Pre Budget Submission 2027

building homes, improving lives.

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Key Recommendations for Budget 2027

Sustaining the supply and maintenance of social and Cost Rental homes

1. Construction specific funding model

- The current CALF and Payment and Availability Agreement (P&A) model does not allow for a construction period which is typically 24 to 36 months. Any new construction model needs to facilitate funding approval to be reassessed when the project is closing, to cover the full impact of:
  - (i) Any increases in interest rates, based on the average Housing Finance Agency (HFA) rate charged on loan drawdowns during construction and the rate applicable on closing;
  - (ii) Legitimate project cost overruns; and
  - (iii) Increases in operational costs, based on the AHBs most recent approved management and maintenance costs under the Housing Agency's annual review process.

Construction risk sharing proposals: The construction-led model employed by Respond delivers significant benefits to housing delivery but also carries risk as the construction funding risk is transferred to the AHB from the developer. Project delays, cost overruns and counterparty failure can and do occur in the normal course of business (Covid 19, Ukraine War, Middle East instability) and AHBs delivering large scale schemes are not capitalised to absorb these risks in isolation.

- We recommend the development of a risk sharing mechanism to mitigate and manage emerging risks, thereby sustaining AHB viability and supporting the continued delivery of housing at scale.

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2. A cost recovery model to address legacy issues associated with the Capital Assistance Scheme (CAS) & Capital Loan Subsidy Scheme (CLSS) properties

We have had ongoing positive engagement with the Department of Housing, Local Government and Heritage on this issue and have made several proposals to address this urgent matter including those outlined below. We would welcome continued engagement to identify a viable solution.

- *Option 1:* A State supported maintenance subsidy scheme is required to address legacy CAS/CLSS planned maintenance deficits as the reduced CAS and differential rental income and maintenance subsidy (CLSS) do not cover these costs.
- *Option 2:* A move to a full recovery economic rent model with a tenant affordability subsidy for CLSS and increased RAS for tenant affordability could address future maintenance deficits arising.

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3. Address the gearing challenge in the AHB sector

- The conversion of CALF and CREL accounting treatment to partial equity finance on our balance sheet appears to be a workable solution which could assist in reducing gearing levels, getting AHBs 'off balance sheet' and facilitating borrowing from non-State financial institutions.
- The details of the most appropriate funding mix must be explored by working in partnership with AHBs to ensure long term viability and continued housing delivery. We would ask that the larger AHBs are represented on any future working group or sub-groups examining funding and AHB debt levels.

See specific details below regarding CALF (section 4) and CREL (section 5).

4. Capital Advance Leasing Facility (CALF) funding

Respond believes that the P&A-CALF model and financial assessment methodology work well, providing sufficient funding to finance debt funding and meeting operating and maintenance costs. However, the model would benefit from the following iterative improvements:

- The management cost should be based on the most recent audited financial statements, and the funding model should be reassessed with the current approved management cost and updated approved maintenance rates, when there is a significant time lag between delivery and funding approval.
- There should be provision of a maintenance subsidy to facilitate planned maintenance on expiry of the P&A agreement. Alternatively, a move to an economic rent model with a tenant subsidy similar to RAS for tenant affordability, could be considered.
- A more balanced provision model for office and communal facilities to support long term sustainability of larger scale projects similar to the Cost Rental model, should be considered within funding approvals for social homes under the CALF-P&A model.
- Where more appropriate inflation indexes for key cost lines are tracking above HICP, the CALF-P&A should facilitate the use of these indexes once validated within the funding assessment.

5. Cost Rental homes

- Access: To expand access to Cost Rental homes particularly for lower income earners who do not qualify for social housing but cannot afford to pay market rents or to purchase a home, a revenue subsidy should be considered. This subsidy would bridge the gap between the 35% net household income and the discounted rent applied by AHBs within the current CREL model.
- Cost Rental Designation: The current Cost Rental designation period for new homes is 50 years which is a misalignment with the current CREL loan repayment term of 40 years. We recommend that the CREL loan repayment term should increase to 50 years, to align with the Cost Rental designation term.
- Net Income Thresholds: The net household income thresholds to qualify for Cost Rental housing are €66,000 for Dublin and €59,000 for all other regions. These thresholds do not reflect or recognise the well-established commuter belt regions of Dublin which result in people who may earn Dublin salaries but live outside of the Dublin area. Additionally, the thresholds do not reflect the demands for affordable rental accommodation in the other larger economic cities such as Cork. We recommend, that the upper net household income threshold be revised to include the Dublin Metropolitan area (i.e. including Kildare, Meath and Wicklow) and Cork. Further consideration should be given to other

cities. This should be supported by undertaking a 'Cost Rental qualification review', that maps Cost Rental application trends in the sector over the last 3 years, to inform and test the financial viability of revised thresholds within CREL modelling.

- The CREL funding model should have inbuilt flexibility to facilitate future exceptional increases in costs verified by independent Quantity Surveyors and interest rate increases between the time of initial application and the completion of the scheme.
- There can be a significant time lapse from the initial CREL loan approval through to final Cost Rental designation of homes, due to the construction period required to build new homes. In order to improve viability of Cost Rental schemes, the CREL funding facility should allow rent levels to be revised to reflect the inflation experienced between the time of CREL loan approval and Cost Rental designation. This would address any inflationary impacts, maintain model viability and reduce the risk of model distress.
- Providing the Housing Agency with a Revolving Fund would assist them to meet stage payment turnarounds. This would further support the viability of a construction model for AHBs.
- Enhance the service level agreement from The Housing Agency to facilitate payment/s within a minimum number of days (i.e. within 5 days). This would enable AHBs, like Respond engaged in construction projects, to meet their contractual commitments to counterparties under the terms of the Development Agreement.

6. Communal and community facilities

- Capital funding of communal facilities: This includes crèches, tenant amenity spaces, play areas and playgrounds, as required to comply with grant of planning permission to provide for more sustainable communities. *(see section 4).*
- Staffing for large scale developments: Funding for operational costs and additional resources including staffing, is required to manage and run community services within large scale developments to promote and foster safe and sustainable communities.

7. A single coordinated framework for large scale mixed tenure schemes

- Establish a streamlined and coordinated approval and funding framework for large-scale mixed tenure developments.

Investing in communities and pursuing social justice

8. Addressing fuel poverty

- In alignment with Minimum Essential Standards of Living (MESL) research[1], restore the 2020 purchasing power of the Fuel Allowance by increasing the weekly rate by €4 and make the temporary extension of the Fuel Allowance season to 32 weeks permanent.

9. A multidisciplinary approach to address child and family homelessness

- The forthcoming *Homeless Prevention Framework* and *Child and Family Homelessness Action Plan* should be underpinned by adequate resourcing to deliver a comprehensive and coordinated prevention approach as part of an integrated response to family

[1] Vincentian MESL Research Centre (2026). Pre Budget 2027 Submission. Available at: https://budgeting.ie/wp-content/uploads/2026/06/MESL-Pre-Budget-Submission-2027.pdf

homelessness, alongside a sustained and urgent commitment to expanding the supply of social and affordable housing.
- Introduce a Multi-Disciplinary Team across the regions, including specific clinical and specialised supports, to meet the mental health needs of families experiencing the trauma of homelessness. This could encompass a range of physical and mental health professionals, comprising a child psychologist, addiction, welfare support and translation services.
- Introduce mainstream funding for psychotherapist roles within homeless services to provide much needed therapeutic interventions to families and children in emergency accommodation.
- Provide the additional financial resources needed to ensure all children, teenagers and young adults living in Family Homeless Services have equal access to the services of a Child and Youth Development Worker.
- Resource 'Housing with Support for Families' to address the needs of families with more complex issues, working from a housing-led approach.
- Review and increase current Housing Assistance Payment (HAP) rates in line with local market conditions, ensuring HAP remains a viable route out of homelessness for families.
- Greater alignment between housing supply and housing need is important. For example, reflecting Social Housing Needs Assessments and more liaison with homeless services, e.g. increasing delivery of four and five-bed homes and accessible homes built to accessible and universal design standards.

10. Improving outcomes in Early Childhood Education and Care (ECEC) and School Aged Care

- Ensure the Department of Children, Disability and Equality's *State-led Early Learning and Childcare Capital Programme* is sufficiently resourced to support cost-recovery for both building and fit out costs, reducing financial barriers for participating AHBs and supporting the delivery of much-needed early learning and childcare places in communities.
- As members of Early Childhood Ireland, we support their call to bring Early Years and School Age Care graduates under the same conditions as primary school teachers.[2]
- Provide funding for the extension of the Access and Inclusion Model (AIM) to all age groups.
- Allocate €50 million in funding in Budget 2027 to continue to build momentum around the implementation of Equal Start, as recommended by the Children's Rights Alliance.[3]
- ECEC services for children under three years require higher staff-to-child ratios and support, resulting in increased costs. Current funding arrangements do not cover these additional costs, and funding reform is needed to expand provision for this age group.

