



Joint Committee on Housing, Local Government and Heritage

The Housing Agency

Opening Statement by Martin Whelan, Chief Executive Officer, The Housing Agency Tuesday, 17th June 2025

I would like to thank the Committee for the invitation to address you.

I will start by introducing my colleagues: I am joined by Gwen Perry, Head of Affordable Housing, Jim Baneham, Director of Delivery and Innovation, David Silke, Director of Insights and Operations, and Pat Fitzpatrick, acting Director of Services and Inclusion.

Our submission to the Committee details the Agency's work across its three strategic pillars - research and policy development, housing supply and affordability, and social inclusion.

In the next five minutes I'll confine my comments to the subject of our invitation: challenges within the housing delivery system, right now in Ireland. Through the lens of the Housing Agency, these challenges fall into three broad headings: costs, capacity, and capital.

Challenges - Costs

Turning to the first of these, the current high-cost environment for construction, particularly apartment construction, remains a major obstacle to delivering viable homes for either the private market or cost rental schemes.

The Housing Agency is delivering targeted subsidies, low-cost debt and equity programmes designed to help bridge this viability gap. Through the Cost Rental Equity Loan (CREL) scheme some 2,241 cost rental homes have been delivered to the market by Approved Housing Bodies and a further 4,023 new homes are in train;



through the Secure Tenancy Affordable Rental Scheme (STAR), the Land Development Agency has delivered 1,231 cost rental homes and has funding approval for a further 192 and there is a significant pipeline of new delivery; while the Housing Agency has entered into ten Croí Cónaithe (Cities) contracts relating to the construction of 1,083 new apartments for sale to owner occupiers, 711 in Dublin and 372 in Cork, and a further twelve proposals for 1,602 apartments are at assessment stage. The most recent call for expressions of interest under this scheme was issued last week. The scale of the supports required across these various programmes to activate the supply of these, otherwise unviable homes, highlights the mismatch between costs and viability - and even with these supports, viability remains challenging.

This in turn informs the affordability gap that defines the housing experience of large cohorts of the population - both for renters and those looking to buy their own homes. A development cost study published last year by the Department of Housing showed the total development cost of a three-bed semi-detached home at just over €450,000 a standard two-bed apartment in a suburban location at just below €550,000, and a standard two-bed apartment in an urban location at close to €600,000.¹ These are almost nine to twelve times average incomes.² The programmes that I have talked about are critical in helping to bridge this affordability gap whilst also highlighting the cost challenge that exists.

Challenges – Capacity

Capacity constraints, particularly around the shortage of zoned, serviced land and the structure of the Irish development and construction sector, are further significant barriers to delivery.

We see this, for example, through the Housing Agency's operation of the Land Acquisition Fund which supports the acquisition of development land by local authorities. To date, funding of €239 million has been made available to the Agency

¹ Department of Housing, Local Government and Heritage (2024) *Total Development Cost Study*. Available at: [Total Development Cost report](#)

² Central Statistics Office (2025) Ireland 2024. *Earnings and Labour Costs Q3 2024 (Final) Q4 2024 (Preliminary Estimates)*. Available at: [Earnings and Labour Costs Q3 2024 \(Final\) Q4 2024 \(Preliminary Estimates\) - Central Statistics Office](#)



for the purchase of land. Of this €89.25 million has been approved to date, which in turn will support the delivery of potentially 2,584 new social homes and 246 affordable homes in the coming years. However, deployment is a challenge because - and the CCMA articulated this recently at this committee - local authorities are struggling to identify lands within their functional areas that are suitable for social housing and capable of ready development – where land is available, the prices being sought can act as a major barrier. On a related note, I would point to the positive impact that Part V can have in delivering social and affordable homes in locations within local authority areas where there is no land available to local authorities.

On the private side, few housebuilders outside the largest and institutionally backed entities have a good pipeline of ready to go sites, and even when they acquire land that is zoned and with planning, infrastructure shortcomings and blockages can impede delivery. Section 28 variations to county development plans will be important in helping to ensure that adequate amounts of land are made available for development. The other part of this equation is large-scale investment in infrastructure, particularly utility infrastructure, to enable these zoned lands to have the capacity to be developed.

