Threshold
preventing homelessness

2027 Pre-Budget Submission.

Threshold Pre-Budget Submission: Budget 2027

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Introduction

Founded in 1978, Threshold provides independent advice and advocacy to people experiencing housing problems. Our mission is to advise tenants, prevent homelessness and pursue the right to housing for all. We provide free expert advice through our National Freephone Helpline, by email and in-person at our Outreach clinics and office locations. Each year, Threshold supports approximately 20,000 households facing difficulties in their tenancies.

Proposed Measures for Budget 2027

Addressing the needs of private renters is crucial to creating a fair and equitable housing system, where everyone has access to safe, affordable, and secure housing.

Renters continue to face serious challenges, such as high rents, energy poverty, difficulty sourcing suitable accommodation, and the risk of homelessness. In this pre-budget submission, Threshold outlines the essential and urgent measures needed to ease the financial strain on renters and ensure access to good quality housing.

These measures can contribute positively to the Government's comprehensive, long-term housing strategy, with a particular focus on tackling affordability, access to housing, preventing homelessness and improving energy efficiency. People in need of a secure home deserve a fairer, more balanced system that supports social stability and cohesion. A well-regulated and reliable rental sector can attract investment and drive economic growth, while also fostering stronger, more connected communities.

This is not solely a housing issue; it is about shaping a society in which everyone has an opportunity to thrive.

For Budget 2027, Threshold proposes that the Government:

Supply

- Increase investment in cost-rental developments.
- Expand the Tenant-in-Situ and Cost-Rental Tenant-in-Situ schemes.

Homelessness Prevention

- Provide a dedicated Homelessness Prevention Budget.
- Establish a Rent Arrears Scheme.

Affordability

- Increase Housing Assistance Payment (HAP) base rates.
- Establish a Deposit Protection Scheme.

Energy Standards

- Extend the Warmer Homes Scheme to benefit those in receipt of HAP.
- Align vacancy and retrofit supports to unlock private rental supply.
- Conduct landlord-specific research on the 'split incentive' and run a targeted energy retrofits promotion campaign aimed at landlords.

Supply

Further increase investment in cost-rental developments

A consistent finding across recent housing policy analysis is that cost-rental housing must be significantly expanded if the country is to provide secure and affordable homes for households on low and middle incomes. The Report of the Housing Commission identifies the need for social and cost-rental housing to comprise at least 20% of the national housing stock, noting that a housing system with a strong non-market core delivers greater affordability, stability and resilience over the long term.[1] Achieving this scale would make cost-rental a mainstream housing option rather than a niche tenure.

The Housing Commission further recommends that cost-rental housing be delivered exclusively by public and not-for-profit bodies, with homes retained in that ownership in perpetuity. This approach ensures that public investment delivers enduring value and that affordability is protected across generations. Approved Housing Bodies have demonstrated their capacity to deliver cost-rental housing at scale and are central to realising this vision.

However, despite strong demand for cost-rental homes and the success of completed schemes, delivery remains constrained by a number of structural and financial barriers. These include the high cost of land, particularly in urban areas; rising construction and financing costs; exposure to interest rate volatility; and the reliance on debt-based funding models that place long-term viability pressures on AHBs. The Cost Rental Equity Loan (CREL) scheme, while a welcome intervention, does not currently allow AHBs to fully recover the costs of delivery and long-term management, which conflicts with the core principle of cost-rental housing.

In many cases, the discounted rents payable by tenants are insufficient to cover loan repayments, lifecycle costs, and ongoing management, particularly in the context of increased interest rates and construction inflation. Without further intervention, this creates a risk that cost-rental delivery will slow at precisely the point when it is most needed.

To enable the scaling of cost-rental housing, targeted policy changes and additional supports are required. Further support for AHBs is essential to ensure that cost-rental schemes remain financially viable while delivering genuinely affordable rents.

To this end, Threshold recommends the following measures to support the expansion of cost-rental housing:

- Reduce land costs for cost-rental schemes by prioritising public land in urban and city-centre locations for public and mixed-tenure housing, through zoning and land transfer mechanisms for example.
- Further reduce VAT rates on the construction and sale of new apartments for AHB's, while remaining within the scope of the current EU VAT Directive. This would lower upfront capital costs, borrowing requirements and overall scheme viability pressures.

