

30/10/2025

Re: Freedom of Information request 202514 – Request Part-Granted

Dear

I refer to your request dated 30.09.2025 and received on the 01.10.2025 which you have made under the Freedom of Information Act 2014 for records held by this FOI body. Your request sought:

- *a copy of any records held by the CEO referring or relating to a report from the Dept of Finance that said the LDA would make only a "minor contribution" to housing targets. For avoidance of doubt, it is the issue reported on in the following newspaper article: <https://www.irishtimes.com/ireland/housing-planning/2025/09/10/lda-will-make-only-minor-contribution-to-housing-targets-in-near-term-report-finds/>*

I wish to inform you that I have decided to part-grant your request on the 30.10.2025.

The purpose of this letter is to explain that decision.

1. Findings, particulars and reasons for decisions to deny access.

On receipt your request was forwarded to the relevant sections within the LDA to identify records held which were within the scope of your request, *"a copy of any records held by the CEO referring or relating to a report from the Dept of Finance that said the LDA would make only a "minor contribution" to housing targets"*.

The records requested are attached to this decision letter for your information.

A number of redactions have also been applied to the attached records under Sections 36(1), 37(1) and 40(1) of the Act. These redactions are detailed in the Schedule of Records in **Appendix 1**.

I also wish to advise that one record which was received by the LDA is identical to the published copy available online at the following link [Report on the sustainable funding options for the Land Development Agency.pdf](#), and includes redactions applied by the Department of Finance in advance of publication.

Section 36 states that:

Commercially Sensitive Information

36 1) Subject to subsection (2), a head shall refuse to grant an FOI request if the record concerned contains:

(b) financial, commercial, scientific or technical or other information whose disclosure could reasonably be expected to result in a material financial loss or gain to the person to whom the information relates, or could prejudice the competitive position of that person in the conduct of his or her profession or business or otherwise in his or her occupation.

(c) information whose disclosure could prejudice the conduct or outcome of contractual or other negotiation of the person to whom the information relates.

Therefore, I am refusing the release of parts of the records under the provisions of section 36(1)(b) and 36(1)(c) as they contain commercially sensitive information.

Public Interest Test

There is a Public Interest Test associated with section 36 of the FOI Act whereby my decision must be made having fully considered the harm and public interest relevant to this request.

I have considered the public interest issues which arise in this case and have taken account of the following factors in favour of release:

- Ensuring openness and transparency of organisational functions to the greatest possible extent, in particular in regards the expenditure of public money.
- The public interest in members of the public exercising their rights under the FOI Act.
- Ensuring fairness of procedures and that decisions are fair and equitable and evenly applied.

In considering the public interest factors which favour withholding the records I have taken account of the following:

- The public interest is not best served by releasing this record.
- That these records contain references to an ongoing commercial process.

- Disclosure could give competitors unfair access to confidential output projections, leading to loss of competitive advantage.
- Disclosure might impact ongoing negotiations surrounding debt leveraging.
- Release might allow third parties to exploit the information, causing material financial harm to the LDA or financial benefit to competitors.

Having balanced the public interest factors both for and against the release, I decided that the public interest in preserving the information and the reasonable expectation that information can be maintained in a confidential manner by the LDA outweighs the public interest which would be served were the detail released to you.

The LDA's position within the housing market and the function of its being is to provide housing that complies with relevant Government policy, the LDA Act, the Affordable Housing Act and associated regulations, in particular those regulations relating to Cost Rental Designation. In circumstances where the LDA is required to compete with the private sector in relation to the purchase of land from other entities, the provision of this information publicly would undermine the position of the LDA in any bidding process as the vendor and other bidders, including private developers, would be aware of the LDA's approach. This would lead to an unfair competitive advantage to the vendors and those developers and result in the LDA either not being successful in purchasing land or having to pay significantly increased prices for the same land.

Section 37-Personal Information

Under the FOI Act, records are released without any restriction as to how they may be used and thus, release under the FOI Act, is in effect, and regarded as being released to the world at large. As a result, I am conscious of my obligations to retain personal information in a confidential and secure manner and prevent personal information from being released into the public domain unnecessarily.

Additionally, the LDA as a matter of course redacts the mobile phone numbers and email addresses of employees as these are part of the body's IT security management.

Section 2 of the FOI Act defines personal information as follows:

2. (1) In this Act "personal information" means information about an identifiable individual that, either:

(a) would, in the ordinary course of events, be known only to the individual or members of the family, or friends, of the individual, or

(b) is held by an FOI body on the understanding that it would be treated by that body as confidential, and, without prejudice to the generality of the foregoing, includes (iii) information relating to the employment or employment history of the individual.

Section 37(1) provides that a public body shall refuse to grant a request if access to the records concerned would involve the disclosure of personal information. I am satisfied that parts of certain records relate to third parties employed outside of the LDA and I am satisfied that the records consist of personal information.

Public Interest Test

There is a Public Interest Test associated with section 37 of the FOI Act whereby my decision must be made having fully considered the harm and public interest relevant to this request.

I have considered the public interest issues which arise in this case and have taken account of the following factors in favour of release:

- Ensuring openness and transparency of organisational functions to the greatest possible extent.
- The public interest in members of the public exercising their rights under the FOI Act.
- That there is more than just a transitory interest by the public in this information.
- The right to privacy is outweighed by the needs of the public.

In considering the public interest factors which favour withholding the records, I have taken account of the following:

- The public interest is not best served by releasing these records.
- That the Organisation can conduct its business in a confidential manner.
- That the integrity of the Land Development Agency's IT security infrastructure is protected.
- The prevention of cyberattacks.
- That there is no overriding public interest that outweighs the individual's right to privacy.
- Allowing a public body to hold personal information without undue access by members of the public.

Having balanced the public interest factors both for and against the release, I decided that the public interest in preserving the information and the reasonable expectation that information can be maintained in confidential manner by the LDA outweighs the public interest which would be served were the detail released to you.

Section 40(1)(b) and 40(1)(d) state:

Financial and economic interests of the State

40. (1) A head may refuse to grant an FOI request in relation to a record (and, in particular, but without prejudice to the generality otherwise of this subsection, to a record to which subsection (2) applies) if, in the opinion of the head—

(b) premature disclosure of information contained in the record could reasonably be expected to result in undue disturbance of the ordinary course of business generally, or any particular class of business, in the State and access to the record would involve disclosure of the information that would, in all the circumstances, be premature,

(d) access to the record could reasonably be expected to result in an unwarranted benefit or loss to a person or class of persons.

For this exemption to apply the record must relate to subsection (2)-

(2) This subsection applies to a record relating to—

(d) borrowing by or on behalf of the State or a public body,

(n) information the disclosure of which could reasonably be expected to affect adversely the competitive position of a public body in relation to activities carried on by it on a commercial basis,

(o) the economic or financial circumstances of a public body,

Public Interest Test

There is a Public Interest Test associated with section 40 of the FOI Act whereby my decision must be made having fully considered the harm and public interest relevant to this request.

I have considered the public interest issues which arise in your request, and have taken account of the following factors in favour of release:

- Ensuring openness and transparency of organisational functions to the greatest possible extent.
- The public interest in members of the public exercising their rights under the FOI Act.
- That there is more than just a transitory interest by the public in this information being released.

- The right to commercial confidentiality is outweighed by the needs of the public.

In considering the public interest factors which favour withholding the records as detailed in your request, I have taken account of the following:

- Allowing a public body to hold commercial information without undue access by members of the public.
- That the LDA is not prevented or impeded from the effective pursuit of its legitimate business.
- That the LDA can properly discuss debt and projections without premature access by members of the public
- That the LDA can conduct its commercial operations without fear of premature disclosure.

The LDA has a unique position in the Irish housing market. The LDA is the only commercial public body operating in the Irish housing market. It is the only developer operating in the market that has Ministerial shareholders. The LDA has the full support of its Ministerial shareholders, and the scale, the strategy and the funding required in order to deliver large-scale residential developments.

This release of financially sensitive information that would result in a material financial loss would prejudice the LDA's already almost impossible competitive position and therefore prejudice its ability to negotiate with selling entities and indeed developers.

The financial and economic interests of the State would undoubtedly be impacted negatively if access was permitted to the information in question as release of this information directly impacts the price to be paid for the acquisition of land to service the LDA's needs which if not achieved adds further to the housing crisis.

The public interest is not served by a release of the information in question but by allowing the LDA achieve its targets and holding onto its commercial sensitive trade secrets on how it can do business.

2. Right of Appeal

In the event that you are unhappy with this decision you may appeal against it. If you need to make such an appeal, you can do so by writing to the Freedom of Information Unit, Land Development Agency, 4th Floor, Ashford House, Tara Street, Dublin 2 or by e-mail to foi@lda.ie.



An Ghníomhaireacht Forbartha Talún
The Land Development Agency

Please note that the fee applies. This fee has been set at €30 (€10 for a Medical Card holder). Payment should be made by way of bank draft, money order, postal order or personal cheque, and made payable to Head of Finance, Land Development Agency, 4th Floor, Ashford House, Tara Street, Dublin 2.

Payment can be made by electronic means, using the following details:

The Land Development Agency DAC
IE61AIBK93101264101092
BIC: AIBKIE2D

You must ensure that your FOI reference number (**FOI 202514**) is included in the payment details.

You should make your appeal within 4 weeks of the date of this notification, where a day is defined as a working day excluding the weekend and public holidays. However, the making of a late appeal may be permitted in appropriate circumstances. The appeal will involve complete reconsideration of the matter by a more senior member of the staff of this body.

Please be advised that the Land Development Agency replies under Freedom of Information may be released into the public domain via our website at lda.ie.

Personal details in respect of your request have, where applicable, been removed to protect confidentiality.

Should you have any questions or concerns regarding the above, please contact me by telephone on (01) 9103400.

Yours sincerely,

A handwritten signature in blue ink that reads 'M. Szyszko'.

Monika Szyszko,
Senior Compliance Manager

Appendix 1: Schedule of Records

Requester name:		Request Re:202514			
Page number	Description of document	Deletions	Relevant section of FOI Act	Reasons for deletion	Decision Maker's decision
1-2	Record 1: Email thread subject line FW: Report on the sustainable funding options for the LDA publication	Email addresses and mobile phone numbers	37	Personal information	Part grant
3-4	Record 2: Untitled email John Coleman to Lisa-Dee Collery	Commercially Sensitive Information	36	Commercially Sensitive Information	Part grant
		Email address	37	Personal information	
		References to projections and potential borrowing	40	financial and economic interests of the State	
5-82	Record 3: Report on the sustainable funding options for the Land Development Agency - Redacted for publication	N/A	N/A	N/A	Grant
		Total number of pages			82
		Total number of pages for full release			78
		Total number of pages for partial release			4
		Total number of pages being withheld			0

From: John Coleman
Sent: Wednesday 10 September 2025 19:43
To: Lisa-Dee Collery
Subject: FW: Report on the sustainable funding options for the LDA - publication
Attachments: Report on the sustainable funding options for the Land Development Agency - Redacted for publication.pdf



John Coleman

CEO

[@lda.ie](#)

The Land Development Agency

4th Floor, Ashford House, Tara Street, Dublin, D02 VX67

T: [+353.1.9103400](tel:+35319103400) | www.lda.ie



Stiúrthóirí / Directors: Mr C O'Rourke (Cathaoirleach / Chairperson), J Coleman (Chief Executive / Príomhfheidhmeannach), A Markey, G Smith, J O'Connor, B Keogh, S Neely, J Palmer, J Connors.
The Land Development Agency, a designated activity company, limited by shares, registered in Ireland at Ashford House, Tara Street, Dublin D02 VX67. No 710453
An Ghníomhaireacht Forbartha Talún, cuideachta ghníomhaíochta ainmnithe, faoi theorainn scaireanna, cláraithe in Éirinn ag Teach Ashford, Sráid na Teamhrach, Baile Átha Cliath D02 VX67. Uimhir 710453

From: Siobhan Abrook (DFIN) <[REDACTED]>
Sent: Wednesday, September 10, 2025 1:10 PM
To: John Coleman <[REDACTED]>; Róisín Henehan <[REDACTED]>
Cc: Aileen Gleeson (DFIN) <[REDACTED]>; Oliver Gilvarry (DFIN) <[REDACTED]>; Joseph McDonagh (DFIN) <[REDACTED]>; Paul Hogan (Housing) <[REDACTED]>; Laura Behan (Housing) <[REDACTED]>; Eoin Dornan (Housing) <[REDACTED]>; David Crowe (Housing) <[REDACTED]>
Subject: Report on the sustainable funding options for the LDA - publication

Section 37

CAUTION: This email originated from outside of the organisation. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear John and Róisín,

We wanted to update you on the report prepared on behalf of the Housing For All Investment subgroup on the sustainable funding options for the LDA. The Memo and report were brought to the cabinet meeting this morning.

As previously highlighted and discussed, a redacted version of the report will be published on the Department of Finance website (redacted version attached).

Kind regards,

Siobhán

Siobhán Abrook

LDA Funding Review, Future Ireland Fund, Infrastructure Climate & Nature Fund
Banking Division

An Roinn Airgeadais

Department of Finance

An Chéad Uirlár, Bloc 1, Plaza Miesian, 50–58 Sráid Bhagóid Íochtarach, Baile Átha Cliath 2, D02 XW14
First Floor, Block 1, Miesian Plaza, 50 - 58 Lower Baggot Street, Dublin 2 D02 XW14

T +353 (0)1 604 5703

M +

www.finance.gov.ie

Section 37

Tá an fhaisnéis atá sa ríomhphost seo (agus in aon cheangaltáin) faoi rún agus is don fhaighteoir/do na faighteoirí beartaithe é agus é/iad sin amháin. Mura tusa an faighteoir beartaithe, níor cheart duit an teachtaireacht seo ná aon chuid di a úsáid, a nochtadh, a chóipeáil, a dháileadh ná a choinneáil. Sa chás gur trí earráid a fuair tú an ríomhphost seo, tabhair fógra dom láithreach faoi sin agus scríos gach cóip den ríomhphost seo ó do ríomhchóra(i)s. Tabhair faoi deara go bhféadfaidh an ríomhphost seo agus aon fhreagra air bheith faoi réir iarraidh ar a eisiúint de bhun an Achta um Shaoráil Faisnéise

The information contained in this email (and in any attachments) is confidential and is designated solely for the attention and use of the intended recipient(s). If you are not an intended recipient of this email, you must not use, disclose, copy, distribute or retain this message or any part of it. If you have received this email in error, please notify me immediately and delete all copies of this email from your computer system(s). Please note that this email and any reply thereto may be subject to a request for release pursuant to the Freedom of Information Act.

Record 2

From: John Coleman
Sent: Wednesday 10 September 2025 20:19
To: Lisa-Dee Collery

In relation to the 'minor contribution' point:

- With 6,000 homes under construction currently, the LDA is likely now Ireland's largest housing producer, public or private sector.
- Hence, the LDA disagrees that it will make a minor contribution to housing delivery and the line lacks important context.
- The 2,054 homes referenced in the Department of Finance report represents the beginning of a programme of delivery that takes some years to develop as sites are taken through the design and planning process. There are normal industry timeframes and are similar to the delivery timeframes of the largest plc housebuilders.
- [REDACTED] Section 40 & 36
- The vast majority of this delivery is affordable housing, and hence acts as a brake on prices in the wider market and is serving middle-income earners who are excluded from affordable housing access currently.

In relation to the wider funding piece:

- The LDA notes the Programme for Government commitment to capitalise it out to 2030, while increasing its delivery targets.
- The LDA currently requires State funding support to achieve this ambition, given the major scale of its pipeline.
- [REDACTED] Section 36
- [REDACTED] Section 40
- Further, the LDA is currently entering several partnerships with housebuilders to engage non-State resources in the delivery of its homes.
- The LDA will continue to evolve its funding strategy in consultation with colleagues in the Government over the coming months and years.
- In the meantime, the LDA continues to be one of the main State housing delivery interventions and continues to implement its mandate.



John Coleman
CEO
[REDACTED]@lda.ie

Section 37

The Land Development Agency
4th Floor, Ashford House, Tara Street, Dublin, D02 VX67
T: +353.1.9103400 | www.lda.ie

Stúirthóirí / Directors: Mr C O'Rourke (Cathaoirleach / Chairperson), J Coleman (Chief Executive / Príomhfheidhmeannach), A Markey, G Smith, J O'Connor, B Keogh, S Neely, J Palmer, J Connors.
The Land Development Agency, a designated activity company, limited by shares, registered in Ireland at Ashford House, Tara Street, Dublin D02 VX67. No 710453
An Ghníomhaireact Forbartha Talún, cuideachta ghníomhaíochta ainmnithe, faoi theorainn scaireanna, cláraithe in Éirinn ag Teach Ashford, Sráid na Teamhrach, Baile Átha Cliath D02 VX67. Uimhir 710453



An Roinn Airgeadais
Department of Finance

Report on the sustainable funding options for the Land Development Agency

February 2025

Prepared by the Department of Finance

www.gov.ie/finance

Important Notice

This report was prepared by the Department of Finance for the consideration of the Government, as part of the Housing for All Investment Workstream. A subgroup of this Workstream was created to examine the funding options available to the Land Development Agency (LDA).

The subgroup received input from a range of stakeholders, whose contributions were considered by the Department of Finance in the drafting of the report. The drafting of this report took place between Q3 2024 and Q1 2025. The draft report was brought to the Housing for All Investment Workstream in February 2025.

Following observations received from this meeting, the report was finalised in February 2025. In line with the subgroup's terms of reference, the final version of this report was brought to Government for its consideration in July 2025.

Public Release

In drafting this report, the Department of Finance was cognisant of the need to provide a full and clear picture of the status of the LDA and related housing environment. This resulted in extensive information being sought from and provided by the Land Development Agency and Housing Finance Agency, amongst others, in relation to their operations.

Given the commercially sensitive nature of some of this information, the report has been amended for public release. In consultation with the parties concerned, the Department has sought to redact the minimum information necessary, to protect the operations of the parties while retaining the report's overall findings and message.

Table of Contents

Important Notice	2
1. Approach	6
1.1 Background	6
1.2 Report Structure	6
2. Executive Summary	8
3. LDA Background and Overview	13
3.1 Evolution of LDA Mandate	13
3.1.1 LDA Delivery Streams	15
3.2 LDA Corporate Structure	20
3.3 LDA Governance Structure	21
3.3.1 The Board	21
3.3.2 LDA organisational change	22
3.3.3 Capital Commitments Framework	23
3.4 Balance Sheet Treatment	24
3.5 LDA Current Funding Commitment	24
4. State Funding of Housing	26
4.1 Exchequer Housing Expenditure	26
4.2 Supports available to the LDA	27
4.3 Other Non-Exchequer State Funding	29
4.3.1 Home Building Finance Ireland (HBFI)	29
4.3.2 Ireland Strategic Investment Fund (ISIF)	29
5. State Funding of Social and Affordable Homes	30
5.1 Approved Housing Bodies (AHBs)	30
5.1.1 Regulation	30
5.1.2 AHB presence in Housing Market	31
5.1.3 AHB Funding structure & relevant supports	34
5.2 Local Authority (LA)	36
5.2.1 Housing	36
5.2.2 Local Authority Funding structure	36
5.3 LDA Partnership with Local Authorities and AHBs	37

6.	Housing Finance Agency (HFA)	39
6.1	<i>Housing Finance Agency (HFA)</i>	39
6.1.1	HFA Guaranteed Notes Programme	39
6.1.2	Overview of HFA’s debt (liabilities)	40
6.1.3	Growth in HFA Loan Portfolio	41
7.	LDA Funding Requirements and Delivery	42
7.1	<i>Delivery and Funding Overview 2024-2028</i>	42
7.1.1	LDA Funding 2024-2028 Summary	42
7.2	<i>Income Sources Key Assumptions</i>	43
7.2.1	Operating Cashflow	43
7.2.2	External Debt	43
7.2.3	State Funding	44
7.2.4	LDA Summary Income Statement 2024-2028	44
7.3	<i>LDA Projected Housing Delivery 2023-2028</i>	45
7.3.1	Projected Units by Delivery Stream	45
7.3.2	Units by Tenure type	46
7.4	<i>LDA Actual Housing Delivery 2022-2024</i>	47
8.	LDA Funding Options	48
8.1	<i>Rental and Sales Income</i>	48
8.2	<i>Debt Funding</i>	49
8.2.1	European Institutions Debt Funding	50
8.2.2	Council of Europe Development Bank (CEB)	51
8.3	<i>Exchequer Funding</i>	52
8.4	<i>Non-Exchequer State Funding</i>	52
9.	Key Policy Considerations	54
9.1	<i>LDA Mandate</i>	54
9.1.1	Tenure Mix and Typology	56
9.2	<i>Role of the State in Funding Housing Delivery</i>	57
9.3	<i>Role of the LDA and Interaction with Other Stakeholders</i>	58
9.4	<i>Organisational Capacity and Risk Management</i>	59
10.	Conclusion	61

11. Appendix 1 – Government Housing Strategies	65
11.1 Project Ireland 2040	65
11.1.1 National Planning Framework	65
11.1.2 National Development Plan 2021 – 2030	65
11.2 Housing for All	66
11.2.1 Housing for all – updated targets	66
12. Appendix 2 – Exchequer Housing Supports	67
12.1.1 Schemes in Housing for All	67
12.2 Exchequer Supports	68
12.2.1 Affordable housing Schemes and supports	68
12.2.2 Social Housing schemes and Supports	69
12.2.3 Affordable Housing subsidies and schemes	70
12.2.4 Other Housing Supports	72
12.3 Exchequer Housing Supports Expenditure	73
13. Appendix 3 – Terms of Reference	74
14. Appendix 4 – Sources	77

1. Approach

1.1 Background

The Housing for All Investment Workstream was established to support the delivery of the Government's Housing for All plan. Following the Cabinet Committee on Housing on 27 November 2023, it was agreed that a sub-group of the Investment Workstream would be established to advance discussions on the potential sources and mechanism for funding the Land Development Agency (LDA).

