CONSTRUCTION DEFECTS ALLIANCE

Budget 2027 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

July 2026

Contents

1. Executive Summary

The year 2026 has seen important progress in implementing the January 2023 Government decision in relation to apartment and duplex defects remediation including:

- Works underway on three of the four Interim Remediation Scheme (IRS) pathfinder projects – with the fourth due to come on stream shortly – representing around 2,000 residential units;
- A further 40 OMCs commencing the IRS application process at some stage during the year;
- Increasing number of OMCs applying to the Housing Agency for inclusion in the IRS;
- Supports for owners' management companies (OMCs) being put in place to speed up the IRS grant application process in the form of panels of competent professionals and contractors as well as project management support;
- The Fire Detection and Alarm System Initiative (FDAS) has commenced reviewing applications for improving alarm systems in 10 of the OMCs that had applied to the IRS with works due to start on a number locations in the late summer or early autumn;
- Publication of the Apartment and Duplex Defects Remediation Bill this autumn, with enactment anticipated in early 2027.

Despite this progress significant challenges remain:

- The IRS grant application process remains slow (10 to 12 months) due to the requirements of full public procurement;
- Almost 22,000 apartments and duplexes from OMCs that have applied for the IRS remain unremediated and their residents are exposed to a higher than acceptable level of fire safety risk;
- On top of that – based on figures from the report of the Working Group on Defects in Housing – a further 10,000 to 30,000 units remain unremediated and their OMCs have yet to apply to the Housing Agency for the IRS;
- The owners of fully remediated (12,000) and partially (34,000) remediated units have not yet been reimbursed for the levies they have paid despite public commitments being made in 2024 that they would be paid in early 2025.

Budget 2027 represents a critical opportunity to accelerate the remediation of defective apartment and duplex developments, improve fire safety for thousands of residents and deliver on the Government's commitments to affected homeowners. The measures proposed in this submission by the Construction Defects Alliance (CDA) would provide meaningful improvements in resident safety while also restoring confidence that those who have already paid substantial remediation costs will be treated fairly.

The Alliance is therefore proposing the following measures for inclusion in Budget 2027:

Proposal	Allocation
Interim Remediation Scheme – progression of 40 OMC applications currently being processed	€43.81 million
Expansion of the Fire Detection and Alarm System Initiative to remaining eligible developments	€85.00 million
Retrospective reimbursement of homeowners in fully remediated developments	€180.00 million
Housing Agency administration, communications and engagement programme	€15.40 million
Total Proposed Budget 2027 Allocation	**€324.21 million**

- Provision needs to be made for grants to the 40 OMCs whose applications under the Interim Remediation Scheme commenced processing in 2026 at an estimated cost of **€43.81 million;**
- The remaining current IRS applicants should have their applications processed under the FDAS due to the speed at which grants can be awarded and works undertaken at an estimated cost of **€85 million**;
- Priority be given to reimbursing the owners of the 12,000 units estimated to have been fully remediated (as of March 2022) at an estimated cost of **€180 million**;
- A comprehensive communications and engagement programme gets underway to ensure that the OMCs representing between 10,000 to 30,000 totally unremediated units which have not yet registered with the Housing Agency do so. The proposed minimum allocation for this communications programme and the Housing Agency's administration costs should be **€15.4 million** (5% of the grants administered by the Agency).

Taken together, these proposals require a Budget 2027 allocation of €324.21 million and would significantly accelerate the implementation of the Government's apartment and duplex defects remediation programme.

2. Construction Defects Alliance

The Construction Defects Alliance 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.

In 2025, the Alliance appeared three times before the Housing JOC – on two of those occasions in relation to the Committee's pre-legislative deliberations on the General Scheme of the Apartment and Duplex Defect Remediation Bill. The CDA has also become an active participant in a Stakeholder Forum which includes representatives from the Department of Housing, Local Government and Heritage as well as the Housing Agency.

3. Submission Context

3.1 Scope of Apartment and Duplex Defects

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 (at 2022 prices);
- 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.

3.2 Government Decision, January 2023

Having considered 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.

