Budget 2015 Submission

Construction Industry Federation

Construction: a vital ingredient and contributor to a competitive and growing economy.

As the Irish economy recovers, the deficits in housing and infrastructure become more apparent. These deficits require urgent support and attention to enable the economy maintain its path to economic recovery.

The size of the Irish construction sector is currently half the size required for a developed economy. The sector has the capacity to create an additional 60,000 jobs and improve the economy's competitiveness in attracting investment.

Construction can create immediate employment for professions, specialists, skilled trades and unskilled operatives in every part of Ireland.

CIF Priorities:

CONSTRUCTION INDUSTRY FEDERATION

1 Restoring Residential Construction

- Create a special development finance fund.
- Establish a 'Help to Buy' scheme.
- Introduce a tax incentivised savings scheme for deposits for future house purchases.
- Provide full interest relief for residential letting investment.
- Incentives for new home purchasers could include a) property tax rebate, b) partial rebate for development levies paid to purchaser and c) an additional tax allowance for new home purchasers.
- Replace Part V with a 1% levy across all sales of housing.

2 Supporting Infrastructure Investment

- Increase the public capital programme.
- Further PPP processes.
- Projects sizes should vary to allow all sizes of contractors to apply.
- Funding from EIB and other external sources.

3 Private Sector Investment

- Enhanced capital allowances and rate remissions for refurbishment projects.
- VAT treatment for purchase of buildings for refurbishment.
- Restore funding for National Conservation Grants Scheme.
- Extend mortgage approvals to 12 months.

4 Tackling Construction Constraints

- Rebate of statutory redundancy payments.
- Non sponsored route to be introduced for apprentices.
- Retention of social welfare benefits for short term temporary work.
- Mandatory participation in up-skilling programmes for long term unemployed.

5 Tackling the Shadow Economy

- Extend the Home Renovation Incentive Scheme.
- Display of mandatory site notices.
- Safe Pass Cards to include PPS numbers.
- Sight of invoices for mortgage drawdowns.

6 Taxation Matters

- Temporary VAT rate for residential construction.
- Abolish special rate on rezoning of lands.
- Incentivise refurbishment in towns and villages.
- Activate the Living City initiative.
- Extend CGT Relief for investment in property.
- Review VAT reverse charge mechanism for manufacturing in construction.

7 Energy Retrofitting Initiatives

- Intergovernmental agreement on wind energy.
- State sponsored training.
- Finance from utility companies.
- Energy audits for commercial buildings.
- Feed in tariffs for micro generation.
- Education campaigns to encourage awareness of energy efficiency.
- Minimum energy efficiency standards.

Restore Residential Construction Activity to Sustainable Level

Challenge

It is widely acknowledged that the house building industry must increase housing output. Current activity levels must be multiplied threefold to meet sustainable demand. House building is highly labour intensive. Building an additional 20,000 housing units has the potential to create an additional 50,000 direct construction jobs. Difficulty in securing adequate development finance by house builders is a key impediment to restoration of residential construction activity levels. Shortage of new housing supply is a key factor contributing to house price inflation. This is due to the industry not being in a position to fund construction activity to meet demand.

Home purchasers face challenges in securing an adequate level of mortgage finance to purchase their first home. The availability of equity loan schemes for building projects could provide much assistance to home purchasers and also facilitate the industry ramp up increased building activity in key locations. The experience of the 'Help to Buy' schemes operated in the UK has illustrated how successful a scheme of this nature can be in facilitating purchasers get a foothold on the property ladder. This could act in an equivalent manner to operation of a 'shared ownership scheme' in addressing housing needs of some applicants on the social housing waiting lists. Alternatively, the operation of a mortgage insurance scheme could also play an active role in stimulating increased housing construction activity and present options for buyers in acquiring their first home.

A tax incentivised savings scheme for purchasers of new homes should be promoted by government to encourage savings for the deposit required to support the purchase. This could operate on a similar basis to the former special savings incentivised accounts with the proviso that the accumulated deposit must not be used for purposes other than purchase of a new home.