This sub-group approached the review through two phases. The first phase spanned over Q1 / Q2 2024 where the subgroup held a number of meetings and presentations with relevant stakeholders. These presentations focused on different aspects of housing landscape in Ireland from key stakeholders, including the Housing Finance Agency (HFA), an Approved Housing Body (AHB) and the LDA, as well as Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation (DPEIPSRD) and Department of Housing, Local Government & Heritage (DHLGH). This covered a wide range of topics in order to develop a comprehensive understanding of housing landscape including:

- Existing Exchequer supports provided across all Housing schemes and in particular to the LDA;
- LDA mandate, current corporate governance structure and current funding model;
- Housing Finance Agency structure; and
- How AHBs are structured, funded and their role in the housing market.

Phase two was conducted over Q3 and Q4 2024 and focused on the drafting of the report, consolidating the information gathered, and was supported by engagement with relevant stakeholders as required in order to provide further context and inform the identification of funding options.

This report sets out the funding levels already committed to the LDA, the landscape in which the LDA operates and the options available for meeting the funding needs of the LDA. The report will help ensure that future delivery targets for the Agency are considered in tandem with consideration of the required funding to support those targets.

1.2 Report Structure

The Report is structured as follows:

- **Executive Summary** outlining the key findings and themes emerging from the report;
- **LDA Background** provides an overview of the evolution of the mandate of the LDA, as well as information on its delivery streams, corporate structure, governance and current funding.
- **State Funding of Housing** provides an overview of State funding of housing, placing the LDA within the context of the State's overall interventions and supports for housing delivery.
- **State Funding of Social and Affordable Homes** provides information on how comparable entities, delivering a similar mandate to the LDA, are supported and funded.

- **Housing Finance Agency (HFA)** provides detail on the operation and funding of the HFA.
- **LDA Funding Requirements** sets out the funding requirements and current delivery pipeline of the LDA.
- **LDA Funding Options** provides information on each of the four potential sources of funding for the LDA.
- **Key Policy Considerations** outlines the key factors which impact any decision on the mandate of the LDA and its funding requirements.
- **Conclusion** sets out the key conclusions arising from the report.
- **Appendices** include an Appendix setting out further details on the following:
 - Government Housing Strategies
 - Range of Exchequer supports for housing delivery, and
 - Terms of Reference of the sub-group

2. Executive Summary

The purpose of this report is to set out the funding options of the Land Development Agency (LDA). To inform the report, and to provide context to any discussion on the funding of the LDA, the sub-group engaged with a number of key stakeholders, including an Approved Housing Body (AHB), the Housing Finance Agency (HFA) and the LDA.

Key Policy Considerations:

A key conclusion emerging from the work of the sub-group is that in considering a sustainable funding model for the LDA, a number of key policy considerations arise. Each of these considerations has a material impact on both the level of funding required by the LDA, as well as the options available to source this funding. In particular, the interplay of the following factors must be considered in any decision on the funding of the LDA:

1. LDA mandate (including tenure mix and typology)
2. Role of the State in funding housing delivery
3. Role of the LDA and interaction with other stakeholders
4. Organisational capacity and risk management

The key policy objectives of the LDA should be considered over the medium to long term, to ensure that the Agency complements other State interventions in housing and brings additionality to the market.

The report sets out how the mandate of the LDA has evolved and expanded since the intention to establish a Land Development Agency was first announced in 2018, through Project Ireland 2040¹. The initial policy objective was that the Agency would ensure more effective co-ordination and management of the development of lands, in particular publicly-owned lands, to deliver more compact and sustainable growth. It was also intended to deliver a tenure mix of private, social and affordable homes.

Crucially, the inclusion of the delivery of private homes in the initial mandate of the LDA provided a business model whereby receipts from private housing sales would be recycled internally. This model would therefore ensure that the LDA could become income generating over time and not wholly reliant on State funding. For this reason, the LDA Act 2021 provided that the LDA could also borrow an additional €1.25 billion from private markets, on the assumption that the debt could be serviced through the Agency's income-generating activity.

However, as the mandate of the Agency has evolved, its focus is now on the delivery of social and affordable homes. This has resulted in the Agency becoming almost wholly reliant on State funding, at least in the short to medium term. The evolution and expansion in the mandate of the LDA has had the dual effect of increasing the burden on the State to fund the Agency, while at the same time constraining the options available to the Agency to source additional income from private sector sources, including sourcing debt from either State or private capital sources. The report concludes that with no further change to its mandate, the LDA is highly likely to remain wholly reliant on the State for its funding over the near term, through a combination of exchequer and non-exchequer resources. Once the Agency reaches a steady state and assets are fully operational and at a reasonable scale, the LDA may be

¹ Section 10.1 Project Ireland 2040

better positioned to raise funding from the income generated from these assets. Furthermore, policy decisions in relation to the typology and tenure type of housing to be delivered by the LDA may support additional income generation opportunities, thereby reducing its reliance on State funding within a shorter timeframe. This could include private market sales, additional sales of affordable homes, or partnership with private equity partners for the onward sale of stabilised cost-rental assets.

Consideration of the mandate of the LDA in the context of the State's overarching role in housing delivery is also critical. With the evolution of its mandate, the LDA now assumes five roles in the housing market, namely (a) direct delivery on State lands (b) the acquisition of completed homes from developers, (c) the provision of funding to developers, through forward funding the construction phase of development, (d) the management of rental properties and (e) the assembly of land. Each of these roles requires specific expertise and appropriate organisational structures. If the LDA is to be effective, it must have clarity and consistency of mandate in order to deliver additional supply in the market.

The report also finds that any increased funding provided to the LDA, and any change in the mandate of the Agency, must be considered in tandem with the capacity of the organisation to deliver and the interaction of the Agency with other similar entities delivering housing. In particular, those which are funded by the State, such as AHBs and Local Authorities.

It is evident that providing additional funding to the LDA alone will not guarantee that the Agency can achieve the policy objectives set. Of equal importance are other factors that will determine success, such as the organisation's capacity to deliver and its impact on, and interaction with, other stakeholders in the housing market. Where additional funding is provided, this funding should be associated with priority areas of delivery, where the LDA can maximise the impact of its funding allocation and deliver additional supply of housing. This could mean a re-focus of the Agency on areas which can have the greatest impact, and may include the delivery of enabling infrastructure to unlock additional housing capacity by supporting other market participants, both State and private, to deliver additional housing.

The policy objective should be to ensure that the LDA has a mandate which complements the role of other stakeholders, particularly those which are also funded by the State, thereby bringing additionality to the market and minimising competition between State-funded bodies. Together, these factors play a significant role in determining whether the Agency is successfully positioned to deliver on policy objectives.

In relation to the funding requirements of the LDA, for the period 2024-2028, the Agency has identified a funding requirement of ██████████ to deliver 14,000 homes². To date the LDA has drawn down funding of €1.35 billion and has advised the working group that it has delivered 2,054 homes to the end of 2024. Figures provided by the LDA for the purposes of this report indicate that the Agency forecasts ██████████ ██████████ required will come from operating cashflow, i.e. income generated from the sale of social or affordable homes, and from cost rental income. The LDA estimates that a further €1 billion may be generated from external debt raising. However, it should be noted that this option has not yet been fully explored by the LDA and it may be challenging to raise private debt (see [Section 8.2](#)).

The majority of the required funding, ██████████, is forecast to come from State sources. This predominantly comprises State equity, as well as a subvention for the delivery of cost rental units (e.g. STAR³).

² Figures provided to the Department of Finance by the LDA for the purposes of this report on 23/10/24

³ Secure Tenancy Affordable Rental (STAR) investment scheme

LDA Funding Options:

As set out above, the report finds that there are a number of key policy considerations, including the change in mandate of the LDA, which have a significant impact on the funding requirements and funding options open to the Agency. Within this context, the report identifies the following options for funding streams available to the LDA:

1. Rental and Sales Income
2. Debt Funding
3. Exchequer Funding
4. Non-Exchequer State Funding

Each of these potential income streams has constraints and may involve some trade-offs, which are discussed in further detail in [Section 8](#).

The report also sets out the overall level of Exchequer support for housing delivery, both for entities which are on the Government balance sheet (e.g. Approved Housing Bodies, Local Authorities, Home Building Finance Ireland, Housing Finance Agency) and those which are off-balance sheet (e.g. ISIF⁴). Taking into account the significant levels of Exchequer supports for housing delivery across a range of State-funded interventions underscores the importance of considering the mandate and funding of the LDA within the broader context of the State's increased role in the housing market.

As we seek to scale up delivery from 33,000 homes per year, to an average of 55,500 homes per year (a 53% increase), the sustainability of the State's balance sheet exposure to the housing market may need to be considered. There are a number of other sectors which have identified significant capital investment needs, such as water infrastructure, electricity grid and transport, amongst others. It will therefore be necessary to balance these competing priorities when allocating finite State funding across different sectors and also take into account the impact that increased housing numbers will have on infrastructure needs, particularly water and electricity.

Within that context, the report finds that in order to maximise the impact of State investment in housing, the roles of the LDA, AHBs and Local Authorities should be considered as a whole to avoid duplication and competing mandates insofar as possible. This can best be achieved by ensuring that State-funded entities are given distinct and balancing mandates for their role in the market. Collaboration between the various actors in the housing market should be facilitated, including with the private sector. Where State entities continue to have overlapping mandates, in so far as possible these entities should not operate in competition with each other, noting that there may be considerations in relation to contractual obligations, procurement rules and commercial viability. Should this present a challenge, then ensuring that such entities have distinct mandates and roles in the market will provide reassurance against such competition and will maximise State resources committed to housing delivery.

Report Conclusions:

Any decision on the commitment of additional taxpayer resources to the LDA needs to be cognisant of certain broader conclusions in relation to the State's ongoing and significant role in housing delivery

⁴ Irish Strategic Investment Fund (ISIF)

that are evident from the work undertaken by the Group. These conclusions are set out below and discussed in further detail in [Section 10](#).

- 1. LDA Mandate:** To ensure the optimal use of State resources in supporting housing delivery at scale, it is timely to consider a re-focus of the mandate of the LDA by prioritising where it can have the greatest impact, including over the medium and long term, for example by unlocking land for development through land assembly and the provision of enabling infrastructure, ensuring that the Agency is complementing other State-funded entities and not competing with them.

Consideration could also be given to enabling the LDA to recycle the taxpayer resources being provided to it via the sale of completed units to other players in the social and cost rental market, preferably Local Authorities to ensure that the units are retained in State ownership, or alternatively to AHBs or private market players with covenants in place. The tenure mix in the planning of cost rental developments could be further considered by the LDA. While apartments give a high yield in terms of density they also have a higher cost. Other compact density units, such as duplex or 'own door', could be a viable alternative. While the sale of units to other State-funded entities may have an overall neutral cost impact for the State, it would allow the LDA to recycle development capital and focus its finite resources on the development of additional supply, ensuring that it has a discrete mandate in the housing market, complementing other State entities. Where the LDA may sell such stabilised assets to the private market, including through Joint Venture Partnerships, this can provide the LDA with additional income streams, reducing the cost to the State and would allow the Agency to leverage this increased income to access additional sources of debt funding. Any such assets being acquired by private entities, should include a condition that the assets remain designated as cost rental, similar to the design of the STAR scheme.

By focusing the LDA mandate in this way, this would result in a more efficient allocation of State resources as it enables market participants with the necessary expertise and infrastructure, particularly the Local Authorities and AHBs, to concentrate on managing social and cost rental housing, while the LDA focuses on developing new units on State lands and developing infrastructure to unlock land for development. The latter of which would not only benefit State land, but through land assembly, could also help unlock privately held land banks adjacent to State land.

- 2. LDA Funding Options:** The report finds that under its current mandate, and in the short to medium term, the LDA is wholly reliant on significant levels of State funding and is not in a position to raise debt.

Policy decisions relating to the mandate of the LDA could provide the LDA with additional income generation opportunities. With additional income generation, the Agency may be in a position to access sources of debt funding within a shorter timeline (either from private market sources or from State entities such as the Housing Finance Agency). For example, through the onward sale of stabilised assets, the private sale of affordable housing, and the sale of assembled and unlocked land.

- 3. Prioritisation:** The report finds that any funding provided to the LDA should be associated with priority areas of delivery. The funding should deliver additional housing supply and should clearly complement, and not compete with other State funded interventions and entities operating in the housing market. The LDA should allocate the funding available by identifying where this funding can have the greatest impact in the market, unlocking additional supply. Having delivered 2,054 homes between 2018 and to the end of 2024, in the near term the LDA will make a minor contribution to the delivery of the target of 50,500 homes per year. Further, the LDA has missed its projected units in 2023 and 2024, requiring a catch up in the coming years to meet its stated target of 13,976 units between 2023 and 2028. The LDA has indicated that its expectation is that the Agency will see a greater output from 2027/2028 onwards. This underscores the importance of the LDA prioritising areas where it can have the greatest impact and ensure additional supply.
- 4. State Funding for Housing Delivery:** The report sets out the significant and increased levels of State funding for housing delivery across a range of interventions in the market. There are other pressing infrastructure needs, especially in the areas of water, electricity grid and transport that need to be funded over the coming years, which are also needed to achieve our increased housing numbers. Thus the further allocation of these monies to the LDA will require trade-offs, in short less money for other infrastructure projects. The impact of any broader policy interventions on the availability of private capital for housing development may also have an unintended consequence of requiring an increased role for State funding for housing delivery.
- 5. Allocation of Construction Risk:** Through forward funding of developments, the LDA (and by proxy the State) has moved higher up the risk curve, with direct exposure to construction risk. While the forward funding of developments has the potential to reduce delivery costs and improve viability, given the increased risks to the State, there should be strong evidence to justify the reallocation of construction risk from the private market to the State.
- 6. Organisational Capacity to Deliver:** The report finds that the significant expansion of the mandate of the LDA within a short period of time has created challenges for the organisation. While the LDA has taken steps to mitigate these risks, this may expose the Agency, and the State, to additional risks such as implementation delays, inefficiencies and reputational risk with key stakeholders.

It is, therefore, crucial that any further changes in the remit of the LDA are considered in tandem with the organisation's capacity. Failing that, there is a risk that delivery at the scale required will not be consistent with the organisational capacity of the Agency.
- 7. Role of State-Funded Organisations in Housing Delivery:** While this report considered the mandate and key policy considerations specifically in relation to the LDA, a more fundamental end-to-end review of the role of various State-funded organisations involved in housing delivery is necessary. Such a review would help to provide confidence that the significant levels of State expenditure on housing is not driving inflation in the housing market and/or crowding out private investment, and to take corrective measures if needed.

3. LDA Background and Overview

In February 2018, the Government announced, through 'Project Ireland 2040'⁵, that a new National Regeneration and Development Agency would be established to ensure more effective co-ordination and management of the development of lands, in particular publicly-owned lands, to deliver more compact and sustainable growth.

The Government subsequently launched the Land Development Agency (LDA) in September 2018 and the Agency was initially established on an interim basis, pending the enactment of primary legislation. A Memorandum of Understanding (MoU) was put in place in 2019 between the LDA and the Department of Housing, Local Government & Heritage (DHLGH) to oversee the work programme and governance of the LDA on an interim basis. The LDA was placed on a statutory footing through the enactment of the Land Development Agency Act 2021.

It was acknowledged that there would be an initial impact to the Exchequer in establishing the LDA, as capital would be required in order to access sites for development, prepare plans and fund development. As the LDA was established as a commercial state entity, this initial funding was to be on a strictly commercial basis and intended to have no expenditure or borrowing impact for the Exchequer or the General Government Balance (GGB).

At the time of establishment, the Government committed €1.25 billion, to be provided by the Irish Strategic Investment Fund (ISIF), to the LDA as equity, and set a target of delivering 150,000 new homes over the next 20 years, through a mix of private, social and affordable housing. The overall premise of the business model was to have developer-led funding and delivery, whereby private housing sales would be recycled internally in the LDA.

This model would therefore ensure that the LDA could be income generating. For this reason, the LDA Act 2021 provided that the LDA could also borrow an additional €1.25 billion from private markets, as the debt could be serviced through the Agency's income-generating activity.

3.1 Evolution of LDA Mandate

Since its establishment in 2018, the mandate of the LDA has significantly evolved from what was originally envisioned.

As set out above, when the LDA was established, it was intended to deliver a tenure mix of private, social and affordable homes. In relation to social and affordable housing delivery, there was a requirement that all public lands disposed of or developed by the LDA must include a minimum of 10% social and 30% affordable housing. Within this, there was also a commitment that the Agency would seek to secure a mix of 50% social and affordable housing and sell 50% of its housing to the private market across their portfolio.

The policy intention was that this approach would support the provision of affordable housing while also allowing the State to capture the commercial value associated with the development and rezoning of public lands and in doing so, to provide for active land management, planning and regeneration. By ensuring that a certain proportion of housing developed by the LDA would be sold in the private market,

⁵ [Project Ireland 2040](#)

this would therefore provide enough income generation to provide the Agency with an ability to raise private finance, thereby not relying solely on State funding.

A Bill to place the LDA on a statutory footing was brought before the Oireachtas in 2019. However, when the Government was dissolved in January 2020, the legislation fell as it had not completed all necessary stages. Following the general election, a new Programme for Government published in June 2020 placed a greater emphasis on the delivery of public, social and affordable housing.

This in turn resulted in a re-focus for the LDA towards social and affordable housing, away from the original developer-led business model and towards an LDA-led funding and delivery model, narrowing the opportunities for cross-subsidisation of affordable units and the feasibility of recycling of sales to generate funding. There were further changes to the new LDA Bill as it progressed, ensuring that the LDA is on the Government balance sheet, before the LDA Act was published in July 2021⁶.

One of the main differences between the 2018 version and the published LDA Act 2021 (“the Act”), is set out in Part 9 of the Act, which contains reference to a specified percentage of affordable and cost rental housing. This specified percentage is set at 80% in population centres over 150,000 (Dublin and Cork cities and suburbs) and 50% in other urban areas with a population of 10,000 persons. The LDA must also meet the obligations of other legislation including the ‘Affordable Housing Act 2021’⁷ and ‘The Land Development Agency Act 2021 (Valuation of Relevant Public Land) Regulations 2023’⁸, which supports the delivery of affordable housing by the LDA.

Further to the publication of the Act, in September 2021 the then Government launched their housing plan to 2030, ‘Housing for All - a New Housing Plan for Ireland’⁹. This embedded the LDA as the State’s primary channel for the development of cost rental housing. Further initiatives were also launched which directed the LDA to supplement their acquisition of State land and accelerate the delivery of cost rental and affordable purchase homes by unlocking private land in certain circumstances. This has increased the different delivery streams under which the LDA must now operate, which are set out below in further detail (see [Section 3.1.1](#)).

The provision of affordable housing is considered a market activity. As the LDA has been established as a market operator and strives to operate as a commercial entity, [REDACTED]

[REDACTED] This is to ensure that this activity does not constitute State aid and satisfies EU State aid requirements. The decision on the tenure type therefore impacts the funding requirement of the LDA and based on recent and forecast investment proposals, meeting this target appears to be dependent on the LDA receiving additional subventions.

In January 2024, the Minister for Finance with the support of the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation (DPEIPSRD), and the Minister for Housing, Local Government and Heritage, designated the LDA to NewERA. While NewERA had provided financial and commercial advice to the Minister for Housing with regard to the LDA since 2021 and had engaged with LDA, the designation of the LDA to NewERA put this relationship on a statutory footing.

⁶ [Land Development Agency Act 2021 \(26 of 2021\)](#)

⁷ [Affordable Housing Act 2021 \(25 of 2021\)](#)

⁸ [S.I. No. 106/2023 - Land Development Agency Act 2021 \(Valuation Of Relevant Public Land\) Regulations 2023](#)

⁹ [Housing for All - a New Housing Plan for Ireland](#)

3.1.1 LDA DELIVERY STREAMS

The LDA has a number of strategic delivery streams, focused on strategic land assembly and housing delivery. The LDA has advised¹⁰ that overall the Agency's housing output is 2,054 homes, with 242 homes delivered in 2022, 922 in 2023 and 890 in 2024. These are delivered across a number of delivery streams and further detail on each is provided below. This is below the target of 1,070 for 2023 and 1,286 for 2024.