[1] Report of The Housing Commission; (2024); Section 6 – The Rental Sector - https://www.gov.ie/pdf/?file=https://assets.gov.ie/294018/e1aae1ed-07c4-473d-811e-3426756321ee.pdf

- Wider adoption of modern methods of construction (MMC) in social and cost-rental housing delivery by including a dedicated MMC enablement fund or AHB-specific MMC supports.
- Waive development contributions for cost-rental schemes, recognising their non-profit nature and their role as essential social infrastructure.
- Establish a sustainable funding model for cost-rental construction programmes, recognising that construction-led delivery by AHBs provides better long-term value for money than reliance on turnkey acquisitions.
- Introduce targeted subsidies for AHBs to bridge the viability gap between discounted rents and the full costs of delivery and management. Such supports would be transitional and could be reduced as the cost-rental model matures and financing structures become more stable.
- Allow the Housing Finance Agency (HFA), as a state lender, to absorb interest rate risk for cost-rental developments. This could include fixing interest rates at contract stage rather than at drawdown, enabling AHBs to accurately assess scheme viability and commit to delivery with greater certainty.
- Provide a formal State guarantee for cost-rental lending to reduce borrowing costs and ensure continued delivery during periods of economic uncertainty or rising interest rates.
- Consider broader debt alleviation measures for AHBs involved in cost-rental delivery, including equity investment, grant funding, and debt conversion options, to reduce gearing pressures and safeguard long-term sustainability.

In addition, flexibility should be built into existing funding and refurbishment schemes to support cost-rental and wider non-market housing delivery. For example, waiving the “one application per private residence” criterion under the Vacant Property Refurbishment Grant for registered AHBs would enable the refurbishment of larger vacant or derelict buildings that are unsuitable for individual applicants but well-suited to cost-rental homes.

If delivered at sufficient scale, cost-rental housing has the potential to moderate rental prices across the wider market by introducing sustained competition to the for-profit rental sector. Expanding social and cost-rental housing as a core component of the housing system would move Ireland towards a unitary housing model, improving affordability, security, and choice across all tenures.

Without further reform, the current cost-rental funding framework risks limiting delivery and undermining long-term viability. Additional supports are therefore required to ensure that AHBs can continue to deliver cost-rental homes at genuinely affordable rents, withstand future economic shocks and contribute fully to a stable, equitable housing system.

Expand the Tenant-in-Situ and Cost-Rental Tenant-in-Situ schemes

Threshold welcome the continuation of the Tenant-in-Situ Scheme (TiS) and emphasises the importance of maintaining and expanding it as a key homelessness prevention measure. At a time when the number of individuals in emergency accommodation remains at record levels,

strengthening and adequately resourcing the scheme is essential to preventing further inflows into homelessness.

Between Q1 2025 and Q4 2025, private landlords notified the Residential Tenancies Board (RTB) of 20,033 notices of termination.[2] Of these, over half cited the sale of the property as the reason for ending the tenancy. Expanding the TiS scheme directly addresses this primary driver of exits from the private rented sector and offers a practical pathway to keeping households in their homes.

The TiS scheme also delivers a range of broader structural benefits. It reduces reliance on the subsidised private rented sector, supporting a shift toward a more sustainable housing system. In doing so, it helps meet long-term goals regarding the balance between market and non-market housing, in line with the Housing Commission's recommendations.[3]

Furthermore, the scheme contributes to reducing the concentration of residential property ownership among wealthier households and institutional investors, while increasing the stock of publicly owned housing. It enables the State to deliver social and affordable housing quickly and relatively simply, particularly in areas where new build development is complex, slow, or prohibitively expensive.

Acquiring second-hand homes through the scheme can also be more cost-effective than new builds, representing strong value for money. In addition, the TiS scheme can play a role in addressing gentrification pressures by maintaining existing communities and preventing displacement.

Given these benefits, Threshold considers the TiS scheme to be a vital tool in both homelessness prevention and the long-term transformation of Ireland's housing system. Continued investment and expansion of the scheme will help to prevent more households from entering homelessness while also advancing the objective of increasing the State's public housing stock.

> ***Aiden's and Hazel's story***
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> *"Aiden and Hazel[i] contacted Threshold as soon as they received a Notice of Termination (NoT) from their landlord. The landlord wished to sell as they were retiring. Aiden, Hazel and their two children had been living in the house for 15 years.*
>
> *While the couple would have loved to buy the home, this was not an option for them as they did not have a deposit or the income to secure a large enough mortgage. They had been in a good financial position before the outbreak of COVID-19 and were saving to buy their own home. Unfortunately, both Aiden and Hazel work in sectors that were negatively impacted by the COVID-19 health measures, and they had to use much of their savings to pay the rent and cover bills.*
>
> *The unknown after receiving the NoT caused them much anxiety, and there were many sleepless nights for the couple. They felt that their living circumstances were completely out*

[2] Residential Tenancies Board (2026). Notices of Termination Q1 2025 to Q4 2025 | Residential Tenancies Board. [online] www.rtb.ie. Available at: https://rtb.ie/data-insights/rtb-data-hub/notices-of-termination/. Accessed on: 13/04/2026.