[2] Early Childhood Ireland (2026). First Event of Early Childhood Ireland's Budget 2027 Campaign. Available at: https://www.earlychildhoodireland.ie/first-event-of-early-childhood-irelands-budget-2027-campaign/

[3] Children's Rights Alliance (2026). Child Poverty Monitor 2026. Available at: https://childrensrights.ie/wp-content/uploads/2026/06/Child-Poverty-Monitor-2026.pdf

11. Supporting older people to remain in their homes

- Provide funding on a full-cost-recovery basis to Section 39 services providing Day Care Services to Older People, taking into account inflationary increases in the costs of delivery.
- To enhance access to Day Care Services for older people, integrated transport funding should be established as a core component of Day Care Services.
- Provide funding for the establishment of dementia specific day care services and a National Dementia Awareness Training Centre.

12. Ensure the sustainability of the community, voluntary and charity sector

- An increase in allocations to all government departments, sufficient to provide sustainable and equitable funding for community and voluntary sector organisations delivering public services contracted by the State, including funding lines for pension auto-enrolment.
- A dedicated support scheme to ensure that the sector's ability to provide key services and advocacy is not undermined by rising energy costs.
- Multiannual funding arrangements rolled out across all government departments to ensure organisations can plan effectively, retain staff, sustain quality services and achieve important objectives and outcomes.
- Ensure similar funding allocations to all government departments and agencies not currently part of the Workplace Relations Commission (WRC) to cover increased inflation-based costs such as insurance, pension auto-enrolment, governance costs, and other essential public expenditure not covered by the two WRC agreements.

About Respond

Respond, a construction-led Approved Housing Body and service provider, has been working all around Ireland for over 40 years. Our vision is that every family and individual in Ireland will have high-quality housing as part of a vibrant and caring community. Housing and decent accommodation, in the areas where people want to live, are central to improving people's lives and enhancing the health and well-being of society.

Over 20,000 tenants live in over 10,000 properties across the 26 counties that we either own or manage. Respond also provides a range of services for families and individuals within our communities. These include emergency accommodation with 24/7 support for families who are homeless in six Family Homeless Services, three Day Care Services for Older People, 17 Early Childhood Care and Education, Family Support and Refugee Resettlement services. Our aim is to provide person centred services to support people to achieve their goals and reach their full potential.

Respond is a member of the Housing Alliance, the collaboration of seven of Ireland's largest Approved Housing bodies (AHBs). The Housing Alliance's purpose is to work with Government and local authorities to promote the delivery of social and affordable homes, address barriers to delivery and advocate strongly for responsible, professional housing management. In 2024, our 7 not-for-profit members delivered close to 7,000 new social and Cost Rental homes.

About Approved Housing Bodies (AHBs)

AHBs are not-for-profit organisations that have a social purpose to provide for people's housing needs by working in close co-operation with the Government, local authorities and relevant agencies. In particular, AHBs work in partnership with local authorities to support the provision of housing and in many cases, additional supports. They provide affordable rented housing for people who cannot afford to buy or rent their own homes.

Introduction

Housing is essential infrastructure that enables economic and social participation for individuals and communities. Our homes are the building blocks of our communities and the foundation of our society and democracy.[4] Social and affordable housing, in particular, is an essential and long-term public investment, benefiting both current and future generations.

There has been a welcome increase in the delivery of housing, particularly social and affordable homes, over the last number of years. In 2025, 10,574 social homes were delivered,[5] with a record 5,465 (52%)[6] delivered by AHBs. An additional 2,347 Cost Rental homes were delivered, of which 1,540 (66%) were delivered by AHBs. This demonstrates a significant expansion in delivery and the strong record of the sector.

Despite this notable increase in housing delivery, the well documented years of undersupply that followed the Global Financial Crisis, combined with shifting national and global demographics, mean Ireland still faces a significant shortage of homes. This has resulted in significant "pent-up" demand for housing.

The Department of Finance's *Future Forty* report[7] estimates a shortage of 106,708 homes as of 2024, while acknowledging that pent-up demand is difficult to calculate and that this could be considered a conservative estimate. In contrast, the *Report of the Housing Commission*[8] placed pent-up demand in 2024 between 212,500 and 256,000 homes. The most striking demonstration of the country's housing need is reflected in the growing numbers of people living in homeless emergency accommodation. There are 17,447 people, including 2,684 families and 5,583 children (as of May 2026) residing in emergency accommodation across the country .[9] It is important to note that the current housing and homelessness crisis will have far-reaching consequences that will be felt for generations to come.

It is therefore imperative that the Government use every lever available to it, including the necessary budgetary commitments and a whole-of-government and sector wide approach, to unlock the supply of social and affordable housing at the scale required.

Policy Context

Since Budget 2026, the housing policy landscape has evolved significantly at both a national and European levels. At a national level, two key policy documents were published in November 2025.

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[4] European Commission (2025). The European Affordable Housing Plan. Available at: https://housing.ec.europa.eu/european-affordable-housing-plan_en
[5] Department of Housing, Local Government and Heritage (2026). Overall social and affordable housing provision. Available at: https://www.gov.ie/en/department-of-housing-local-government-and-heritage/collections/overall-social-and-affordable-housing-provision/
[6] Irish Council for Social Housing (2026). Housing Associations Deliver Record Number of Homes in 2025. Available at: https://icsh.ie/wp-content/uploads/Approved-Housing-Body-Delivery-Report-2025-Note-on-Figures.pdf
[7] Department of Finance (2025). Future Forty – An Economic and Fiscal Outlook to 2065. Available at: https://www.gov.ie/en/department-of-finance/publications/future-forty-an-economic-and-fiscal-outlook-to-2065/
[8] Department of Housing, Local Government and Heritage (2024). Repot of the Housing Commission. Available at: https://www.gov.ie/en/department-of-housing-local-government-and-heritage/publications/report-of-the-housing-commission/
[9] Department of Housing, Local Government and Heritage (2026). Monthly Homeless Report May 2026. Available at: https://assets.gov.ie/static/documents/28bd1dbd/Homeless_Report_May_2026.pdf

Firstly, the new housing plan, *Delivering Homes, Building Communities*[10], and secondly, the *Report of the Approved Housing Body (AHB) Strategic Forum.*[11]

Crucially, *Delivering Homes, Building Communities* recognises that Ireland is in the midst of a housing crisis that requires 'a rapid response at pace and scale' (p. 6).[12] The plan commits to activating the supply of 300,000 homes between now and 2030, including an average of 12,000 new social homes every year. Importantly, it recognises the central role of AHBs as 'key delivery partners' in achieving those targets and the track record of AHBs in delivering homes and supporting communities across the State to date.

The Plan is based on two pillars: activating supply and supporting people, both of which are central to Respond's mission as an AHB and service provider. Respond particularly welcomes the focus on tackling child and family homelessness, which includes a commitment to develop a dedicated cross-departmental *Child and Family Homelessness Action Plan*. Our response to a call for submissions on the development of this plan included thirteen recommendations we believe are essential priority actions and targeted measures required to alleviate and end child and family homelessness.[13]

The AHB Strategic Forum was established to examine the critical role of AHBs in Ireland's housing system and recommend strategic reforms to support the scaling up of the sector. The resulting Forum report[14] sets out a roadmap of reforms to be implemented over the next ten years. In alignment with Respond's own vision and purpose, the report states that:

> *'Over the next 10 years we want to see an AHB sector which is - committed to its social purpose, steadfast in the continued alleviation of housing need and working with others to develop and manage sustainable and secure communities.' (p. 42).*

Respond are engaging proactively in the development and implementation of the reforms set out. We are particularly focused on progressing a construction-led funding model for the sector detailed under Recommendation 6 (p. 58)[15] of the report.