Stock of residential properties available for renting continues to decline and the demand for rental accommodation continues to increase. Government decisions taken to curtail investment in residential properties for letting purposes should be reversed. Restoration of 100% interest relief for residential investment for letting purposes should be restored on a par with that prevailing in the commercial sector. In addition, suggestions in relation to imposition of rent controls for residential property should be carefully evaluated as these could be viewed as blunt instruments which will stop building of residential property for letting and dis-incentivise any refurbishment works in a sector that is suffering serious undersupply.

The initial years of home ownership can be extremely costly for new first time purchasers. First time purchasers, unlike social housing occupants, are liable for property tax bills. Government should maintain an exemption for first time purchasers of new homes from property tax for the initial 5 years of occupation.

Notwithstanding the fall in market values of residential property, development levies paid to local authorities are still high. Government should consider a partial rebate of the development levies paid in respect of new residential units back to the purchaser of the new home. This should be a time limited incentive.

First time purchasers of new homes could be assisted by granting them an additional tax allowance for a limited period after purchasing their first new home.

The social and affordable housing requirements under Part V of the planning and development acts could be replaced with a 1% levy on sales of all housing units, both new and second hand. In 2013, this levy could have generated €60m for the Exchequer to fund new construction of social housing.

Possible range of rolutions

1. Special development finance fund: To support builder access to finance, a special builders' finance fund should be established to support the delivery of up to 5,000 housing units in key growth areas by smaller builders.
2. 'Help To Buy' scheme: To assist home purchasers, government could provide an equity loan scheme and/ or mortgage insurance scheme to assist households purchase a home and to support the house building industry to restore activity levels to a sustainable level. This could also relieve some social housing demand.
3. Tax incentivised savings scheme: Introduce a tax incentivised savings scheme for future purchasers of new homes to assist them in assembling the required deposit to support the purchase.
4. Interest relief for investment in residential property: Full interest relief for investment in residential property for letting purposes should be restored.

(cont'd) Restore Residential Construction Activity to Sustainable Level

5. Incentives for new home purchasers:
   a. Property tax rebate: Extend availability of the property tax rebate for purchasers of new homes for the initial 5 years of occupation; and/or
   b. Partial rebate of development levies paid to purchaser: First time home purchasers should be eligible for a partial rebate of development levies paid in respect of their new home for a time limited period; and/ or
   c. Additional tax allowance for new home purchasers: Consideration could be given to granting an additional tax allowance to first time purchasers of new homes.
6. Replace Part V: Replace the current Part V social and affordable housing obligations with a levy of 1% on the sales of all houses, both new and second-hand.

Support Infrastructure Investment under the Public Capital Programme

Challenge

As the country's population continues to grow and signs of recovery in economic activity prevail, renewal and investment in strategic infrastructure including water and waste water services, social housing, schools, roads/ transport, energy and communications should be promoted. An increase of €1bn in construction spending yields 10,000 new construction jobs. Local construction activity on a regional basis should be supported by ensuring that public sector contracts are broken down into appropriately sized contracts to facilitate local / domestic competitors.

The use of the PPP model for funding major capital projects should be implemented to maximum extent feasible. In order to encourage participation in the PPP bidding process, the State contribution to final bidders' costs should be applied for all PPP competitions.

Consideration should be given to ensuring that a range of appropriate size/ scale of projects are available to suit all sizes of contractor including small, medium and large contractors. This will maximise overall benefit of each project for the economy as a whole.

Funding from external sources such as EIB for specific categories of projects should be maximised. Projects should be facilitated through the Strategic Investment Fund and/or equity finance.