[3] Housing Commission, *Report of the Housing Commission* (Dublin: Government of Ireland, 2024. Available at: https://assets.gov.ie/static/documents/housing-commission-report.pdf Accessed on: 06/05/2026.

of their control. Their landlord was open to selling the house to the Local Authority so that Aiden and Hazel's family could remain in their home.

The Threshold advisor liaised with the family and the Local Authority to ensure all the necessary paperwork was provided for the sale to proceed. The landlord ultimately accepted the offer from the Local Authority, with Aiden and Hazel receiving the news that the sale had gone through four days after the termination date.

With their tenancy now protected through the Tenant-in-Situ Scheme, Aiden and Hazel's family have a forever home."

Homelessness Prevention

Provide a dedicated Homelessness Prevention Budget

Cost: €84 million

Threshold is calling on the Government to allocate a dedicated budget specifically for homelessness prevention, amounting to 20% of all Section 10 homelessness expenditure. This will be integral to ensuring the success of the forthcoming Homelessness Prevention Framework. Everyone should be able to live with dignity in a home that is safe and secure. Living without access to this basic human right, either in emergency, insecure or unsuitable accommodation, undermines a person's ability to fully participate in society and fulfil their potential.

The Government is demonstrating its commitment in developing the Homelessness Prevention Framework. The Framework will place prevention at the centre of homelessness policy. In Threshold's view, the Government should shift its focus from providing emergency accommodation to preventing homelessness, supported by a systems-thinking approach, stronger cross-departmental coordination, and the establishment of an Expert Review Group to guide implementation and continuous improvement.

In 2024[ii], 86% of homeless expenditure was spent on emergency accommodation.[iii] In contrast, only 4.3%[iv] was spent on homelessness prevention, tenancy sustainment and resettlement support (of which only a portion stop homelessness from occurring in the first instance.[4] This imbalance highlights the urgent need to rebalance funding toward upstream interventions, including early identification of risk, stronger data systems, and a national prevention metrics framework to track outcomes and performance.

Threshold proposes an investment of €84 million in homelessness prevention for Budget 2027. This budget must fund services that stop homelessness such as effective data systems for early identification of risk, designated Prevention Leads within local authorities to coordinate responses, and improved information dissemination through community and statutory networks to ensure timely access to supports that help people remain in their homes or move to alternative homes. It should also support the expansion of housing advice and prevention services, the

[4] Department of Housing, Local Government and Heritage. "Homeless Data: Local Authority Regional Financial Reports". Gov.ie. https://www.gov.ie/en/department-of-housing-local-government-and-heritage/collections/homelessness-data/#local-authority-regional-financial-reports. Accessed on 27/05/2026

extension of tenancy sustainment services to private renters, and reforms to key income supports such as HAP and Rent Supplement to prevent arrears, delays, and tenancy loss.

In addition, Threshold recommends the Government introduce new preventative measures, including reducing administrative barriers to accessing supports, strengthening referral pathways across public services, introducing a rent arrears scheme, and embedding a child-impact lens in housing policy decisions. Further detail on these initiatives is available in our submission in respect of the National Homelessness Prevention Framework. Local authorities should be given a stronger statutory role in prevention, including a legal duty to prevent homelessness, consistent national protocols, early intervention systems, and clear prevention targets.

The most effective way of stopping homelessness is to prevent it from occurring in the first instance. Threshold demonstrates this year in, year out through its frontline work.

Establish a Rent Arrears Scheme

Cost: €20 million

Threshold is calling for the investment of €20 million in a Rent Arrears Scheme to help private renters remain in their homes should they experience financial difficulties. A fund of this size could assist approximately 10,000 private renters and would protect landlords from financial risk should a tenant be unable to pay their arrears.

Private renters can lose their homes within a matter of weeks should they fall behind on payments, and they receive limited support or guidance. In contrast, owner-occupiers who fall into mortgage arrears can avail of the Mortgage Arrears Resolution Process or the Mortgage to Rent Scheme. Unlike private renters, Local Authority tenants have the option to engage in repayment plans over extended periods. In addition, Local Authority or AHB tenants often have hardship clauses written into their contracts.