Alongside these reports, there has also been a welcome focus on unlocking the necessary infrastructure needed to increase the delivery of homes at scale. This includes the recent establishment of the Housing Activation Office within the Department of Housing, Local Government and Heritage, the introduction of the Housing Infrastructure Investment Fund and the publication of

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[10] Department of Housing, Local Government and Heritage (2025). Delivering Homes, Building Communities 2025-2030. Available at: https://www.gov.ie/en/department-of-housing-local-government-and-heritage/campaigns/delivering-homes-building-communities-2025-2030-an-action-plan-on-housing-supply-and-targeting-homelessness/

[11] Department of Housing, Local Government and Heritage (2025). Report of the Approved Housing Body (AHB) Strategic Forum. Available at: https://www.gov.ie/en/department-of-housing-local-government-and-heritage/publications/report-of-the-approved-housing-body-ahb-strategic-forum/

[12] Department of Housing, Local Government and Heritage (2025). Delivering Homes, Building Communities 2025-2030. Available at: https://www.gov.ie/en/department-of-housing-local-government-and-heritage/campaigns/delivering-homes-building-communities-2025-2030-an-action-plan-on-housing-supply-and-targeting-homelessness/

[13] Respond (2026). Submission: Child & Family Homelessness Action Plan. Available at: https://www.respond.ie/wp-content/uploads/2026/03/Respond-Submission-Child-and-Family-Homelessness-Action-Plan-February-2026-Final-.pdf

[14] Department of Housing, Local Government and Heritage (2025). Report of the Approved Housing Body (AHB) Strategic Forum. Available at: https://www.gov.ie/en/department-of-housing-local-government-and-heritage/publications/report-of-the-approved-housing-body-ahb-strategic-forum/

[15] Department of Housing, Local Government and Heritage (2025). Report of the Approved Housing Body (AHB) Strategic Forum. Available at: https://www.gov.ie/en/department-of-housing-local-government-and-heritage/publications/report-of-the-approved-housing-body-ahb-strategic-forum/

the *Accelerating Infrastructure Report and Action Plan*.[16] The recognition that infrastructural deficits have an impact and can significantly delay the delivery of much needed homes is welcome, as is the focus on speeding up activity in this area to support housing delivery.

At a European level, there have also been significant changes in the housing policy landscape. In December 2025, the European Commission published the first *European Affordable Housing Plan.*[17] While housing remains a national competency of Member States, it is welcome to see efforts to improve European coordination and collaboration to address the housing affordability crisis at a strategic European level. The Plan focuses on four key pillars: boosting housing supply, mobilising investment, enabling immediate support while driving reforms and protecting the most affected.

Respond welcomes the publication of these key policy documents and looks forward to continuing to build momentum in scaling housing delivery, working in partnership with the Irish Government, local authorities, European partners and other key stakeholders to deliver high-quality social and affordable homes in sustainable communities.

Adding to the National Housing Stock

Respond is a construction-led Approved Housing Body because we believe this is an effective way to address Ireland's housing crisis, by building new homes at scale and adding to the national housing stock. By leading the development process from site acquisition through construction (via stage payments) to tenancy management, we maintain greater control over quality, delivery timelines and long-term value. This approach enables us to create high-quality mixed-tenure communities that combine social and Cost Rental homes, while ensuring that housing delivery is aligned with the needs of tenants, local authorities and the communities we serve.

The *Report of the Approved Housing Body Strategic Forum* published in November 2025 acknowledges that "construction-specific funding models" are an identified gap and that project delivery can be hampered by financial risks such as interest payments and debt service cover ratio (DSCR) constraints. The Forum Report goes on to commit to exploring dedicated funding solutions for AHBs involved in construction activity, including strategies to support quicker land acquisition and ultimately improve responsiveness to urgent housing needs.

Ireland's Economic Performance and Housing Landscape

Economic performance and ongoing risks

Ireland's economy has performed strongly in recent years, underpinned by a rapid recovery from the Covid-19 pandemic with sustained economic growth and a period of Exchequer surpluses. However, the outlook remains subject to significant external risks, particularly in the context of an increasingly uncertain geopolitical environment. Recent instability in the Middle East has contributed to renewed volatility in global energy markets, while ongoing trade tensions between the European Union (EU) and the United States continue to present downside risks.[18]

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[16] Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation (2025). Accelerating Infrastructure Report and Action Plan. Available at: https://www.gov.ie/en/department-of-public-expenditure-infrastructure-public-service-reform-and-digitalisation/publications/accelerating-infrastructure-report-and-action-plan/

[17] European Commission (2025). The European Affordable Housing Plan. Available at: https://housing.ec.europa.eu/european-affordable-housing-plan_en

[18] Central Bank of Ireland (2026). Quarterly Bulletin 1 2026. Available at: https://www.centralbank.ie/publication/quarterly-bulletins/quarterly-bulletin-q1-2026

As highlighted by the Central Bank,[19] higher oil and gas prices are expected to lead to lower growth and higher inflation than previously anticipated. Rising energy costs are also likely to feed through to the construction sector, placing upward pressure on building costs and in turn constraining housing output. This poses a material risk to efforts to address the State's infrastructure deficit and to scale up housing delivery at the pace required.[20]

Notwithstanding recent improvements in housing output, Ireland's housing system remains characterised by persistent supply shortages, affordability challenges and record levels of homelessness. A sustained and significant increase in annual housing delivery is required to bridge the gap between fundamental housing need, housing demand and supply, and to fulfil the Government's commitment to deliver 300,000 homes by 2030.

Recent forecasts by the Economic and Social Research Institute (ESRI)[21] and the Central Bank[22] estimate that annual housing completions will rise between 38,500 and 40,000 in 2026, and between 40,500 and 43,000 in 2027. This falls short of the average annual requirement of just over 50,000 homes implied by the 2030 target. Therefore, taking a counter-cyclical approach, addressing structural barriers to delivery and prioritising key enablers such as infrastructure, viability and planning efficiency remain critical.

Unmet housing need

There are significant levels of unmet housing need across Ireland.[23] The most acute consequence of this is the 17,447 people living in homeless emergency accommodation, including 2,684 families and 5,583 children (as of May 2026).[24] This represents an overall 10.8% annual increase. It is important to note that official homelessness statistics in Ireland underestimate the true scale of the issue, as they count a 'snapshot figure' of those in State-funded emergency accommodation and do not include those in various forms of 'hidden homelessness'. Hidden homelessness is a term used to describe those who are not 'visible', either to the public or often not even to homelessness services. Examples of hidden homelessness include couch surfing, sleeping in cars or workplaces, squatting or sharing with friends and/or relatives due to a lack of alternative options. Hidden homelessness is counted in official statistics in some European jurisdictions, e.g. Finland. A report from the Simon Communities of Ireland estimated that approximately 24,000 households in the Republic of Ireland were experiencing some form of hidden homelessness at the time of the study (May 2024).[25]

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[19] Central Bank of Ireland (2026). Quarterly Bulletin 1 2026. Available at: https://www.centralbank.ie/publication/quarterly-bulletins/quarterly-bulletin-q1-2026
[20] Economic & Social Research Institute (2026). Quarterly Economic Commentary. Spring 2026. Available at: https://www.esri.ie/publications/quarterly-economic-commentary-spring-2026
[21] Economic & Social Research Institute (2026). Quarterly Economic Commentary Summer 2026. Available at; https://www.esri.ie/system/files/publications/QEC2026SUM_1.pdf
[22] Central Bank of Ireland (2026). Quarterly Bulletin 2 2026. Available at: https://www.centralbank.ie/publication/quarterly-bulletins/quarterly-bulletin-q2-2026
[23] Department of Housing, Local Government and Heritage (2024). Repot of the Housing Commission. Available at: https://www.gov.ie/en/department-of-housing-local-government-and-heritage/publications/report-of-the-housing-commission/
[24] Department of Housing, Local Government and Heritage (2026). Monthly Homeless Report May 2026. Available at: https://assets.gov.ie/static/documents/28bd1dbd/Homeless_Report_May_2026.pdf
[25] Simon Communities of Ireland (2024). Under the Radar: Unveiling Hidden Homelessness Across the Island of Ireland. Available at: https://www.simon.ie/e-publication/under-the-radar-unveiling-hidden-homelessness-across-the-island-of-ireland/

According to the most recent *Summary of Social Housing Assessments* (2025)[26] there were 61,719 households on social housing waiting lists across the country. There were an additional 49,663 Housing Assistance Payment (HAP) tenancies in the private rental sector at the end of 2025.[27] The Parliamentary Budget Office (PBO) defines 'ongoing need' to include households eligible for social housing but not yet in receipt of it. [28] This includes both those on social housing waiting lists and those receiving HAP, acknowledging the insecurity of tenure experienced by HAP households in comparison to local authority or AHB tenants, and that these households lack a guaranteed right to social housing if their tenancy ends. An estimated 111,382 households had an ongoing need at the end of 2025.

Poverty and deprivation

The increasing cost of living, particularly high housing and energy costs, is putting a significant number of households under persistent strain, impacting their ability to make ends meet and afford the basics.