Possible range of solutions

1. Increase in public capital programme: The public capital programme should be increased for sustainable projects with increased emphasis on local construction activity with appropriately sized contracts to facilitate local/ domestic competitors.
2. PPP process: Singular capital projects with value greater than €150m should be subject to a PPP process. The State contribution to final bidders costs for PPP projects should be applied for all PPP competitions.
3. A range of project sizes should be available so that they are accessible to small, medium and large sized contractors.
4. EIB and other external funding: Funding from external sources such as EIB and EIF for specific categories of projects should be maximised. Projects should be facilitated through the Strategic Investment Fund and/or equity finance.

Facilitate Private Sector investment including Functioning Banking Sector

Challenge

Older office buildings require refurbishment to bring them up to modern day office requirements. Enhanced capital allowances could be made available for improvement in energy efficiency of commercial buildings. In addition, a graduated rates remission scheme could be made available for existing vacant office buildings that can be refurbished and brought back to productive use within a limited timeframe. Levels of commercial rates payable could be linked to energy efficiency ratings in buildings.

An anomaly exists in the case of purchase of second hand property for refurbishment and subsequent resale. Such second hand property may not be in the VAT net at acquisition stage, but the entire sales consideration following refurbishment by a builder owner is subject to VAT. This VAT cost makes refurbishment of such projects uneconomical. Initiatives should be considered via VAT recoverability on input costs on purchase and renovation of dilapidated buildings to encourage private sector investment in renewal of these buildings.

Reasonable funding levels should be restored for the 'National Conservation Grant Scheme' in respect of protected structures. The scheme would ensure that quality standards of workmanship are maintained through the engagement of and inspection by professional advisors in relation to works carried out under the scheme.

Availability of satisfactory mortgage finance and development capital are critical components to securing a return of construction activity. Mortgage approvals for periods of up to 12 months are required by potential purchasers who are committing to purchasing a new home 'off the plans'. A 6 month mortgage approval is of little value to such a purchaser and is of little value to a house builder who will rely on a purchaser's 12 month mortgage approval before he can start building the new home.

Possible range of solutions

1. Capital allowances/ rates remission for refurbishment projects: Introduce enhanced capital allowances for energy efficiency works on commercial buildings and/or grant remission from commercial rates on a graduated scale over a ten year period for commercial buildings to be refurbished.
2. VAT treatment for purchase of buildings for refurbishment: Acquisition costs should be allowable for VAT calculation purposes for immediate resale of refurbished buildings.
3. National conservation grants scheme: Restore reasonable funding levels for the 'National conservation grant scheme' in respect of protected structures.
4. 12 Month mortgage approvals and development capital: Mortgage approval periods from financial institutions should have a lifetime of up to 12 months to facilitate purchasers buying off the plans. Development capital facilities should be available for new construction projects.

Tackle Construction Industry Sectoral Constraints

Challenge

Acknowledging that the current size of the Irish construction industry is approximately 50% of the average size that an industry should be for a developed economy, there are clear constraints and impediments to restoration of the industry to its optimum size in order to address the economy's requirements to maintain its competitiveness.

The construction sector, by its nature, is subject to cyclical processes. All construction contracts are short term in nature. This in turn leads to construction operatives being hired for specific construction contracts which can then result in the termination of employment contracts as specific project work is concluded. The construction sector is an entirely different sector compared to other employment sectors where the employment base for employees can be of fixed location whereas the employment base of a construction worker is where the actual construction project is at any one time. The recently introduced requirement that employers are 100% responsible for redundancy payments to employees means that construction employers are reluctant to directly hire new employees. Disincentives for recruitment of new employees which were introduced during the recession should now be reversed. This should apply in respect of new construction sector employees who are yet to be hired. Construction sector employers' entitlement to redundancy rebate should be restored for all new employees engaged after a specified date.

As demand for construction labour recovers, skilled labour shortages are occurring. These shortages can be addressed by a wide variety of measures including training of apprentices and the retention of social welfare benefits for those who take up temporary work of short duration and who, as work terminates, must fall back on social welfare assistance programmes.