Private renters need such safety nets, as they face greater risk of poverty, material deprivation, and social exclusion than those in other housing tenures. They are also more likely than owner-occupiers to be burdened by debt and have utility arrears.[5]

Since 2022, RTB dispute applications for rent arrears and overholding have been increasing. This reached a high of 2,971 in 2023, falling slightly to 2,621 in 2024 and 2,425 in 2025[6]. The issue continues to be the most commonly disputed issue or the second most commonly disputed issue at the RTB.[7]

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[5] Central Statistics Office. "Survey on Income and Living Conditions (SILC) 2023 – Poverty". 2024. https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2023/poverty/ (Accessed 4/10/24)
TASC. "Exploring Household Debt in Ireland". 2020. https://www.tasc.ie/assets/files/pdf/household_dept_report_final_3320.pdf (Accessed on 15/04/25)
Roantree, B., Maître, B. and Russell, H., 2024. Poverty, income inequality and living standards in Ireland: Fourth annual report. Jointly published Reports, 7. Available at: https://www.esri.ie/system/files/publications/JR7_1.pdf (Accessed on 15/04/25)

[6] Residential Tenancies Board (2026). *RTB Dispute Resolution Service Statistics | Residential Tenancies Board*. [online] www.rtb.ie. Available at: https://rtb.ie/data-insights/rtb-data-hub/dispute-applications/. Accessed on 13/04/2026.

[7] Ibid

Threshold is calling for a Rent Arrears Scheme that would provide:

a) low-or-no interest loans to renters to pay off all or part of their arrears, and
b) lump-sum payments to landlords to pay all or part of a tenant's debts

Putting such measures in place would be more effective and less costly to the State than allowing tenants to be evicted for rent arrears and potentially put at risk of homelessness. It would prevent the potential uprooting of households, which has serious impacts on children, families, and community cohesion. At the same time, such a scheme would protect landlords, who may be placed in adverse financial circumstances, or even mortgage arrears, if a tenant cannot pay their arrears.

To ensure its effectiveness, Threshold recommends that the Scheme be underpinned by changes to the Residential Tenancies Acts. These changes must include:

- An increase in the arrears warning notice period from 28 to 90 days
- A halting of evictions for rent arrears where an application to the Rent Arrears Scheme is pending or approved, and/or
- A pause on evictions for rent arrears where an application to the Workplace Relations Commission (WRC) to challenge a landlord's refusal to accept HAP or Rent Supplement is pending or where the WRC has found in the tenant's favour.

With decades of assisting private renters, Threshold knows that the majority of those who accrue arrears do so on foot of sudden income loss. Reasons for this can include family or relationship breakdown; illness; delays in the processing of, or disruption to, social welfare payments; rent increases; delays with the administration and payment of HAP; or a landlord's refusal to accept HAP or Rent Supplement.

These are all temporary disruptive factors outside of a tenant's control and are events that many people experience at some point in their lives. As such, it is unjust that such events can result in the loss of a home and potential homelessness.

Affordability

Increase Housing Assistance Payment (HAP) base rates

Cost: €41 million

Threshold recognises that a review of the HAP limits is underway and hopes to see meaningful changes to the limits and how they are calculated.

The Housing Commissions and the Ombudsman have stated that HAP payments must be sufficient to allow HAP recipients to secure accommodation in their local area.[8] [9] Increasing HAP limits is

[8] The Housing Commission. *Report of the Housing Commission*. Dublin: Government of Ireland, 2024. Available at: https://assets.gov.ie/294018/e1aae1ed-07c4-473d-811e-3426756321ee.pdf. Accessed on: 13/04/2026

[9] Office of the Ombudsman, *Ombudsman Investigation of the HAP Scheme: Summary—Findings and Recommendations* (Dublin: Office of the Ombudsman, 2025). Available at: https://www.ombudsman.ie/en/publication/2ae60-investigation-of-the-hap-scheme/. Accessed on 13/04/2026

essential to reduce tenants' reliance on discretionary or informal rent "top-ups," which are contributing to financial strain and housing insecurity for households on the lowest incomes.

While Threshold is clear that social housing need cannot be met through the private rental sector alone, HAP remains a vital housing support for many households. As long as renters continue to rely on this scheme, it is critical that HAP limits are realistic and responsive to market conditions.

Threshold supports the recommendations of both the Housing Commission and the ESRI to link HAP rent limits to the rents of new tenancies in the relevant local authority area.[10] Aligning HAP rates with up-to-date local rent data would improve affordability and increase access to rental accommodation for households reliant on this payment. Evidence consistently shows that only a very small proportion of homes advertised for rent fall within existing HAP limits, even when discretionary uplifts are applied.[11] As an important form of short-term housing support, HAP must allow people to secure a home in their own community without undue financial hardship.

Costs:

Since the national rollout of HAP, rents for new tenancies have increased substantially. National average rent for new tenancies has increased by 86%[12] This equates to an increase of €820 a month. Despite this, no equivalent increases have been made to HAP or essential social welfare rates to support renters who are struggling. As of Q4 2025, there were 49,663 households actively in receipt of HAP. Increasing HAP payment rates to reflect rent increases since 2016 would cost approximately €41 million.[v] Depending on changes to the average annual rent, this figure could be revised each year.

Rents continue to rise nationally, placing increasing pressure on tenants and contributing to greater housing instability. This trend, combined with high levels of tenancy terminations, underlines the urgency of addressing both affordability and security in the private rental sector.