According to the latest *Survey on Income and Living Conditions* (SILC)[29] data from 2025, 12.6% of people were at risk of poverty, an increase on the 2024 level of 11.7%. Children had the highest at risk of poverty rate at 16.9%, followed by those aged 65 years and over at 14.8%, highlighting the need to target welfare supports at these groups in particular. In terms of tenure status, the at risk of poverty rate for those living in 'rented or rent-free accommodation' was 24.2% in 2025, compared to 7.4% for owner-occupiers.

The figures also highlight that 15.1% of people were living in enforced deprivation in 2025; although this is a slight decrease on the 2024 level of 15.7%, this still represents a significant number of people who were forced to go without basic necessities. Enforced deprivation is significantly higher among those living in 'rented or rent-free accommodation' at 31.9%, compared to 7.6% of owner-occupiers. Again, there was a higher-than-average rate of enforced deprivation among children at 19.6%.

SILC also provides insights on inequalities in housing costs and their impact on poverty risk. In 2025, the at risk of poverty rate rose by 7.1% to 19.7% once rent and mortgage interest costs were deducted from household income. Analysis by tenure shows that after deducting rent paid, two in five (40.6%) of those who rent from a local authority would have been at risk of poverty. This rises to 58% for those living in the private rental sector with social housing support (such as HAP and Rental Accommodation Scheme (RAS) pointing to the limited security and the overall suitability of these types of social housing supports in addressing long-term housing need. These findings are particularly stark when compared to the experience of owner-occupiers, whose at risk of poverty rate increases by just 0.9% to 8.3% after deducting mortgage interest. This underscores the inequalities in housing costs of renters compared to those who own their own homes and the need

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[26] The Housing Agency (2025). Summary of Social Housing Assessments 2025. Available at: https://www.housingagency.ie/sites/default/files/2026-05/SSHA_2025_FINAL.pdf
[27] Department of Housing, Local Government and Heritage (2026). Overall social and affordable housing provision. Available at: https://www.gov.ie/en/department-of-housing-local-government-and-heritage/collections/overall-social-and-affordable-housing-provision/#housing-assistance-payment
[28] Parliamentary Budget Office (2025). Ongoing Need 2024 – The True Demand for Social Housing. Available at: https://data.oireachtas.ie/ie/oireachtas/parliamentaryBudgetOffice/2025/2025-12-11_ongoing-need-2024-the-true-demand-for-social-housing_en.pdf
[29] Central Statistics Office (2026). Survey on Income and Living Condiitons (SILC) 2025. Available at: https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2025/poverty/

to prioritise this cohort by increasing the availability of social and affordable housing across the country.

Child poverty

There has been a welcome focus on reducing child poverty by Government through the establishment of the Child Poverty and Well-Being Programme Office and associated plans.[30] However, as noted above, rates of poverty and deprivation for children have remained persistently high. One in five children (c. 227,000) are below the poverty line when housing costs are accounted for, which is little different from the numbers seen during the worst years of the financial crisis.[31]

In their latest annual report on poverty, income inequality and living standards, the ESRI highlighted how those who experience childhood poverty are more likely to experience income poverty, material deprivation, poor health and unemployment in adulthood. Childhood poverty negatively impacts children's cognitive development and educational outcomes, which in turn increases the risk of adult poverty.[32] This highlights the importance of progressing commitments to reduce child poverty and break this intergenerational cycle. As highlighted in the ESRI's analysis, this requires a cross-departmental approach involving substantial increases in targeted payments to low-income families, adequate social transfers to prevent poverty, narrowing the educational attainment gap, and improving access to healthcare for children from low-income households. Effective early childhood education and care (ECEC) policies are also a key element within the suite of measures required to prevent and reduce child and future adult poverty.

Energy poverty

Energy price volatility, amid growing geopolitical instability, has made it increasingly difficult for many households to meet the cost of heating and powering their homes. Energy prices in Ireland are among the highest in Europe.[33] While households were partially shielded from the price shocks following the Russian invasion of Ukraine through temporary cost-of-living measures, including energy credits, these supports were withdrawn in Budget 2026. At the same time, energy prices have remained elevated, driven in part by ongoing conflict in the Middle East, placing continued strain on household budgets and disproportionately affecting vulnerable households.

Energy poverty is driven by a combination of low disposable income, high energy costs and poor housing and is strongly linked to income inequality, unemployment and deprivation. The ESRI recently estimated that over 30% of households experience some form of energy affordability challenge and highlighted how energy poverty is concentrated among low-income households, households with unemployed members, female-headed households and single-adult families.[34] This underscores the need for targeted measures to mitigate energy poverty, alongside sustained investment to address its structural drivers, some of which include poor housing quality, low energy efficiency, overreliance on fossil fuels and wider-socioeconomic inequalities.

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[30] Department of the Taoiseach (2026). Child Poverty and Well-Being Programme Office. Available at: https://www.gov.ie/en/department-of-the-taoiseach/campaigns/child-poverty-and-well-being-programme-office/

[31] Economic and Social Research Institute (2025). Poverty, income inequality and living standards in Ireland: Fifth annual report. Available at: https://www.esri.ie/publications/poverty-income-inequality-and-living-standards-in-ireland-fifth-annual-report

[32] Ibid.

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

[34] Economic and Social Research Institute (2026). Energy poverty and affordability in Ireland. Available at: https://www.esri.ie/publications/energy-poverty-and-affordability-in-ireland

Priorities for Budget 2027

Public investment in social and affordable housing creates long-term, durable public assets, creating security of tenure and affordability. This shields tenants from exposure to private market volatility, which is critical for tackling homelessness and housing insecurity. Respond is strongly committed to fulfilling our role as a key delivery partner assisting government to achieve its housing targets, but this requires the necessary supports and reforms. We are focused on finding practical solutions to increase our capacity to deliver more homes and services for the people who need them and to support communities to develop and thrive.

The Department of Finance's *Future Forty*[35] report highlights that meeting social housing supply targets over the coming decade will require significant capital investment. These costs are expected to fall over time as demand declines. Achieving these supply targets and eliminating pent-up demand is projected to reduce the share of tenants relying on rental supports such as the Housing Assistance Payment (HAP) and the Rental Accommodation Scheme (RAS). Therefore, investment in social housing is likely to deliver strong value for money for the State over the longer term.

Below, Respond sets out our priority actions, as an AHB and service provider, required to create a stable policy and funding environment - a key enabler for AHBs to continue to deliver social and Cost Rental homes in sustainable and connected communities, at the scale required.

Sustaining the supply and maintenance of social and Cost Rental homes

1. Construction specific funding model

Respond is a construction-led AHB because we believe this is an effective way to address Ireland's housing crisis by building new homes at scale and adding to the national housing stock. By leading the development process from site acquisition through construction (via stage payments) to tenancy management, we maintain greater control over quality, delivery timeliness and long-term value. The current CALF-P&A model is structured towards funding turnkey projects and assumes all capital costs are incurred on acquisition of the scheme, with P&A revenues covering loan principal and interest payments commencing once the homes are available for occupation. Respond has long advocated for the introduction of a dedicated Construction Funding Model.

Recommendations:

- The current CALF and Payment and Availability Agreement (P&A) model does not allow for a construction period which is typically 24 to 36 months. Any new construction model needs to facilitate funding approval to be reassessed when the project is closing, to cover the full impact of:
  - (iv) Any increases in interest rates, based on the average Housing Finance Agency (HFA) rate charged on loan drawdowns during construction and the rate applicable on closing;
  - (v) Legitimate project cost overruns; and
  - (vi) Increases in operational costs, based on the AHBs most recent approved management and maintenance costs under the Housing Agency's annual review process.

[35] Department of Finance (2025). Future Forty – An Economic and Fiscal Outlook to 2065. Available at: https://www.gov.ie/en/department-of-finance/publications/future-forty-an-economic-and-fiscal-outlook-to-2065/

Construction risk sharing proposals: The construction-led model employed by Respond delivers significant benefits to housing delivery but also carries risk as the construction funding risk is transferred to the AHB from the developer. Project delays, cost overruns and counterparty failure can and do occur in the normal course of business (Covid 19, Ukraine War, Middle East instability) and AHBs delivering large scale schemes are not capitalised to absorb these risks in isolation.

- We recommend the development of a risk sharing mechanism to mitigate and manage emerging risks, thereby sustaining AHB viability and supporting the continued delivery of housing at scale.

2. A cost recovery funding model to address legacy issues associated with the Capital Assistance Scheme (CAS) and Capital Loan and Subsidy Scheme (CLSS) properties:

Legacy funding challenges associated with CAS and CLSS properties remain a critical issue for AHBs with older housing stock such as Respond. Respond currently manages 2,592 CLSS-funded homes and 1,549 CAS-funded homes that are not on a sustainable financial footing. Rental income from these properties, together with the management and maintenance subsidy for CLSS homes and RAS supports for CAS tenants, falls significantly short of the actual costs of managing and maintaining these homes over their lifetime.

