

IRISH GREEN BUILDING COUNCIL'S PRE-BUDGET SUBMISSION 2025

Towards a fully decarbonised built environment

ABOUT THE IRISH GREEN BUILDING COUNCIL

The Irish Green Building Council (IGBC) provides leadership for a sustainable built environment. The IGBC is a registered charity with over 400 corporate [members](#) drawn from all parts of the value chain, from occupiers, design professionals, contractors, suppliers, academics and public authorities, and, is affiliated with a global network of 70 national councils within the [World Green Building Council](#). This allows us to create workable solutions and tools to deliver transformative change towards a sustainable built environment. The Irish Green Building Council is also the national partner of the [Renovate Europe](#) campaign in Ireland. Renovate Europe is the only EU-wide campaign focusing exclusively on ambitious renovation of the building stock in the EU and is the voice for energy-efficient renovations.

This submission was developed in [close cooperation with our members](#), including workshops on [decarbonisation of the built environment](#) and [addressing energy poverty through retrofits](#) organised in Winter – Spring 2024, and a specific pre-budget workshop organised on Thursday, 4th July 2024. This was attended by developers, contractors, building professionals, investors, researchers, and construction product manufacturers.

BACKGROUND INFORMATION

The Climate Action & Low Carbon Development (Amendment) Act (2021) set a legally binding target of a **51% reduction in national CO₂eq emissions by 2030** and an overall target of a **climate-neutral economy by 2050**. In times of climate and biodiversity emergency, and while the latest EPA figures reveal that Ireland is projected to only reach a 29% reduction in greenhouse gas emissions by 2030, compared to the target of 51% reduction¹, **all government expenditure and fiscal policies must align with these objectives.**

The built environment crosscuts carbon emissions from all sectors, including energy, transport, industrial processes, and land use changes. Research commissioned by the IGBC to the Building in a Climate Emergency (BIACE) Research Lab at the UCD School of Architecture, Planning and Environmental Policy indicates that **37% of Ireland's national emissions are linked to the construction and operation of our built environment**, the same as agriculture. This 37% is made up of 23% operational emissions associated with the energy we use to heat, cool, and light our buildings and a further 14% embodied carbon emissions from the production of construction materials, transport of materials, construction process, maintenance, repair and disposal of buildings and infrastructure. Projections to 2030 show that the national retrofit scheme and energy efficiency improvements in new build, alongside a decarbonising grid, will drive operational emissions down in the next decade, however, new construction outlined in the national development and housing plans will lead to a significant increase in embodied carbon, effectively negating the savings in operational emissions². The recent increase in transport emissions highlights once again the urgency to implement policies that fully support compact growth and a greater re-use of the existing stock³.

The recommendations included in this submission were developed to address whole-life carbon (WLC) emissions in the built environment, taking into full consideration other pressing issues such as the housing crisis. The reuse of the existing building stock, and the implementation of modern methods of construction (MMC) at scale in well-planned villages, towns, and cities, are key to addressing both the

¹ Ireland's Green House gas emissions projections 2023-2025 [EPA](#)

² The carbon modelling study is [available here](#).

³ Vacant, derelict, and sub-used properties are often well located in city, towns, and village centres. CSO data show that people living in central locations are usually less reliant on cars, reducing transport related emissions

climate and housing crises at a faster pace. Furthermore, tackling emissions associated with the built environment would also protect the most vulnerable in society against energy price increases.

The IGBC believe that a full set of coordinated actions is required to address whole-life carbon in the built environment. For instance, policies, planning and building regulations, and tax incentives must be fully aligned to make the reuse of existing buildings easier. This submission should hence be read alongside "[Building a Zero Carbon Ireland – A Roadmap to Decarbonise Ireland’s Built environment Across its Whole Life Cycle](#)".

We set out our comments as follows:

- [Further support a better use of the existing stock to create vibrant city, town, and village centres,](#)
- [Make high-quality deep energy renovation more affordable and accessible,](#)
- [Ensure all new residential developments built in Ireland are truly sustainable,](#)
- [Support the development of innovative, low-carbon technologies and materials.](#)

I. FURTHER SUPPORT A BETTER USE OF THE EXISTING STOCK TO CREATE VIBRANT CITY, TOWN, AND VILLAGE CENTRES

Rationale: The 2022 census shows that 166,000 properties are vacant in Ireland, with over 48,000 vacant for six years or more. However, recent studies from the Collaborative Town Centre Health Check (CTCHC) Programme show this is only the tip of the iceberg. CTCHC land use surveys (Step 2 of a 15-Step assessment process) highlight that the ground floor commercial vacancy rate in towns in Ireland is 18-45% - the normal target at a European level is 5%. The upper floors in towns are at c. 80% - both these levels are unheard of in a European context⁴.

