Good progress has been made in addressing the 2025 country-specific recommendations, but important challenges remain as the supply of affordable and social housing is insufficient. Ireland received two country-specific recommendations on housing in 2025: (1) further increase the supply of social and affordable housing; and (2) tackle capacity constraints in the residential construction sector by improving enabling infrastructure, land management and planning, financing conditions, labour supply and productivity.

Construction of new dwellings and related infrastructure has struggled to keep pace with population growth. This is partly due to the planning process, labour supply constraints, rising construction costs and low productivity in the construction sector. Infrastructure deficits, in terms of water management, the electricity grid and transport in particular, limit the pace and scale of housing supply.

Housing affordability and quality are concerns. While social and affordable housing construction is increasing, it has fallen short of the targets set in the previous national housing plan. The government's housing plan 'Delivering Homes, Building Communities 2025-2030' puts an emphasis on the delivery of social, cost-rental and affordable-purchase homes.

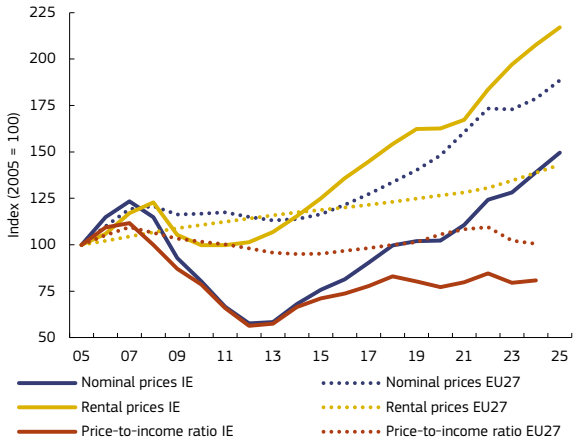
Homelessness figures are reaching new records. The number of persons in emergency accommodation remains a challenge and has increased significantly over the last three years. Prevention measures have had some impact but have not halted the rise in homelessness, largely due to housing shortages – especially in the rental sector. The government is implementing a three-year Youth Homelessness Strategy to prevent and tackle homelessness among young people (see also Annex 12).

Housing market developments

Strong house-price increases over the last decade have resulted in low housing affordability. Following a significant decline after the 2008 global financial crisis, house prices in Ireland increased by 83% in the decade up to 2025, driven by strong economic and demographic growth amid constrained housing supply. Over this period, house prices outpaced household income growth by 24%, with house-price levels relative to incomes remaining among the highest in the EU, particularly in greater Dublin. Consequently, with strict Central Bank rules on borrowing limits, half of the population has been effectively priced out of the housing market. House prices grew slightly faster outside Dublin, slowly narrowing the gap with Dublin levels. Persistent household demand is likely to continue to exert upward pressure on house prices in the medium term.

The private rental market remains rather small. Rents relative to incomes have increased significantly over the last decade. The introduction of 'rent pressure zones' has helped moderate rents for existing tenants but has weighed on private investment in rental stock. Since 2022, the national stock of properties available for rent has been half of the 2015-2019 average.

Graph A16.1: **House prices, rents and price-to-income evolution in IE and EU27 since 2005**



Source: Eurostat

Construction of new dwellings and related infrastructure has not kept pace with housing needs. Ireland's population increased from 4.5 million in 2011 to 5.5 million in 2025, adding significantly to housing demand. The collapse of the Irish property market in the late 2000s led many construction firms to exit the market and skilled workers to emigrate, drastically reducing construction sector capacity. Housing stock declined from 434 units per 1 000 adults in 2011 to 411 units in 2024, the third lowest in the EU. Annual housing completions are increasing but delivery remains far below the estimated average requirement of around 50 000 housing

completions per year ([328]) planned by the government.

The Irish construction sector operates with comparatively high construction and land costs, low productivity and labour shortages. While data are scarce, some studies based on industry data show that construction costs in Dublin are 15-30% higher than in comparable peer cities. It would be beneficial to improve construction cost transparency and reporting to understand better what drives prices. Limited land availability and hoarding result in high land acquisition costs. 37.5% of Irish firms report labour shortages (compared with 20% in the EU). Notwithstanding recent growth in construction employment, analysts have suggested that around 80 000 additional construction workers ([329]) will be needed in a context of competing retrofitting and infrastructure needs.

Structural policies

Key infrastructure constraints, such as deficiencies in the electricity grid, water and transport, limit the pace and scale of housing supply. Investment in infrastructure has increased and further additional spending is envisaged under the National Development Plan, but the provision of new infrastructure still lags behind demand. With the labour market expected to stay near full employment and forecasts pointing to moderate economic growth, failure to address infrastructure constraints in a timely manner could worsen the imbalance between demand and supply.