Mechanism for increases:

As of March 2026, legislative changes now permit landlords, in certain circumstances, to reset rents to market levels between tenancies. While proposed reforms to security of tenure strengthen protections for some renters, there is currently no corresponding mechanism to ensure that HAP limits increase in line with these changes. Without reform, renters who are dependent on HAP risk being priced out of their homes or communities.

Meaningful reform of HAP may require a more independent mechanism for setting and updating rent limits, separate from local authority and departmental control. Rent thresholds could be informed by independent bodies such as the CSO or ESRI, with automatic indexation to reflect

[10] Michael Doolan, Barra Roantree, and Rachel Slaymaker, *Low Income Renters and Housing Supports*, ESRI Research Series no. 141 (Dublin: Economic and Social Research Institute, 2022). Available at: https://doi.org/10.26504/rs141. Accessed on 13/04/2026

[11] Simon Communities of Ireland, *Locked Out of the Market: Q1 2026 Report* (Dublin: Simon Communities of Ireland, 2026), https://www.simon.ie/wp-content/uploads/2026/04/LOTM-Q1-2026-Full-Report-1.pdf.

[12] RTB Rent Index Q2 2016 & RTB Rent Index Q3 2025 – comparison of standardised average rent Q2 2016 and Q3 2025. Available at: https://www.esri.ie/system/files/media/file-uploads/2016-09/RI2016Q2.pdf & https://rtb.ie/wp-content/uploads/2026/03/RTB-Rent-Index-Q3-2025-Final-1.pdf. Accessed on: 13/04/2026)

changes in market conditions. This would address structural weaknesses in the current system, where centrally controlled and slow-moving adjustments contribute to a widening gap between HAP rates and private market rents. Strengthening independent oversight and improving responsiveness would help align the scheme more closely with current rental market trends.

In this context, ensuring that HAP rates are regularly reviewed and aligned with market rents is essential to prevent further hardship and homelessness.

> ***Cameron's story***
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> *Cameron lived in his home for the last seven years and was a recipient of the Housing Assistance Payment (HAP). His situation changed and he fell into arrears with both his landlord and the local authority. He contacted Threshold for support. His HAP was suspended due to these arrears, which further increased his debt and put him under greater pressure with the landlord, who began eviction proceedings.*
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> *With his tenancy at risk and significant debt building up, Cameron became very worried about where he would live next. He felt unable to manage the arrears and did not know where to turn. He later contacted Threshold again for help. A Threshold advisor worked with Cameron, the HAP office, and the landlord to set up a repayment plan and have his HAP reinstated.*
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> *With HAP back in place, Cameron was able to start reducing his arrears. However, the landlord later evicted him and he was unable to secure alternative accommodation due to lack of funds for a deposit and difficulty finding a landlord willing to accept HAP, and he ultimately became homeless. Threshold argued that if HAP payments had been sufficient to cover the rent in the first place, Cameron may not have fallen into arrears.*

Establish a Deposit Protection Scheme

Cost: Administrative Cost of tendering process

Threshold asks that the necessary action be taken to establish a Deposit Protection Scheme, on foot of the work undertaken by the Housing Agency in 2024. Unlawful deposit retention continues to be an issue for private renters. In 2025, the RTB had received 1,937 applications relating to deposit retention disputes, exceeding the number of applications concerning notices of termination.[13]

Progressing the scheme will require the repeal of the uncommenced 2015 legislation, as it is cumbersome and unwieldy. To this end, Threshold has developed the Tenancy Deposit Scheme Bill, 2025. If enacted, this would see the establishment of a 'custodial' scheme, delivered by an independent provider that is selected via a tendering process. There are several experienced providers delivering such schemes in Northern Ireland, England, Wales, and Scotland; some of these operate on a limited-profit basis.

[13] Residential Tenancies Board. *RTB Directors Quarterly Update Q3 2025*. Dublin: Residential Tenancies Board, September 2025. PDF. https://rtb.ie/wp-content/uploads/2025/09/RTB-Directors-Quarterly-Update-Q3-2025_FINAL-1_f22762.pdf.

Threshold is, however, open to and supportive of any scheme that will result in the quick and transparent return of renters' deposits.

Putting the scheme out to tender will save on both time and costs. The tendering process would not result in an additional cost to any one department or body, as it would be administered via eTenders, which is operated by the Office of Government Procurement.

The Bill – alongside a two-page explainer and further information – is available on the Threshold website.[14]

Michael's story

Michael had lived in his rented home for nearly three years. He moved there to be close to his son and initially overlooked the property's poor condition of the house. Although visitors often complimented the house, there were serious hidden problems.

