to SCSI the average price of a new house is €466k (December 2024). This is well beyond the mortgage affordability level for most people. We need to improve the affordability of new homes. First time buyers are particularly impacted. We have seen a collapse in home ownership and a huge increase in working people living with their parents for those under 44 and a major decline in our birthrate.



Eliminate the VAT on newly built homes from 13.5% to 0%.

In many cases at present the VAT on a new home well exceeds the grant amount in the Help-to-Buy Scheme. Also the repayment on a VAT bill of €63k extended over a 35-year mortgage is highly punitive.

A reduction in the VAT rate on new housing to 0% for first-time buyers who will be owner-occupiers, would reduce the average cost of delivery of a house by €63k+. This measure would significantly narrow the gap between the amount that could be borrowed and the cost of delivery.

Process for payment - Payment of VAT + re-imbursement monthly - or: Payment to escrow and release at exchange



Continue with the first-time buyer help-to-buy scheme for at least another three years.

In a properly functioning housing sector a policy of densification makes sense. However, we have a backlog in demand of at least 120,000 units, and the state is missing its targets for social and other types of housing. In this context to enforce a densification policy is state overreach, inimical to the common good.

Until such a time as equilibrium has been attained between demand and supply, planning restrictions on single homes should be relaxed.

As a source of housing the number of single/one off homes has plummeted from 23,000 in 2006 to 5,400 in 2024. No one wishes a return to the haphazard planning of 2006.

However to restrict the right of citizens to build their own homes during a housing crisis is the definition of state overreach. If applicants can prove that they can sink their own well, provide wastewater treatment and have road access. In these cases,



Ease planning restrictions.

This could add a further 5,000 homes to our housing stock.



Curtail third-party objections to housing.



Proposal 5: De-carbonising our Built Environment

Engaging greater efficiency in our homes will help:

- Decrease our carbon footprint.
- Enhance our Energy Security by decreasing our dependance on imported fossil fuel
- Create thousands of sustainable green jobs

In 2024 over 54,000 homes completed a retrofit with almost 21,800 of those upgrading to B2 standard. The targets are very high - 500,000 existing homes upgraded to B2 or higher and 400,000 homes using a heat pump by 2030.

At present 82% of Irish homes use fossil fuels as the main type of fuel to heat their homes. There are 600,000 homes using oil-fired boilers. We know that affordability and education are the key. Alternatives to change behaviour must be better than current products, less expensive and be generally acceptable.

Incentives with long paybacks will not work.

We have the technology, and it is also important to have a multi-solution for people – One that offers a range of options from biofuels to insulation to heat pump technology.



Encourage the adoption of HVO as a home heating fuel.



Extend the Accelerated Capital Allowance scheme for Energy Efficient Equipment and provide a tax deduction equal to 100% of the costs incurred on qualifying EEE in the year the expenditure has occurred.



Reduce VAT to 9% on all carbon-saving products such as heat pumps, insulation, stoves (all products as per Energy Saving Credits - Better Energy Homes) for three-year period.



Reduce VAT to 9% on professional construction and energy efficiency services such as architects and BER assessments, for a three-year period.



Lessen the capital gains tax on the sale of rental properties from 33% to 20%.

This to be applied to those who carry out a retrofit resulting in a BER improvement two years prior to the sale. This will encourage retrofitting, make the property more saleable and help unlock much-needed supply to the housing market.



Lower the Local Property Tax for those who carry out an energy retrofit on their property that results in an improvement in the BER rating.



BERs should be included on the Property Price Register. If this is done, property owners can evaluate the price increase available by upgrading their BER rating.



Fast track applications to NSAI of biobased construction materials.



Proposal 6: Upskilling the Sector

Upskilling the sector and Re-skilling New Employees - some will need to be re-skilled to adapt to the needs of the economy.

- Housing for All Strategy estimates that 50,831 new entrants will have to be recruited over the period 2023-2030.
 - o 24,000 to build new houses
 - o 23,000 for retrofitting
- The Expert Group on Future Skills needs residential retrofit needs 17,400 additional workers by 2030.
- Build up Skills Ireland estimates that the construction sector will require 120,000 additional workers by 2030.

We need to build capacity. HAI is a member of UFEMAT – The European Association of Builders Merchants and Manufacturers. Every country is reporting the same problem of a shortage of skilled trade professionals.



Launch a campaign across all media to encourage people to become trade professionals.



Grant aid to employers who take on apprentices.



HAI recommends a double deduction on tax for training for companies who upskill and train staff in renewable and clean energy products.

Proposal 7: Reducing Business Costs



Supplying the built environment is a core competence of our members. Uniquely we are involved in all aspects of residential construction – new build, extensions, energy upgrading, empty home rejuvenation, commercial and agri build.



Our members are well placed to weather the storms that may come our way. In the last few years, we have had the challenges of Brexit, Covid 19, and the Russian invasion of Ukraine. Now it looks like we will have to deal with a new level of costs of doing business that are imposed by our own Government. We cannot afford to have Government's aspirations paid for by businesses.



If implemented these costs will severely damage the profitability of the sector and result in further increases in the costs of housing and a collapse in Corporation Tax paid by the sector.



Reduce PRSI in the sector to 1%.



About Hardware Association Ireland

- Since 1938 Hardware Association Ireland (HAI) is the national trade association representing hardware, building materials, DIY, homewares and garden at retail, wholesale, and manufacturing level.
- Our 400 members through their 700 outlets and manufacturing bases, make a valuable contribution to the economy of Ireland. From family run businesses to publicly quoted companies, HAI members are an important presence in cities, towns, and villages throughout the country.
- Our members directly employ over 26,000 people, and they underpin the jobs of a further 147,000 builders and trades professionals.
- We uniquely represent all levels of the supply chain.
- The sector has an annual turnover of €3.9 billion (CRO), pays wages in excess of €1.3 billion and it is a significant contributor to the public purse.
- HAI speaks with one consolidated voice and fulfils a unique and vital role in connecting merchants with their suppliers in a non-commercial environment.
 HAI members play a key role in the construction supply chain, providing an efficient and effective route to market for building material products and a vital source of credit to customers.
- We represent over 400 employers in the industry, and our members operate
 in one of Ireland's key economic sectors. New builds, renovations and
 retrofitting are major barometers of and a contributor to the nation's economic
 success.





ON BEHALF OF THE HARDWARE ASSOCIATION IRELAND EXECUTIVE COMMITTEE

PAUL CANDON

PRESIDENT/UNITED HARDWARE

EDDIE KELLY

HON. TREASURER/BROOKS GROUP

MARTIN MARKEY

CEO HARDWARE ASSOCIATION IRELAND /SECRETARY

MICHAEL O'DONOHOE

PAST PRESIDENT/WAVIN IRELAND

TARA BRENNAN

CHADWICKS GROUP

MYLES CONLON

VINK HOLDINGS (T/A ACCESS PLASTICS)

NIALL FAY

GRANT ENGINEERING

ANN MURRAY

TOPLINE TRACTAMOTORS

STEPHEN O'CONNOR

BARRETT'S OF MAYNOOTH HOMEVALUE

MARYANNE QUIGLEY

WALLACE'S HOMEVALUE HARDWARE

MARK SHARKEY

TEMPLECRONE CO-OPERATIVE SOCIETY