We therefore welcome the commitments set out in *Delivering Homes, Building Communities*[36] to address 'legacy impediments to delivery such as debt levels and cost/income restraints' (p.75), as well as the recommendation in the *Report of the Approved Housing Body Strategic Forum*[37] to 'initiate a policy review to examine the potential for a reformed income model for AHB social housing' (p.48). These measures are essential to ensuring the long-term financial sustainability of existing social housing stock and supporting AHBs to continue delivering high-quality homes and services.

Recommendations:

We have had ongoing positive engagement with the Department of Housing, Local Government and Heritage on this issue and have made several proposals to address this urgent matter including those outlined below. We would welcome continued engagement to identify a viable solution.

- *Option 1:* A State supported maintenance subsidy scheme is required to address legacy CAS/CLSS planned maintenance deficits as the reduced CAS and differential rental income and maintenance subsidy (CLSS) do not cover these costs.
- *Option 2:* A move to a full recovery economic rent model with a tenant affordability subsidy for CLSS and increased RAS for tenant affordability could address future maintenance deficits arising.

3. Address the gearing challenge in the AHB sector

AHBs primarily finance new housing delivery through debt-funded models, including the Capital Advance Leasing Facility (CALF) for social homes and the Cost Rental Equity Loan (CREL) for Cost Rental homes. As the majority of this financing is ultimately provided or underwritten by the State

[36] Department of Housing, Local Government and Heritage (2025). Delivering Homes, Building Communities 2025-2030. Available at: https://www.gov.ie/en/department-of-housing-local-government-and-heritage/campaigns/delivering-homes-building-communities-2025-2030-an-action-plan-on-housing-supply-and-targeting-homelessness/

[37] Department of Housing, Local Government and Heritage (2025). Report of the Approved Housing Body (AHB) Strategic Forum. Available at: https://www.gov.ie/en/department-of-housing-local-government-and-heritage/publications/report-of-the-approved-housing-body-ahb-strategic-forum/

through the Department of Housing, Local Government and Heritage and the Housing Finance Agency, larger AHBs can face constraints on their borrowing capacity due to high gearing ratios.

This was the focus of the Department's Gearing Working Group in 2023, to which Respond made submissions outlining our position and experience. We therefore welcome the focus in the *Report of the AHB Strategic Forum*[38] on enabling, particularly larger AHBs, to 'secure greater financial flexibility and reduce dependence on State funding' (p. 58), with the implementation of the Gearing Working Group recommendations identified as an immediate action (p. 59).

Addressing gearing constraints would strengthen the financial resilience of the sector, improve access to alternative sources of finance, and enhance the capacity of AHBs to contribute to the delivery of social and affordable housing at scale. It would also support ongoing efforts to secure the reclassification of AHBs outside the general government sector[39] and allow for a move away from the current pro-cyclical regime of provision.

Recommendations:

- The conversion of CALF and CREL accounting treatment to partial equity finance on our balance sheet appears to be a workable solution which could assist in reducing gearing levels, getting AHBs 'off balance sheet' and facilitating borrowing from non-State financial institutions.
- The details of the most appropriate funding mix must be explored by working in partnership with AHBs to ensure long term viability and continued housing delivery. We would ask that the larger AHBs are represented on any future working group or sub-groups examining funding and AHB debt levels.

See specific details below regarding CALF (section 4) and CREL (section 5).

4. Capital Advance Leasing Facility (CALF) Funding

Respond welcomes measures outlined in the *Report of the Approved Housing Body Strategic Forum*[40] to enhance CALF funding flexibility through forward-looking cost assessments and to reassess the approach to exceptional cost increases. We look forward to meaningful engagement and collaboration on the implementation process.

In terms of management costs for CALF-P&A (Payment & Availability)[41] funded homes, the current model relies on cost assumptions based on historic audited financial statements, which can be significantly outdated and below actual management costs incurred by the AHB by the time homes are delivered. The same applies to planned maintenance costs which are agreed for construction-led projects up to three years before completion, at which time these maintenance costs are outdated

[38] Department of Housing, Local Government and Heritage (2025). Report of the Approved Housing Body (AHB) Strategic Forum. Available at: https://www.gov.ie/en/department-of-housing-local-government-and-heritage/publications/report-of-the-approved-housing-body-ahb-strategic-forum/

[39] The 14 largest AHBs were recategorized by Eurostat in 2018 as being 'on balance sheet', meaning AHB borrowing is now included in overall national debt.

[40] Department of Housing, Local Government and Heritage (2025). Report of the Approved Housing Body (AHB) Strategic Forum. Available at: https://www.gov.ie/en/department-of-housing-local-government-and-heritage/publications/report-of-the-approved-housing-body-ahb-strategic-forum/

[41] The CALF-P&A funding stream provides for a long-term loan of up to 30% capital advance funding, which is provided by the Department of Housing, Local Government and Heritage via Local Authorities and the remaining 70% is sourced from the Housing Finance Agency. The Department make an additional contribution through a Payment and Availability Agreement (P&A) and is the vehicle via which the CALF loan and senior debt, together with the related interest payments, is effectively repaid. In other words, this income is used to fund the loan repayment and operational costs.

and there is no opportunity to revise these to current rates as maintenance inflation is outpacing general inflation.

Whilst the P&A model allows for planned maintenance expenditure during the 30-year contract term, it does not allow for the accrual of future planned maintenance after the 30-year term. Therefore, once the P&A agreement ends, the only income received by the AHB is the differential rent which will only cover management costs, reactive and cyclical maintenance but not planned maintenance from year thirty-one.

Housing is widely recognised as a key social determinant of health, and the quality of both the physical and social environment significantly influences a community's well-being outcomes. The inclusion of community buildings and other facilities within our housing schemes delivers many social and health benefits. These facilities become more crucial as we scale up to deliver larger, higher density housing schemes that meet the needs of Ireland's changing demographics *(see section 6 below for further detail)*. The current CALF-P&A model only allows for a small contribution towards essential communal facilities, and these are excluded from the P&A calculation, resulting in AHBs absorbing the additional costs of these essential facilities.

Finally, the P&A agreement assumes that the Harmonised Index of Consumer Prices (HICP) inflation of 2% applies to all income and expenditure in the P&A-CALF model. However, employee wage inflation and maintenance inflation do not track in either the short or long term to HICP. In practice, this results in higher operational and maintenance costs than facilitated within the funding model.

Recommendations:
Respond believes that the P&A-CALF model and financial assessment methodology work well, providing sufficient funding to finance debt funding and meeting operating and maintenance costs. However, the model would benefit from the following iterative improvements:

- The management cost should be based on the most recent audited financial statements, and the funding model should be reassessed with the current approved management cost and updated approved maintenance rates, when there is a significant time lag between delivery and funding approval.
- There should be provision of a maintenance subsidy to facilitate planned maintenance on expiry of the P&A agreement. Alternatively, a move to an economic rent model with a tenant subsidy similar to RAS for tenant affordability, could be considered.
- A more balanced provision model for office and communal facilities to support long term sustainability of larger scale projects similar to the Cost Rental model, should be considered within funding approvals for social homes under the CALF-P&A model.
- Where more appropriate inflation indexes for key cost lines are tracking above HICP, the CALF-P&A should facilitate the use of these indexes once validated within the funding assessment.

5. Cost Rental Homes

Cost Rental housing is crucial in responding to the needs of many households who do not qualify for social housing supports but cannot afford to rent or buy in the private sector, including the growing numbers of older people renting into retirement. However, in reality, many of the households who Cost Rental is targeted towards cannot access it due to affordability eligibility criteria.

Similar to the loan terms made available under CALF for social housing, the government introduced the Cost Rental Equity Loan (CREL) in 2021 to aid the provision of Cost Rental housing. Whilst acknowledging the significant improvement the introduction of CREL has had on the financial viability of Cost Rental schemes, there are some further improvements that should be considered.