3.1.1.1 LDA Land Acquisitions

One of the fundamental objectives of the LDA is to assemble a portfolio of strategic lands, suitable for the development of large scale developments in both the short and long term. The assembly of this portfolio involves the transfer of lands held by other state agencies to the LDA, as well as procuring privately held lands.

The LDA works with public bodies to identify land suitable for the delivery of large scale housing developments, in the immediate, medium and long term, including complex strategic parcels of land owned by the State. Further to this, section 53 of the Act includes a requirement for relevant public bodies to offer land for sale to the LDA as a form of first refusal. This allows for an assessment by the LDA to see if it is fit for use for the provision of affordable and social housing. State agencies who hold land to be transferred to the LDA include the ESB, CIÉ, the OPW, Teagasc, the HSE and Bord na Móna.

The LDA also invites submissions of interest from any property owner whose sites meet the LDA's criteria. The criteria which form the basis of the LDA's decision on whether or not to purchase a site include the site's location, its proximity to existing public transport, the potential number of housing units to be delivered, planning status, housing typology, design and operational cost efficiency, the site price and delivery timelines. While the LDA examines all proposals, priority is given to sites located in the five cities of Dublin, Cork, Limerick, Galway and Waterford and which allow for the construction of high density housing.

Below is a table of the development phases of sites which has been transferred to the LDA from both private and public entities (see figure 1). This does not include land being developed by the LDA in partnership with County Councils (set out in [Section 5.3](#)).

Development Phases of Sites Transferred to LDA (as provided by LDA January 2025):

Site Name	County	Origin of Land	Previous Department or State Agency Owner	Development Status	Total Projected homes estimated	Est Completion Date
Bord na Móna, Cork Docklands	Cork	State Land	Bord na Móna	1 - Site Assessment	█	█
ESB Marina, Cork Docklands	Cork	State Land	ESB	1 - Site Assessment	█	█
Clonsilla	Dublin	Private Land	N/A	1 - Site Assessment	█	█

¹⁰ Figures provided to the Department of Finance from the LDA for the purposes of this report 20/12/2024.

Cookstown, Tallaght, Dublin 24	Dublin	Private Land	N/A	1 - Site Assessment	■	■
Lehaunstown, Dublin 18	Dublin	Private Land	N/A	2 - Site Acquisition	■	■
Stapolin, Baldoye, Co. Dublin - Project Shoreline	Dublin	Private Land	N/A	2 - Site Acquisition	■	■
ESB Wilton, Cork	Cork	State Land	ESB	3 - Planning Application	■	■
Digital Hub – Phase 1	Dublin	State Land	Digital Hub Development Agency	3 - Planning Application	■	■
Digital Hub – Phase 2	Dublin	State Land	Digital Hub Development Agency, DCC, OPW	3 – Planning Application	■	■
Dundrum CMH Adaptive Re-Use Hospital	Dublin	State Land	OPW	3 - Planning Application	■	■
Teagasc, Kinsealy	Dublin	State Land	Teagasc	3 - Planning Application	■	■
Port of Galway	Galway	State Land	Galway Harbour Company	3 - Planning Application	■	■
Careys Road	Limerick	State Land	CIÉ & HSE	3 - Planning Application	■	■
Limerick Dock Road	Limerick	State Land	Ervia	3 - Planning Application	■	■
Clongriffin - Wider Lands (Phase 1)	Dublin	Private Land	N/A	3 - Planning Application	■	■
Clongriffin - Wider Lands (Phase 2)	Dublin	Private Land	N/A	3 - Planning Application	■	■
Royal Liver, Naas Road Phase 2	Dublin	Private Land	N/A	3 - Planning Application	■	■
St. Kevin's Cork, Phase 2	Cork	State Land	HSE	4 - Strategy Implementation	■	■
Castlelands, Balbriggan	Dublin	State Land	The Housing Agency	4 - Strategy Implementation	■	■
Dundrum CMH Part 10 Application	Dublin	State Land	OPW	4 - Strategy Implementation	■	■
Hacketstown, Skerries	Dublin	State Land	The Housing Agency	4 - Strategy Implementation	■	■
Clongriffin - Blocks 5 & 6 (Early Phase)	Dublin	Private Land	N/A	5 – Delivery Development	■	■
Royal Liver, Naas Road Phase 1	Dublin	Private Land		4 - Strategy Implementation	■	■
St. Kevin's Cork, Phase 1	Cork	State Land	HSE	5 - Delivery	■	■
Devoy Barracks, P1A	Kildare	State Land	The Housing Agency	5 - Delivery	■	■
Devoy Barracks, P1B	Kildare	State Land	The Housing Agency	5 - Delivery	■	■
Total					■	■

Figure 1: LDA development phases of transferred land – Source: LDA, January 2025

3.1.1.2 LDA Direct Delivery

The direct delivery of housing by the LDA sees the construction of affordable, social and cost rental houses and apartments. The LDA have advised¹¹ that, to date, 281 homes have been delivered via direct delivery, all in 2024. Under this delivery stream, the LDA may carry out construction of housing to manage itself or work in partnership with Local Authorities. A number of sites are currently under construction with some having completed their first phase and been made available for sale or rent. These sites include St. Kevin's Hospital in Cork and Shanganagh in Dublin. Direct delivery of housing, in conjunction with home building partnerships, has seen the LDA become one of the largest homebuilders in the country. As the LDA acquires more land, both from private purchase and transferred from the State, the volume of homes delivered should increase.

The LDA's Business Plan 2024-2028 provides a breakdown of the units expected to be completed through direct delivery (see figure 2). An emphasis has been placed on the LDA to provide Cost Rental housing. Cost Rental is a new form of long-term, sustainable home rental and is targeted at middle-income households with incomes above the social housing limits. In order to deliver cost rental homes, significant subvention is currently required (further detail below). The STAR Scheme provides for a subvention of between €150,000 – €200,000 per home, although this will vary depending on the specific characteristics of the development and some LDA developments may require a lower subvention amount per unit. While there is no specification on type of cost rental dwelling, the majority of cost rental units provided for by LDA are apartments.

Under this model, rents are set on a cost-covering basis, assessed with a cashflow model over a timeframe of at least forty years. In general, rents will be targeted at 25% below private market rents in the area. Eligibility for a cost rental home requires that the net household income must be below €66,000 per year if applying for a tenancy in one of the four Dublin Local Authority areas and below €59,000 per year if applying for a tenancy anywhere else in Ireland. Information provided by the LDA in January 2025 sets out that a total of 561 Cost Rental homes were completed in 2023, and a further 784 Cost rental homes were completed in 2024 (all through Project Tosaigh in 2023, and across both Direct Delivery and Project Tosaigh delivery streams in 2024).

Should an alternative policy approach be taken, which allows the LDA to provide the sale of units to the private market, such as through affordable purchase, this could increase the income generation capacity of the Agency within a shorter timeframe. This is discussed in further detail below.

¹¹ Figures provided to the Department of Finance from the LDA for the purposes of this report 20/12/2024.

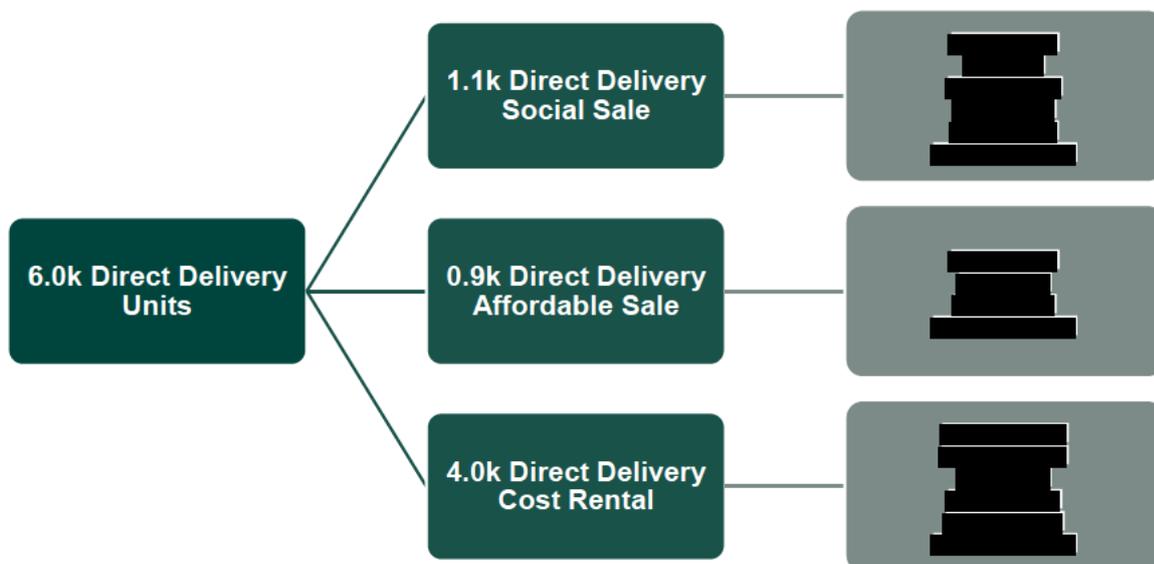


Figure 2: Direct Delivery Units – Source: LDA’s Business Plan 2024-2028

3.1.1.3 Home Building Partnerships

Through the Government’s Housing for All plan, published in 2021, the LDA was directed to undertake an additional channel for housing delivery in the form of Home Building Partnerships schemes. The policy rationale for introducing this additional delivery channel was to activate developments which had stalled due to viability or affordability challenges. This initiative was named ‘Project Tosaigh’ and initially involved the LDA agreeing to the acquisition of completed homes. According to information provided by the LDA¹², to date, the majority of homes delivered by the LDA have been through the Project Tosaigh delivery stream, totalling 1,773 homes.

Under Project Tosaigh, the contract to purchase completed units is entered into on or before the commencement of construction, with payment made on completion. By stepping in as a guaranteed purchaser of the finished units, this programme sought to unlock delivery by providing certainty to developers that they would have an exit for their completed units, while also ensuring that the LDA was not competing with potential purchasers on the open market. Housing for All set an initial target of 5,000 homes to be delivered through Project Tosaigh by 2026.

A second phase of Project Tosaigh was launched in 2023, known as ‘Project Tosaigh 2’ (PT2). PT2 provides for up to €2 billion for home delivery, predominantly through forward funding development.

Forward funding involves the LDA purchasing the site from the developer up front (with the proceeds to be held in an escrow) which will be released subject to developer performance, and associated LDA rights, under the Development Agreement. In July 2024, the LDA announced that 15 homebuilders had been included on a framework panel for PT2. Project Tosaigh schemes have been a focus for the LDA.

Adopting a forward funding approach can present potential opportunities from a policy perspective. One such supporting policy rationale for engaging in forward funding activity is that, by assuming a role

¹² Figures provided to the Department of Finance from the LDA for the purposes of this report 20/12/2024.

similar to that of a lender, the LDA provides the funding for construction directly to the developer. The developer does not require private financing in order to undertake construction and therefore does not incur the costs of acquiring private financing. Furthermore, by purchasing the site upfront from a developer, this may improve the cash flow position of the developer, and may allow them to progress additional sites in parallel thus increasing overall delivery. However, it should be noted that as the LDA approach to forward funding involves the site proceeds remaining in escrow as an additional risk mitigation strategy, the developer's cashflows do not improve and equity cannot be employed additional sites. The potential benefits of forward funding, when managed appropriately include a lower delivery cost for the State if managed appropriately and greater control over the design and specification of units.

However, the LDA has advised that forward funding represents an increase in the risk profile of delivery when compared with a forward purchase arrangement. Some of the risks identified by the LDA include the risk of developer/contractor insolvency which could in turn lead to cost overruns and increased costs consequential on the exercise of step-in rights. There may also be some reputational risk for the forward funder associated with stepping into a development which is in distress. The LDA have also identified that in focussing on apartment schemes, this in itself creates additional development risk relative to transitional housing typologies¹³.

As set out above, this forward funding delivery model therefore has two key impacts for the LDA. Firstly, by funding the construction phase of development, it places the LDA higher up to the risk curve, with direct exposure to construction risk when compared with the traditional model of acquiring completed units (Project Tosaigh 1). Secondly, managing forward funding developments is significantly more resource and capital intensive for an organisation, requiring the LDA to undertake tasks which are not required under the Project Tosaigh 1 model. Such as increased monitoring of projects at each milestone is required, similar to that undertaken by private lenders in the market when monitoring projects. However, it should be noted that through its direct delivery workstream, the LDA must also undertake significant oversight and monitoring. The inclusion of a forward funding workstream further expands on this.

Providing ongoing stage payments to developers during the construction phase of delivery also increases balance sheet risk to the LDA, and in turn the State. In particular, when compared with the Project Tosaigh 1 model where the LDA purchases completed units and the risk and funding requirement lies with the developer and private lender until the homes are completed and ownership transfers to the LDA.

As the forward funding model requires the purchase of sites up front, followed by construction payments at specific milestones, a significant amount of LDA's capital is tied up earlier in the process until completion. The management of the Work in Progress for the ongoing construction activity across developments will also require appropriate resourcing within the Agency.

The LDA's Business Plan 2024-2028¹⁴ gives a breakdown of the units expected to be completed through Project Tosaigh (see figure 3).

¹³ LDA Presentation to Housing for All Investment Group January 2024.

¹⁴ LDA Draft Business Plan 2024 – 2028, advised by LDA to use for the purposes of this report.



Figure 3: Project Tosaigh Units – Source: LDA’s Business Plan 2024-2028

3.1.1.4 National Asset Residential Property Services (NARPS)

An amendment to the LDA Act in 2024 provided for the LDA to acquire a portfolio of 1,366 social homes from a NAMA group entity (NARPS) and this transfer is expected to take place during Q1/Q2 2025.

The National Asset Residential Property Services D.A.C (NARPS) was established by NAMA in 2012, to expedite social housing delivery. NARPS currently has a portfolio of 1,366 homes, which are leased to Local Authorities and Approved Housing Bodies. As NAMA is undergoing a phased and orderly wind down, the Minister for Finance determined that it is the State’s interests to retain NARPS and that it should be transferred to another state body prior to the ultimate dissolution of NAMA.

In 2021, it was determined that the LDA would be the appropriate State body to acquire NARPS and legislative amendments to the LDA Act 2021 were enacted in 2024 to provide for this. The LDA will engage with NAMA on the necessary operational steps to acquire the NARPS portfolio.

In a report on the LDA’s debt options, EY have noted should the NARPS portfolio come under the ownership of the LDA, the income generating nature of this asset will enhance the appeal of the organisation from a lender’s perspective, given the cashflow available to service interest costs, thereby increasing the lender base. NARPS generates an annual income of approximately [REDACTED]

3.2 LDA Corporate Structure

The LDA operates as a Designated Activity Company (DAC) limited by shares and is responsible for all statutory obligations outlined in the LDA Act 2021. The LDA is subject to the Code of Practice for the Governance of State Bodies (2016) and the Public Spending Code for its non-commercial activities.

The LDA has established a group structure, in which the Land Development Agency is the parent company. Under the parent company, two wholly-owned subsidiary companies have been incorporated in line with applicable governance and statutory requirements (see figure 4).

- LDA Residential Holdings – established to hold and manage residential assets
- LDA Public Services – covers non-economic activities.

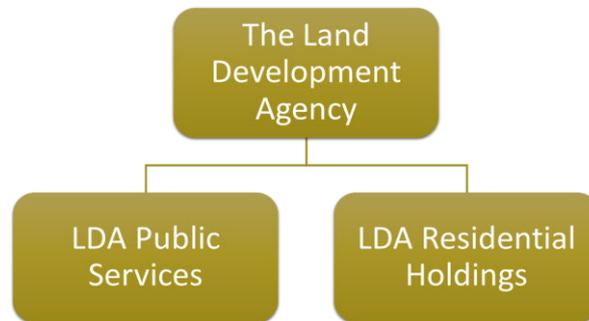


Figure 4: LDA Company Structure – Source: LDA¹⁵

Ministerial and Board approval is required for the setup of all subsidiaries, however currently both the subsidiary companies are dormant. The LDA are further considering the group structure and in the process of obtaining advice on an appropriate group structure.

3.3 LDA Governance Structure

3.3.1 THE BOARD

The LDA is governed by an independent board of directors, with public and private sector expertise. The Board is appointed by, and accountable to, the Minister for Housing, Local Government and Heritage, with the consent of the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation. The Board must consist of at least 5 and not more than 10 directors (including its Chairperson), with the term of office of board members of five years. Government decisions made in December 2023 and October 2024 stipulated that there shall be Ministerial representatives appointed to the Board of the LDA, one each from the Department of Finance and the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation. The Ministerial appointments were made by Minister O'Brien and came into effect on the 5th of November 2024.

The Board has collective responsibility for the LDA strategy, financial management, governance, risk management and compliance obligations. The Board has established four sub-committees comprising members with relevant expertise to address obligations:

- Investment Committee,
- Audit & Risk Committee,
- Remuneration & Nominations Committee, and
- Strategic Planning & Sustainability Committee.

Each subcommittee consists of at least three members, one of whom, including the Chairperson must be a member of the Board.

¹⁵ Corporate structure as advised by LDA for the purposes of this report on 05/12/24.

The Executive Management Team (EMT) is the LDA’s senior leadership team. It delegates responsibility for delivering the collective strategic goals and objectives of the Agency, along with those specific to their functional area and remit. The EMT is responsible for developing and monitoring the operating and financial performance, allocating resources, and assessing and controlling risk. An overview of the interaction of the different parts of the board can be seen in figure 5.

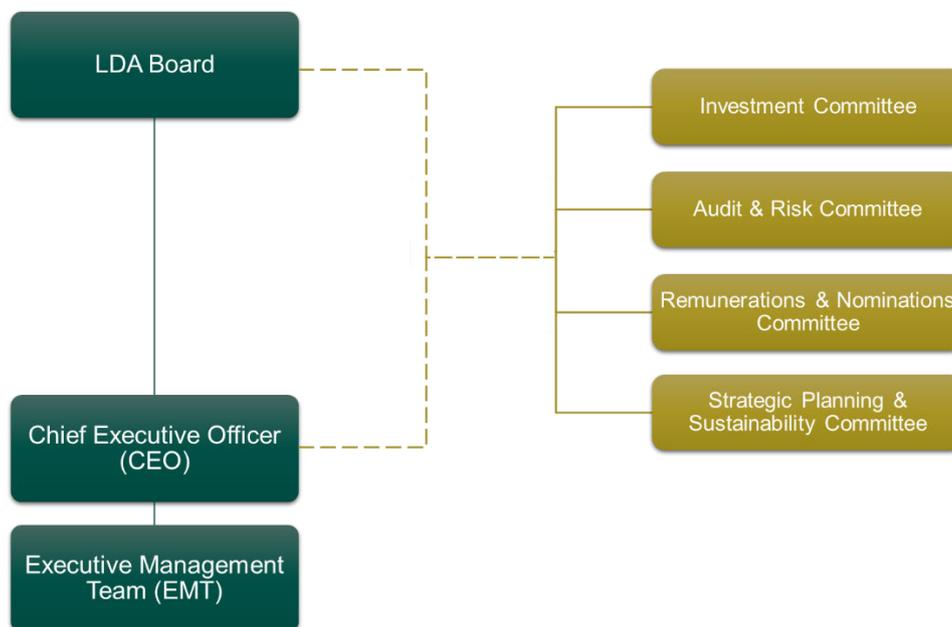


Figure 5: LDA Board and Committee Structure – Source: LDA

3.3.2 LDA ORGANISATIONAL CHANGE

In order to facilitate the continued development of the LDA as an organisation, there has been considerable growth in its workforce since it was initially established. The LDA has expanded from a total of 70 staff in December 2022 to over 175 staff in 2024. Full expansion of workforce can be seen in figure 6 below.

To ensure effective resource planning to meet the requirements outlined in the Business Plan, a manpower plan was developed. It is expected that over the next three years there will be further expansion of the LDA to circa 330 staff in 2025 (see Section 9 Key Policy Considerations) and it is also assumed that salaries will increase in line with inflation¹⁶. As the mandate for the LDA broadens, it would be prudent to review the capacity of the organisation. This will be discussed further in Section 9 Policy Considerations.

¹⁶ LDA Annual Report 2023

LDA Organisational Growth

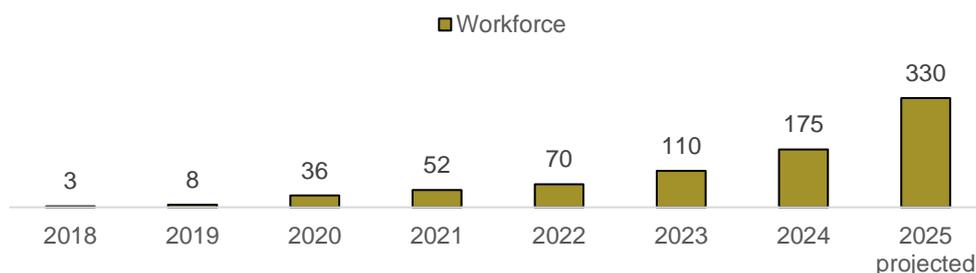


Figure 6: LDA Organisational Growth – Source: LDA¹⁷

3.3.3 CAPITAL COMMITMENTS FRAMEWORK

Under Section 32 of the Land Development Agency Act 2021, the Land Development Agency must seek the consent of the Minister for Housing, Local Government and Heritage and the approval of the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation to enter into a capital commitment the amount of which exceeds an amount specified under the Act. The 2025 Programme for Government commits to streamlining the consent and approval process for the LDA.

