



CONSTRUCTION DEFECTS ALLIANCE

Budget 2025

Submission

to

**Department of Finance,
Department of Public Expenditure, National
Development Plan Delivery and Reform,
Department of Housing, Local Government and Heritage
and Oireachtas members**

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Contents

Construction Defects Alliance Page 3

Submission Context Page 4

Proposals and Costings Page 7

Conclusion Page 9

1. Construction Defects Alliance

The Construction Defects Alliance (CDA) is made up of apartment owners — including representatives of the Apartment Owners' Network, a number of approved housing bodies (AHBs) and the Not Our Fault group — as well as OMC directors and construction professionals all of whom are committed to the implementation of the 2018 Housing Joint Oireachtas Committee report, *Safe as Houses?*

The Alliance has its origins in the Beacon South Quarter (BSQ) Lobby Group which began campaigning nearly 10 years ago for action for homeowners affected by defects. Through that Lobby Group's campaigning work other individual owners and OMCs approached it and got involved in the campaign.

Ultimately, as the numbers involved in the campaign began to grow, the Construction Defects Alliance was set up in autumn 2019. Currently, the Alliance has members in over 300 multi-unit developments around the country affected by defects.

Since its inception in 2019, the Construction Defects Alliance has worked constructively with Government, all political parties and other stakeholders to ensure the delivery of a remediation scheme which addresses construction defects and ensures that apartment owners are not on the hook for the costs of remediating these defects.

2. Submission Context

2.1 Report of Working Group to Examine Defects in Housing

The 2020 Programme for Government (PFG) included a commitment that the Government would examine *“the issue of defective housing...having regard to the recommendations of the Joint Oireachtas Committee on Housing report, ‘Safe as Houses?’”*.

In this context, the then Minister for Housing, Local Government and Heritage, Darragh O’Brien TD, established an independent Working Group to Examine Defects in Housing in early 2021.

The Working Group issued its report at the end of July 2022 and it showed that:

- Up to 100,000 Celtic Tiger-era apartments have been affected by fire safety issues, damp due to water ingress and other defects;
- Average remediation costs are €25,000 per unit;
- Only a small proportion of the affected apartments had completed the remediation of their defects by March 2022 – around 12% of the total – with a further 34% estimated to have commenced remediation works meaning that 54% were totally unremediated at that time.

2.2 Government Decision, January 2023

Further to its consideration of the Working Group’s report, on 18 January 2023 the Government approved a proposal from then Minister Darragh O’Brien to draft legislation to establish supports for the remediation of fire safety, structural safety and water ingress defects in purpose-built apartment buildings, including duplexes, constructed between 1991 and 2013.

It was also agreed by Government that the principle of retrospection will be provided for in the scheme, with the details of the process for making retrospective payments to be worked out.

2.3 Interim Remediation Scheme

On 11 December 2023, the Interim Remediation Scheme (IRS) was established and invited applications from owners’ management companies (OMCs). The purpose of the scheme is to provide an acceptable level of fire safety pending completion of full remedial works under the Statutory Scheme.

Out of the initial cohort of valid applications to the IRS, four were selected as pathfinders in May 2024 to ‘troubleshoot’ the application process and to pave the way for a smoother and quicker process for the remaining applicants. To date, due to unforeseen procurement issues, no grants for remediation works have been issued under the IRS and it looks as if it will be Q4 2025 before grants are approved for these pathfinders and works can commence.

As of the end of May 2025, 207 valid applications have been received for the IRS (the four pathfinders plus a further 203) representing nearly 20,000 units. The Alliance understands that the Housing Agency is planning to progress the applications of another 10-12 IRS applicants during 2025 which would mean that over 190 of the applications received to date would remain outstanding. Given the safety critical nature of the works under the IRS, the CDA is proposing that the processing of these applications and the issuing of grants to the OMCs concerned should be the priority for the IRS in 2026.

2.4 Retrospective Payments Pathfinders

As was mentioned earlier, the Government in its decision to proceed with the setting up of a remediation support scheme for defective apartments and duplexes on 18 January 2023 *‘agreed that the principle of retrospection will be provided for, with the details for making retrospective payments to be worked out’*.

The former Minister, Darragh O’Brien TD, in his statement on the Government decision on 18 January 2023 expanded on this as follows:

Government have approved the principle of allowing remediation costs already incurred or levied to be covered under the legacy defects scheme, within the scope and defined parameters of said scheme. The details and mechanics of this will be worked out as the legislation is drafted.

In response to Oral Questions in the Dáil from Deputies Eoin Ó Broin and Tom Brabazon on 20 March last, the current Minister, James Browne TD, reaffirmed former Minister O’Brien’s comments by saying that:

The Government has approved the principle of allowing remediation costs already incurred or levied to be covered under the forthcoming Statutory Scheme, once such costs fall within the scope and defined parameters of the latter.