The National Training Fund Act 2000 imposes a training levy on all employers to be paid in respect of each employee – presently this is 0.7%. Since 2008, Government focus has been on the unemployed and various schemes have been introduced to assist this group – e.g. Momentum and Springboard. As a consequence of this focus, all assistance to employers to maintain the skills of the existing workforce has been withdrawn. This contrasts with our nearest neighbour, Northern Ireland and Great Britain where all employees will receive a training grant per day of training to the value of £80 per day (€105). Given that they also operate a more flexible policy which results in recognition of existing skills, often the equivalent training will be completed in shorter durations – the average cost per person per day is £150 per day – the grant then is greater than 50% the day's training cost. The result is that employers in the Republic are disadvantaged and are in an uncompetitive position compared to their northern neighbours – whose cards are recognised here.

A new grant system should be introduced to assist employers who contribute to the National Training Fund via the National Training Fund Levy to assist / encourage employers to recruit personnel into the industry and at the same time contribute to the Government's strategy for jobs. This will ensure that indigenous construction companies are best placed to ensure that the skills required by companies investing in Ireland (FDI) have the skills to meet their requirements.

Support should be available for building contractors who take on and train young people on apprenticeships. Training grants for construction employers and reinstatement of the rebate system should be provided for, together with up skilling and internship programmes.

As the economic recovery is sustained and the demand for employees recovers, all persons in receipt of unemployment benefit/ assistance should be obliged to participate on up skilling training programmes.

Possible range of solutions

1. Rebate of statutory redundancy payments: Restore eligibility to partial rebate for statutory redundancy payments to newly hired construction sector workers.
2. Training of apprentices: Continue to promote training of apprentices and implement a "non sponsored route" combining phases 1 and 2 of apprenticeships to be delivered in a FÁS/SOLAS centre to prepare apprentices for entry into a contract with employers. This process worked well in the past.
3. Retention of social welfare benefits for those who secure short term temporary work. Employers PRSI liability for apprentices during their training periods should be removed. Training grants for construction employers to include upskilling and internship programmes and reinstatement of the rebate system should be provided for.
4. Mandatory participation on up-skilling programmes: All persons in receipt of unemployment benefit should be obliged to participate on up-skilling training programmes.

Tackle the Shadow Economy in the Construction Sector

Challenge

Great efforts have been made by Government and Revenue to tackle the shadow economy as it impacts upon the compliant construction sector. Effective anti-shadow economy initiatives reduce unemployment and lead to legitimate employment which operates in a fair, competitive manner.

The introduction of the Home Renovation Incentive Scheme has been a success. An extension to the lifetime of the scheme should be supported by Government as it has further potential to undermine the operation of the shadow economy prevalent within the industry. The scheme should also include retrofitting of energy efficient installations and heat pumps. The terms of the scheme could be improved so that the maximum cost of the renovation works is increased to €50,000 and that a full VAT refund be available in the tax year in which work is completed.

The requirement for homeowners availing of the Home Renovation Incentive Scheme to engage Construction Industry Register Ireland members (the CIRI register of builders and contractors) should be promoted as registration demonstrates members' experience of working in the sector, adherence to the code of practice and ethics and availability of tax clearance certification. The requirement for a mandatory site notice displaying names of contractor(s) and professionals on all construction sites over a certain size should also apply.

Shadow economy activities can be prevalent in certain elements of the construction sector. In the case of renovation works and self-build projects, mortgage drawdowns from financial institutions should be subject to sight of formal invoices for construction work undertaken and for materials supplied or professionals' certificates and recommendations for payment.

To facilitate ease of identification of all employees on site, Safe Pass cards of all construction employees should carry employees' PPS numbers.