A framework has been agreed for approval of capital commitments on an annual basis for the LDA, following discussions between the Department of Housing, Local Government and Heritage (DHLGH), the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation (DPEIPSRD) and NewERA.

The Framework will be subject to review on an annual basis to ensure it balances the need for effective oversight with an appropriate administrative oversight and will be part of the wider governance arrangements of the LDA.

On an annual basis, the LDA will submit a schedule of prospective projects as part of a request for Ministerial Consent for the overall envelope of capital commitments that may be entered into by the LDA during the following period. This request will include information on the proposed projects, and estimated costs.

This schedule is to be provided in good time by the Agency, in advance of each respective year to allow adequate time for consideration by the Departments and NewERA. The request should align with the Business Plan of the LDA, as submitted to the Department of Housing.

As part of this process, the LDA must confirm to both DHLGH and DPEIPSRD that projects meet certain financial and Department-specific benchmarks. Projects outside of certain parameters can be subject to individual review and projects that exceed individual benchmarks will require Ministerial approval to proceed. The Annual Consent provided by Ministers may have additional conditions attached to ensure appropriate oversight of the LDA's capital commitments. It should be noted that the Programme for Government 2025 sets out a commitment to streamline the consent and approval process for the LDA¹⁸.

¹⁷ Organisational growth as advised by LDA for the purposes of this report on 05/12/24

¹⁸ Programme for Government 2025, Securing Ireland's Future

3.4 Balance Sheet Treatment

In line with European rules the Central Statistics Office (“CSO”) provides statistical classification analysis in order to assess and ensure entities are classified correctly for government account purposes.

The LDA Act 2021 was analysed by the CSO, and found that the LDA is a State Agency as it meets the criteria of being an institutional unit and of being under the control of the Government. This classifies the LDA within the central government subsector of the general government, meaning that all its activities are included in the general government balance sheet.

Any expenditure by the LDA, including capital expenditure, is recorded as general government expenditure and negatively impacts the General Government Balance (GGB). Any commercial borrowing by the LDA contributes to the General Government Debt (GGD), including any interest payments on this debt.

As part of its assessment, the CSO also undertakes a ‘market/non-market’ test to determine whether the Agency covers at least 50% of its costs through sales over a rolling 3-year period. Under the most recent such assessment by the CSO, in July 2024, while the LDA did generate some self-earned income, it is still considered a Non-Commercial Agency under the aegis of the Department of Housing, Local Government and Heritage. The LDA is likely to remain as such until they can demonstrate a level of earned income in three consecutive years which covers over 50% of their operating costs.

3.5 LDA Current Funding Commitment

As set out above, the mandate from Government now ties the LDA to secure a mix of social and affordable housing across their portfolio where the percentage of the housing type is based on population in the region. These changes to its mandate since its inception have had an impact on the funding of the LDA. From an initial legislative provision for funding of €2.5 billion on establishment in 2021, by 2024 the total funding statutorily provided for to the LDA has increased by €3.75 billion, now totalling €6.25 billion. This is set out in further detail below.

It should be noted that as a commercial State body, the commercial activities of the LDA are not funded by the Exchequer. However, funding is provided to cover expenditure associated with their non-commercial functions. Exchequer funding of €2.6 million is being provided to the LDA for 2025. Non-commercial functions are detailed under Section 29 of the LDA Act 2021 and include the maintenance of the Register of Relevant Public Lands, the development of a report to Government on relevant public lands and any functions associated with the development of a Strategic Development Zone as provided for under Part IX of the Planning and Development Act 2000, as amended.

The annual Exchequer cost of the LDA following the dissolution of the interim LDA entity and the establishment of the LDA DAC is set out in the table below:

2022	2023	2024	2025
€ 535,000	€ 1,124,000	€ 807,645 (of €3,750,000 allocated)	€ 2,600,000

Figure 7: LDA Exchequer expenditure – Source: DPEIPSRD

The LDA's Business Plan 2024-2028¹⁹ provides for the delivery of 14,000 houses over the period from 2023-2028, primarily affordable cost rental, over the lifetime of the plan. A summary income statement²⁰ provided by the LDA to the Department of Finance for the purposes of this report identifies a total funding requirement of ██████████ for the period. As set out above, the LDA Act 2021 provided for a total of €2.5 billion of funding for the Agency (€1.25 billion of equity from ISIF and the option for the LDA to borrow €1.25 billion from private debt markets). Given the change in the LDA mandate, this initial provision was no longer adequate. To address this in the short to medium term, access to additional funding was made available to the LDA in order to make the planned capital commitments necessary to progress the Business Plan to 2025.

A Government decision in December 2023 agreed that increased funding of €2.5 billion would be made available to the Agency at that time. This was provided for through legislation which included an allocation of €1.25 billion from the proceeds of recent share sales which are usually reverted to the Exchequer, as well as a further €1.25 billion from additional sources. The LDA debt capacity of up to €1.25 billion as provided for in the LDA Act 2021 remained in place. This brought the total funding available to the LDA to €5 billion by the end of 2023.

In Budget 2025, the Minister of Finance announced further funding of €1.25 billion to the LDA, to be provided through additional proceeds of share sales. This additional funding of the LDA required legislation and was provided for in the Housing (Miscellaneous Provisions) Act 2024²¹.

This brings the total amount of funding now available to the LDA to €6.25 billion, as follows -

- (i) €3.75 billion of equity capital;
- (ii) €1.25 billion of borrowings as provided for under the LDA Act 2021, as well as;
- (iii) €1.25 billion of funding from 'additional sources'.

Following requests from the Minister for Housing, Local Government and Heritage and consent from the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation, a total of €1.35 billion of funding has been drawn down by the LDA. The funding was drawn down by the LDA over a period from March 2022 to December 2024.

Any additional funding committed to the LDA, from any source, will require legislative amendment.

This report will further consider the sources and mechanisms for funding the LDA, including examining the overall level of State support for housing to understand the broader context in which the LDA operates.

¹⁹ Section 7 will cover the in more detail

²⁰ LDA Summary Income Statement, October 2024

²¹ [Housing \(Miscellaneous Provisions\) Act 2024 \(39 of 2024\)](#)

4. State Funding of Housing

The Government has a long-term overarching strategy to ensure Ireland has a resilient and sustainable future in the form of Project Ireland 2040, which encompasses the National Planning Framework and the National Development Plan (see Appendix 1).

The Government's vision for the housing system over the longer term is to achieve a steady supply of housing in the right locations with economic, social and environmental sustainability built into the system. In order to reach this vision, the Government released the *Housing for All - a New Housing Plan for Ireland*, referred to as '*Housing for All*', the Government's housing policy to 2030. It is a multi-annual, multi-billion-euro plan which will improve Ireland's housing system and deliver more homes of all types for people with different housing needs.

4.1 Exchequer Housing Expenditure

The LDA is just one Government intervention in the housing market, working in tandem with other State delivery partners in the delivery of social and affordable homes, such as Local Authorities and Approved Housing Bodies, discussed further in [Section 4](#). However, all elements of the Government's housing vision require funding and the State is currently investing unprecedented levels into the delivery of housing across a number of interventions.

Government expenditure is funded from a central fund, called "the Exchequer", which can then be divided down into current and capital expenditure. Spending on long-term infrastructure and assets is Capital expenditure, while day-to-day spending is considered Current expenditure.

Capital expenditure on the housing programme is predominantly driven by social, affordable and cost rental housing delivery through build and acquisition, such as acquiring housing from private sector delivery. Current expenditure in the housing programme is often provided by Local Authorities in the form of assistance with rent and long-term leasing, as well as other funding such as provision for homeless services.

Throughout the term of the Government, from Budget 2020 to Budget 2025, there has been a significant increase in expenditure on housing. Total expenditure on the Department of Housing, Local Government and Heritage in Budget 2020 was over €5.3 billion, rising to over €7.9 billion²² in Budget 2025.

Increased levels of funding allocated towards housing programmes and schemes have been key to the increased level of overall expenditure in the Department of Housing, Local Government and Heritage. Further detail on range of programmes and schemes in place are in Appendix 2 – Exchequer Housing Supports.

When isolating the expenditure to the main areas of Housing, Water, Local Government and Planning, spend in Budget 2020 was over €5.1 billion compared to over €7.5 billion provided for 2025 (see figure 8). While the overall spend has increased, this trend is not consistent across all categories. Housing expenditure has increased from 50% to 62% of total spend across the five years, whereas expenditure

²² <https://whereyourmoneygoes.gov.ie/en/>

on Local Government has dropped significantly from 21% of expenditure in 2020 (over €1 billion) to just 9% in 2025 (just under €700 million).

Separately, in Budget 2025 the Minister of Finance announced that further funding should be allocated to infrastructure in the form of €3 billion from the proceeds of recent share sales, which is non-exchequer funding. This was broken down into further funding being made available to Uisce Éireann (€1 billion), LDA (€1.25 billion) and electricity grid infrastructure (€750 million).

This funding is in addition to figures outlined in the Exchequer Housing Expenditure, and therefore has not been included in figure 8.

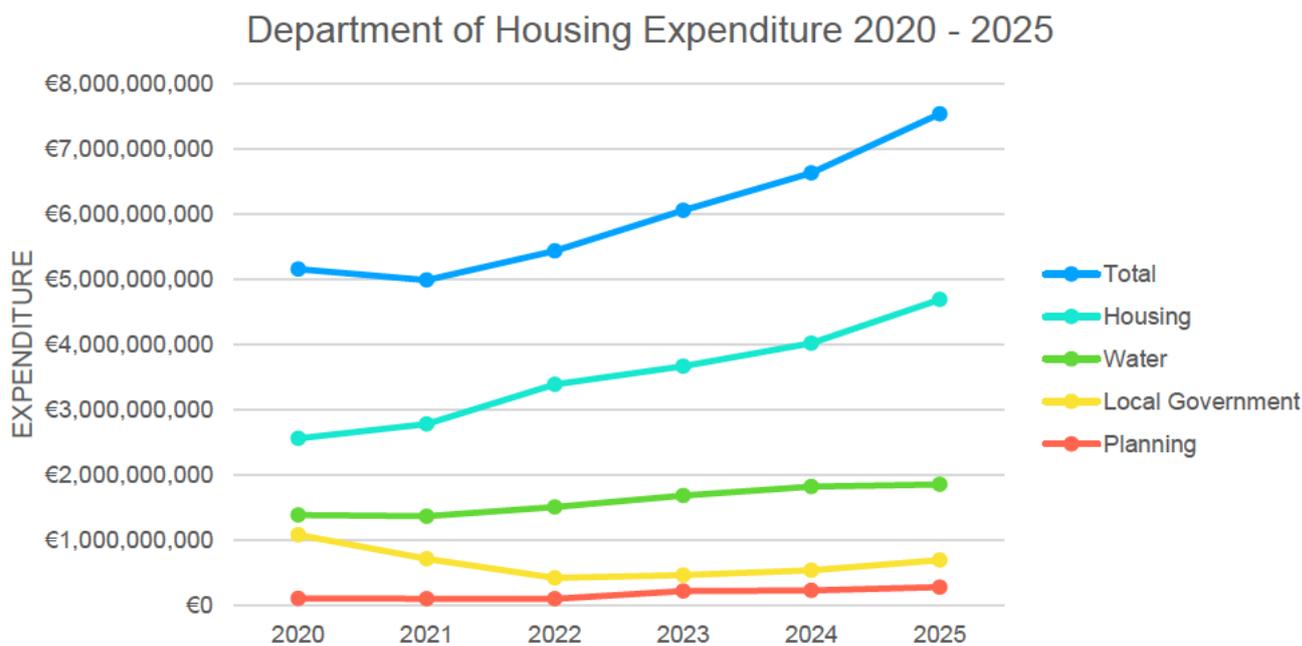


Figure 8: Department of Housing Expenditure 2020-2025

4.2 Supports available to the LDA

While LDA current funding was outlined in part 3.5, there are also supports and subsidies available to the LDA through Government initiatives such as 'Housing for All' (full outline can be seen in the appendix). The Exchequer supports which may be availed of by the LDA are set out below.

4.2.1.1 Secure Tenancy Affordable Rental (STAR)

To ensure the financial viability and sustainability of the cost rental operating model, the LDA relies on supports through the Secure Tenancy Affordable Rental (STAR) investment scheme. The scheme is intended to bring forward Cost Rental dwellings with the aim of assisting eligible households who are experiencing affordability pressures in the private rental sector.

Homes made available under the STAR Scheme must be designated as Cost Rental dwellings and rents must be at least 25% below market rents in high demand urban areas. The STAR investment scheme is managed by The Housing Agency on behalf of the DHLGH. The equity is provided through the Housing Agency with zero interest and will remain non-repayable while the unit remains designated under the legislation.

The units are required to be designated as Cost Rental for minimum of 50 years. Provided the units remain as cost rental, if the units are sold within this period, STAR follows the unit and the initial designation period remains in place. If the units do not remain in Cost Rental this would be considered a realisation event and the repayment on the equity share would be triggered. At the end of the 50-year period, the designation continues indefinitely on a monthly basis, unless it is specifically ended by the STAR operator. While the units remain in Cost Rental, no repayment of equity share is sought.

Total agreed funding over the lifetime of the STAR programme is €750 million, and Budget 2025 allocated €90 million to STAR. The scheme is available to all entities providing Cost Rental homes, which includes both the LDA and private operators. Depending on the gap between the construction costs for the unit, the available subvention per unit for Cost Rental delivery via STAR is up to €175,000 in Dublin and €150,000 elsewhere, with a possible additional €25,000 available per unit when certain sustainability criteria are met.

Further, the demand for the scheme may exceed the amount currently funded by Government. This is especially important as the scheme is not exclusive to the LDA and private operators can also avail of STAR.

According to a summary income statement provided by the LDA to the Department of Finance for the purposes of this report²³, the LDA have included ██████████ from STAR in their funding plans. Given that the total amount approved by Government for the STAR scheme amounts to €750 million, this would equate to ██████ of the total funding available under STAR being allocated to the LDA.

This will be discussed in further detail in Section 7 LDA Funding Requirements and Delivery, [Section 7 LDA Funding Requirements and Delivery](#).

4.2.1.2 Development Waivers and Uisce Éireann refunds

In April 2023, the Temporary Development Contribution waiver and the Uisce Éireann Water Connection Charge Refund were announced as part of a range of additional measures approved under the Housing for All Action Plan.

The Temporary Development Contribution waiver allowed all firms who lodged commencement notices before April 2024 with construction completing on or before 31st December 2025 to have the Local Authority 'Section 48' development levies waived on those developments.

This measure aimed to boost the building supply by reducing construction costs and thus boost development viability for those developers who lodged their commencement notice within this period.

In conjunction with the Temporary Development Contribution waiver, developers who submitted their commencement notices during this period were entitled to have their Uisce Éireann water and waste water connection charges refunded.

In April 2024, these schemes were extended until 30th September 2024 in the case of the Uisce Éireann refund and 31st December 2024 in the case of the development levy waiver. Over the period April 2023 – October 2024 a total of 76,128 units have been commenced²⁴.

²³ LDA Summary Income Statement, October 2024

²⁴ Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation, 10/12/24

A total of €54.5 million was spent on the Development levies waiver over the period April – December 2023. To end November 2024 circa 21,274 dwellings have claimed the Uisce Éireann Rebate, with total claims to date at €285.3 million.

4.3 Other Non-Exchequer State Funding

4.3.1 HOME BUILDING FINANCE IRELAND (HBFI)

Home Building Finance Ireland (HBFI) was established in 2019 to increase the supply of new homes for owner-occupiers, renters and social housing by providing funding on commercial terms to house builders for commercially viable developments throughout Ireland.

On its establishment, HBFI was provided with access to €750 million of funding from the Ireland Strategic Investment Fund. Of this, €20 million was provided from ISIF to HBFI as equity, with the remaining €730 million available through a commercial loan facility. In order to ensure that this loan facility is compliant with State aid requirements, regular benchmarking is undertaken, to ensure that the interest rate charged and the terms of the loan facility are in line with market norms.

As HBFI operates as a commercial entity and is profit-generating, it recycles its capital. Under the HBFI Act 2018, HBFI may also borrow up to an additional €750 million from private market sources. As HBFI is classified as being on the Government balance sheet, any additional private debt secured by it will be included in the National Debt calculations.

To the end of 2024, HBFI had approved total loan approvals to €2.7 billion, with €1 billion of this funding approved in 2024. These loan approvals will support the delivery of over 13,000 new homes in 184 developments across 23 counties.

4.3.2 IRELAND STRATEGIC INVESTMENT FUND (ISIF)

The Ireland Strategic Investment Fund was established on a statutory basis in December 2014, on foot of an agreement in the Programme for Government 2011-2016, setting out that the remaining funds of the National Pension Reserve Fund (NPRF) should *“be invested ... on the basis of obtaining a return on investment that does not impact the Government Balance Sheet.”*

Housing investments by ISIF complement other State initiatives in housing, by encouraging private market investment to drive increased supply of new mass market homes across a mix of tenures. ISIF’s residential delivery strategy will support the delivery of 25,000 homes by 2030.

To date, ISIF has committed €1.5 billion across 25 residential development investments delivering over 14,200 homes, 85% of which are in the starter and mid-market segment. Through crowding in co-investment from private sources, ISIF aims to unlock over €5 billion of homebuilding activity.

ISIF has a statutory mandate to invest on a commercial basis in a manner designed to support economic activity and employment in the State and is not classified as being on the Government balance sheet.

5. State Funding of Social and Affordable Homes

The Land Development Agency plays a central role in the delivery of social and affordable housing. Other key State delivery partners in the delivery of social and affordable homes are the Approved Housing Bodies and the Local Authorities. For context, this section provides an overview of the current role of Approved Housing Bodies and Local Authorities in the delivery of housing policy, as well as their funding model, and interaction with the LDA.

5.1 Approved Housing Bodies (AHBs)

Approved Housing Bodies (AHBs) are independent, not-for-profit organisations. They are sometimes referred to as housing associations or voluntary housing associations. The colloquial name Approved Housing Bodies / AHB stems from legislation as they are approved under the Housing (Miscellaneous Provisions) Act 1992. Section 6 of this Act enables housing authorities, among other things, to provide assistance to AHBs for the provision of housing.

There are over 400²⁵ AHBs in Ireland, some focus on providing affordable rented housing for people who cannot afford to pay private sector rents or buy their own homes, others focus on specific groups of people, such as older people or homeless people. AHBs also include housing co-operatives, which are housing organisations controlled by their tenants / members. The tenants or members of these co-operatives share responsibility for the management, policies and decision making in relation to the upkeep of their homes. Of the over 400 AHBs, a large majority are also registered charities.

For this reason, AHBs are regulated by two organisations, the Approved Housing Bodies Regulatory Authority (AHBRA) and the Charities Regulatory Authority (also known as “Charities Regulator”). While not a direct regulator, the Residential Tenancies Board (RTB) ensures that the rights and responsibilities of AHB landlords and tenants are protected.

Approved Housing Bodies are classified as being on the Government balance sheet. This classification was based on an analysis undertaken by Eurostat, on the basis that AHBs are controlled by Government due to a number of reasons, including the degree of State financing, contractual agreements, special regulations and risk exposure.

5.1.1 REGULATION

In 2019, to ensure the regulation of AHBs, including supporting stronger governance and reporting, while also protecting housing assets provided or managed by such bodies, the Housing (Regulation of Approved Housing Bodies) Act²⁶ (“2019 Act”) was published. Within the 2019 Act there is a focus on safeguarding the significant public investment being made in the delivery of social housing by AHBs.

A fundamental element of the 2019 Act was the establishment of an independent statutory regulatory body. The Approved Housing Bodies Regulatory Authority (AHBRA) has been operating since February 2021 and at year-end 2023 had 27 staff members²⁷. AHBRA oversees the management and

²⁵ 438 AHBs as at November 2024 <https://www.ahbregulator.ie/registration/the-register/>

²⁶ <https://www.irishstatutebook.ie/eli/2019/act/47/enacted/en/htm>

²⁷ Annual report 2023 <https://www.ahbregulator.ie/app/uploads/2024/11/2023-Annual-Report-Final.pdf>

performance of AHBs through the establishment and implementation of a regulatory framework for the AHB sector. This includes the registration of AHBs, the setting of Standards, monitoring and assessing compliance with the Standards, and as required, undertaking investigations. AHBRA also ensures the protection of public investment in AHB housing.