3.3 Interim Remediation Scheme Rollout Challenges

The first part of the Government's response to the defects issue on foot of its decision in January 2023, emerged on 11 December 2023, when the Interim Remediation Scheme (IRS) was established and invited applications from owners' management companies (OMCs). The purpose of the scheme – which is administered by the Housing Agency – 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. Unfortunately, when the pathfinders were close to having grants approved in late 2024, it was recognised that the processing of the applications had to recommence in order to be compliant with the requirements of public procurement.

As of the end of June 2026, the four pathfinders have now received their grants and three of the four have commenced remediation works with the other due to do so in the coming weeks. The pathfinder process has provided a lot of insights including:

- Because of the requirements of full public procurement, preparing and processing grant applications takes between 10 to 12 months which is a major problem given that – as per the July 2022 Working Group report – tens of thousands of apartments do not have an acceptable level of fire safety;
- OMCs need hands-on procurement and project management support to enable them to more effectively engage with the preparation of their applications and overseeing their remediation works.

To help address some of these issues the Housing Agency:

- Has put in place a panel of eligible competent professionals who can tender for preparing OMCs' applications to the scheme and overseeing the subsequent works;
- Has begun a tendering process which will result in the appointment of project management specialists to assist OMCs;
- Will establish a panel of eligible contractors who can tender for the remediation works under this scheme.

While these measures are very welcome and will greatly assist OMCs, they are only likely to shorten the process of obtaining grants by a couple of months. In recognition of this reality – and in response to representations by the Construction Defects Alliance about the urgent need to speed up the process of addressing fire safety issues – the Government agreed to the Housing Agency developing the Fire Detection and Alarm System Initiative (more on this at 3.4 below).

Returning to the Interim Remediation Scheme, as of the end of May 2026, 274 valid applications have been received for the IRS (the four pathfinders plus a further 270) representing around 24,000 units. It's the Alliance's understanding that the Housing Agency is planning to commence progressing a further 40 applications during 2026 with these applicants drawing down grants in 2027.

3.4 Speeding Up Fire Safety Works – Fire Detection and Alarm System Initiative

As mentioned above, the Fire Detection and Alarm System Initiative (FDAS) got underway in March 2026 further to a Government decision in February of this year.

The FDAS is initially being rolled out with 10 OMCs that had applied to the IRS and where the buildings concerned were over 15 metres high and therefore had a higher risk fire safety risk rating. To speed up the application process and ultimately the installation of vital fire safety measures a ‘lighter touch’ procurement process – with a grant cap of €5,000 per apartment – is being deployed:

- In relation to the appointment of competent professionals, OMCs are required to seek quotes from three competent professionals with fire safety design experience (they can avail of the list of competent professionals on the Housing Agency’s dynamic purchasing system for the IRS if they wish) before making an appointment;
- The appointed competent professional conducts an assessment of the OMC’s fire and smoke detection and alarm systems to see if they meet 2024 standards and designs a plan to bring the systems up to the required standard, then engages with the local authority fire services and the Housing Agency in relation to the improvement plan and oversees the agreed programme of works;
- The OMCs in the FDAS are required to put the approved improvement plans out to tender with three contractors from the Housing Agency’s list of over 20 contractors who have expressed interest in taking part in the FDAS;
- After this process is completed, grant approval will be issued from the Housing Agency for the successful quote assuming it comes within the cap of €5,000 per unit with 50% of the grant paid up front and 50% on completion of the works.

Since March, all of the 10 OMCs taking part in the FDAS have appointed their competent professionals with some now having completed engagement with the local authorities and getting ready to put their works out to tender. It’s expected that all of the 10 will have received grant approval and have commenced works in 2026 with a number expected to have completed works in 2026.

Already, the FDAS – due to the lighter touch procurement requirements – has demonstrated a speed in progressing through the application process and getting to the works stage that has been unheard of under the IRS. And making speedy improvements is critical in ensuring a much higher base level of fire safety for residents of the country’s defective apartment and duplexes. As Dennis Keeley, former Chief Fire Officer with Dublin Fire Brigade and now Assistant CEO, Dublin City Council – who was a member of the group which drew up the DHLGH’s Fire Safety Code of Practice – said to the Housing JOC in November 2025:

> *“The most important thing…was ensuring people were safe, and the alarm system is the most basic and most important element of a fire safety strategy.”*

Given the slowness of progressing applications and works under the IRS outlined at 3.3 above and the relative speed in doing so under the FDAS – especially in the light of Denis Keeley’s comments on the central importance of fire and smoke detectors and alarms – the Construction Defects Alliance is proposing that all of the IRS applicants that have not had their applications progressed in 2026 should be offered a place under the FDAS in 2027.