Capacity within the development and construction sectors is a further challenge. Most developers have remained undercapitalised since the financial crisis. This significantly limits their ability to scale up development activity, with many operating on a project-by-project basis, rather than on a programme of concurrent development projects. On the construction side, where we appear to be at, or close to, full capacity, the challenge is one of productivity – how can the industry do more with existing resources. The Committee has heard testimony relating to the adoption of Modern Methods of Construction, particularly factory-based technologies and processes, and this reflects the perspective of the Housing Agency.

It is also the case that as the number of social and affordable homes increases so too does the need for housing professionals in local authorities and approved housing bodies to support good estate management and tenant services. The Housing Agency has been leading out with an industry consortium to develop a new Social and Affordable Housing Apprenticeship to help address this skills shortage, with the first



enrolment of new apprentices due next year. I have included a one-page briefing note in the submission for your information.

Challenges - Capital

Turning to capital, to move from current output levels to the 50,000 new homes requirement outlined by both the ESRI and the Central Bank, requires a significant injection of additional capital with the biggest challenge in this respect relating to the availability and cost of equity finance. Based on analysis by the Department of Finance, €11.4 billion of total finance was required to fund the delivery of 30,000 new homes in 2022.³ Of this, €4.2 billion was equity. The same analysis estimates that to deliver 50,000 homes per year, €20.4 billion of finance will be required including €8.2 billion of equity. To get to the 50,000 homes per year will require, in particular, an increase in the supply of apartments, which have a greater equity requirement given their scale. There are two sides to this challenge. The first relates to attracting sufficient equity investment – which has predominately come from international sources – to fund an increase in residential development in Ireland. The Central Bank of Ireland's latest Financial Stability Review shows that inward capital flows and equity financing is down 80%, averaging €450 million in 2023 and 2024 compared to an average €2.5 billion in 2021 and 2022. The availability of this type of equity financing is particularly important for meeting supply targets for residential development over the medium term. The second resulting challenge relates to the cost of project equity, when it is available, for Irish developers and the impacts of this for project viability, returns, and the ability of project promoters to grow their balance sheets to provide for future growth.

Capital is also needed on the other side of the equation. The state is already a very significant part of this – in 2025 the State is investing €6 billion in capital investment in housing⁴. In 2024 there were 30,330 housing completions, and of these 17,721 were either social or affordable housing delivered with state funding, accounting for 58

³ Department of Finance (2024). *Report on the Availability, Composition and Flow of Finance for Residential Development*. Available at: [Report on the Drivers of Cost and Availability of Finance for Residential Development](#)

⁴ Department of Housing, Local Government and Heritage: Press Release (October 2024) *Department of Housing, Local Government and Heritage budget package of almost €8bn announced*. Available at: [Department of Housing, Local Government and Heritage budget package of almost €8bn announced](#)



percent of current output.⁵ The State has in part stepped into the market following the collapse in the build to rent apartment segment. From 2018 to 2022, institutional investment supported the delivery of 2,000 private rental units annually. Since 2023, there have been almost no new forward investment deals in Ireland which means the supply of private rental units will fall significantly.⁶

Conclusion

These are not separate or discrete challenges. They are bound up with one another. Capital is impacted by high costs and constrained capacity. Costs are impacted by capacity and the challenge of capital.

To finish, Members, I would like to emphasise the importance of overcoming these challenges to create sustainable communities - places that are well designed and meet our needs, where people want to, and can afford to, live, communities that will last. A lot of focus is given to the goals of increasing housing supply and improving affordability, it is also crucial that these homes are being developed in sustainable and inclusive communities.

I would like to conclude by thanking Members for their time, and Chair, we are happy to answer any questions and provide further details.

⁵ Central Statistics Office (2024) *New Dwelling Completions Q4 2024*. Available at: [New Dwelling Completions Q4 2024 - Central Statistics Office](#) and Department of Housing, Local Government and Heritage: Press Release (April 2025) *Minister Browne publishes social and affordable housing delivery statistics for Quarter 4 2024*. Available at: [Minister Browne publishes social and affordable housing delivery statistics for Quarter 4 2024](#)

⁶CBRE Research (2025) *Ireland Real Estate Market Outlook 2025*. Available at: [Ireland Real Estate Market Outlook 2025 | CBRE Ireland](#)