The Charities Regulator is an independent body, primarily responsible for ensuring the compliance of charitable organisations with the Charities Act 2009 and maintaining the public register of charitable organisations operating in Ireland. In September 2023, AHBRA and the Charities Regulator signed a Memorandum of Understanding (MoU) to further enhance public trust and confidence in the approved housing bodies (AHB) and Irish charity sectors. The MoU provides a framework for cooperation between the Charities Regulator and AHBRA in appropriate cases and will contribute to the effective regulation of AHBs and Irish registered charities.

As this sector continues to grow in terms of not only number of AHBs but also the number of units held by AHBs, it is important to ensure that each of the oversight bodies are adequately staffed and resourced to maintain effective regulation.

5.1.2 AHB PRESENCE IN HOUSING MARKET

The presence of AHBs in the housing sector has grown considerably in recent years, particularly since 2020. In 2016 the four largest AHBs, Clúid, Tuath, Respond and Co-operative Housing Ireland (CHI), managed a total of 14,855 housing units. By 2020, this had grown to 23,689 units and by 2023 stood at 37,824 units.

AHBRA maintain a register of the AHBs operating in Ireland and analysis through their Annual Monitoring Framework suggests that in September 2023, a combined 61,477 housing units were held by AHBs²⁸. They project this will increase to 74,517 units by the end of 2024 and to 82,722 units by the end of 2025.

Each AHB is classified according to the number of housing units held, with Micro AHBs holding fewer than 20 units, Small between 20 and 100, Medium between 101 and 1,000 and Large holding in excess of 1,000 units. Some AHBs may be categorised separately under the Care and Support heading. Figure 9 and Figure 10 below, show the number of AHBs by size as well as the total number of housing units held by each category of AHB.

²⁸ 414 AHBs responded to the AHBRA Annual Monitoring Framework, a response rate of 94%

Number of AHBs by Size

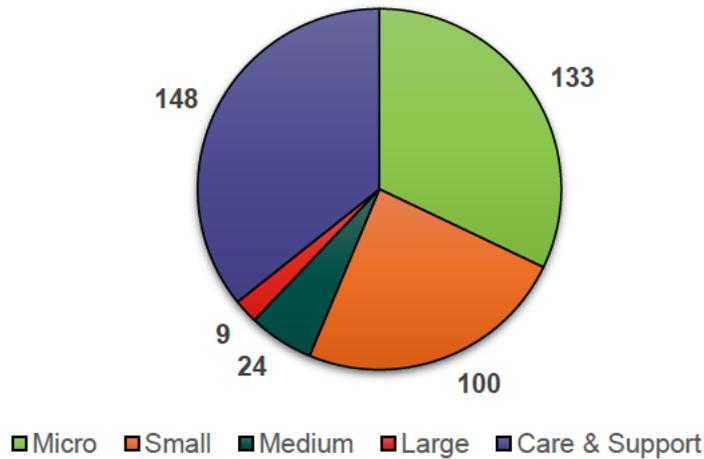


Figure 9: AHBs by size – Source: AHBRA Annual Monitoring Framework

AHB Units by AHB Size as of September 2023

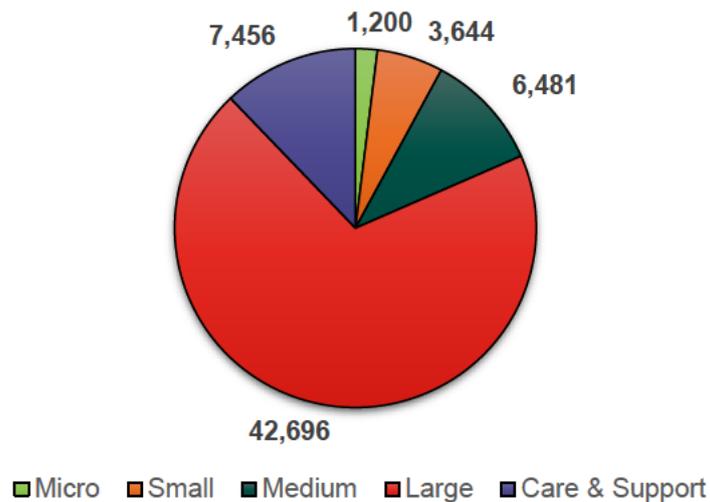


Figure 10: AHBs by units – Source: AHBRA Annual Monitoring Framework

Of the over 42,500 housing units held by the nine AHBs classed as large by AHBRA, almost 38,000 units or 89% are held by the four largest AHBs. Clúid and Tuath housing each hold and manage in excess of 12,000 units, while Respond own in excess of 7,500 units and CHI hold a further 5,000.

Between 2016 and 2023 the number of housing units held by CHI have nearly tripled, while Tuath’s portfolio has more than quadrupled. This includes new build homes, as well as homes acquired or leased by AHBs. This can be seen in further detail in Figure 11 below.

Housing Units of Four Largest AHBs 2016 - 2023

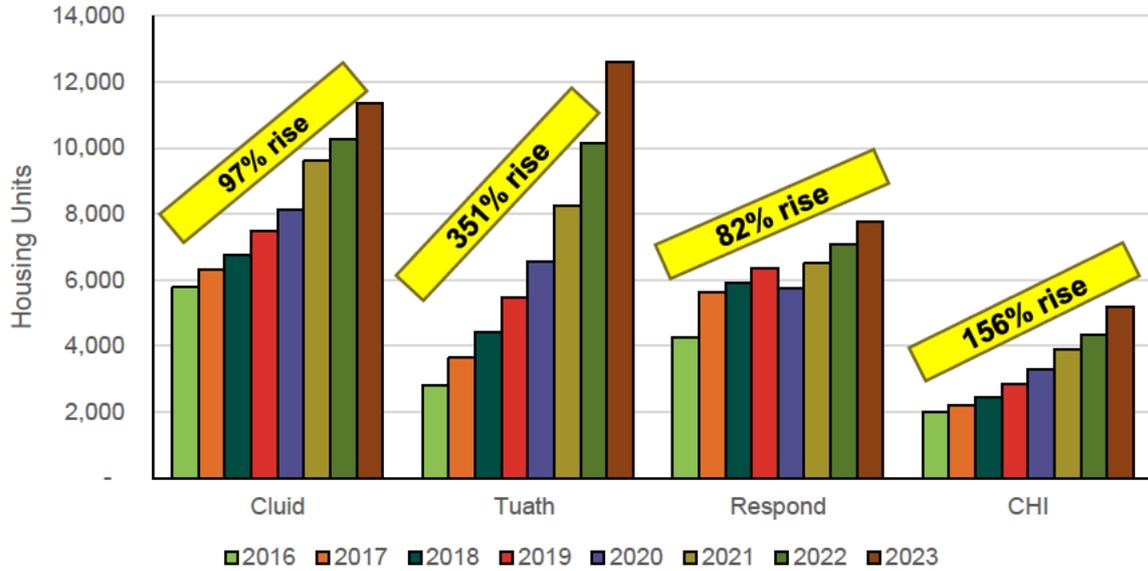


Figure 11: Number of units by AHBs – Source: Annual Reports

The increase in the number of housing units owned and managed by the four largest AHBs has been accompanied by an increase in their respective balance sheets²⁹. A breakdown showing the increase between 2017, 2020 and 2023 of Total Assets and the Long-Term Liabilities of the four largest AHBs, Clúid, Tuath, Respond and CHI, can be seen below in Figure 12 and Figure 13.

Each of the four AHBs has seen a significant expansion in their total assets between 2017 and 2023. Clúid has seen the slowest rate of increase, with their Total Assets Less Current Liabilities growing 3.1 times, while Tuath has seen the strongest increase, growing at a rate of 6.9 times. This increase in assets has been exceeded by increases in long-term liabilities, which have increased at rate of between 3.2 and 7.3 times.

²⁹ Figures taken from AHB Annual reports



Figure 12: Total Assets less Current Liabilities of large AHBs – Source: Annual Reports

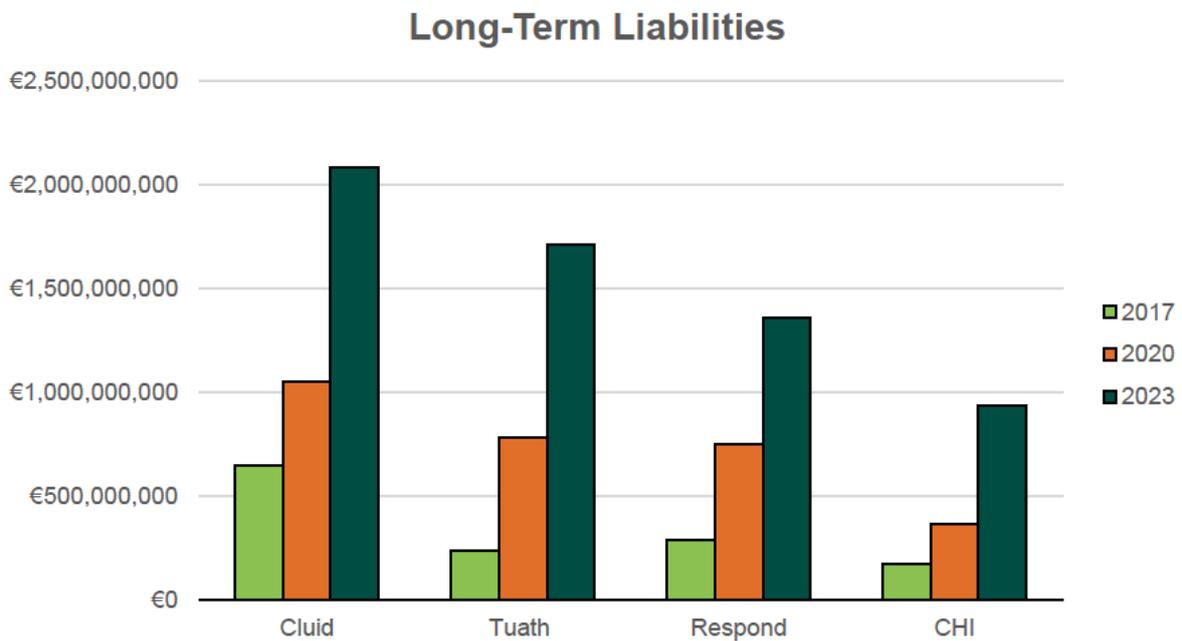


Figure 13: Long-Term Liabilities of large AHBs – Source: Annual Reports

5.1.3 AHB FUNDING STRUCTURE & RELEVANT SUPPORTS

There are a large number of Exchequer supports available to AHBs but the two main supports are Capital Advance Leasing Facility (CALF) and Cost Rental Equity Loan (CREL).

5.1.3.1 CALF

The Capital Advance Leasing Facility (CALF) was introduced to provide capital financial support to AHBs to assist with the financing of the construction, acquisition or refurbishment of homes that will be provided for social housing use. This loan facility can support from 25%-30% of the eligible capital cost of the project, where the homes will be provided under long-term lease arrangements to local authorities for social housing use.

This scheme is only open to AHBs in the situation where they agree to make available the housing units in question under a Payment and Availability agreement (P&A, also known as “CALF P&A”) to those on the waiting list of the Local Authority for an agreed period of time. Repayment of the loan provided to the AHB under the CALF scheme is not required during the lifetime of the P&A agreement and is included in their accounts as a long-term liability.

In recent years, the CALF P&A funding programme has become the main source of funding to AHBs for social housing delivery. The balance of the investment required is borrowed separately by the AHB, predominantly from the Housing Finance Agency, and to a much lesser extent from other senior lenders.

5.1.3.2 CREL

The Cost Rental Equity Loan (CREL) scheme provides financial support for the delivery of new Cost Rental homes by AHBs in the form of a long-term loan and State investment. Up to 55% of the capital costs of constructing or acquiring the homes are funded in this way (an increase in July 2023 from 45% of capital costs, having previously increased in 2022 from the original 35%).

The current funding package is a combination of a 40-year loan together with the option of a State equity investment element (for up to 20% of capital costs). The low-cost loan has 1% simple interest and repayment is not required until the end of the 40-year loan period. The State’s equity interest, equivalent to a certain percentage of the value of the property, will not be realised so long as the homes remain designated³⁰ as cost rental homes.

Remaining costs of delivery are typically financed through a loan on commercial terms from the Housing Finance Agency or potentially another lender. Where State funding is provided for the delivery of homes, rents must start at least 25% below the comparable market rent in the area (assessed as far as possible on a like-for-like basis).

Secondary legislation sets upper thresholds for net household income at time of entering into a cost rental tenancy of €66,000 in Dublin or €59,000 outside Dublin (last reviewed and increased in August 2023). The income brackets were widened to improve access to this secure tenure for those facing rental affordability issues in the private sector, in an environment of rising private sector rents seen particularly in Dublin.

According to the forecasts of the large AHBs the heavy reliance on public funding will continue and higher amounts will be needed to reach their proposed forecasts. The only change they foresee is a shift in a greater proportion towards the CALF (rising to 76% from 53% currently) and CREL (rising to 13% from 2%) schemes and away from Capital Loan Subsidy Scheme (discontinued) and Capital Assistance Scheme (funding for the delivery of accommodation for priority groups such as elderly, homeless).

³⁰ under Part 3 of the Affordable Housing Act 2021 (AHA 2021)

5.2 Local Authority (LA)

Local Authorities (LAs) are multi-purpose bodies which play a vital role in local government. They provide a wide range of services within their boundaries, such as housing; planning; roads; economic and community development; and fire services. Ireland has 31 local authorities, this is made up of 26 county councils, 3 city councils (Dublin, Galway and Cork) and 2 councils that oversee a city and a county (Limerick and Waterford). Similar to national government, councillors are elected to sit on the councils.

Responsibilities in councils are divided into two areas – reserved functions (for the elected council); and executive functions (for the chief executive). Local councils are managed by a chief executive who oversees the day-to-day running of the council. Policy areas under the responsibility of the chief executive include transport, social housing, economic development and local authority governance

Policy decisions are made by majority resolutions passed by the elected councillors during council meetings. These are reserved for the elected council and are 'reserved functions'. Some of the reserved functions include, passing an annual budget, housing policy decisions and policies on environmental protection.

5.2.1 HOUSING

Local authorities are the main providers of social housing support in Ireland and are the biggest landlord in the State. The main purpose of the Housing Services Department in local authorities is to assess households as in need and eligible for social housing support and to facilitate the provision of suitable, cost effective, quality accommodation and housing support for people who need it.

Housing support can be provided in several ways, such as:

- A rented tenancy in a property owned and managed by the local authority.
- A rented tenancy leased (long term leasing) for 10-20 years by the local authority or an approved housing body.
- Housing Assistance Payment (HAP) where a local authority will make a monthly payment to a private landlord, subject to terms and conditions including rent limits, on a HAP tenant's behalf.
- Rental Accommodation Scheme (RAS) tenancy where the local authority arranges leases with private landlords for homes.
- Specific accommodation for homeless people, older people, and Travellers.

Local authorities are delivering social and affordable housing under the Housing for All, the national housing plan for Ireland. This can be in the form of Direct delivery, Part V, Developer arrangements / Turnkey arrangements, AHB partnership or Public-private partnerships.

5.2.2 LOCAL AUTHORITY FUNDING STRUCTURE

Every Local Authority is entitled to receive a minimum amount of funding from the local retention of LPT (Local Property Tax) known as baseline funding. Equalisation is the process that ensures that all LPT allocations are funded up to this baseline. The baseline is made up of a combination of LPT yield and, where necessary, funding from the Exchequer. It is important that all local authorities receive at least this baseline level of funding to help ensure they can deliver adequate levels of service, as there are variances across the country in terms of LPT yield.

This baseline funding recognises the essential role played by local authorities in delivering a broad range of services day-to-day. Following a review, there was a €75.4 million increase in baseline funding in 2024 and this higher baseline will remain in place in 2025. Funding is allocated by DHLGH. For 2025, the estimated LPT yield of €552 million will be supplemented by €144 million equalisation support from the Exchequer.

5.3 LDA Partnership with Local Authorities and AHBs

Local Authorities may enter into partnerships with the LDA, in order to provide social housing as part of a larger housing development, from which the LDA may also offer affordable or cost rental homes. Under such a scheme the Local Authority will reimburse the LDA for the cost of delivery of any social housing units.

While this represents revenue for the LDA, this offsets costs only and is not profit-generating. During an appearance at the Public Accounts Committee by the LDA in October 2024, the nature of this recharge was clarified. Given that the LDA funds the entirety of the development, yet the relevant Local Authority retains ownership, the cost of these units is repaid to the LDA.

An example of such an interaction is the Shanganagh Castle development which saw Dún Laoghaire-Rathdown County Council recharged €24 million, for the transfer of 200 social homes within the development³¹. This was the first partnership between the LDA and a Local Authority.

Additional partnerships with Local Authorities take place under the Project Tosaigh framework. A full list of planned partnership between LDA and the various county councils can be seen in figure 14 below, which is also broken down into the various stages of planning, implementation and delivery.

Site Name	County	Origin of Land	Local Authority Partner	Development Status	Total Projected homes estimated	Projected Completion Date
Ballymun	Dublin	State Land	Dublin City Council	1 - Site Assessment	█	█
Cherry Orchard - Phase 3	Dublin	State Land	Dublin City Council	1 - Site Assessment	█	█
Anglesea Terrace	Cork	State Land	Cork City Council	3 - Planning Application	█	█
Bluebell, D12	Dublin	State Land	Dublin City Council	3 - Planning Application	█	█
Cherry Orchard - Phase 2	Dublin	State Land	Dublin City Council	3 - Planning Application	█	█
Dyke Road	Galway	State Land	Galway City Council	3 - Planning Application	█	█
Careys Road*	Limerick	State Land	Limerick City & County Council	3 - Planning Application	█	█
Cherry Orchard - Phase 1	Dublin	State Land	Dublin City Council	4 - Strategy Implementation	█	█

³¹ Source: LDA appearance at the Committee of Public Accounts 10/10/2024

Cherry Orchard AFS	Dublin	State Land	Dublin City Council	4 - Strategy Implementation	■	■
Mungret College	Limerick	State Land	Limerick City & County Council	4 - Strategy Implementation	■	■
Cromcastle	Dublin	State Land	Dublin City Council	5 - Delivery	■	■
Shanganagh, Co. Dublin	Dublin	State Land	Dún Laoghaire-Rathdown County Council	5 - Delivery	■	■
St. Teresa's Gardens	Dublin	State Land	Dublin City Council	5 - Delivery	■	■
Total					■	■

*Careys Road in partnership with LCCC using a CIE / HSE landbank based around Colbert Station, Limerick.

Figure 14: LDA and County Council partnerships – Source: LDA

The LDA is tasked with engaging with AHBs to develop an understanding of the housing sector and to identify opportunities for collaboration. The LDA may also provide social housing for purchase by AHBs, which similarly to Local Authorities pay the delivery cost of the housing units. According to information provided by the LDA, to date this has not taken place.

6. Housing Finance Agency (HFA)

6.1 Housing Finance Agency (HFA)

The Housing Finance Agency (“HFA”) is a State-owned company that provides loans to Local Authorities (LAs), Approved Housing Bodies (AHBs) and Higher Education Institutions (HEIs) for housing and related purposes. The HFA does not seek to make a commercial return on its lending as its primary objective is to facilitate the development of social and affordable housing while aiming to cover its own costs. The HFA is self-financing, adding a small margin onto its cost of funds to cover its administration costs, and does not receive any Exchequer subvention. The HFA has a statutory borrowing limit, which increased from €6 billion to €10 billion in 2009 and further increased to €12 billion in 2024. Housing for All envisages that the HFA’s loan book will increase to €13.6 billion by the end of 2028. As the Agency is on balance sheet, its debt is included in the National Debt calculations.

As per its Corporate Plan 2024-2028, the HFA assumes it will lend at between [REDACTED] over the period to 2028, which is lower than current market rates (e.g., Irish 10-year bond yields at 2.535% as of mid-December 2024 (16/12/24), ECB main refinance rate currently 3.15%). Funding is currently raised via the HFA’s Guaranteed Notes Programme and bilateral agreements with the European Investment Bank and the Council of Europe Development Bank. The HFA was designated to NewERA in October 2024. This puts the relationship between HFA and NewERA on a statutory footing, with NewERA engaging with the HFA and providing financial and commercial advice to the Minister for Housing with regard to the HFA.

6.1.1 HFA GUARANTEED NOTES PROGRAMME

The HFA’s main source of funding for its activities is through their Global Notes (GNs) Programme with the NTMA which is guaranteed by the Minister for Finance. The Programme was established in 1994 to provide for the issuance of short, medium and long-term notes. For example, through the GN Programme, Local Authorities can place surplus cash on deposit with HFA for short-dated maturities (typically of one week to one year). Following an increase effective from 15 May 2024, this programme currently facilitates issuance of up to €10.5 billion out to a maximum maturity of 30 years from the date of issue.