As with the CALF scheme, Respond welcome measures outlined in the *Report of the AHB Strategic Forum*[42] to enhance CREL funding flexibility through forward looking cost assessments and to reassess the approach to exceptional cost increases. We also welcome measures to reassess eligibility thresholds and subsidies to increase accessibility for moderate-income households. In line with this, our recommendations are as follows:

Recommendations:

- Access: To expand access to Cost Rental homes particularly for lower income earners who do not qualify for social housing but cannot afford to pay market rents or to purchase a home, a revenue subsidy should be considered. This subsidy would bridge the gap between the 35% net household income and the discounted rent applied by AHBs within the current CREL model.
- Cost Rental Designation: The current Cost Rental designation period for new homes is 50 years which is a misalignment with the current CREL loan repayment term of 40 years. We recommend that the CREL loan repayment term should increase to 50 years, to align with the Cost Rental designation term.
- Net Income Thresholds: The net household income thresholds to qualify for Cost Rental housing are €66,000 for Dublin and €59,000 for all other regions. These thresholds do not reflect or recognise the well-established commuter belt regions of Dublin which result in people who may earn Dublin salaries but live outside of the Dublin area. Additionally, the thresholds do not reflect the demands for affordable rental accommodation in the other larger economic cities such as Cork. We recommend, that the upper net household income threshold be revised to include the Dublin Metropolitan area (i.e. including Kildare, Meath and Wicklow) and Cork. Further consideration should be given to other cities. This should be supported by undertaking a 'Cost Rental qualification review', that maps Cost Rental application trends in the sector over the last 3 years, to inform and test the financial viability of revised thresholds within CREL modelling.
- The CREL funding model should have inbuilt flexibility to facilitate future exceptional increases in costs verified by independent Quantity Surveyors and interest rate increases between the time of initial application and the completion of the scheme.
- There can be a significant time lapse from the initial CREL loan approval through to final Cost Rental designation of homes, due to the construction period required to build new homes. In order to improve viability of Cost Rental schemes, the CREL funding facility should allow rent levels to be revised to reflect the inflation experienced between the time of CREL loan approval and Cost Rental designation. This would address any inflationary impacts, maintain model viability and reduce the risk of model distress.

[42] Department of Housing, Local Government and Heritage (2025). Report of the Approved Housing Body (AHB) Strategic Forum. Available at: https://www.gov.ie/en/department-of-housing-local-government-and-heritage/publications/report-of-the-approved-housing-body-ahb-strategic-forum/

- Providing the Housing Agency with a Revolving Fund would assist them to meet stage payment turnarounds. This would further support the viability of a construction model for AHBs.
- Enhance the service level agreement from The Housing Agency to facilitate payment/s within a minimum number of days (i.e. within 5 days). This would enable AHBs, like Respond engaged in construction projects, to meet their contractual commitments to counterparties under the terms of the Development Agreement.

6. Communal and community facilities

Respond is committed to building sustainable communities that enhance the well-being of tenants. We recognise that along with delivering much needed homes, communities also require access to a variety of additional facilities to foster their success. The inclusion of community buildings and facilities such as playgrounds, tenant amenity spaces and high-quality outdoor spaces within our housing schemes delivers significant social and health benefits. These amenities create opportunities for social interaction, strengthen community cohesion, and support overall quality of life. Their importance is particularly prominent as we move towards higher-density and large-scale mixed tenure developments.

Current funding models available to AHBs are primarily focused on the capital costs associated with the number of homes delivered, and therefore the provision of essential community infrastructure has to be met through an AHB's own resources, making the approach inconsistent and limiting provisions. A fully resourced and integrated funding approach is required to support the delivery of community facilities alongside residential development.

It is welcome that this issue has been recognised in the *Report of the AHB Strategic Forum*, which identifies the need to:

> *'Improve access to communal and community facility funding: cross-department consideration of co-funding for communal and community facilities to support quality-of-life improvements and community development for residents, particularly in large-scale housing projects.' (p. 59)*[43].

In line with the recommendation outlined above in relation to the CALF-P&A model (section 4), Respond recommends the introduction of a coordinated funding mechanism that should support both the capital and operational costs associated with delivering community services.

Recommendations:

- Capital funding of communal facilities: This includes crèches, tenant amenity spaces, play areas and playgrounds, as required to comply with grant of planning permission to provide for more sustainable communities. *(see section 4).*
- Staffing for large scale developments: Funding for operational costs and additional resources including staffing, is required to manage and run community services within large scale developments to promote and foster safe and sustainable communities.

[43] Department of Housing, Local Government and Heritage (2025). Report of the Approved Housing Body (AHB) Strategic Forum. Available at: https://www.gov.ie/en/department-of-housing-local-government-and-heritage/publications/report-of-the-approved-housing-body-ahb-strategic-forum/

7. A single coordinated framework for large scale mixed tenure schemes

Respond is committed to creating sustainable communities through the development of large-scale mixed tenure schemes. However, one of the key challenges we currently face is the need to navigate multiple, separate funding streams. For example, CALF-P&A for social homes through the Department of Housing, Local Government and Heritage, Cost Rental Equity Loan (CREL) for Cost Rental homes through The Housing Agency and other funding avenues delivering vital community buildings and infrastructure. This fragmented approach adds complexity and slows progress.

Recommendation:

- Establish a streamlined and coordinated approval and funding framework for large-scale mixed tenure developments.

Investing in communities and pursuing social justice

8. Addressing fuel poverty

The instability of global energy markets has great implications for energy poverty, most significantly for low-income households.[44] Household energy costs were an average of 24.9% higher than in March 2025 and have doubled since March 2020.[45] Since 2020, energy credits and once off top-ups to Fuel Allowance recipients shielded households from the worst effects of energy price hikes. However, these temporary supports were withdrawn in last year's budget. Although there was a €4 increase in the core rate and a subsequent extension of the season to 32 weeks, the purchasing power of the Fuel Allowance has been significantly eroded.

Energy poverty is concentrated among low-income households, households with unemployed members, female headed households and single adult families.[46] Therefore, as a provider of social housing and community services, fuel poverty directly impacts on both our tenants and service users, especially those living in older, less energy efficient homes.

Recommendation:

- In alignment with Minimum Essential Standards of Living (MESL) research[47], restore the 2020 purchasing power of the Fuel Allowance by increasing the weekly rate by €4 and make the temporary extension of the Fuel Allowance season to 32 weeks permanent.

9. A multidisciplinary approach to address child and family homelessness:

Respond is deeply committed to providing high-quality services to families and individuals experiencing homelessness. We provide wraparound supports tailored to meet the diverse and sometimes complex needs of the families across our six family homeless services. Every day, Respond directly deals with the reality of the current housing crisis and its effect on families, particularly children.

[44] Vincentian MESL Research Centre (2026). Pre Budget 2027 Submission. Available at: https://budgeting.ie/wp-content/uploads/2026/06/MESL-Pre-Budget-Submission-2027.pdf
[45] Ibid.
[46] Economic and Social Research Institute (2026). Energy poverty and affordability in Ireland. Available at: https://www.esri.ie/publications/energy-poverty-and-affordability-in-ireland
[47] Vincentian MESL Research Centre (2026). Pre Budget 2027 Submission. Available at: https://budgeting.ie/wp-content/uploads/2026/06/MESL-Pre-Budget-Submission-2027.pdf

Emergency accommodation should only be used as a short-term, acute, emergency intervention. However, families are increasingly spending longer periods of time in our services due to the shortage of suitable move on housing options available to them. As of June 2026, we are supporting 77 families, including 93 adults and 136 children, across six services that are operating under increasing pressure; five of these services are in Dublin and one is in Limerick. The average length of stay across our six Family Homeless Services is currently 15 months. This is more than double our target for move-on, which is six months.

Homelessness significantly impacts the lives of the adults and children who experience it. Prolonged time in emergency accommodation has significant consequences for children's development and overall wellbeing. A report by the Royal College of Physicians of Ireland[48] highlights how homelessness and inadequate housing can have negative implications across a range of aspects of both parents' and children's lives including health, development, social, education and relationships. Homelessness during childhood and adolescence compromises safety and access to care, thereby threatening young people's health and wellbeing during a sensitive developmental period.[49]

Early intervention and prevention

The development of a Homeless Prevention Framework, as outlined in *Delivering Homes, Building Communities*[50] and the identification of 'presentations from the private rental sector' (p63) as a priority area, is a positive and necessary step, given that this remains the primary driver of child and family homelessness[51]. There is clear evidence that children and young people who experience homelessness are highly affected by Adverse Childhood Experiences (ACEs) that can have long-term consequences for health, development and life outcomes, therefore, early intervention is critical in mitigating the impacts of homelessness, particularly for children. [52] ACEs refer to experiences of abuse, neglect or other household problems occurring before age 18 and contribute to the development of both physical and mental health concerns.[53]

While the recently introduced security of tenure measures for new tenancies from March 2026 are welcome, a significant cohort of tenants in pre-March 2026 tenancies remain exposed to the risk of no-fault eviction. In addition, provisions allowing landlords to reset rents between tenancies risk undermining affordability within the private rental sector. This may further hinder efforts to prevent and exit homelessness, as families continue to face acute challenges in securing accommodation within the current Housing Assistance Payment (HAP) limits, even where discretionary increases are applied.