"It was impossible to heat the house," Michael explained. The property had severe drafts, poor window seals, and a broken boiler. He spent over €3,500 on heating despite using rugs, draft blockers, and heavy blankets to reduce the cold. The property management company suggested hanging blankets around the house instead of properly repairing the issues.

Michael repeatedly asked the landlord and property management company to fix these problems, but little was done. He felt the responsibility for maintaining the property was ignored. Later, after he moved out, the same unresolved issues were repaired using money taken from his deposit.

Michael then received a Notice of Termination because the landlord intended to sell the property. Although he was given six months' notice, the rent had been increased only three months earlier. Michael felt this was unfair, especially as the landlord already knew the property would be sold.

Fearing homelessness in a difficult rental market, Michael searched extensively for a new place and managed to secure one before the notice period ended. However, after moving out, he faced another challenge when his deposit was not returned. Six to seven weeks later, after struggling to contact the letting agent, he discovered that €1,200 of his €1,800 deposit had been withheld to repair long-standing problems in the property. Michael argued that these were issues he had reported many times during his tenancy and that he had left the home in better condition than when he moved in.

Seeking advice, Michael contacted Threshold. His advisor explained his rights and supported him in challenging the deductions. Michael spent almost ten days communicating with the landlord and letting agent, time he felt should have been spent on his job and personal life. Only after threatening action through the RTB did, he recover the remaining part of his deposit.

[14] Threshold (2025) 'Tenancy Deposit Protection Bill 2025'. Dublin. Available at: https://threshold.ie/wp-content/uploads/2025/05/Tenancy-Deposit-Protection-Bill-2025.pdf [Accessed 30/06/25].

Energy Standards

Extend the Warmer Homes Scheme to benefit those in receipt of HAP

Cost: €61.5 million

Rental housing has fewer high-efficiency properties than the owner-occupied sector.[15] Moreover, HAP and Rent Supplement tenants are more likely to live in a property with a BER rating of F or G.[16]

Yet these households, who are most at risk of energy poverty, are unable to avail of the SEAI's Free Energy Upgrade Programme, which is only available to property owners.

Threshold is in favour of the proposal from Friends of the Earth and the Irish Green Building Council regarding the SEAI's Free Energy Upgrade Programme. Both organisations recommend that criteria for this programme are regularly reviewed and updated to ensure inclusivity and that the most vulnerable groups in society can access it.[17] Consideration must also be given to the health needs of households when making these grants available, particularly for those with chronic respiratory conditions like asthma, which can be exacerbated by poor housing conditions.

In addition, the National Economic & Social Council (NESC) has recommended that the Government open the scheme to include private rental properties where the tenant is receiving HAP.[18] Threshold supports this proposal, which would require a landlord to provide a long-term lease to the tenant post-retrofit. The length of the lease period could scale depending on the grant amount received. A clawback mechanism would be necessary in instances where a landlord does not honour this agreement.

According to SEAI, deep retrofit costs for private homes vary significantly by dwelling type, with median works costs ranging from €22,914 for apartments to €66,503 for detached dwellings. The simple average of the reported dwelling-type median costs is approximately €39,919.[19] Budget 2026 allocated €558 million for SEAI residential and community energy upgrades, including retrofit grants and the Solar PV scheme. This was described as a record allocation, €89 million higher than the 2025 allocation of €469 million, and approximately eleven times the comparable 2020 expenditure.

Threshold recommends dedicating a part of the Budget 2027 allocation to upgrading 1,500 HAP properties per year via the Warmer Homes Scheme. We estimate the cost at approximately €61.5 million, which equates to 11% of the 2026 allocation.[vi]

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[15] The Economic and Social Research Institute (2025). *Exploring investment requirements for energy efficiency upgrades in the private rental sector*. [online] Dublin: ESRI. Available at: https://doi.org/10.26504/RS205 [Accessed 19 May 2025].

[16] Ibid.

[17] Friends of the Earth & Irish Green Building Council (2024) Bridging the Gap - Between Energy Poverty and Energy Renovation. Available from: https://www.friendsoftheearth.ie/assets/files/pdf/igbc_final_report_proof_04.pdf [Accessed on 14/05/25]

[18] National Economic & Social Council (2025). *Energy Transition as an Opportunity to Eliminate Energy Poverty*. [online] nesc. Available from: https://www.nesc.ie/publications/energy-transition-as-an-opportunity-to-eliminate-energy-poverty/ [Accessed on 19/05/2025].

[19] Sustainable Energy Authority of Ireland (SEAI), *National Retrofit Full Year Report 2024*, accessed April 23, 2026, https://www.seai.ie/sites/default/files/publications/SEAI-Retrofit-Full-Year-Report-2024.pdf.

