



2026

PRE-BUDGET SUBMISSION

TUATH HOUSING

WE ARE HOME

Executive Summary

Tuath Housing Association, Ireland's largest Approved Housing Body (AHB), is committed to delivering secure, sustainable and affordable homes that strengthen communities and alleviate pressure on the private rental market. As we approach Budget 2026, we urge the Government to take additional action to scale up social and affordable housing in line with international best practice and Ireland's growing need.

Despite progress in recent years, the supply of social and affordable homes remains well below demand and what's required. At a time when the average rent has surpassed €2,000 per month and fewer than 2,300 homes were available to rent nationwide as of 1 August 2025, the case for investing in social and Cost Rental homes is clear. When people take up a new tenancy in a social or Cost Rental home, the majority vacate a privately-rented property, freeing up stock for sale to owner occupiers and for private renters.

Introduction

Tuath Housing Association is Ireland's largest Approved Housing Body (AHB), delivering homes, building communities, and supporting the Government's housing ambitions for almost two decades. Since delivering our first home in 2006, Tuath has become a trusted, proven partner across the housing sector – working collaboratively with local authorities, State agencies, development partners and funders.

Tuath currently manages some 16,000 homes across all 26 counties. Last year alone, Tuath and its State partners invested €571 million in new housing in Ireland.

With a further 6,700 homes in the pipeline, we remain steadfast in our mission to deliver secure, affordable, and high-quality homes – where people can live with dignity and thrive in safe, connected communities.

Through this submission, Tuath respectfully puts forward five key proposals for Budget 2026 to enhance the sustainability, scalability and impact of social and affordable housing in Ireland. These recommendations are not only in support of the most vulnerable, but in the interest of society as a whole.

Tuath's 5 key recommendations

1. **Significantly increase the supply of social and affordable homes.** Ireland lags far behind EU peers in public housing provision. More social homes benefit all — freeing up private rental supply and easing pressure on HAP.
2. **Support affordable homeownership and Cost Rental at scale.** Empower AHBs like Tuath to deliver, while state agencies focus more on an enabling role through land and infrastructure.
3. **Introduce VAT relief** on social, affordable, and Cost Rental homes, coupled with a State-wide focus on reducing construction costs and advancing modern methods of construction (MMC), aligned with the drive to increase supply.
4. **Accelerate reclassification of AHBs off the State's balance sheet,** allowing for greater investment flexibility and unlocking pension fund involvement and positively impacting public sector borrowing capacity.
5. **Recognise social and affordable housing as essential infrastructure** with long-term funding commitments.

Tuath is ready and able to do more. With 16,000 homes currently under management, 6,700 more in the pipeline, and a proven track record of delivery across every county, we are a trusted partner to the State and local authorities. We urge the Government to support a funding and policy environment that enables the continued, sustainable growth of the AHB sector in 2026 and beyond.

We stand ready to work with Government to scale up supply, reduce costs, and deliver the quality homes Ireland urgently needs.

1. Social and affordable housing: An urgent, long-term need

Despite welcome progress in recent years, Ireland still lacks sufficient volumes of social and affordable rental housing. According to Daft.ie, there were just over 2,300 homes available to rent nationally on 1 August, representing a 14% drop year-on-year.

Meanwhile, monthly rents have surpassed €2,000 for the first time. These trends place immense pressure on working families, older people and younger generations unable to access the private market.

Ireland's stock of social and affordable homes remains low by European standards. In contrast to short-term subsidies such as HAP – which cost the State €3.3 billion between 2019 and 2025 – increasing the stock of permanently affordable homes pays for itself. Homes delivered by Tuath are guaranteed for social housing use in perpetuity.

Beyond those directly housed, the societal benefits of more social and Cost Rental homes are significant:

- They free up private rental stock for sale to owner occupiers or use in the rental market
- They reduce homelessness
- They offer long-term cost savings to the State
- They contribute to a fairer, more functional housing system
- They improve citizens' life choices and quality of life

Recommendation:

- Accelerate investment in new-build social and cost rental homes.
- Prioritise sustainable, not-for-profit housing options through AHBs.

2. Affordable purchase: Focus State efforts, let AHBs deliver mixed tenure

The State must substantially step up delivery of affordable housing for purchase – particularly for middle-income earners and key workers struggling to buy in the private market.

Tuath believes the sector can expedite Cost Rental and increase affordable sales within mixed-tenure communities.

Recommendation:

- State agencies should prioritise the increased delivery of affordable purchase homes.
- Allow AHBs to expand delivery of mixed-tenure schemes incorporating affordable homes for sale.

3. Improve housing production viability: Cut VAT and reduce costs

To enable the delivery of more cost-effective social, affordable, and Cost Rental housing, we need to reduce production costs across the board. A VAT exemption or reduction for such homes is one lever – but this must be part of a wider, integrated strategy to reduce cost viability pressures and drive innovation.

This includes promoting Modern Methods of Construction (MMC) which can reduce build times, lower embedded carbon, and deliver higher energy performance – all in support of our climate and housing targets.

Recommendation:

- Exempt or reduce VAT for social, cost rental and affordable sales homes.
- Pair VAT reforms with a national strategy to cut production costs and boost MMC uptake.

4. Unlocking investment through off-balance sheet attainment

Ireland should bring its approach to social and affordable housing in line with EU norms.

Accelerating getting the AHB sector off the State's balance sheet would:

- Improve public finances and public sector borrowing capacity
- Allow increased capital investment without breaching fiscal rules
- Unlock new sources of funding such as ethical pension finance

Tuath supports a lease/asset reversion model as a potential means of attracting off-balance sheet investment, while ensuring public ownership and public good over the long term.

Recommendation:

- Prioritise and complete a reclassification process for AHBs.
- Develop and expand viable funding models such as lease reversion and pension-backed finance.

5. AHBs: Proven, trusted partners; ready to do more

Social and Cost Rental housing is a core component of public infrastructure, critical to the social and economic wellbeing of not just today's citizens but future generations.

As Ireland's largest AHB, Tuath is uniquely placed to help the Government scale housing delivery. We are active in every county and have strong working relationships with our partners in Government, finance and construction.

We recently delivered our 1,000th Cost Rental home, a milestone reflecting our deep commitment to long-term affordability, community-building, and not-for-profit housing provision. We are not just building homes, we are building communities.

The Tuath Foundation, launched in April 2025, enhances our ability to support tenants through education, training, inclusion, and social programmes; helping people to flourish in more than just bricks and mortar.

Recommendation:

- Continue to back AHBs as essential delivery agents for the State.
- Support AHBs' role in not just providing homes, but building sustainable communities.

Conclusion

Ireland's housing challenges are well-documented – but less known is the capacity and readiness of AHB partners like Tuath Housing to be an effective part of the solution.

We believe that social and affordable housing is not just for the few. It is for the benefit of all. It alleviates pressure on the private market, supports a fairer society and represents value for money to the State over the long term.

We thank you for your continued support and welcome the opportunity to work together in delivering secure homes and vibrant communities in Budget 2026 and beyond.

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TUATH HOUSING 2025