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[48] Royal College of Physicians of Ireland (2019). The Impact of Homelessness and Inadequate Housing on Children's Health. Available at: https://www.drugsandalcohol.ie/31348/1/Impact-of-Homelessness-full-position-paper-final.pdf

[49] Gehrenbeck, K et al. (2026). Adverse childhood experience in children and youth experiencing homelessness: a systematic review and meta-analysis. Available at: https://www.thelancet.com/journals/lanpub/article/PIIS2468-2667(26)00092-7/fulltext

[50] Department of Housing, Local Government and Heritage (2025). Delivering Homes, Building Communities 2025-2030. Available at: https://www.gov.ie/en/department-of-housing-local-government-and-heritage/campaigns/delivering-homes-building-communities-2025-2030-an-action-plan-on-housing-supply-and-targeting-homelessness/

[51] Dublin Region Homeless Executive (2025). Family Homelessness in Dublin: New Entries in 2024 and Trends Over Nine Years (2016-2024). Available at: https://www.homelessdublin.ie/content/files/New-Families-2024-and-trends-2016-2024-report.pdf?v=1765363204

[52] Gehrenbeck, K et al. (2026). Adverse childhood experience in children and youth experiencing homelessness: a systematic review and meta-analysis. Available at: https://www.thelancet.com/journals/lanpub/article/PIIS2468-2667(26)00092-7/fulltext

[53] Downes, J.M, and Smith-Boydston, J.M. (2025). Childhood Homelessness as an Adverse Childhood Experience (ACE): Adult Mental Health Outcomes. Available at: https://pubmed.ncbi.nlm.nih.gov/40304963/

Sara's Story
Sara is a mother of one who lives with her young son in one of Respond's Family Homeless Services. Sara and her son have been living there for over a year, after she was served a notice of termination in her private rental sector tenancy, where she had lived for five years. Sara and her son share a bedroom, which can be extremely challenging as her son has additional needs and can struggle with the lack of space. Rents in the locality often far exceed HAP limits. Despite her best efforts to apply for homes on the private rental market, Sara rarely receives opportunities to view properties or any follow-up after she has viewed, demonstrating the difficulties she faces in securing a home.

(Sara is a pseudonym).

Supporting those experiencing homelessness
Key to our model of service delivery is the supports we provide for families and children experiencing homelessness. We directly employ a psychotherapist who provides a counselling service for service users aged 18 and over that has demonstrated positive impacts for individuals, staff teams and the wider service delivery model. Both staff and service users have consistently requested the extension of the service to children. However, there is currently no funding available to deliver this much needed service. In addition, just three of our six homeless services have access to a Child and Youth Development Worker, leaving many children without equal access to this critical support.

Research focusing on families experiencing long-term homelessness found that many of these families have complex needs requiring a multifaceted response including clinical and therapeutic support to exit homelessness. [54] It recommends the development of an in-house Multi-Disciplinary Team (MDT) for homeless families in Ireland with a preference for an 'in-house' service approach (p. 32).

We fully support and welcome the specific focus to end child and family homelessness in *Delivering Homes Building, Communities*[55] and the recent recommendations of the Joint Committee on Housing, Local Government and Heritage's *Report on Homelessness*.[56] As mentioned earlier, we put forward 13 priority actions we believe are essential to address child and family homelessness in our submission on the development of the Child and Family Homelessness Action Plan available to read here. For the purpose of this submission, we focus on seven of those that specifically require budgetary allocation as listed below.

[54] Focus Ireland (2023). Multidisciplinary Team for Homelessness Families – Feasibility Study. Available at: https://www.focusireland.ie/knowledge-hub/research/.
[55] Department of Housing, Local Government and Heritage (2025). Delivering Homes, Building Communities 2025-2030. Available at: https://www.gov.ie/en/department-of-housing-local-government-and-heritage/campaigns/delivering-homes-building-communities-2025-2030-an-action-plan-on-housing-supply-and-targeting-homelessness/
[56] Joint Committee on Housing, Local Government and Heritage (2026). Report on Homelessness June 2026. Available at: https://data.oireachtas.ie/ie/oireachtas/committee/dail/34/joint_committee_on_housing_local_government_and_heritage/reports/2026/2026-06-18_report-on-homelessness_en.pdf

Recommendations:

- The forthcoming *Homeless Prevention Framework* and *Child and Family Homelessness Action Plan* should be underpinned by adequate resourcing to deliver a comprehensive and coordinated prevention approach as part of an integrated response to family homelessness, alongside a sustained and urgent commitment to expanding the supply of social and affordable housing.
- Introduce a Multi-Disciplinary Team across the regions, including specific clinical and specialised supports, to meet the mental health needs of families experiencing the trauma of homelessness. This could encompass a range of physical and mental health professionals, comprising a child psychologist, addiction, welfare support and translation services.
- Introduce mainstream funding for psychotherapist roles within homeless services to provide much needed therapeutic interventions to families and children in emergency accommodation.
- Provide the additional financial resources needed to ensure all children, teenagers and young adults living in Family Homeless Services have equal access to the services of a Child and Youth Development Worker.
- Resource 'Housing with Support for Families' to address the needs of families with more complex issues, working from a housing-led approach.
- Review and increase current Housing Assistance Payment (HAP) rates in line with local market conditions, ensuring HAP remains a viable route out of homelessness for families.
- Greater alignment between housing supply and housing need is important. For example, reflecting Social Housing Needs Assessments and more liaison with homeless services, e.g. increasing delivery of four and five-bed homes and accessible homes built to accessible and universal design standards.

10. Improving outcomes in Early Childhood Education and Care (ECEC) and School-Age Childcare (SAC)

Children spend the most critical time of their lives in early childhood education and care (ECEC) and school-age childcare (SAC). Evidence overwhelmingly suggests that the antenatal to age five phase is vital for development over the life course.[57] This stage lays the foundations for later development and presents the best opportunity to maximise lifelong potential.[58]

Respond is a major provider of community childcare services in Ireland, with 17 services operating around the country, employing 130 skilled, highly qualified and dedicated staff. We welcome the recent introduction of the State-led Early Learning and Childcare Capital Programme by the Department of Children, Disability and Equality and the reference to AHBs as potential sources of projects under the scheme.[59] The provision of ECEC and SAC services within our large-scale schemes is a central component of our approach to supporting the development of sustainable communities, and is key to our mission to provide homes where individuals, families and communities are empowered to reach their full potential. Based on our experience with the programme to date, we

[57] Department of Children, Disability and Equality (2023). First 5: A Whole of Government Strategy for Babies, Young Children and their Families 2019-2028. Available at: https://www.gov.ie/en/department-of-children-disability-and-equality/publications/strategy-2019-2028/
[58] Ibid.
[59] Department of Children, Disability and Equality (2026). State led Early Learning and Childcare Capital Programme. Available at: https://www.gov.ie/en/department-of-children-disability-and-equality/publications/state-led-early-learning-and-childcare-capital-programme/

have encountered some challenges in relation to cost recovery, particularly with respect to fit out costs.

The ECEC and SAC workforce is the backbone of the system and a critical enabler of workforce participation, particularly for mothers. Evidence consistently shows that availability and affordability of childcare are key determinants of maternal employment and labour supply.[60] A recent report published by the Cork Chamber on the impact of childcare provision on the workplace reinforces these challenges: one in four businesses reported that the availability and affordability of childcare are affecting their staff, while a substantial majority (72%) said policymakers need to take further action to address these issues.[61]

Respond welcomes the ambitious suite of reforms set out across various strategies in recent years, aimed at improving the quality, affordability and availability of vital ECEC and SAC services. Despite welcome increases in funding (+114% since 2021)[62], Ireland still falls short of the average public expenditure on ECEC across the Organisation for Economic Cooperation and Development (OECD).[63] Ireland spends around 0.4% of national income on early childhood, which is considerably lower than the UNICEF target of 1%.[64]

Staff recruitment and retention is undoubtedly the single biggest issue impacting the sector. The aforementioned reforms and those planned by Government to address the affordability and availability of ECEC and SAC services will be undermined unless this key challenge is addressed. This will require urgent reforms in relation to pay, career progression and basic employment protections for the sector.