The role of delays, objections and bottlenecks in the planning system is difficult to quantify. A more efficient planning and authorisation system may unlock substantial housing supply ([330]). Planning reforms in 2025 included restructuring, additional funding and increased staffing capacity at the local planning authorities and An Coimisiún Pleanála. Yet the planning and authorisation system is still perceived as a brake on the delivery of infrastructure and housing. The December 2025 'Accelerating Infrastructure Report and Action Plan' ([331]) envisages further reforms, beginning in 2026.

Increased construction, land and financing costs are commonly reported challenges in relation to social housing provision. Without improving productivity in the construction sector, by harnessing economies of scale, using modern methods of construction more widely, or enhancing skills, it will be very difficult to increase supply substantially above existing levels. Efforts to improve productivity include the government's introduction of a new target of at least 25% use of modern methods of construction for all new-build social and affordable housing. Increased productivity and construction cost reductions are also being pursued via mandatory standardised designs and layouts for social housing, as well as by encouraging standardisation in the delivery of private housing.

Rules on rent pressure zones were extended in June 2025 to all private tenancies and student-specific accommodation, and rent controls were further amended from March 2026. The cap on rent increases to 2% or to inflation, whichever is lower, was extended nationwide, while new-build apartments and student-specific accommodation were capped at the level of inflation. Rent resets will only be allowed for tenancies created after 1 March 2026 if the current rent is below market level at the end of a six-year tenancy or if the tenant leaves the property voluntarily. The possibility of landlords to terminate tenancies before the end of a six-year tenancy period is restricted. These policy measures are designed to increase security for renters, address no-fault evictions and foster investment in the rental sector. However, smaller-scale and existing landlords might find the evolving regulatory environment less attractive. This may lead to further market exits, which could temporarily impact rental for supply. Even with improved policy certainty, there will be a time lag before new developments materialise and begin to address current supply shortages.

([328])Balouktsi et al., 2026, Housing investment needs in the EU.

([329])Irish Fiscal Advisory Council, 2024, Ireland's Infrastructure Demands.

([330])Mitchell McDermott InfoCards, 2025, Key Insights.

([331])Department of Housing, Local Government and Heritage, 2025, Accelerating Infrastructure Report and Action Plan.

The delivery targets set by the government in its 2025 housing plan ([332]) will be challenging. The recently published housing plan, for 2025-2030 aims to deliver 300 000 new homes by the end of 2030, including 72 000 social homes and 90 000 affordable housing supports, averaging 50 000 completions per year in each of the six years of the plan. The plan includes regulatory reforms, tax incentives and significant investment in infrastructure: EUR 275 billion over 10 years through the National Development Plan.

Vulnerable groups

Social and affordable housing construction is increasing but demand continues to outstrip supply. However, it still falls short of the targets set in the previous national housing plan 'Housing for All' (2021). The social housing stock (owned by local authorities and approved housing bodies) is estimated to be around 12.7% of the total housing stock ([333]). The Housing Commission recommended increasing the size of the social and cost-rental housing sectors to 20% of the national housing stock ([334]). Social housing provision is almost entirely publicly funded, with local authorities owning the largest share of the social housing stock. Yet, some factors are limiting the growth of the social housing stock: First, local authority dwellings can be sold to tenants at below market rate, thereby contributing to a need to constantly renew the stock of available units. Second, local authorities rely mainly on public subsidies to fund, renovate and maintain social housing (debt financing is very limited). This makes it difficult for them to plan their funding for social housing in the long-run. Third, social housing output varies significantly between local authorities, depending on the complexity of delivery, the processes to secure central funding and local authorities' capacity and staffing to deliver. Fourth, it is challenging for local authorities to maintain their stock of social housing, with some finding it difficult to secure funding for planned maintenance and upgrading of dwellings, which sometimes results in poor living conditions for tenants. The income-related rent model has significant benefits in the context of keeping rents affordable and in enabling low-income households to take up employment. The new housing strategy does not include targets for cost-rental homes, even though it has the advantage of providing secure and affordable rents to a wider mix of households, while also covering operational costs.

There are long waiting lists for social housing and rapidly increasing levels of homelessness. The provision of affordable and social housing for vulnerable groups, as well as efforts to reduce homelessness, are hindered by housing supply constraints, particularly in the rental market. Around 60 000 households are on waiting lists for social housing, with a further 84 000 households on other rent supplement schemes ([335]). The waiting list is 31 659 households smaller than in 2016, notably due to a 73% increase in rent supplement recipients. There is a particular shortage of appropriately sized homes for small, large and special-needs households. Reliance on private providers for the provision of housing is very high, with nearly EUR 1 billion of housing benefits going to the private sector (e.g. through the Housing Assistance Payment (HAP) scheme or the Rental Accommodation Scheme (RAS). Limited private rental options also make it hard for HAP recipients to find accommodation and very few dwellings are available within the financial limits of the HAP scheme ([336]). Increasing the share of social housing in the overall housing stock could create a more stable housing system.