The significance of the FDAS extends beyond the 10 OMCs currently participating. It has demonstrated that meaningful fire safety improvements can be delivered in months rather than years. While full remediation remains the ultimate objective, the FDAS offers Government the opportunity to rapidly improve safety outcomes for thousands of residents pending completion of the statutory remediation programme.

3.5 Thousands of Apartments Outside the System

As we know 274 OMCs have applied to the Interim Remediation Scheme representing around 24,000 unremediated defective apartments and duplexes. However, the Working Group identified that somewhere between 33,750 to 54,000 units had not undergone any remediation as of March 2022. Based on these figures, it's clear that somewhere between 10,000 to 30,000 defective units have not yet come within the ambit of either the IRS or the FDAS.

The Alliance knows from its engagement with OMCs that many are reluctant to engage with the Housing Agency on the defects issue for a range of reasons:

- Legislation has not yet been published or passed so the parameters of the defects' remediation schemes are not yet clear;
- Justified concerns that block insurance costs will dramatically rise if the OMC puts its metaphorical 'head above the parapet' on defects;
- Worries that apartment owners will either not be able to sell their apartments or will only be able to sell to cash buyers for a lower price if they engage with the Housing Agency.

Whatever the cause of the lack of engagement, there is a real need to bring the OMCs representing these thousands of apartments in from the cold in order to address the safety issues in these complexes. This will require consistent and persistent communications and engagement throughout 2027 particularly given that the legislation will have been passed and the statutory scheme commenced.

3.6 Advancing Reimbursement of Owners

As was mentioned at 3.2 above, 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 2025, 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.

During 2025, those eight pathfinders engaged 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.

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 immediately the legislation is commenced early in 2027. In addition, given that many apartment owners started paying defects remediation levies a decade or so ago, it's imperative that the owners of the 12,000 apartments estimated by the Working Group to have completed their remediation works are reimbursed in 2027.

3.7 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.

While it was hoped that the Apartment and Duplex Defects Remediation Bill would be published before the summer recess in July 2026, it is now expected that publication will take place after the summer recess in autumn 2026 enabling the legislation to be passed by early 2027 (hopefully), at the latest. The good news is that DHLGH has been developing the scheme and all of its regulations in parallel to the drafting of the legislation. This should mean that the commencement of the scheme will take place at the same time as the commencement of the legislation in early 2027.

By that time, nine years will have passed since the Joint Oireachtas Housing Committee published its *Safe as Houses?* report and 16 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 – in all of its aspects – does not open for applications by early spring 2027.

3.8 Wider Housing and Economic Impacts

While the primary objective of the Government's remediation programme is to address fire safety, structural safety and other defects, the wider housing impacts of unresolved defects should not be overlooked.

Apartment owners affected by defects often face significant barriers to selling or refinancing their homes because of the uncertainty surrounding remediation costs and timelines. This can limit mobility within the housing market and prevent households from moving for employment, family or other personal reasons.

More broadly, the continued existence of large numbers of defective apartment developments risks undermining confidence in apartment living and higher-density residential development. At a time when Government policy is rightly seeking to increase housing density and promote compact urban growth, it is important that existing apartment owners can have confidence that defects will be addressed comprehensively and without undue delay.

Resolving apartment and duplex defects is therefore not simply a building safety issue. It is also a housing supply, housing mobility and urban development issue. Accelerating remediation and reimbursement will help ensure that tens of thousands of homes can participate fully in the housing market while supporting broader Government housing objectives.

4. Proposals and Costings

4.1 Summary of Proposed Actions

Based on the Alliance's analysis of the current context set out in Section 3 above, the following actions are central to our proposals for Budget 2027 which are set out in more detail below:

- Progressing the Interim Remediation Scheme;
- Ramping up the Fire Detection and Alarm System Initiative;
- Reimbursing Owners;
- Communicating and administering the schemes.