Align vacancy and retrofit supports to unlock private rental supply

The combined cost of restoring a vacant or derelict dwelling and upgrading it to a modern standard of energy efficiency represents one of the most significant barriers to bringing homes back into use in the private rented sector.[20]

Given the high upfront costs[21], it would appear that one of the few feasible solutions to obtain the necessary capital would involve the stacking of the Vacant Property Refurbishment Grant with Sustainable Energy Authority of Ireland (SEAI) Energy Efficient Homes Grants. However, while it is theoretically possible to access both supports, the current framework is complex, poorly understood, and difficult to navigate in practice.

A recent Oireachtas Committee session confirms that fragmented grant structures, high upfront costs, and lack of integrated delivery pathways are materially constraining progress on both retrofit delivery and housing supply objectives.[22] The current separation between vacancy-focused refurbishment grants and SEAI energy efficiency supports reflects precisely the type of policy silo that Committee members warned is undermining effective delivery.

There is limited clarity for property owners and landlords regarding how these schemes can be applied in combination, particularly in relation to eligible works, sequencing of applications, and non--overlap rules. Applicants must ensure that individual works are not double-funded, yet guidance on how refurbishment works under the vacant property grants can be clearly delineated from energy-efficiency upgrade works remains insufficient.

In practice, the structure of the supports themselves presents further challenges. The Vacant Property Refurbishment Grant is paid only on completion of works, requiring applicants to fully fund refurbishment costs upfront. SEAI grants, while more established, also generally require significant upfront expenditure, with grant reimbursement occurring after works are carried out and verified. This places a heavy financing burden on applicants, particularly in cases where vacant properties are non-mortgageable and access to conventional lending is limited. As a result, otherwise viable projects capable of delivering additional housing often stall or do not proceed.

The lack of a coordinated pathway between vacancy grants and SEAI retrofit supports worsens these challenges. Applicants must navigate multiple schemes, timelines, and administrative processes, often without certainty that their proposed works will qualify for both. This

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[20] Janez Kren, Eoin Kenny, Conor O'Toole, Eva Shiel, and Rachel Slaymaker, *Exploring Investment Requirements for Energy Efficiency Upgrades in the Private Rental Sector*, ESRI Research Series No. 205 (Dublin: Economic and Social Research Institute, 2025), https://www.esri.ie/system/files/publications/RS205.pdf.

[21] National Economic and Social Council. *Connecting People to the Energy Transition*. Council Report no. 170. Dublin: National Economic and Social Council, 2025. PDF. https://s3.eu-west-1.amazonaws.com/files.nesc.ie/nesc_reports/en/170_energy_households.pdf.

[22] Joint Committee on Climate, Environment and Energy. *Joint Committee on Climate, Environment and Energy Debate, Wednesday, 15 April 2026*. Dáil Éireann (34th Dáil). Houses of the Oireachtas, 2026. PDF. https://data.oireachtas.ie/ie/oireachtas/debateRecord/joint_committee_on_climate_environment_and_energy/2026-04-15/debate/mul@/main.pdf.

fragmentation deters participation, especially among smaller landlords and individual owners who lack the resources to manage complexity or absorb financial risk[2324]

To maximise the impact of public investment and accelerate the refurbishment of vacant and derelict homes for rental use, there is a strong case for greater alignment and simplification of these schemes. Measures could include improved interdisciplinary one-stop shops as outlined in the European Directive on the energy performance of buildings.[25]

These one-stop shops and perhaps regional coordinators who could host in-person sessions, could provide clearer statutory guidance on eligible works, and non-overlap rules. Improved coordination between local authorities and SEAI, along with earlier stage approval-in-principle for combined funding packages, could be of great assistance.

Without such reforms, the full potential of existing grants to support vacancy regeneration and energy efficiency in the private rented sector will remain unrealised.

Conduct landlord-specific research on the 'split incentive' and run a targeted energy retrofits promotion campaign aimed at landlords

Cost: €550,000

Threshold recommends conducting landlord-specific research into the 'split incentive', as recommended by the ESRI.[26] Findings from such research could be used to inform a targeted energy retrofit campaign aimed at landlords. The National Economic and Social Council (NESC) has echoed these recommendations, stating that research on the split incentive would be useful, especially from a landlord's perspective.[27]

This research would support the Government's work when promoting SEAI grants to landlords, and it would identify how these grants could be specifically adapted for the private rental sector. Such targeted schemes would ensure that renters benefit from energy retrofit grants in the same way as owner-occupiers.

We estimate that the cost of this initiative – covering both research and promotions – would be approximately €550,000. While retrofit grants are available to landlords, they are more commonly accessed by homeowners. Although there is no publicly available data on renovations in the

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[24] Anez Kren et al., *Exploring Investment Requirements for Energy Efficiency Upgrades in the Private Rental Sector*, ESRI Research Series No. 205 (Dublin: The Economic and Social Research Institute, 2025). Available at: https://doi.org/10.26504/RS205.