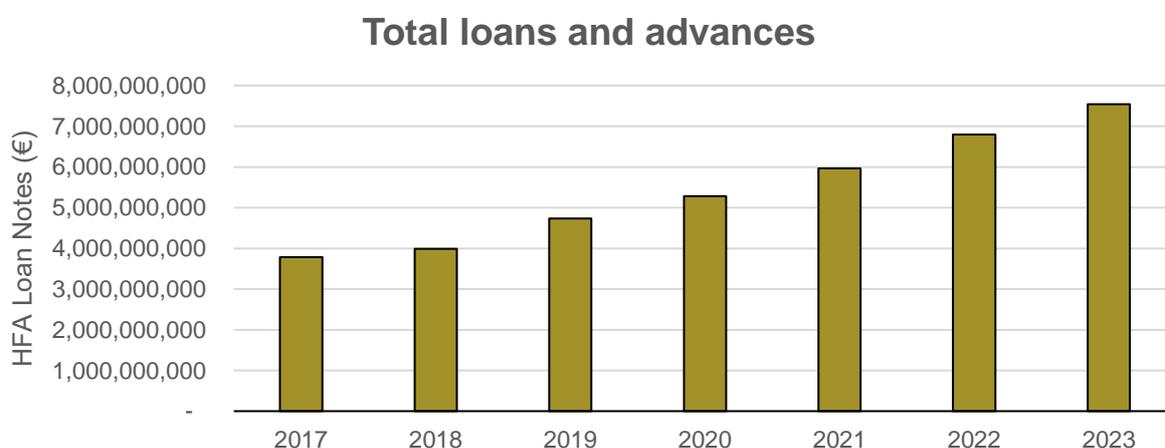


Figure 15: HFA total loans – Source: Annual Reports

At the end of 2023, the HFA's total outstanding loan book as lender was €7.4 billion, comprising 60 borrowers including 26 approved housing bodies ("AHBs") (€4.1 billion), 31 Local Authorities (€3.3 billion) and 3 higher education institutions (€0.1 billion)³². This is an increase from a loan book of €6.7 billion in 2022³³. Under its Corporate Plan 2024-2028, the HFA forecasts its loan portfolio to grow to €13.6 billion by the end of 2028. Of significance is the rate of growth in the loan book of AHBs while Local Authorities/Higher Education Institutions remained static over the period.

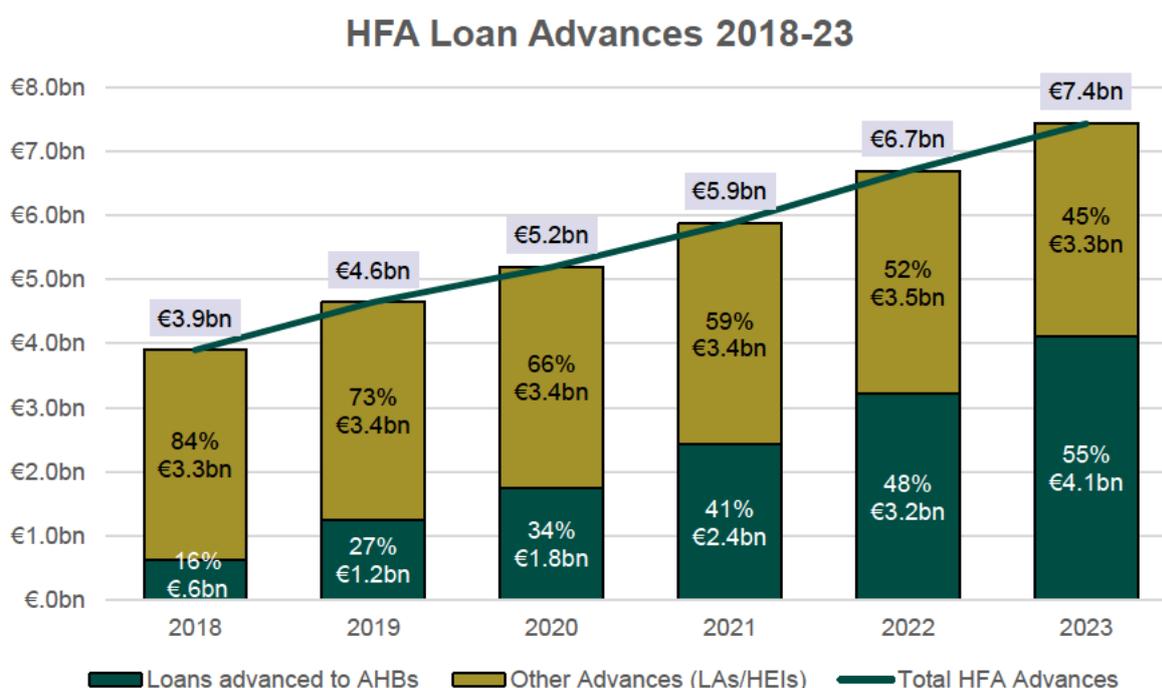


Figure 16: HFA total loan advances by borrower 2018-2023 – Source: HFA Annual Reports

6.1.2 OVERVIEW OF HFA'S DEBT (LIABILITIES)³⁴

On 31 December 2023, the HFA had total debt (liabilities) of [REDACTED] of this being Guaranteed Notes (GNs) held by the NTMA, [REDACTED] being GNs held by Local Authorities, [REDACTED]

The primary investors in the GN Programme are the NTMA and Local Authorities. [REDACTED]

³² [HFA Annual Report 2023](#)

³³ [HFA Annual Report 2022](#)

³⁴ From NewERA's report on the most recent consent process to increase the Loan Notes programme.



Figure 17: HFA debt liabilities – Source: HFA / NewERA report

The HFA advise that access to long term fixed rate funding is essential for it to fulfil its mandate to facilitate the successful delivery of social and affordable housing in Ireland by providing long term fixed rate loans to AHBs, LAs and HEIs.

6.1.3 GROWTH IN HFA LOAN PORTFOLIO

As set out in Figure 16 above, the growth in the loan portfolio of the HFA from €3.9 billion in 2018 to €7.4 billion at the end of 2023 is driven entirely by a growth in lending to Approved Housing Bodies. Over this period, loan advances to AHBs grew from €0.6 billion in 2018 to €4.1 billion in 2023. By the end of 2023, AHB loans made up 55% of all loans advanced by the HFA, having comprised 16% of loans advanced by the Agency in 2018.

Over the same time period, lending to Local Authorities and Higher Education Institutions remained static at €3.3 billion, but reduces as an overall proportion of the loan book from 84% to 45%. Therefore, the predominant segment which the HFA is exposed to has shifted from Local Authorities to Approved Housing Bodies.

It is therefore evident that any decision to increase the borrowing limit of the Housing Finance Agency is, in reality, a decision to increase debt in the AHB sector. With the Housing Finance Agency forecasting loan book growth to €13.6 billion by the end of 2028, this will likely be a growth in HFA exposure to AHBs from €400 million 2017 to potentially €8.5 billion by 2026, and over €10 billion by 2028.

This would represent a greater than 2,000% increase in Housing Finance Agency debt held by housing charities in less than a ten-year period, and does not include any additional debt held by AHBs from private sources.

7. LDA Funding Requirements and Delivery

7.1 Delivery and Funding Overview 2024-2028

This section sets out the funding requirements identified by the LDA for the period 2024-2028. This section also sets out the income streams which have been projected by the LDA to meet its funding requirements, as well as providing further detail on the forecasted housing delivery across the period.

While the Agency is currently preparing an updated business plan to cover the period 2024-2029, the LDA have advised that this is not expected to be finalised ahead of this report. The LDA have therefore advised that this report should be based upon the figures from the previous business plan which was finalised at the end of 2023.

7.1.1 LDA FUNDING 2024-2028 SUMMARY

Set out below is a high-level overview of the funding needs of the LDA to deliver 14,000 homes over the period 2024-2028, informed by the LDA business plan covering that period.

According to information provided to the Department of Finance for the purposes of this report³⁵, the LDA estimates that it will require funding of ██████████ over the period. The Agency forecasts that ██████████ of this will come from operating cashflow, i.e. income generated from the sale of social or affordable homes, and from cost rental income. The LDA estimates that a further €1 billion may be generated from external debt raising (see Section 8.2).

The majority of the funding, ██████████, is forecast to come from State sources. This predominantly comprises State equity, as well as a subvention for the delivery of cost rental units (e.g. STAR). Further detail on the assumptions underpinning each of these forecasted income streams is set out below.

³⁵ LDA Summary Income Statement, October 2024

As illustrated by the LDA summary income statement, the Agency is not forecast to be profit-making until 2026 and even then at a very low level which may not be considered sufficient to service debt. ■

■. Once the Agency reaches a steady state and assets are fully operational and at a reasonable scale, the LDA may be better positioned to raise funding from the income generated from these assets. Furthermore, policy decisions relating to the mandate and focus of the LDA, such as including a tenure mix of private or affordable sales, would present the Agency with an opportunity to generate additional income which could make debt financing more viable, either from private or State sources such as the Housing Finance Agency.

However, in the near term, there may be scope to secure funding from institutions such as the European Investment Bank (EIB) and the Council of Europe Development Bank (CEDB) at a project by project basis level (see section 8.2).

Should the LDA not be in a position to raise €1 billion in external debt over the period, it would then be necessary to secure this funding this from either State sources, or by generating additional income through operating cashflow.

7.2.3 STATE FUNDING

According to information provided by the LDA to the Department of Finance for the purposes of this report³⁷, the Agency has forecast State funding over the period to be ■. This comprises ■ State equity, ■ subsidy for cost rental delivery and ■ of shares for the acquisition of NARPS.

The level of funding committed to the LDA through amendments to the LDA Act 2021 is currently €6.25 billion. This comprises a total of €1.25 billion from the assets of ISIF, and a further €2.5 billion from the proceeds of bank share sales, i.e. €3.75 billion in total. The additional €2.5 billion provided for through legislation is for €1.25 billion to be raised from private debt sources, and a further €1.25 billion from additional sources, yet to be determined.

It should be noted that the assumed income of ■ from a Cost Rental Viability Measure (e.g. STAR) has not been sanctioned, with a total of ■ of STAR funding approved for the LDA to date.

Therefore, the LDA has a total of €3.75 billion available to draw down from State sources currently held by ISIF, a commitment to provide €1.25 billion to the Agency from additional sources, and ■ from a total of €750 million allocated to the STAR scheme. This totals ■, not including the Agency's ability to source debt funding on the private market.

7.2.4 LDA SUMMARY INCOME STATEMENT 2024-2028

■
■
■
■
■
■

³⁷ LDA Summary Income Statement, October 2024

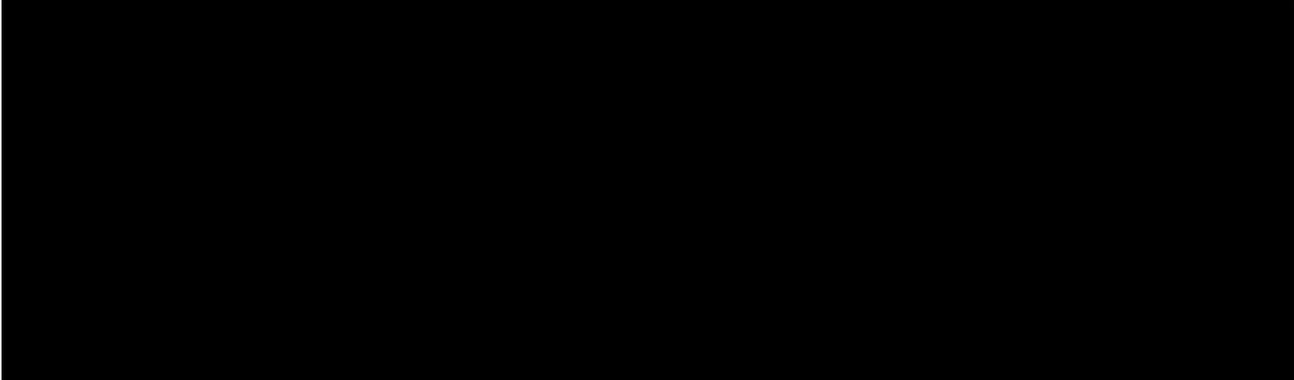


Figure 19: LDA income statement – Source: LDA

7.3 LDA Projected Housing Delivery 2023-2028

The LDA business plan covering the period 2024-2028³⁸ projects the delivery of almost 14,000 homes over the period. These are broken down across three delivery streams, namely Direct Delivery, Project Tosaigh 1 and Project Tosaigh 2 (see Section 3).

The largest delivery channel is Direct Delivery, projected to deliver 6,000 homes, comprising 43% of total housing delivery over the period. The remaining 8,000 homes are to be delivered through Project Tosaigh 1 (5,000 homes or 36%) and Project Tosaigh 2 (3,000 homes or 21%). A detailed breakdown by delivery channel is set out below.

According to information provided by the LDA in December 2024, actual delivery by the LDA from establishment to the end of 2024 is 2,054 homes, with 242 homes delivered in 2022, 922 in 2023 and 890 in 2024. This is below the targets as set out below.

7.3.1 PROJECTED UNITS BY DELIVERY STREAM

Projected Units by Delivery Stream							Total
	2023	2024	2025	2026	2027	2028	(2023-2028)
Direct Delivery							
Proj Tosaigh 1							
Proj Tosaigh 2							
Total							

Figure 20: Projected project delivery – Source: LDA

³⁸ LDA Draft Business Plan 2024-2028, as advised by LDA to use for the purposes of this report

Note that in 2023 922 homes were delivered, with 890 delivered in 2024 (281 direct delivery and 609 Project Tosaigh), falling short of the projections above.

7.3.2 UNITS BY TENURE TYPE

Set out below is a breakdown of the homes projected to be delivered by tenure type. The majority of the projected delivery is to be Cost Rental, at ██████████, delivered from 2023-2028. The remaining homes are forecast to be ██████████ social homes and ██████████ affordable homes for sale.

Cost Rental as a tenure type is faced with viability challenges, particularly for cost rental apartment delivery. To address this viability challenge, the STAR scheme was introduced in 2023, providing a subsidy of up to €175,000 per apartment in Dublin and €150,000 in the rest of Ireland, with an additional investment of €25,000 available subject to meeting certain sustainability criteria (see Section 4.1.1).

In the current market, indications are that it would be necessary to continue to provide a per unit subsidy for cost rental delivery and it is important that this is quantified and understood in any funding model for the LDA. Therefore, as a long-term delivery model for the LDA, the sustainability of the ongoing provision of the level of subvention required may need to be considered within the context of the State’s overall expenditure on housing.

Projected Delivery by Tenure Type							Total
	2023	2024	2025	2026	2027	2028	(2023-2028)
Cost Rental	██████████						██████████
Social	██████████						██████████
Affordable Sale	██████████						██████████
Total	██████████						██████████

Figure 21: Projected project delivery by tenure type – Source: LDA

7.4 LDA Actual Housing Delivery 2022-2024

According to information provided by the LDA, by the end of 2024, 2,054 homes in total have been delivered by the LDA, the vast majority (1,773, 86%) through Project Tosaigh and the remainder (281, 14%) through direct delivery, all in 2024.

Delivery Stream	2022	2023	2024	Total
Project Tosaigh	242	922	609	1,773
Direct Delivery	-	-	281	281
Total	242	922	890	2,054

Figure 22: Housing Delivery 2022-2024 – Source: LDA

The information provided by the LDA sets out that the principal tenure type of homes delivered are cost rental homes, comprising 1,509 (73%) of the total, with 345 homes delivered for affordable sale (17%) and the remaining 200 (10%) delivered as social homes.

There are a number of homes within the LDA's development pipeline with 4,732 units having been granted planning permissions and in various phases of construction, while a further 6,018 units are awaiting a planning decision or in the process of applying for planning permission.

Delivery by Tenure Type	2022	2023	2024	Total
Cost Rental	164	561	784	1,509
Social	-	145	55	200
Affordable Sale	78	216	51	345
Total	242	922	890	2,054

Figure 23: Housing Delivery 2022-2024 by tenure type – Source: LDA

8. LDA Funding Options

Set out below are the options for funding sources for the LDA. It is important to note that the evolution of the mandate of the LDA from initially incorporating an element of private market sales to now solely delivering social or affordable homes has resulted in the Agency being almost wholly reliant on State funding in the short to medium term, and potentially on a long-term basis.

The evolution and expansion in the mandate of the LDA has had the dual effect of increasing the burden on the State to fund the Agency, while at the same time constraining the options available to the Agency to source additional income from private sector sources.

There are a number of key policy considerations, including the change in mandate of the LDA, which have a significant impact on the funding requirements and funding options open to the Agency. It is therefore important that any consideration of the funding of the LDA is considered within the context of the State's overall housing policy. Further detail is set out under [Section 9 Key Policy Considerations](#).

The funding options available to the LDA are as follows:

1. Rental and Sales Income
2. Debt Funding
3. Exchequer Funding
4. Non-Exchequer State Funding

Each of these options is covered in further detail below.

8.1 Rental and Sales Income

In its summary income statement provided for the purposes of this report³⁹, the LDA projects total receipts of ██████████ from the sale of social and affordable homes and ██████████ from rental income (through cost rental delivery and income of from the NARPS portfolio of social homes, which is expected to transfer to NAMA in Q2 2025). ██████████
██████████

The largest source of revenue across delivery streams is projected to be from Direct Delivery. These units generate income by being sold to Local Authorities for both social housing and affordable sale on the private market. It is important to note that this revenue source for the LDA is being generated from other entities which are funded by State, and is therefore indirectly also State funding (i.e. funding provided to Local Authorities).

According to the LDA, cost rental income is forecast to grow from ██████████
██████████ To identify the long-term income generation from these assets, it may be helpful for the Agency to forecast income projections over a longer period, such as the lifecycle of the asset. This income forecast does not include the cost of maintaining the cost rental units which rises from an estimated ██████████
██████████
██████████

³⁹ LDA Summary Income Statement, October 2024

⁴⁰ EBITDA: Earnings before interest, taxes, depreciation and amortisation

While the LDA forecasts revenue over the period [REDACTED]
[REDACTED]
[REDACTED]

As set out above, there are a number of assumptions underpinning this forecast. It is also important to note that the income generation for cost rental delivery is also dependent on Exchequer supports, such as through the STAR scheme, which the LDA forecast to be [REDACTED] over the period.

Policy decisions relating to the mandate of the LDA could provide the LDA with additional income generation opportunities. For example, once the Agency reaches a steady state, consideration could also be given to the LDA investigating potential for Joint Ventures with private patient capital through the onward sale of stabilised assets, with a covenant in place to preserve cost rental rates. Furthermore, the increased private sale of affordable housing, and the sale of assembled and unlocked land, similar to the model employed by Homes England, may provide additional income streams. In order to attract private capital, it will be important to have a stable policy environment.

8.2 Debt Funding

As set out in Section 7, in its current business plan (2024-2028)⁴¹, the LDA assumes that €1 billion can be secured through debt funding, [REDACTED], but the Agency notes that this hasn't yet been fully explored. This €1 billion of debt is in addition to the STAR funding of [REDACTED]. To support the Agency in exploring debt funding options, the LDA procured Ernst & Young to provide advisory services in relation to the debt options available to it.

In its presentation to the working group in June 2024, the LDA took the view that there are potentially three options available to them to source debt, as follows:

1. A loan facility based on the LDA DAC: The amount that may be raised through this approach would be based on a multiple of EBITDA. [REDACTED]
[REDACTED]
[REDACTED] As mentioned previously the business plan is based on a number of assumptions including housing delivery numbers [REDACTED] and the on-boarding of the NARPS portfolio which hasn't transferred at the time of this report. A further complication is how any debt provider would treat STAR [REDACTED]
[REDACTED] This indicates that over the medium term, once in steady state, the LDA may be in a position to acquire a loan facility based on the LDA DAC, [REDACTED]
[REDACTED]
2. A development-specific loan facility: It may be possible in the shorter term for the LDA to acquire debt funding on a specific development which has planning permission in place, [REDACTED]
[REDACTED]. The LDA estimate that debt funding [REDACTED]

⁴¹ LDA Draft Business Plan 2024-2028, which the LDA confirmed (31/01/25) are the figures which should be relied upon for this report.

8.2.1.1 European Investment Bank (EIB)

The EIB is the financial lending arm of the European Union and have had a presence in Ireland since 1973. The EIB offers a range of financial services including loans, guarantees, equity investments and advisory services. The terms of EIB loans can include varied drawdown tranches, longer availability periods and choice of repayment options which can be of particular value to an organisation compared with other financing options.

The EIB has four priority investment areas, which include the provision of funding for the delivery of affordable and sustainable housing. Housing loans may be drawn down in order to fund both the construction of new social and affordable housing as well as the redevelopment of existing housing stock.

Since joining the European Union, the EIB has financed 360 projects totalling €21.8 billion in Ireland. Of this funding €1.1 billion was provided to 12 projects in the area of urban development, the majority of which went towards housing delivery. The Housing Finance Agency availed of €750 million in financing from the EIB between 2014 and 2021. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

8.2.1.2 InvestEU project

The InvestEU project aims to sustainably mobilise investment in the EU by leveraging private and public funding. The project consists of three parts: The InvestEU fund, the InvestEU Advisory Hub and the InvestEU Portal.

The InvestEU fund supports both public and private investments in areas deemed as priorities of the European Union, and which are assessed as adding value to the EU. The current four priority areas are: sustainable infrastructure, research innovation and digitisation, small and medium sized businesses, and social investment and skills.