Possible range of solutions

1. Extend Home Renovation Incentive Scheme: The lifetime of the Home Renovation Incentive Scheme should be extended for a further period and a requirement introduced that contractors engaged by homeowners under the scheme should be CIRI (Construction Industry Register Ireland) registered. The terms of the scheme could be modified so that the maximum cost of the renovation works is increased to €50,000 and that a full tax credit be available in the year in which work is undertaken. The scheme should be extended to include retrofitting of energy efficient installations and domestic heat pumps in a retrofit situation.
2. Mandatory site notices: A mandatory site notice outlining names of contractor(s) and professionals on all construction sites over a certain size should de displayed.
3. Safe Pass cards to include PPS numbers: Safe Pass cards of all construction employees should carry employees PPS numbers.
4. Sight of invoices for mortgage drawdowns: In the case of renovation works and self-build projects, mortgage drawdowns from financial institutions should be subject to sight of formal invoices for construction work undertaken and for materials supplied or professionals' certificates and recommendations for payment.

Taxation Matters

Challenge

Any increase in private sector building activity creates additional jobs. Private sector construction activity is dependent on infrastructure services and a functioning banking sector. An increase in construction spend of €2bn will yield an additional 20,000 new jobs.

Annex III of the EU VAT Directive outlines the range of services that can qualify for a reduced VAT rate. Article 10 and 10a specifies provision, construction, renovation and alteration of housing, as well as renovation and repairing of private dwellings as services to qualify for the reduced VAT rate. CIF analysis concluded that a reduction in the rate of construction VAT for construction, renovation and alteration of housing from 13.5% to 9% can be self financing when an increase in the level of residential construction activity of 14% is achieved over the 2013 levels. Other indirect benefits will also accrue to the Exchequer as a consequence of increased residential construction activity including conveyancing of residential units, houses / apartments, fit outs and other related benefits. The all in construction cost inclusive of VAT and other costs of any newly built homes are still high compared to current market value levels. A measure by which this anomaly can be addressed is by introducing the temporary VAT rate of 9% for a limited timeframe specifically for residential construction services as currently operates in the tourism and leisure sector. This is on the basis that the existing VAT treatment of other construction services remains subject to VAT at the 'Parking Rate' which is currently 13.5%.

Targeted taxation adjustments can facilitate renewal of employment in the selected areas. Measures outlined below can act as a catalyst to initiate activity which in turn facilitates generation of employment opportunities in other sectors.

In many instances, land must now be rezoned to meet local planning authorities' and market related requirements. A punitive tax rate of 80% prevents necessary changes in zonings to accord with up to date proper planning and development policies. It also inhibits some lands coming to the market. From the Government's fiscal perspective, an 80% tax rate will not generate tax revenues. This particular tax must be abolished and replaced with capital gains tax and its associated rates to provide some initiative for landowners to undertake appropriate development, in line with best planning policy.

Many towns and villages in rural Ireland are experiencing decay through lack of renewal and investment. Some form of targeted incentives should be available within the existing built environment of these villages and towns to renew existing structures so that they can be maintained or renewed for some productive use. This includes 'living over the shop' initiatives to attract a life into affected urbanised areas. Measures must be targeted and focussed to address a specific need and be quantified in advance. In addition, the Living City Initiative referred to in the last two budgets has still not been activated. This should be introduced as soon as is possible.

An exemption from capital gains tax applies in respect of investment made in property in 2014 where the property is held for a minimum of 7 years. In order to sustain the recovery in property transactions that are now taking place, consideration should be given to a further extension of this initiative to consolidate recovery in the property markets.

Cash flow difficulties are being experienced by the manufacturing sector in construction in the operation of the VAT reverse charge mechanism. Supplier invoices including VAT at 23% are payable within thirty days. VAT returns are bi-monthly, eg March/April return due on 19 May with refunds being paid at the end of May. Refunds for 1 March invoices are 90 days. This leads to a 23% deficit in cash flow which cripples the way some building companies who are engaged in manufacturing (eg aluminium and glazing contractors) do business. In some cases, refunds must be signed off by up to four different departments in Revenue leading to delays in issue of refunds.