[25] European Parliament and Council of the European Union. *Directive (EU) 2024/1275 of the European Parliament and of the Council of 24 April 2024 on the Energy Performance of Buildings (Recast)*. Official Journal of the European Union, L series, no. 2024/1275 (8 May 2024). https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202401275.

[26] Kren, J., Kenny, E., O'Toole, C., Shiel, E., and Slaymaker, R. (2025). Exploring investment requirements for energy efficiency upgrades in the private rental sector, ESRI Research Series 205, Dublin: ESRI, https://doi.org/10.26504/RS205

[27] National Economic and Social Council. 'Energy Transition as an Opportunity to Eliminate Energy Poverty – Secretariat Paper. No.36.' 2025. https://s3.eu-west-1.amazonaws.com/files.nesc.ie/nesc_secretariat_papers/sec_36_energy_poverty.pdf (Accessed 06/06/25)

private rental sector, data on the Home Renovation Scheme, which ran from 2013 to 2018, shows that only 2.6% of properties retrofitted under the scheme were rental properties.[vii]

A key barrier to retrofitting in the private rental sector is the split incentive, or tenant–landlord dilemma. While tenants have a lot to gain from a more energy-efficient home, the advantages for landlords are less clear.[28] This dilemma hinders the potential of these schemes to tackle energy poverty in the private rental sector.

The ESRI suggests that part of the difficulty of getting landlords to invest is their age profile.[29] As approximately 79% of small landlords are over 45 years old, they have fewer years to recoup the investment costs from retrofitting a rental property.[30] Nearly half of landlords do not have the funds to make a €25,000 investment, and approximately 4 in 5 small landlords are unlikely to obtain sufficient market financing due to their repayment capacity, or lack thereof.[31]

While there is limited research on the split incentive in an Irish context, some has been conducted in the UK.[32] Out of landlords surveyed as part of a UK study, 67% said they were not investing in their rental properties due to high upfront costs. The same study also noted that 40% of respondents stated that their tenants were happy with the energy efficiency and that there was no personal benefit to making improvements.[33]

The SEAI has conducted a study that identified behavioural barriers to retrofitting homes.[34] A behavioural model was used to examine behavioural change, showing that individuals must have sufficient capability, opportunity, and motivation to engage in retrofitting projects. This study can be built upon to address the barriers in the private rental sector.

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[i] Names have been anonymised.

[ii] The 2025 Local Authority Regional Homelessness Financial Reports have not been published as of disseminating this report - https://www.oireachtas.ie/en/debates/question/2026-05-19/586/. The latest available data to base our ask off is from 2024.

[iii] This figure is the sum of expenditure on supported emergency accommodation, family hubs, supported emergency accommodation for singles, commercial hotels and B&Bs and contracted hotels and B&Bs.

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[28] Shove, E. (1998). Gaps, barriers and conceptual chasms: theories of technology transfer and energy in buildings. Energy Policy, 26(15), 1105-1112. https://doi.org/10.1016/S03014215(98)00065-2
Bird, S. and Hernández, D. (2012). Policy options for the split incentive: increasing energy efficiency for low-income renters. Energy Policy, 48, 506-514. https://doi.org/10.1016/j.enpol.2012.05.053

[29] Kren, J., Kenny, E., O'Toole, C., Shiel, E., and Slaymaker, R. (2025). Exploring investment requirements for energy efficiency upgrades in the private rental sector, ESRI Research Series 205, Dublin: ESRI, https://doi.org/10.26504/RS205

[30] Ibid.

[31] Ibid.

[32] Hope, A.J. and A. Booth (2014). 'Attitudes and behaviours of private sector landlords towards the energy efficiency of tenanted homes', Energy Policy, Vol. 75, Issue C, pp. 369–378.

[33] Ibid.

[34] SEAI. (2023). Promoting retrofitting among homeowners in Ireland through a behavioural lens: evidence review and policy recommendations - https://www.seai.ie/sites/default/files/publications/Promoting-retrofitting-among-homeowners-in-Ireland-through-a-behavioural-lens.pdf

[iv] This figure is the sum of expenditure on homeless prevention, tenancy sustainment and resettlement support expenditure and excludes Housing First expenditure. If including Housing First, this would total €20.5 million or 5.1% of total homelessness expenditure.

[vi] Authors own calculations 1,500 x €39,919 = €59,878,500
[vii] Information provided, on request, by the Office of the Revenue Commissioners.

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Threshold
preventing homelessness

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The Scheme to Support National Organisations is funded by the Government of Ireland through the Department of Rural and Community Development.

Feidhmeannacht um Dhaoine ar Easpa
Dídine Réigiún Bhaile Átha Cliath
Dublin Region Homeless Executive

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