Homelessness is at a record high and continues to rise, with more than 17 500 people in emergency accommodation in March 2026, nearly one third of whom were children ([337]). The Housing First programme is the core response to homelessness among people with complex needs, with plans for it to be expanded to 2 000 tenancies. At end Q4 2025, 1 059 individuals were in a Housing First tenancy. The

([332])Department of Housing, Local Government and Heritage, 2025, Delivering Homes, Building Communities 2025-2030.

([333])OECD, Social Rental Housing Stock.

([334])Department of Housing, Local Government and Heritage, 2024, Report of the Housing Commission.

([335])Housing Agency, 2025, Summary of Social Housing Assessments 2024.

([336])Simon Communities in Ireland, Locked Out of the Market, June 2025.

([337])Department of Housing, Local Government and Heritage, Monthly Homelessness Report October 2025.

Graph A16.2: **Housing affordability selected indicators**

		EU27				IE							
	unit	2000-25 avg.	2023	2024	2025	2000-25 avg.	2023	2024	2025	unit	2023	2024	2025
House price to income ratio	*2000-25 avg = 100*	100.0	102.0	100.2		100.0	95.8	97.4		YoY%	-6.0	1.6	
Rent to income ratio	*2000-25 avg = 100*	100.0	85.1	83.5	84.5	100.0	107.2	105.6	106.4	YoY%	-2.0	-1.4	0.7
Overburden rate, total	%	9.9	8.8	8.2		4.4	4.7	4.5		PPS/y	1.0	-0.2	
Overburden rate, tenant with market rent	%	23.8	20.3	19.2		18.9	19.1	18.3		PPS/y	6.2	-0.8	
Overvaluation gap	%					5.1	-2.8	-1.0	1.3				
Deflated construction production price	*2010 = 100*	102.2	112.2	111.8	110.5	102.4	110.8	110.9	110.9	YoY%	0.2	0.1	0.0
Building permits	*m^2 per ths persons*	483.5	376.9	362.9	379.9	1068.8	868.6	742.8	767.9	YoY%	7.5	-14.5	3.4
Residential construction investment	*% GDP*	5.5	5.8	5.1	5.0	5.2	3.6	3.4	3.6	YoY%	33.3	-5.6	5.9
Share of ownership	%	70.0	69.1	68.4		72.5	69.4	69.3		PPS/y	-1.6	-0.1	
Share of people living in overcrowded homes	%	17.7	16.8	16.9		4.0	3.9	5.0		PPS/y	-0.3	1.1	

Source: Eurostat and European Commission calculations. The overburden rate should be read together with the tenure structure (homeowner, tenants), that may differ across country and regions.

government is also implementing a three-year Youth Homelessness Strategy (2023-2025) to prevent and tackle homelessness among young people (aged 18-24) This group represents 17.7% of adults in emergency accommodation, despite accounting for only around 10% of the population.

Current prevention measures have had some impact but have not halted the rise in homelessness. A major cause of homelessness has been the termination of tenancies in the private rental sector. The Residential Tenancies Board has been criticised for lengthy dispute resolution and weak enforcement of compliance with tenancy law, limiting its effectiveness and pointing to the need to further strengthen its capacity and enforcement powers. The government has approved measures ([338]) to strengthen security of tenure and to facilitate tenant-in-situ sales, as recommended by the Housing Commission. In the short term, EUR 100 million has been allocated to purchase second-hand homes for families longest in emergency accommodation. The long-term solution remains speeding up the delivery of social and affordable housing. Moreover, single homeless men stay homeless for longer on average, as the current social housing system mostly offers units for large families. The government is currently analysing the different cohorts of homeless persons and those on social housing waiting lists.

Children, older people, persons with disabilities and other disadvantaged groups are increasingly impacted by the lack of affordable housing. The 65+ population has risen 35% since 2013, accelerating demand for accessible housing. Around 92 000 children are in need of social housing. The 2024 Housing Commission recommended targeted policies in both social and private housing. Further efforts are needed to provide adequate and affordable housing for vulnerable children, in line with the Child Guarantee objectives. (see Annex 12). The National Housing Strategy for Disabled People 2022-2027 sets out the government's plan to deliver accessible housing for disabled people. A 2024 report ([339]) found that institutionalisation was on the rise for persons with disabilities in all age groups, including inappropriate placements for persons with disabilities in nursing homes ([340]), as well as homelessness, both driven by the lack of accessible (social) housing to meet needs.

The Traveller and Roma communities continue to face housing disadvantages. These include inadequate accommodation, overcrowding and high levels of homelessness.

([338])Residential Tenancies (Amendment) (No. 2) Bill listed for priority publication in the government's Legislation Programme Autumn Session 2025.

([339])Eurofound, 2024, Paths towards independent living and social inclusion in Europe.

([340])Flynn, E., Burns, E. and Iuppa, J., 2025, European Semester 2024-2025 country fiche on disability equality – Ireland.