Possible range of solutions

1. Temporary VAT rate for residential construction: Introduce a temporary VAT rate of 9% for the provision, construction, renovation and alteration of the housing for a two year period.
2. Abolish special tax rate on rezoning of lands: Abolish current tax on rezoning of lands and replace with capital gains tax and its associated rates.
3. Incentivise refurbishment in towns and villages: Introduction of a targeted incentives to support investment and renewal within existing built environments of towns and villages to bring dilapidated structures to productive use.
4. Activate the Living City Initiative as provided for in the last two budgets.
5. Extend CGT relief for investment in property: Encourage further investment in property by extending the exemption from capital gains tax for further 1 year for investments made in 2015 which are held for a minimum of 7 years.
6. Review VAT reverse charge mechanism for manufacturing in construction: Review operation of VAT reverse charge mechanism so that construction companies who are engaged in manufacturing do not suffer unnecessary cash flow difficulties due to late payment of refunds by Revenue.

Energy Retrofitting Initiatives

Challenge

Government should continue to support the intergovernmental agreement on wind energy with the UK and secure a deal. The use of wind for domestic generation must be explored. An education programme that investment in our grid system will lead to greater deployment of wind and ultimately lower energy cost should be pursued for consumers.

State sponsored training including the apprentice and training system needs to deliver the skills required to ensure a pool of skilled labour to work in the wind sector. SOLAS and Education and Training Boards (ETB) should consult with industry on resources required in line with the Government's jobs' policy. BER assessors must be up skilled and compulsory CPD courses must be introduced and monitored regularly.

Utility companies should be encouraged to provide finance through their billing mechanism and make access to capital for consumers both easier and more affordable. This should form part of the obligations for energy utility companies. Energy providers should also be encouraged to take a more active lead in financing retrofit schemes which could be tied back into a trade for energy efficiency credits against low cost medium term finance. It is suggested that there be a closer link between carbon credits and energy efficiency credits. Carbon credits could be better incentivised through community based or group schemes.

Every commercial building should have an energy audit in place by the end of 2015 and an energy reduction plan in place by the end of 2016. Policy is required to encourage the lowest cost solution to achieve desired carbon/ greenhouse gas emission reductions. This will require a dynamic model due to the law of diminishing returns. The recently established energy efficiency fund should be promoted to generate viable and competitive proposals for energy efficiency projects.

Feed in tariffs for micro generation should be examined to promote development and local enterprise activity in the market – offices, residential, schools, factories and indigenous manufacturers of generating equipment – e.g. C&F Green Energy. Feed in tariffs for micro generation are being used by most progressive countries in the EU.

There is a lack of momentum relating to take up of energy efficiency measures in the marketplace. A public campaign, including second level education, is required to drive awareness and promote installation of energy efficient measures. The installation of PV and efficient heating systems in schools will encourage the next generation to be ambassadors for renewable energy.

Minimum energy efficiency standards should apply to all rented buildings and incentives provided to enable these standards be achieved.

Possible range of solutions

1. Intergovernmental agreement on wind energy: Support for the intergovernmental agreement on wind energy with the UK should be pursued.
2. Training: State sponsored training is required to deliver the skills required for a pool of skilled labour to work in the wind sector.
3. Finance from utility companies: Utility companies must be encouraged to provide finance through their billing mechanism and make access to capital for consumers both easier and more affordable.
4. Energy audits for commercial buildings: Every commercial building should have an energy audit in place by the end of 2015 and an energy reduction plan in place by the end of 2016. The recently established energy efficiency fund should be promoted to generate viable and competitive proposals for energy efficiency projects.
5. Feed-in-tariffs: Feed-in tariffs for micro generation should be examined to promote development and local enterprise activity in the market.
6. Education campaigns: A public campaign including second level education to further awareness is required to promote installation of energy efficient measures.
7. Minimum energy efficiency standards: Minimum energy efficiency standards should apply to all rented buildings and incentives provided to enable these standards be achieved.