As set out in the Together for Public Alliance's *Roadmap to Public Childcare*[65] position paper, the driving force in the provision of ECEC is employee compensation. At Respond, 86% of our total expenditure on ECEC and SAC services was on staff salaries in 2025. If the State was to assume full responsibility for employee compensation in the sector, in line with the system for primary school teachers, this would make significant progress towards improving affordability and access to ECEC and SAC services and reducing fees to the Government's target of €200 per month. It is well documented that ECEC and SAC fees in Ireland are among the highest in Europe[66], with average early learning and care monthly fees of €897 for full day care and €751 for school aged care.[67]

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[60] ESRI (2024). Gender and Labour Market Inclusion on the Island of Ireland. Available at: https://www.esri.ie/system/files/publications/RS176_0.pdf

[61] Cork Chamber (2026). Childcare Provision and its Impact on the Workplace. Available at: https://chamber.corkchamber.ie/news/details/new-cork-chamber-report-highlights-critical-need-to-bridge-childcare-gap-and-support-cork-s-growing

[62] Houses of the Oireachtas (2025). Early Childhood Care and Education. Available at: https://www.oireachtas.ie/en/debates/question/2025-02-11/547/

[63] OECD (2026). OECD Family Database – Public spending on childcare and early education. Available at: https://www.oecd.org/en/data/datasets/oecd-family-database.html

[64] National Women's Council (2026). Roadmap to Public Childcare: Together for Public Alliance Position Paper. Available at: https://www.nwci.ie/learn/publication/roadmap_to_public_childcare_together_for_public_alliance_position_paper?fbclid=IwY2xjawRsnipleHRuA2FlbQIxMABicmlkETBrMldxaUgxYnNIenpxakhJc3J0YwZhcHBfaWQQMjIyMDM5MTc4ODIwMDg5MgABHl27hjqIpF8YeylbfhDZUwB4T829CI2Uc554PHjxo4CiXLjFHjtdBJUHOO_9_aem_G0VhJGLJkTkEiAFWvr9iZQ

[65] National Women's Council (2026). Call for public childcare to be delivered in government's action plan. Available at: https://www.nwci.ie/learn/article/call_for_public_childcare_to_be_delivered_in_governments_action_plan

[66] OECD (2024). Net childcare costs. Available at: https://www.oecd.org/en/data/indicators/net-childcare-costs.html

[67] Pobal (2026). Childcare Fees. Available at: https://www.pobal.ie/childcare/fees/

While wage negotiations through the Joint Labour Committee (JLC) and Employment Regulation Order (ERO) process have made some progress, pay and conditions remain out of step with the level of qualification and responsibility held by early years educators. Under the current ERO, the minimum pay rate for staff stands at €15 an hour. If pay remains at €15 for the 2026/27 programme year, this will mean a pay cut in real terms. As outlined by Early Childhood Ireland,[68] early years educators are the only educators in Ireland who work under an ERO, with primary, secondary and further and higher education staff all having much more certainty around wages, along with terms and conditions of employment.

Recommendations:

- Ensure the Department of Children, Disability and Equality's *State-led Early Learning and Childcare Capital Programme* is sufficiently resourced to support cost-recovery for both building and fit out costs, reducing financial barriers for participating AHBs and supporting the delivery of much-needed early learning and childcare places in communities.
- As members of Early Childhood Ireland, we support their call to bring Early Years and School Age Care graduates under the same conditions as primary school teachers.[69]
- Provide funding for the extension of the Access and Inclusion Model (AIM) to all age groups.
- Allocate €50 million in funding in Budget 2027 to continue to build momentum around the implementation of Equal Start, as recommended by the Children's Rights Alliance.[70]
- ECEC services for children under three years require higher staff-to-child ratios and support, resulting in increased costs. Current funding arrangements do not cover these additional costs, and funding reform is needed to expand provision for this age group.

11. Supporting older people to remain in their homes

Respond runs three Day Care Services for Older People that support independent living at home, for as long as possible. The services available at the centres include provision of meals, social activities and health monitoring. We welcome the recent ambition and commitments set out in the *Roadmap for Social Inclusion 2026-2030,*[71] particularly Action 47 (p. 64) to:

> *'Expand the provision of services to help older people to stay living in their own homes and communities for longer, including home support, day centres and Meals on Wheels.'*

Ireland is undergoing a rapid demographic shift toward an ageing population, with the number of people aged 65 and over projected to exceed one million by 2030.[72] This is an increase of 240,000 over a period of five years.[73] It is essential that community services are resourced sustainably to care for and support our older generations.

[68] Early Childhood Ireland (2026). Early Years and School Aged Care Staffing Issues Need Urgent Action. Available at: https://www.earlychildhoodireland.ie/early-years-and-school-age-care-staffing-issues-need-urgent-action/
[69] Early Childhood Ireland (2026). First Event of Early Childhood Ireland's Budget 2027 Campaign. Available at: https://www.earlychildhoodireland.ie/first-event-of-early-childhood-irelands-budget-2027-campaign/
[70] Children's Rights Alliance (2026). Child Poverty Monitor 2026. Available at: https://childrensrights.ie/wp-content/uploads/2026/06/Child-Poverty-Monitor-2026.pdf
[71] Department of Social Protection (2026). Roadmap for Social Inclusion 2026-2030. Available at: https://www.gov.ie/en/department-of-social-protection/publications/roadmap-for-social-inclusion-2026-2030/
[72] Ibid.
[73] CSO (2025). Older Persons Information Hub. Available at: https://www.cso.ie/en/releasesandpublications/hubs/p-opi/olderpersonsinformationhub/ageingpopulation/populationaged65/

Adequate access to Day Care Services is not only essential for older people to maintain their independence, they also provide much needed respite to families and carers, while also taking pressure off other primary health and care facilities.[74] Day Care Services play a key role in supporting people living with dementia in particular. A community-based dementia-specific mapping project[75] found that the most common service available in the community was dementia day care, underscoring the importance of these services in supporting individuals and their families dealing with dementia. The *Model of Care for Dementia in Ireland*[76] again highlighted the importance of Day Care services in terms of post-diagnostic support (p. 102):

> *'These services play a vital role for both the person with dementia and the carer in staying connected, staying healthy, supporting cognition and supporting emotional wellbeing.'*

An evaluation of the role of dementia-specific day care in Ireland identified that it is highly valued by both people with dementia and their families, but there is considerable unmet demand for places.[77] This aligns with our own experience. We have significant demand for our Day Care services, with a current waiting list of 85 people across the three services we operate (as of May 2026). In addition, a significant barrier to accessing these services is arranging transport, which is exacerbated by funding for transport, which does not cover the full costs of provision.

Over the last number of years, the cost of running our services has increased significantly. Core funding has not kept pace with inflation, which has a knock-on effect on the type and level of services we can provide.

Recommendations:

- Provide funding on a full-cost-recovery basis to Section 39 services providing Day Care Services to Older People, taking into account inflationary increases in the costs of delivery.
- To enhance access to Day Care Services for older people, integrated transport funding should be established as a core component of Day Care Services.
- Provide funding for the establishment of dementia specific day care services and a National Dementia Awareness Training Centre.

12. Ensure the sustainability of the community, voluntary and charity sector

The community, voluntary and charity sector in Ireland has long played a pivotal role in supporting social and economic life, often filling gaps in public services, responding to crises and working at the heart of communities across the country. It is vital that the sector is adequately resourced and supported to continue to fulfil its wide reach from health, social care and housing, to childcare, disability and older people's care. Currently, there is a crisis of sustainability for many essential services and supports. As members of the Wheel, we support the following recommendations.[78]

[74] HSE (2024). Community care improving health outcomes and experiences for patients across Ireland. Available at: https://about.hse.ie/news/community-care-improving-health-outcomes-experiences-patients-across-ireland/?utm_source=chatgpt.com

[75]

[76] HSE (2023). Model of Care for Dementia in Ireland. Available at: https://engagingdementia.ie/wp-content/uploads/2025/10/Model-of-Care-for-Dementia-in-Ireland-PDF.pdf

[77] Pierce et al. (2020). Evaluation of the Role and Contribution of Dementia-specific Day Care Services in the evolving Dementia Care Landscape. Available at: https://alzheimer.ie/wp-content/uploads/2022/05/ASI_22_Day_Care_Report_Final-2-1.pdf

[78] The Wheel (2026). Budget 2027: Community at the heart of our democracy. Available at: https://www.wheel.ie/budget-2027-community-heart-our-democracy

Recommendations:

- An increase in allocations to all government departments, sufficient to provide sustainable and equitable funding for community and voluntary sector organisations delivering public services contracted by the State, including funding lines for pension auto-enrolment.
- A dedicated support scheme to ensure that the sector’s ability to provide key services and advocacy is not undermined by rising energy costs.
- Multiannual funding arrangements rolled out across all government departments to ensure organisations can plan effectively, retain staff, sustain quality services and achieve important objectives and outcomes.
- Ensure similar funding allocations to all government departments and agencies not currently part of the Workplace Relations Commission (WRC) to cover increased inflation-based costs such as insurance, pension auto-enrolment, governance costs, and other essential public expenditure not covered by the two WRC agreements.