In order to support the drafting of the legislative provisions around retrospective payments, a Retrospective Payments Pathfinder Exercise – focused on eight multi-unit developments (which contain approximately 2,000 units) where fire safety

remedial works have been completed or are near completion – was approved by Government on 22 October 2024.

Since the end of March 2025, those eight pathfinders have been engaging intensively with the Housing Agency to assist it in the process of scoping out a process for managing retrospective payments as well as the DHLGH with the drafting of the legislation.

In relation to payments to these eight pathfinders – and the remaining OMCs where fire safety remediation works have been completed – Minister Browne said the following on 11 June last in his reply to a Parliamentary Question from Deputy Ruth Coppinger:

It was agreed that Cabinet would be briefed on the outcome of the (pathfinder) exercise before any retrospective payments are made.

Given the considerable body of work undertaken by the eight pathfinders to assist Government in scoping out the legislative provisions in this area – and based on commitments made by former Minister Darragh O’Brien at a meeting with pathfinder representatives at a meeting in Beacon South Quarter on 29 October 2024 – we would expect the process of making payments to the pathfinders to begin in late 2025 and be completed at the latest in early 2026.

Therefore, financial provision should be made for retrospective payments to the pathfinders in 2026 – unless the payment process has been completed in 2025.

2.5 Legislative Underpinning

The Programme for Government adopted by the Government in early 2025 contains a commitment to legislate for and implement a comprehensive remediation scheme including retrospective payments for defective apartments.

In this context, the Government has listed the publication of the Heads of the Apartment and Duplex Defects Remediation Bill on its priority list for Summer 2025. However, given that the work on processing the information received from the eight retrospective pathfinders is still progressing, it seems extremely unlikely that the General Scheme of the Bill will be published before the summer recess – it is vital that it is published early in the Oireachtas’s autumn term.

Assuming that the Bill undergoes pre-legislative scrutiny before the Oireachtas Housing Committee this autumn and the Committee issues its recommendations before the end of 2025, that would allow the Bill to be passed before Easter 2026.

However, it is vital that this timetable be met in order for the statutory scheme to open by Q3 or 4 2026.

By that time, nine years will have passed since the Oireachtas Housing Committee completed its work on the *Safe as Houses?* report and over 15 years will have elapsed since the issue of defects first came to light through Priory Hall in 2011.

While the owners of defective apartments and duplexes have shown incredible patience and resilience over that period, their confidence in the Government's good intentions will decline rapidly if the statutory remediation scheme does not open for applications before the end of 2026.

3. Proposals and Costings

3.1 Interim Remediation Scheme

Given the slow start to the Interim Remediation Scheme over 2024 and 2025, it's likely that 2026 will do a lot of financial heavy lifting for this scheme.

In preparing its 2025 submission the Alliance consulted fire safety experts who have been managing remediation projects including the provision of interim measures. Based on current and recent projects the average costs in 2025 – on a per unit basis – were as follows:

Fire Alarm Upgrade	€3,879.85
Emergency Lighting	€1,410.47
Escape Route Works	€4,141.63
Competent professional fee	€500
<i>Total per unit</i>	<i>€9,931.95</i>

Allowing for 3% construction inflation, the 2026 estimated cost per unit would be €10,229.91.

As mentioned earlier in this submission, we are proposing that the outstanding initial applicants for the IRS – circa 200 applications representing 20,000 units – have their applications processed and grants issued in 2026.

Based on all of this, we are proposing that an allocation of **€204,598,200** (20,000 units x €10,229.91) be made for the Interim Remediation Scheme in 2026.

3.2 Providing for Retrospective Payments

While the Alliance is hopeful that the eight retrospective payments pathfinders will have payments made to them in 2025, it would be prudent to make provision in 2026 for payments in the event that they haven't been.

The eight pathfinders represent approximately 2,000 units with an estimated remediation cost of €25,000 per unit based on the 2022 Working Group report.

On this basis, a provision of **€50 million** should be made for retrospective costs in 2026.

3.3 Statutory Scheme

As we set out in 2.5 above, the best case scenario is that the statutory defects remediation scheme will open for applications in Q3 or 4 in 2026. Given that the turnaround time on applications will be at least six months, that scheme will not issue any grants in 2026 so no provision need to be made for it next year.

5. Conclusion

The Construction Defects Alliance wishes to thank the Departments of Finance; Public Expenditure and Reform; Housing, Local Government and Heritage – as well as the Ministers at the Departments – and Oireachtas members for the opportunity to make this submission.

We trust that the views expressed will be given due consideration in the deliberations over Budget 2026 and the measures that flow from that.

We submit that the measures proposed should be raised by all in whatever forum is appropriate, in particular with the Department of Housing, Local Government and Heritage.

We would be glad to expand on our proposals at a meeting or in another appropriate forum.