In Quotes: Construction

"It is necessary for the Government to support a sustainable and viable construction sector…The construction sector has a key role in supporting economic development and job creation in Ireland…a sustainable construction sector supports development across the economy, whether it's providing high quality commercial office space for major FDI companies or building vital economic infrastructure like telecommunications, water and energy networks. And just as important a healthy construction sector is required to maintain the output of quality housing options for young families as Ireland's population continues to grow. A severe shortage in supply is sharply driving up prices in some areas which is causing great difficulties for many young people…But having grown far too big during the boom the construction sector is now seriously underperforming…A sustainable construction sector based on the highest standards of quality is essential to make recovery local and to get Ireland working again."

An Taoiseach, Enda Kenny TD at the launch of Construction 2020, 14 May 2014

"On the Live Register we have about 80,000 men who were builders and we have a need for social and affordable housing, particularly for young families. If we had investment into that, we could create a virtuous cycle, in economic terms, of putting people from the construction industry back to work and building homes for families. I'm not talking about any kind of return to the Celtic Tiger excesses, but it makes sense for the future to invest."

An Tanaiste, Joan Burton TD, 6 July 2014

"No sector has been hit harder since 2008 and a return to a normalised construction and development sector is needed to provide jobs for the thousands of unemployed construction workers. Furthermore, in light of increases in property prices due to the supply limitations in some areas, it is important that we increase the supply of suitable residential housing stock to prevent a new property bubble emerging. This includes the building of new homes and the renovation of the existing housing stock in Dublin and our main urban centres."

Minister for Finance, Michael Noonan TD, Budget Speech 15 October 2013

"Government is conscious of the fact that we need to focus on the [construction] sector…and will continue to see how best we can address the challenges in the sector in a targeted and meaningful way… The Government is focused on supporting the recovery of a sustainable construction sector capable of contributing to economic growth and job creation, and equipped to meet our future infrastructure needs."

Minister for Public Expenditure & Reform, Brendan Howlin TD, 5 March 2014

"Ireland is the least densely populated country in Western Europe and yet we have now the fastest-rising house prices. So what can be done about it? The key is to get more and more houses built and in the time that it takes to build them to ensure that people don't panic and drive prices upwards. The worst thing that we could do is allow prices to spike up now and then allow supply to come on stream too late."

David McWilliams, 4 June 2014

"House prices are rising. Dublin house and apartment prices are up 22pc so far this year but the rest of the country is pretty flat. Supply is a key concern and this problem will not change rapidly...The queues are back and this is down to the chronic undersupply of quality homes and commercial spaces in the capital. Regulatory strictures are probably holding back a lot of supply, as well as credit constraints."

Stephen Kinsella, Economist, 22 July 2014

"The real problem is that we do not have enough houses to accommodate our population. As such, we are trapped in a zero-sum game; on one hand we need more rental properties, but we also need more homes for owner-occupiers. These objectives simply cannot be reconciled without building additional units. Ultimately, when it comes to solving our housing problems, all roads lead back to supply."

Dr John McCartney, Savills Ireland, 30 June 2014

"I had thought pretty much everyone involved was agreed that a lack of supply was indeed the root cause of rapidly rising rents and prices…If supply is not forthcoming, we need to understand why, rather than push the price of housing further up. My suspicion is the current lack of supply is down to a complicated and overly prescriptive system of planning and building controls, coupled with an array of developer contributions and levies which shift the burden from existing to new residents. This could be replaced with a unified land use policy and a simple land value tax."

Ronan Lyons, Economist 13 May 2014

"We are not building anything and until we start building there is going to be a problem...The answer is going to be to build more and public policy should address why are we not building more and how can we build more rapidly."

John Fitzgerald, ESRI, 6 July 2014.

"Building a social recovery for workers and their families also means building homes for them to live in. We have moved from a situation of building far too many houses in the wrong areas to building far too few in the right areas, particularly in Dublin. This is reflected in significant upward house price pressure, and an increase in rents which is having a disproportionate impact on low-income families. It is imperative that we move urgently to improve the supply of housing for both home purchasers and those renting...housing will be the number one priority of the Department of the Environment for the remainder of this Government's term."

An Tanaiste, Joan Burton TD, 11 July 2014

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