Under the InvestEU project, the EIB may accept higher than usual levels of risk in assessing whether to grant loans.

8.2.2 COUNCIL OF EUROPE DEVELOPMENT BANK (CEB)

The CEB is a multilateral development bank headquartered in Paris with affiliations to the Council of Europe. The mission of CEB is to promote social cohesion in Europe. It fulfils this mission through financing projects which lie in one of three identified action areas: Investing in People and Enhancing Human Capital, Promoting Inclusive and Resilient Living Environments, and Supporting Jobs and Economic and Financial Inclusion. Within these three action areas, ten sectors are identified, of which six are classified as focus sectors. Social and affordable housing is included within these focus sectors.

Loans may be granted to national or subnational governments, financial institutions or 'operators of social infrastructure' which include various non-profits organisations and associations. The CEB has

Any further funding committed to the LDA from non-exchequer sources should be considered within the broader housing policy considerations set out in Section 9. Furthermore, there are currently a number of sectors which have identified significant capital investment needs, such as water infrastructure, electricity grid and transport, amongst others. As set out above, in Budget 2025, the Minister for Finance announced an allocation of almost €3 billion from the proceeds of share sales across the LDA (€1.25 billion), Irish Water (€1 billion) and electricity grid (€750 million). While there remains additional funding available from transfers to the Exchequer from the Apple escrow fund and share holdings in the domestic banking system, it will be necessary to balance these competing priorities when allocating State funding across different sectors. It also needs to be recognised that the requirements for additional infrastructure in water and electricity are needed to achieve increased housing targets and are not just solely for industry.

It is important that any funding committed to the Agency is done in a way which does not circumvent the procedures required by the Public Spending Code. As set out in Section 9 below, it is also important that in allocating any such funding to the LDA, it is clear that the LDA has the organisational capacity and mandate to effectively deliver increased housing supply.

9. Key Policy Considerations

In considering a sustainable funding model for the LDA, a number of policy considerations arise. Each of these considerations has a material impact on both the level of funding required by the LDA, as well as the options available to source this funding.

In particular, the interplay of the following factors must be considered in any decision on the funding of the LDA:

1. LDA mandate (including tenure mix and typology)
2. Role of the State in funding housing delivery
3. Role of the LDA in the housing market and its interaction with other stakeholders
4. Organisational capacity and risk management

The key impacts of each of these factors is set out in further detail below. In summary, any increased funding provided to the LDA, and any change in the mandate of the Agency, must be considered in tandem with the capacity of the organisation to deliver and the interaction of the Agency with other similar entities delivering housing (in particular those which are funded by the State, such as AHBs and Local Authorities).

It is evident that providing additional funding to the LDA alone will not guarantee that the Agency can achieve the policy objectives set. Of equal importance are other factors that will determine success, such as the organisation's capacity to deliver and its impact on, and interaction with, other stakeholders in the housing market.

Consideration of the mandate of the LDA in the context of the State's overarching role in housing delivery is also critical. The objective should be to minimise competition, ideally ensuring that the LDA has a mandate which complements the role of other stakeholders, particularly those which are also funded by the State, thereby bringing additionality to the market.

Together, these factors play a significant role in determining whether the Agency is successfully positioned to deliver on policy objectives.

9.1 LDA Mandate

When first conceived⁴³, the overarching mandate of the Land Development Agency (LDA) was to optimise the use of publicly-owned land to support the State's housing and urban development needs. The key policy objectives of the LDA were:

1. To identify and develop State-owned lands for housing and urban regeneration.
2. To serve as a national centre of expertise in strategic planning and development, master-planning and managing large-scale developments.
3. To link with wider infrastructure funding arrangements through strategic investment vehicles such as the ISIF and the EIB.

⁴³ National Planning Framework 11.1.1

4. To co-ordinate across Local Authorities, Government bodies and semi-State companies and advise on how to obtain the best strategic return on the development of the State's land portfolio.
5. To deliver a tenure mix of private, social and affordable homes, while increasing the supply of social and affordable housing.
6. To promote sustainable development by regenerating strategic urban sites.

Therefore, it is clear that the policy objective of establishing a Land Development Agency was to ensure that the Agency operated with a distinct mandate in the housing market, complementing and co-ordinating with other market operators, strategically developing State land and delivering a mix of housing across all tenure types.

Over the past five years, however, this mandate has significantly evolved. While the LDA does acquire and develop State land, its mandate has expanded and a significant portion of its output now also involves developing social and affordable homes in partnership with private developers (Project Tosaigh).

. Care should be taken to ensure that the LDA does not displace private market funding and brings additional supply to the market, in line with the policy objective of Project Tosaigh.

This pivot in the Agency's mandate was made in order to address immediate challenges in the housing market, in particular during the period 2021-2023. As set out in further detail in [Section 3](#), this involved a new delivery stream for the LDA, known as Project Tosaigh. A further expansion of Project Tosaigh was announced 2023, providing for the development of 5,000 homes, predominantly through funding the development stage of delivery, known as "forward funding".

Forward funding involves the LDA purchasing a site from a developer at the commencement of a project, and then providing ongoing payments during the construction phase. Managing forward funding developments requires specialist expertise. While the LDA requires similar expertise for the operation of its direct delivery workstream, expanding this to also include a forward funding workstream is significantly more resource intensive for an organisation. Furthermore, it significantly increases balance sheet risk to the LDA, and by proxy the State, and ties up a significant amount of capital until homes are completed.

Consequently, this has substantially increased the funding requirements as well as the skills and expertise required by the organisation to successfully fulfil its mandate (see [Section 9.4](#)). At the same time, by reducing the proportion of homes delivered to the private market, this has limited opportunities for income generation, thereby constraining the options available to the LDA to source funding or to recycle capital to build more houses. A further advantage of engaging with the private market is that the LDA would have the potential to stimulate badly-needed private sector delivery by assembling and preparing major brownfield sites and working in partnership with the private sector.

In summary, the LDA now assumes five roles in the housing market, namely (a) direct delivery on State lands (b) the acquisition of completed homes from developers, (c) the provision of funding to developers, through forward funding the construction phase of development, (d) the management of rental properties and (e) the assembly of land. Each of these roles requires specific expertise and organisational structures. If the LDA is to be effective, it must have clarity and consistency of mandate in order to deliver additional supply in the market.

It is essential that any future change to the mandate, or delivery targets, of the LDA are not considered in isolation. Any change in the mandate of the LDA has an impact on the housing market in the State

more generally. It must, therefore, be considered in the context of its impact on other market actors and its interplay with across the broad range of State interventions in the housing market.

In order to maximise the impact of the Agency it should, insofar as possible, complement other State interventions and should not displace private market activity. Any mandate change must also be considered in parallel with a decision on the availability and source of any matching funding allocation, as well as the organisational capacity of the LDA to deliver. Where additional funding is provided, it will be necessary for the LDA to prioritise delivery where it can maximise the impact of its funding allocation and increase the supply of housing. Care should be taken to ensure that LDA does not displace private market funding and brings additional supply to the market, in line with the policy objective of Project Tosaigh.

9.1.1 TENURE MIX AND TYPOLOGY

The tenure mix and typology of homes delivered by the LDA will have a substantial impact on funding requirements.

As set out above, when first envisioned, the expectation was that the LDA would deliver at least 50% of homes for the private market. In selling to the private market, this would ensure that the LDA generated sales income. However, under the current mandate, the LDA must deliver 100% social and affordable homes in Dublin and Cork, and at least 70% social and affordable housing in all other urban areas on relevant public lands. [REDACTED]

[REDACTED]. In order to be in a position to provide cost rental homes with affordable rents, this currently requires significant subsidisation from the State. While there is no specification on type of cost rental dwelling, the majority of cost rental provided for by LDA are apartments. When planning cost rental developments, consideration should be given to the potential of duplex or 'own door' units, in line with density guidelines⁴⁴, as these may be a more viable option for the LDA.

As the LDA has been established as a market operator, this means that in order to satisfy EU State aid requirements, any State subsidy made available to the LDA must equally be available to any private market operator. This decision on the tenure type therefore impacts the funding requirement of the LDA, but also has broader implications for the State's funding of the housing market.

Furthermore as the LDA must operate as a commercial entity, [REDACTED]. As the LDA is an entity that is currently wholly reliant on State funding, [REDACTED].

Therefore, by pivoting away from private delivery options towards a tenure type which is reliant on State support in order to be viable, the LDA has been placed on a pathway where it remains wholly reliant on State funding, particularly over the medium term. It is therefore important that any policy decisions in relation to the tenure type to be developed by the LDA is reflected in the funding model of the LDA. For tenure types which require subsidisation, the full cost of this subsidisation should be quantified. If there remains no private market delivery avenue for the Agency, this will impede the LDA's ability to recycle its capital to build more houses and in turn will require increase capital funding from the State.

⁴⁴ Sustainable Residential Development and Compact Settlements Guidelines for Planning Authorities

As well as the increased subsidisation required to deliver cost rental homes, in holding cost rental homes, the LDA becomes a property manager. This, in turn, requires specific expertise and additional cost of maintaining assets over its lifetime. It is worth noting that this was not envisioned when the LDA was established.

In relation to the typology of the homes being developed, the majority of homes forecast to be delivered by the LDA are apartments. [REDACTED]

A recent report⁴⁶ published by the Department of Housing, Local Government and Heritage, found that the cost of delivering a standard two-bedroom suburban apartment is c. €550,000, compared with the cost of delivering a 3-bedroom scheme house at c.€450,000. While the LDA estimate its delivery costs to be lower, there remains a significant additional cost to deliver apartments compared with other types of housing.

While clearly this aligns with the objective of compact urban growth as set out in the National Planning Framework, it is important to note that requiring such a high proportion of delivery to be apartments has the knock on impact of significantly increasing the funding requirements of the LDA.

Given the impact which tenure type and typology have on total funding requirements, it is important that funding needs are forecast through the cycle, e.g. land purchase – should be costed through to ultimate delivery (not just land). This should also include clearly any assumptions or requirements for additional State subsidisation to ensure that such projects are viable (e.g. in the case of cost rental delivery).

9.2 Role of the State in Funding Housing Delivery

As set out in further detail in [Section 4](#), the State is currently committing unprecedented levels of funding to housing delivery across a range of State interventions. As we seek to scale up delivery of housing from current levels of 30,330 homes completed in 2024, to an average of 50,500 homes per year, it is clear that significantly increased levels of funding will be required to deliver this increased output.

The State cannot deliver on this alone and it is critical that the impact of State funding is maximised and serves to complement private capital, and not displace it. Policy decisions relating to the mandate and funding of the LDA must therefore be considered within this context.

As set out in further detail above, there are a number of State entities which are classified within the General Government sector, i.e. on the State balance sheet. In recent years, a number of such entities have seen an increase in funding, either through Exchequer funding, funding provided from ISIF or the proceeds of recent share sales, as well as an increase in State borrowing to support housing activity.

⁴⁵ Note that the LDA have advised that the 2024-2028 business plan is used to inform this report, as an updated business plan has not yet been finalised.

⁴⁶ Total Development Cost report, DHLGH, September 2024 <https://www.gov.ie/en/publication/0ddf9-total-development-cost-report/>

For the LDA's part, as advised by the CSO, the Agency cannot be considered a 'commercial entity', and is on the Government balance sheet. Given its current mandate, it can be expected that the LDA will remain on the Government balance sheet for the foreseeable future.

Consideration should be given to the sustainability of such increases to the State's balance sheet exposure to housing development, in particular in the context of the need to substantially scale up delivery by approximately 53% (i.e. from c.33,000 homes to 50,500 homes a year).

9.3 Role of the LDA and Interaction with Other Stakeholders

Central to any consideration of a sustainable funding model of the LDA, will be an examination of the role of the Agency in the housing market, its interactions with other stakeholders and the implications for housing delivery.

To provide some context for this, [Section 5](#) provides an outline of the roles and funding models of key organisations involved in the delivery of State housing policy, including Approved Housing Bodies and Local Authorities. These entities play a key role alongside the LDA in addressing housing challenges and delivering housing policy objectives. Therefore, the LDA's mandate and activities should complement, rather than duplicate, the work of AHBs and Local Authorities insofar as possible. With distinct mandates, this will ensure that competition between State-funded entities, which deliver on the same overarching policy goals, is minimised.

The funding landscape for housing delivery is fluid and can be impacted by changes in the external environment. The LDA has previously been asked to adapt to such shifts in the market environment, for example through the introduction of Project Tosaigh which sought to unlock land not being developed by the private sector as a result of changes in the macro-economic environment at that time.

However, where private capital may re-enter the market, the LDA should recalibrate its activity to ensure that it is funding additional supply and not displacing private capital in the market. Opportunities may also exist for the LDA to leverage Exchequer supports, such as STAR, to attract private capital. For example, this could involve the LDA supporting the development of cost rental homes for onward sale to the private market once the assets are stabilised. However, this should be considered in the context of the overall role of the LDA in the market.

Given the range of State interventions in the housing market, there is a need to ensure that there is limited duplication of roles and that Agencies are not inadvertently in competition with one another as a consequence. A partnership-based approach among the LDA, AHBs and Local Authorities, each taking a distinct role in the market, could lead to more cohesive and efficient delivery.

For example, the LDA's initial remit centred on the acquisition and development of State-owned lands. A comparable model is Homes England in the UK, which focuses on similar objectives. For example, Homes England enables the assembly of land, purchasing and unlocking sites to drive large-scale regeneration. This includes targeted investment in infrastructure to boost the supply of land suitable for housing. The model followed by Homes England also involves the sale of parcels of land to the private sector following assembly, thus generating further income streams for the Agency. Lessons from such examples could guide the LDA's strategic direction to ensure alignment with national housing goals and ensure it brings additionality to the market.

Work undertaken through the Housing for All Investment Workstream, as well as the Housing Commission Report, has found that a significant barrier to housing development is the funding of

infrastructure. The initial policy objective of the LDA was to address such challenges through collaboration with other State Agencies and the leveraging of Exchequer infrastructure supports. Through unlocking sites and enabling land development, the LDA may support infrastructure delivery and add value by accelerating housing delivery across the public and private sectors.

In order to maximise the impact of State investment in housing, the roles of the LDA, AHBs and Local Authorities should be clarified and considered in order to avoid duplication and competition insofar as possible. Collaboration between the various actors should be facilitated, including with the private sector. Consideration could be given to how the LDA may leverage its State funding allocation to crowd in private capital, either through sales to the private market or partnership.

To support this, a more fundamental end-to-end review of the role and mandates of various State-funded organisations involved in housing delivery would be of benefit. This review should aim to identify the level of exposure in the State's role in the in the housing sector, examining the level of funding provided through the Exchequer but also through all State-funded Bodies and Agencies. The review should also identify the counterparties which each State and State-funded Body has contracted with across all housing developments, in particular where forward funding arrangements are in place. This will be important in order to identify any concentration risk and overall exposure to any particular counterparty or sector.

9.4 Organisational Capacity and Risk Management

As set out above, the LDA was established in 2019 and since this time the scale and remit of the organisation has expanded considerably. The Agency has grown from a staffing of 3 in 2018 to a current staffing of 175, projected to reach 330 by end 2025.

As a newly established organisation with an evolving scale and remit, as well as rapidly increasing staff numbers, the LDA may face a number of challenges at an organisational level. Changes to the Agency's mandate will require additional skillsets and expertise and potentially also enhanced organisational structures. This can present a risk to the organisation, and any failure to address these risks may impede the organisation's capacity to deliver on the policy outcomes sought, in particular in the initial stages. Therefore, it is important that any change to the organisation's mandate should also be considered in this context.

As set out above, the LDA currently assumes five distinct roles in the housing market. Each of these roles will require specific skillsets and expertise from LDA staff. For example, the LDA is now required to manage a large portfolio of cost rental homes over their lifecycle. As a property manager, the LDA will require specific skills and likely also new organisational structures within the Agency. An alternative option will be to outsource this skillset. Furthermore, the pivot to forward funding development requires that the organisation has the capacity to manage this process which is more capital and resource intensive and requires a specific skillset similar to those of a private lender.

In order to deliver on its expanded mandate, the LDA must ensure that its systems, processes (such as IT, HR, finance, risk and compliance) and governance structures are appropriate and can scale accordingly. There is a risk that shifting priorities to accommodate new tasks may overburden the Agency and compromise delivery.

While the Organisational Capacity of the LDA present risks, the working group has been advised that the LDA is taking steps to mitigate these risks through operational change activities and the Agency also

possesses skillsets in the Project Development and Construction Management fields that are unique in the Public Sector.

It will be necessary for the LDA to prioritise in order to effectively deliver additional housing supply. If any further changes in the remit of the LDA are not considered in tandem with the organisation's capacity to deliver, this exposes the Agency, and the State, to additional risks such as implementation delays, inefficiencies and reputational risk with key stakeholders.

10. Conclusion

As outlined in this report, the original concept of the LDA has changed significantly since its first inception in 2018. This has had a significant impact on the funding requirements of the LDA, the sources of funding available to the Agency, the capacity of the organisation to deliver and the interaction and duplication of the work of LDA with other State-funded entities in the market.

Any decision on the commitment of additional taxpayer resources to the LDA needs to be cognisant of certain conclusions in relation to the State's ongoing and significant role in housing delivery that are evident from the work undertaken by the Group.

- 1. LDA Mandate:** The report finds that as a consequence of policy decisions taken, the mandate of the LDA has expanded significantly since inception. The initial policy objective was for the Agency to co-ordinate and manage the development of lands, in particular publicly-owned lands, to deliver a tenure mix of social, affordable and private housing. The intention was for the LDA to leverage Exchequer supports, in particular infrastructure supports and collaborate with other State agencies to deliver additional supply. By intervening at this point in the housing delivery cycle, the LDA would unlock sites and enable land development by public and private entities at a greater scale. To ensure the optimal use of State resources in supporting housing delivery at scale, it is timely to consider a re-focus of the mandate of the Agency on assembling and unlocking land for development, to ensure that the LDA is complementing other State-funded entities and not competing with them for housing or land banks. The refocus should also ensure that the LDA is providing additionally in the market and also not crowding out the private market. Though not a direct stipulation, the majority of cost rental provided for by LDA are apartments. Other compact density units, such as duplex or 'own door', are a viable alternative to apartments and are in line with density guidelines⁴⁷. This should be examined further by the LDA in the planning cost rental developments.

To this end, consideration should be given to enabling the LDA to recycle taxpayer resources being provided to it via the sale of units to other players in the social and cost rental market. In the first instance to the Local Authorities as the units would then remain wholly within State ownership or to AHBs or private market players.

As outlined in the report, the change in mandate of the LDA has resulted in it holding and managing units as a landlord that it has obtained under Project Tosaigh, either as purchased prior to completion or which it will finance via already agreed 'forward funding' contracts. A sale of these units as social or cost rental housing to the relevant market participants would allow the LDA to recycle development capital and focus its finite resources on developing its State land bank, and may be more efficient from both a staffing and capital perspective.

While the sale of units to other State-funded entities may have a neutral cost impact to the State overall, it would allow the LDA to recycle development capital and focus on the development cycle, adding incremental additional housing supply and ensuring that it has a discrete mandate in the housing market, complementing other State entities. The sale of these stabilised assets

⁴⁷ Sustainable Residential Development and Compact Settlements Guidelines for Planning Authorities

to other market participants, including the private sector, could include covenants, for example including that cost rental rates are preserved.

Ensuring that State-funded market participants each undertake a distinct role in the market would support a more efficient allocation of State resources by enabling the players with the necessary expertise, particularly the Local Authorities and AHBs, concentrate on managing social and cost rental housing, while the LDA focuses on developing new homes on State lands and supporting land assembly, including potentially the provision of infrastructure to unlock land. The latter of which would not only benefit State land, but could help unlock land banks adjacent to State land as well.

2. **LDA Funding Options:** The report finds that under its current mandate, the LDA is wholly reliant on significant levels of State funding. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Therefore, the LDA will be reliant on direct State funding for the foreseeable period. The ability of the Agency to deliver additional supply from this funding will depend on organisational capacity to deliver and prioritisation of delivery, as set out below.

3. **Prioritisation:** The report finds that any funding provided to the LDA should be associated with priority areas of delivery. The funding should deliver additional housing supply and should clearly complement, and not compete with, other State funded interventions and entities operating in the housing market. The LDA should allocate the funding available by identifying where this funding can have the greatest impact in the market, unlocking additional supply. On the basis of information provided by the LDA for the purposes of this report, the Agency has delivered below its housing projections to date. Having delivered 2,054 homes from its establishment to the end of 2024, in the near term the LDA will make a minor contribution to the delivery of the target of 50,500 homes per year. The LDA has missed its housing targets in 2023 and 2024, which means it will have to deliver more units in the coming years to meet its stated target of 13,976 units over the period of 2023 to 2028. It has indicated that its expectation is for greater output from 2027/2028 onwards. This underscores the importance of the LDA prioritising areas where it can have the greatest impact and ensure additional supply.