Bringing vacant, derelict, and sub-used properties in these locations back into use through high-quality renovations is the best, most cost-effective way to address both operational and embodied carbon emissions in the built environment, as well as transport emissions. [The carbon cost of a home deep retrofit is approximately ~0.25 of that of new build⁵,](#) and as many of these homes are located in central locations, people would be less reliant on cars, which in turn would reduce our fastest growing source of carbon emissions, transport. This approach is not only good for the environment. It is also good for people and the economy. It represents a unique opportunity to provide much needed homes, to make our city, town, and village centres more vibrant, to enhance air quality, and to restore the cultural and aesthetic value of these areas.

Recommendations

The IGBC welcomes the work that has been done to support the reuse of the existing building stock, including the introduction of the Vacant Property Refurbishment grant. However, given **buying an existing property is often riskier and more expensive, and the additional benefits to society of reusing our existing stock, funding should be allocated to further support it:**

1.1 Make one state agency (e.g., SEAI) responsible for regeneration and renovation to support a more holistic, cost-effective approach towards renovation. Facilitating more holistic renovations would help in tackling whole-life carbon emissions, while addressing issues around the lack of coordination among funding streams for energy renovation, reuse of buildings, adaptability, etc. In

⁴ Source: CTCHC Programme, March 2023

⁵ Furthermore, "in the case of a typical greenfield development, infrastructure adds approximately 30% additional embodied carbon per dwelling". Source: [Viable Homes - Guidelines for planners on the design and building of low carbon, low rise, medium density housing in Ireland - V1.0 \(igbc.ie\)](#).

addition to better supporting the most vulnerable in society, it also represents better value for money, ensuring a better use of public finance and limited resources⁶.

1.2 Allocate funding to further support re-use. E.g

- **Extend the "Help to Buy Scheme" to include existing properties** located in village, town, and city centres.
- **Make "Vacant property refurbishment grant" available in instalments**, instead of at the end of the renovations.
- **Extend the "living city initiative" to more towns** across the county and allocate funding to raise greater awareness.
- Allocate funding to **pilot a one-stop-shop for reuse** to make it easier for building owners/prospective buyers to bring back these properties into use.

1.3 Develop a comprehensive strategy for all vacant buildings in state ownership and invest in better support and funding for the reuse and maintenance of these buildings - ensuring the state leads by example. E.g., increase OPW's budget for repair and maintenance.

1.4 Complete a full review of the existing building stock to evaluate what is available for use and where, and to assess what additional space and building types may be needed⁷ (e.g., expand the CTCHC programme to all cities and towns with populations of 10,000 or greater).

II. ENCOURAGE LARGE-SCALE, HIGH-QUALITY ENERGY RENOVATION

Rational: Recent increase in funding for energy renovation provided much needed certainty to the industry, but further actions are needed if we are to be anywhere near achieving our 2030 targets. Furthermore, publicly funded retrofit programmes must deliver real carbon savings and must support a just transition. The IGBC hence urge the Government to prioritise high quality energy renovation at scale in the 2025 budget.

Recommendations:

2.1 Allocate funding for a well-resourced network of independent energy renovation advisors across the country. This service would provide a local, tailored service to support people to access the financial advice they need, to install 'quick win' measures, and to apply for appropriate retrofitting and "bringing back into use" grants.

These services should be tasked to work with communities, anti-poverty groups, etc. to better identify and target vulnerable households on the ground, coordinate support through the renovation journey and support project aggregation⁸.

2.2 Introduce a 9% VAT rate on construction products which contribute to carbon savings in the operational phase of a building life cycle - energy-saving materials and heating

⁶ For instance, ensuring that vulnerable households can access information on energy renovation and adaptability grants in one place was raised by several stakeholders through the consultation process we run to develop our "[Bridging the Gap Between Energy Poverty and Energy Renovation](#)" report. This would not only support vulnerable households in their renovation journey but could also contribute to a reduction in whole life carbon emissions.

⁷ This could be completed as part of the National Housing Condition Survey recommended by the Housing Commission – Recommendation 24.

⁸ This recommendation is aligned with article 18 of the Energy Performance of Buildings Directive – Recast ([Directive \(EU\) 2024/1275](#)) which requires member states to establish one-stop-shops which provide independent advice on the energy performance of buildings and may accompany integrated district renovation programmes, as well as offer dedicated services for vulnerable households, people affected by energy poverty and people in low-income households.

equipment⁹, highlighting that within 2-3 years the embodied carbon of these products, i.e. the carbon associated with the production of these products, will also be taken into account.

2.3 Significantly increase funding for the local authority retrofitting scheme with a view to ensuring all social housing reaches a minimum B2 BER by 2030.

2.4 Set up a multi-annual strategy (e.g. 10 years) for the retrofit of local authorities' social housing stock so that all local authorities have greater clarity on targets and budget allocation for the next decade and can adequately prepare¹⁰.

2.5 Allocate funding for pilot initiatives to better support alternative renewable technologies, including district heating systems and micro-grid generation of renewables. E.g., see the pilot project in [Scotland River Clyde](#) homes and businesses guaranteeing low prices due to the use of their own district heating systems.

2.6 Pilot a mechanism similar to the Repair and Leasing Scheme to support energy renovation of rented properties. This would provide an incentive, particularly to small landlords that may not have the financial or technical capacity to retrofit their properties.