4.2 Progressing the Interim Remediation Scheme

Given the slow start to the Interim Remediation Scheme over 2024, 2025 and 2026, it's likely that 2027 will see a lot more financial heavy lifting for this scheme – especially with the 40 applications that will commence progression by the Housing Agency in 2026.

In preparing its Budget 2025 submission the Alliance consulted fire safety experts who had been managing remediation projects including the provision of interim measures. Based on those 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	€950.00
Total per unit	**€10,381.95**

Allowing for 5.5% construction inflation for 2026 and 2027 combined, the 2027 estimated cost per unit would be €10,952.96.

Given the challenges around the time involved in progressing applications, the Alliance – for the purposes of this submission – is assuming that the 40 applicants that the Housing Agency have commenced or will commence processing in 2026 will receive their grants in 2027.

Based on all of this, we are proposing that an allocation of **€43.81 million** (4,000 units x €10,952.96) be made for the Interim Remediation Scheme in 2027.

4.3 Ramping up the Fire Detection and Alarm System Initiative

As this submission has set out in Section 3, the FDAS clearly offers the fastest and most effective means of raising the base level of fire safety to an acceptable level for the tens of thousands of apartments that do not yet have such an acceptable level.

Excluding the circa 7,000 units in the four IRS pathfinder projects, those in the 40 complexes that will commence progression through the IRS in 2026 and the apartments and duplexes contained in the initial 10 OMCs going through the FDAS in 2026, there are a remaining 17,000 units in the system that we are proposing be progressed through the FDAS in 2027.

Given that there is currently a cap of €5,000 per unit, we are proposing that an allocation of **€85 million** be made for the FDAS in 2027.

4.4 Reimbursing Owners

While the Alliance was hopeful – based on public statements made by former Minister O'Brien – that the owners in eight retrospective payments pathfinder projects and thousands of others would have received retrospective payments by now. Unfortunately, this has not been the case, so it is incumbent on Government to make good on the commitments made to these owners – as far back as 2023 and 2024 – in 2027.

The Working Group estimated that 12,000 units had been fully remediated as of March 2022 and we are proposing that in 2027 the owners of these units should be reimbursed. While the Working Group estimated remediation costs at €25,000 per unit, the Alliance understands that the figures emerging from the Retrospective Payments Pathfinder Exercise were closer to €15,000 per unit.

While final figures will only become clear once the Retrospective Payments Pathfinder Exercise has concluded and the statutory scheme is commenced, the Alliance believes that €15,000 per unit represents a prudent and evidence-based planning assumption for Budget 2027 purposes. On that basis, provision should be made for the reimbursement of owners in the approximately 12,000 units estimated by the Working Group to have completed remediation works by March 2022.

On this basis, the Alliance is proposing that a provision of **€180 million** should be made for retrospective costs in 2027.

4.5 Administration and Communications Costs

As set out in Section 3.6, the current expectation is that the apartment and duplex defects remediation legislation will be enacted and the statutory remediation scheme will commence during the first half of 2027. However, given that the assessment and processing of applications is likely to take up to 12 months, it is unlikely that significant grant payments under the statutory scheme will be made during 2027, other than retrospective reimbursement payments.

Notwithstanding this, substantial resources will be required to support the administration of the Interim Remediation Scheme, the Fire Detection and Alarm System Initiative and the new statutory remediation scheme. In addition, there will be a need for a sustained communications and engagement programme to ensure that owners' management companies (OMCs) representing the estimated 10,000 to 30,000 defective apartments and duplexes that remain outside the system engage with the Housing Agency and avail of the supports available to them.

Given the scale of these administrative and communications requirements, the Alliance proposes that a minimum allocation equivalent to 5% of proposed grant expenditure in 2027 be provided to the Housing Agency. Based on the allocations proposed in this submission, this would amount to €15.4 million.

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 2027 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.

The Alliance believes that 2027 will be a decisive year in addressing apartment and duplex defects. With legislation expected to be in place and the necessary implementation structures established, Budget 2027 provides an opportunity to move from planning and pathfinding to large-scale delivery. The allocations proposed in this submission would accelerate fire safety improvements, honour commitments made to homeowners who have already paid substantial remediation costs and support broader Government housing objectives by restoring confidence in apartment living and higher-density residential development.

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