2.7 Allocate Funding to further support, energy renovation of multi-units developments. E.g., Expand SEAI grants to develop and implement solutions to remove fossil fuels from these developments, including to better cover ventilation, district heating connections and Building Management Systems (BMSs).

III. ENSURE NEW RESIDENTIAL DEVELOPMENTS ARE TRULY SUSTAINABLE AND SUPPORT A LOW-CARBON LIFESTYLE

Rational: A minimum of 400,000 homes must be built in Ireland by 2030. To halve our emissions by then, these homes must be low carbon across their whole life cycle. This does not only relate to the energy we use to heat, cool, and power them. How we build them impacts our industrial emissions from the production of construction materials. Where we build them impacts our transport emissions. **All homes built today must hence be highly energy efficient, constructed with low carbon embodied materials, and enable a low carbon lifestyle.**

Recommendations:

3.1 Where government invests in buildings, including housing and social housing¹¹ through grant aid or procurement from private sector, ensure that these developments adhere to higher sustainability requirements, including a wider range of objectives such as addressing whole-life carbon emissions and reducing transport requirements, climate adaptation and biodiversity. **This should first be piloted on a programme where subsidies are significant, such as Croí Cónaithe (Cities) Scheme,** and could be achieved through green building certifications such as the [Home Performance Index](#) or equivalent, as it's [done in Germany for all KfW funded projects](#).

3.2 Mandate the use of GPP for all public notices published for procuring buildings and renovations.

⁹ See the [zero-interest VAT on energy-saving materials and heating equipment \(e.g., controls for central heating and hot water systems, insulation, and air source heat pumps\) introduced in the UK](#), or the [reduced VAT \(5.5%\) for energy renovation works in France](#).

¹⁰ The implementation of a multi-annual national retrofit programme (SEAI grants) has had a positive impact on this sector, providing much needed certainty to the industry. Feedback received as part of the stakeholder engagement process to develop recommendations to better address energy poverty through renovation indicates that a similar approach is needed for local authorities. Read more: <https://www.igbc.ie/wp-content/uploads/2024/03/IGBC-Energy-Poverty-and-Energy-Renovation-Report.pdf>.

¹¹ Being owned by local authorities or Approved Housing Bodies.

IV. SUPPORT THE DEVELOPMENT OF INNOVATIVE, LOW-CARBON TECHNOLOGIES AND MATERIALS

Rational: Supporting the development of a low-carbon construction material industry is key to reach Ireland's climate targets. As a growing number of countries have or are in the process of regulating embodied carbon emissions¹², developing this industry and building expertise in this area will ensure Irish companies remain competitive. Furthermore, Ireland with a large agricultural sector has a strategic interest to identify and develop local low carbon biobased solutions from agriculture and forestry and to encourage solutions from the circular economy. The development of a strong biobased construction materials industry¹³ would also support sustainable, local jobs across the country.

Recommendations:

4.1 Pilot and invest in the creation of new value chains and infrastructure for reused and biobased materials. E.g., provide financial incentives or directly fund research and production facilities for biobased construction materials, such as CLT, sheep's wool, and hemp.

4.2 Increase financial support, through grants and a reduction in VAT, for innovative low-carbon materials, including biobased materials as it's currently done in France, Italy and Germany.

- e.g., France has mandated all new public buildings to be built from at least 50% timber or other bio-based materials such as hemp or straw.
- e.g., Italy has a minimum 15% of recycled materials on the total construction of the building, to support circularity.
- e.g., The city of Stuttgart provides additional funding for homes built with products with green certifications (i.e., "*nature plus*", "*Blauer Engel*").

4.3 Allocate funding and resources to better support re-use of construction materials. E.g., storage facilities for large quantities of high-quality construction materials for reuse; grants for SMEs for testing of reclaimed materials from demolition projects; a comprehensive catalogue/database of products, including soil and stones available for-reuse¹⁴.

4.4 Introduce new capital funding programme for innovative low-carbon/sustainable projects similar to the highly successful SEAI's EXEED programme. E.g., projects using measurable low-carbon construction technologies (including circular construction principles) and projects enhancing biodiversity.

4.5 Increase funding for NSAI and EPA to streamline certification, licensing, and recertification processes for low-carbon innovative products, including reuse. The current timeframe to produce agrément¹⁵ and re-certifying products is too slow to support the development of a low-carbon materials industry.

¹² Embodied carbon emissions are already regulated in the Nordic countries, France, and the Netherlands. The EU has also developed a methodology to measure embodied carbon emissions in a standardised way as part of the EU's Framework for Sustainable Buildings, Level(s).

¹³ Biobased materials typically require lower CO₂e emissions to produce, and they sequester carbon. Ireland's climate is ideally suited for and has great potential to provide biobased construction materials from timber or rapidly renewable fibres such as hemp.

¹⁴ See Helsinki example on [Soil as a reusable good](#).

¹⁵ It is our understanding that it can take more than 24 months to obtain an Irish agrément.