4. **State Funding for Housing Delivery:** The report sets out the significant and increased levels of State funding for housing delivery across a range of interventions in the market. The LDA has benefited over the last two years from proceeds from the sale of bank shares. There is the possibility of further share sales in the future and the proceeds of the Apple Escrow account can be utilised for infrastructure, including housing. Both of these resources are finite, as is the ability of the Exchequer to continue to provide subsidies, such as STAR, to the LDA and other players for the provision of social and cost rental units. There are other pressing infrastructure

needs, especially in the areas of water, electricity grid and transport that need to be funded over coming years, which are also needed to achieve our increased housing numbers. Thus the further allocation of these monies to the LDA will require trade-offs, in other words less money for other infrastructure projects.

- 5. Allocation of Construction Risk:** Through Project Tosaigh 2, the LDA purchases sites from developers and directly funds the construction phase of development, known as “forward funding”. This reallocates construction risk from the private market to the State and places the LDA higher up the risk curve, with direct exposure to construction risk. This funding is also capital intensive and ties up a significant amount of capital until homes are completed. Furthermore, it significantly increases balance sheet risk to the LDA, and in turn to the State.

Effectively managing the risks associated with forward funding requires significant resourcing in an organisation. There has to be strong evidence to justify the reallocation of construction risk from the private market to the State.

When the State partners with the private sector, in particular in relation to the significant increase in forward funding activity, it is crucial that all construction risk is not reallocated from the private market to the State. Where there is a reallocation of risk from private developers to the State, this must be reflected in the allocation of returns to each party, as is the practice for forward funding arrangements in the private market.

- 6. Organisational Capacity to Deliver:** The report finds that the significant expansion of the mandate of the LDA within a short period of time has created challenges for the organisation. Furthermore, the organisation now assumes five distinct roles in the housing market, each requiring staffing with specific expertise and skillsets. While the LDA has taken steps to mitigate these risks, this presents a risk to the capacity of the organisation to deliver at scale.

It is crucial that any further changes in the remit of the LDA are considered in tandem with the organisation’s capacity. Failing that, there is a risk that delivery at the scale required will not be consistent with the organisational capacity of the Agency. This will expose the Agency, and the State, to additional risks such as implementation delays, inefficiencies and reputational risk with key stakeholders.

- 7. Role of State-Funded Organisations in Housing Delivery:** While this report considered the mandate and key policy considerations specifically in relation to the LDA, the report also highlights the varied number of State players involved in the provision of housing alongside the LDA, a number of which, such as the Local Authorities, are the end-buyer for some of the LDA output.

A more fundamental end-to-end review of the role of various State-funded organisations involved in housing delivery is necessary. This should incorporate in particular the LDA, Approved Housing Bodies and Local Authorities in order to avoid duplication and competition insofar as possible. It is important that the unprecedented levels of funding being provided by the State to the delivery of housing has maximum impact, by ensuring that State-funded entities are complementing each other with balancing mandates. The review should identify the level

of exposure in the States role in the in the housing sector and the corresponding concentration risk.

Such a review would help to provide confidence that the significant levels of State expenditure on housing is not driving inflation in the housing market and/or crowding out private investment and allow for corrective measures to be taken, if required.

11. Appendix 1 – Government Housing Strategies

11.1 Project Ireland 2040

Project Ireland 2040 is the government’s long-term overarching strategy to ensure Ireland has a resilient and sustainable future. The strategy aligns investment plans with the stated National Strategic Objectives for 2040, ensuring a considered, cohesive policy and planning framework for the social, economic and cultural development of Ireland.

This represents a shift from the approach of the past, which saw funding spread thinly across sectors and public investment decisions. Alongside the development of physical infrastructure, Project Ireland 2040 supports business and communities across all of Ireland in realising their potential. The aim of Project Ireland 2040 is to construct an improved Ireland for all of us. By 2040, it is expected that population in Ireland will have increased by approximately one million additional people. This population growth will require hundreds of thousands of new jobs, new homes, heightened cultural, and social amenities, enhanced regional connectivity and improved environmental sustainability.

The National Planning Framework (‘NPF’) and the National Development Plan (‘NDP’) 2021-2030 combine to form Project Ireland 2040 – aligning both investment strategy and strategic planning documents to create a unified and coherent plan for the country. The NPF sets the vision and strategy for the development of our country to 2040 and the NDP provides the enabling investment to implement that strategy.

11.1.1 NATIONAL PLANNING FRAMEWORK

In 2018, the National Planning Framework (NPF) replaced the National Spatial Strategy as the overall spatial planning and development strategy for Ireland. The NFP is a planning framework to guide the strategy for development and investment in Ireland to 2040. It sets national objectives and key principles, with the aim of empowering each region to lead in the planning and development of their communities. Further detailed and refined plans will follow. The NFP should be read alongside the National Development Plan, a ten year strategy for public capital investment.

The NPF is being revised, with public consultation is in currently underway. The final updated NPF is expect in October 2024.

11.1.2 NATIONAL DEVELOPMENT PLAN 2021 – 2030

The revised National Development Plan (NDP) sets out the ten year capital ceilings to 2030 which will support economic, social, environmental and cultural development across all parts of the country under Project Ireland 2040, in parallel with the National Planning Framework (NPF) which sets the overarching spatial strategy for the next twenty years. The NDP was drafted following a review conducted over two phases which commenced in October 2020 and included extensive engagement, public consultation and analysis. The alignment of the NDP and NPF under Project Ireland 2040 creates a unified and coherent plan for the country by ensuring our investment strategy supports spatial planning behind a shared set of strategic objectives for rural, regional and urban development.

11.2 Housing for All

The government's vision for the housing system over the longer term is to achieve a steady supply of housing in the right locations with economic, social and environmental sustainability built into the system. In order to reach this vision the government released the *Housing for All - a New Housing Plan for Ireland*, referred to as '*Housing for All*', the government's housing policy to 2030. It is a multi-annual, multi-billion-euro plan which will improve Ireland's housing system and deliver more homes of all types for people with different housing needs. It has a built-in annual review mechanism to respond to progress made in implementing the plan, to challenges in implementation, and to changes in the external environment. It also intends to bring vacant and derelict properties back into residential use through a variety of incentives and measures. Housing for All aims to deliver over 300,000 new homes by the end of 2030.

11.2.1 HOUSING FOR ALL – UPDATED TARGETS

On 5th November 2024, the Government announced its revised housing targets for the period 2025 – 2030. Over these six years, a total of 303,000 new homes are targeted. 41,000 homes are planned in 2025 while 50,500 homes are planned to be delivered each year from 2026 until 2030, when 60,000 homes are targeted. The adjusted targets aim to ensure housing supply meets both the existing level of demand and new demand to be generational by the population growth which is forecast over the coming years and decades. The Minister for Housing, Local Government and Heritage stressed that these targets represented a floor for housing delivery, not a ceiling.

12. Appendix 2 – Exchequer Housing Supports

While there are a number of schemes under the ‘Housing for All’ banner, the majority are geared directly towards first time buyers or self-builders (Help to Buy, First Home Shared Equity (FHSE), Local Authority Home Loan, Local Authority Affordable Purchase, and Ready to Build schemes. The Mortgage to Rent (MTR) scheme is somewhat of an outlier as it is specifically for social housing rather than affordable housing, and is more relevant to Approved Housing Bodies (AHBs). Listed below are schemes which are relevant to LDA.

12.1.1 SCHEMES IN HOUSING FOR ALL

Help to Buy scheme is aimed at first time buyers to help with the deposit for a new or self-build home. It is based on receiving a refund on income and DIRT tax paid in Ireland in the last four years. Those eligible can receive up to €30,000. (Affordable Housing)

First Home Shared Equity (FHSE) scheme, which launched in July 2022, is a shared equity scheme, designed to help bridge the gap for eligible first-time buyers, eligible homebuyers, and self-builders, between their deposit and mortgage, and the price of their new home. Under this Scheme, a percentage ownership of the home is taken as equity (up to 30%, or 20% if Help to Buy is being availed of), which can then be bought back at a later date. There are property price ceilings per local authority area which apply to both houses and apartments. If a customer decides to sell their property, they are required to pay off the equity share. (Affordable Housing)

Local Authority Home Loan scheme is a mortgage from the local authority for first time buyers and fresh start applicants who have been unable to obtain finance from traditional mortgage providers. You can borrow up to 90% of the property’s value and it can be used to purchase a new or second-hand property or for self-build. Proof of insufficient offers of finance from two regulated financial providers must be provided. The maximum loan amount is determined by where the property is located. There are also income limits for both single and joint applicants. Funding for the scheme is provided through the HFA. (Affordable Housing)

The **Vacant Property Refurbishment Grants (VPRG)** scheme supports the sustainable reuse of vacant and derelict properties and is administered by Local authorities. There are two types of grants once certain conditions are met, one for vacant properties and another for derelict properties. Purchasers of vacant or derelict properties can receive up to €70,000 to turn a vacant house or building into a permanent home or a rental property. The grant applies to vacant or derelict properties nationwide which were built up to and including 2007. This is funded through the Croí Cónaithe Towns Fund. (Capital Housing scheme)

The Vacant Property Refurbishment Grant supports bringing vacant and derelict properties back into use. A grant of up to €50,000 is available for the refurbishment of vacant properties for occupation as a principal private residence and for properties which will be made available for rent. Where the refurbishment costs are expected to exceed the standard grant of up to €50,000, a top-up grant amount of up to €20,000 is available where the property is confirmed by the applicant to be derelict or where the property is already on the local authority’s Derelict Sites Register, bringing the total grant available for a derelict property up to a maximum of €70,000.

The grant is available in respect of vacant and derelict properties built up to and including 2007, in towns, villages, cities and rural areas.

In June 2024 Minister O'Brien announced the extension of the Local Authority Home Loan to the Local Authority Purchase and Renovation Scheme (LAPR), which applies to all properties eligible for VPRG which will be eligible to apply for LAPR subject to conditions.

Local Authority Affordable Purchase scheme is aimed at first time buyers or fresh starters. Local Authorities are making new homes available for purchase at reduced prices through a shared equity model. Local authorities take percentage equity stake in the home, which can be bought out by the homeowner at a later date. Applications are made through local authorities who advertise new homes as they become available.

Cost Rental is a new form of long-term, sustainable home rental and is targeted at middle-income households with incomes above the social housing limits. Under this model, homes are provided with rents that are set to cover only the cost of financing, building, managing and maintaining the homes. In general, rents will be targeted at 25% below private market rents in the area. CREL, AHF, and STAR are all ways of delivering Cost Rental housing.

Under the **Ready to Build** Scheme, local authorities make serviced sites in towns and villages available to potential individual purchasers (self-builders). These sites will be available at a discount on the market value of the site. They will be sold for the building of a property for occupation as the principal private residence of the purchaser. (Affordable Housing)

12.2 Exchequer Supports

12.2.1 AFFORDABLE HOUSING SCHEMES AND SUPPORTS

The Croí Cónaithe (Cities) Scheme was launched in May 2022. It aims to bridge the viability gap between the cost of building apartments and the market sale price (where the cost of building is greater). The Croí Cónaithe (Cities) Scheme is being managed by The Housing Agency on behalf of the Department of Housing, Local Government and Heritage. The scheme is a viability measure targeting the five cities of Dublin, Cork, Limerick, Galway and Waterford and designed to support the building of apartments for sale to owner-occupiers that would otherwise not be built, providing a greater range of tenure in our urban centres. Subject to the actual level of the viability gap, a subvention of up to €120k is available in Dublin and €144k in the rest of the country (inclusive of VAT).

Croí Cónaithe (Towns) includes the Vacant Property Refurbishment Grant and the Ready to Build Scheme (serviced sites). Under the VPRG, grants are made available for the refurbishment of vacant properties, including the conversion of a property which has not been used as residential heretofore, subject to appropriate planning permission being in place. The final use of the property must be for private home or a rental properties registered with the Residential Tenancies Board (RTB). The Croí Cónaithe (Towns) is managed through each local authority. The funding is distributed in two streams. Stream 1 provides grant funding to support the refurbishment of vacant properties in towns and villages for residential use, where the level of vacancy or dereliction is high. Stream 2 enables local authorities to make serviced sites available at reduced cost to support self-build home ownership.

There are also other funding subsidies available. Under the National Development Plan 2018-2027 and in line with the objectives of the National Planning Framework (NPF), a number of funds were set up to address areas such as infrastructure funding.

The **Local Infrastructure Housing Activation Fund (LIHAF)** In late 2017/early 2018, Grant Agreements for 30 approved projects were signed between the DHLGH and local authorities. The total

cost of these 30 projects is €200 million, of which €150 million will be funded by the DHLGH and local authorities will fund €50 million.

Under this scheme, local authorities were invited to submit proposals for investment in public infrastructure with the objective of relieving critical infrastructural blockages. Thus, in turn, enabling the accelerated delivery of housing on key development sites and improve the viability of new housing projects in urban areas of high demand for housing. LIHAF is not open to new applications, however given the complex nature of the associated infrastructure projects, a number of projects are still ongoing.

The **Urban Regeneration and Development Fund (URDF)** aims to facilitate a greater proportion of residential and commercial development, supported by infrastructure, services and amenities, within the existing built-up areas of larger urban settlements. It does this by part-funding regeneration and rejuvenation projects in Ireland's five cities and other large towns. To date, there have been three rounds of URDF funding calls, with the first two took the format of a competitive bid process. In 2023 the third round of funding supports was launched and the format changed so the funding supports could be specifically designed to address long term vacancy and dereliction across cities and towns and the acceleration of the provision of residential accommodation. This approach was taken in order to ensure the projects supported by the URDF align with the current objectives of other government policies such as Housing for All and Town Centre First. With an initial allocation of €2 billion up to 2027, the fund has been extended to 2030 under the revised NDP 2021-2030.

12.2.2 SOCIAL HOUSING SCHEMES AND SUPPORTS

Social Housing Current Expenditure Programme (SHCEP) funds the current payments for properties leased by Local Authorities (LAs) and Approved Housing Bodies (AHBs) as well as properties secured through various other schemes (CALF, MTR, RLS, enhanced leasing). These properties are either privately owned or owned by AHBs. Properties made available under the programme are used to accommodate households on local authority waiting lists. Unsold affordable (USAs) dwellings managed by AHBs for local authorities are also included in the scheme.

The **Capital Advance Leasing Facility (CALF)** was introduced in 2011 and comes under the SHCEP banner. The purpose of CALF is to provide capital financial support to AHBs to assist with the financing of the construction, acquisition or refurbishment of homes that will be provided for social housing use. This loan facility can support from 25%-30% of the eligible capital cost of the project, where the homes will be provided under long-term lease arrangements to local authorities for social housing use. Funding is provided to AHBs through local authorities. This scheme is only open to AHBs in the situation where they agree to make available the housing units in question under a Payment and Availability (P&A) agreement to those on the waiting list of the local authority for an agreed period of time. Repayment of the loan provided to the AHB under the CALF scheme is not required during the lifetime of the P&A agreement. However, the loan remains outstanding once the agreement ends.

The **Enhanced Long Term Social Housing Leasing Scheme (Enhanced Leasing)** provides the opportunity for Local Authorities to lease from institutional developers and investors in a manner that delivers social housing at scale and achieves the best outcome for all parties. The lease term is 25 years and the Local Authority pays up to 95% of an agreed market rent at commencement of the lease to the owner of property. The rent is reviewed every 3 years and is linked to the Harmonised Index of Consumer Prices (HICP). The Local Authority is the landlord providing management services to the properties and collecting differential rent from the tenant. It is due to be phased out by 2026 in line with leasing in general, under the Housing for All plan.

The **Capital Assistance Scheme (CAS)** is a voluntary and co-operative scheme which provides 100% funding to AHBs for the provision of accommodation for persons with specific categories of housing need such as Homeless and Older Persons, People with Disabilities, Returning Emigrants and Victims of Domestic Violence. An economic rent is charged on these units. The aim of this rent scheme is to balance the cost of managing and maintaining the units, while ensuring that the rent remains affordable to the tenant.

Social Housing **Public Private Partnerships (PPPs) programme** is a delivery structure whereby social housing homes remain in State ownership. Social Housing PPPs are being delivered in partnership with the National Development Finance Agency. Homes delivered through PPP use an 'availability-based PPP model'. A private sector company designs, builds, finances and maintains the social housing homes. In return, it receives payments which are spread over 25 years. As the model is 'availability-based', the private sector partner is responsible for ensuring that homes are available for occupation. The local authority is responsible for allocating tenants. The private sector partner provides maintenance and upkeep services for 25 years. After this time, the homes are returned to the State in good condition, subject to reasonable wear and tear.

The **Capital Loan and Subsidy Scheme (CLSS)** operated from 1991 to 2009 and provided capital funding to Approved Housing Bodies (AHBs) to meet the cost of constructing accommodation for social housing use. The local authorities borrowed the funding they provided to the AHBs from the Housing Finance Agency (HFA) over a 30-year period. CLSS Funding was provided to the AHBs by way of a non-refundable loan, subject to compliance with the conditions of the scheme. Following a review, a decision was taken in 2009 to wind down the scheme, which has now terminated. The loan charges (Principal and Interest) remain to be paid on a bi-annual basis (January to June & July to December).

12.2.3 AFFORDABLE HOUSING SUBSIDIES AND SCHEMES

Cost Rental homes are being delivered under a number of schemes to provide households with a State backed, long-term, secure, more affordable form of rental tenure. Rents are set on a cost-covering model, assessed with a cash flow model over a timeframe of at least forty years, with rents generally starting at least 25% below comparable local market levels. Eligibility for a cost rental home requires that the net household income must be below €66,000 per year if applying for a tenancy in one of the four Dublin Local Authority areas and below €59,000 per year if applying for a tenancy anywhere else in Ireland. Cost Rental homes are provided by AHBs, the Land Development Agency, Local Authorities and private developers through a range of financial models (CREL, AHF and STAR).

Cost Rental Equity Loan (CREL) scheme provides financial support for the delivery of new Cost Rental homes by AHBs in the form of a long-term loan and State investment. Up to 55% of the capital costs of constructing or acquiring the homes are funded in this way (increased in July 2023 from 45% of capital costs, having previously been increased in 2022 from the original 35%). The current funding package is a combination of a 40-year loan together with the option of a State equity investment element (for up to 20% of capital costs). The low-cost loan has 1% simple interest and repayment is not required until the end of the 40-year loan period. The State's equity interest, equivalent to a certain percentage of the value of the property, will not be realised so long as the homes remain designated as cost rental homes under Part 3 of the Affordable Housing Act 2021 (AHA 2021). Remaining costs of delivery are typically financed through a loan on commercial terms from the Housing Finance Agency or potentially another lender. Where State funding is provided for the delivery of homes, rents must start at least 25% below the comparable market rent in the area (assessed as far as possible on a like-for-like basis). Secondary legislation sets upper thresholds for net household income at time of entering into a cost

rental tenancy of €66,000 in Dublin or €59,000 outside Dublin (last reviewed and increased in August 2023). The income brackets were widened to improve access to this secure tenure for those facing rental affordability issues in the private sector, in an environment of rising private sector rents seen particularly in Dublin.

The **Secure Tenancy Affordable Rental (STAR)** investment scheme is intended to bring forward Cost Rental dwellings with the aim of assisting eligible households who are experiencing affordability pressures in the private rental sector. Homes made available under the STAR Scheme must be designated as Cost Rental dwellings under AHA 2021. As with other Cost Rental schemes, rents must be at least 25% below market rents in a given area and units must be offered to households under the Cost Rental eligibility limits. The homes are required to be designated as Cost Rental for minimum of 50 years. The scheme is available to all entities providing Cost Rental homes, including the LDA and private operators. Depending on the gap between the construction costs for the unit, available investment for Cost Rental delivery is up to €200k in Dublin and €175k elsewhere. The equity is provided at no cost through the Housing Agency and will remain non-repayable while the unit remains designated under the legislation. Total agreed funding over the lifetime of the STAR programme of €750m.

The government launched the **Cost Rental Tenant In-Situ (CRTiS)** scheme on 1 April 2023 for tenants in private rental homes who are at risk of homelessness because a landlord has served a valid Notice of Termination due to an intention to sell the property, as part of measures intended to help people whose tenancies ended when the winter eviction ban ended. The scheme is available if the tenant household is not able to purchase the property from the landlord, is at risk of homelessness and is not eligible for, or currently in receipt of social housing support (HAP or RAS). As part of the eligibility conditions, household income must be above the social housing income limits but below the maximum cost rental income limits which are €66,000 net in Dublin and €59,000 net elsewhere. Local Authorities have responsibility for the assessment of applicant tenant households. Where a tenant household faces the termination of their tenancy due to the landlord's intention to sell the property, the scheme allows the Housing Agency to buy rental properties from private landlords who are selling, therefore becoming the landlord to the tenants. The scheme has been established on a temporary administrative basis from 1 April 2023 and is currently managed by the Housing Agency, pending further policy development, with the intention of transitioning these homes to the standard Cost Rental model over time and to move it to being an Approved Housing Body led scheme.

The **Affordable Housing Fund (AHF)** is available to local authorities as a direct subvention on local authority housing development costs at rates of €50,000, €75,000, €100,000 and €150,000 (cost rental only) per affordable unit depending on (a) the density of housing units per hectare on the development, and (b) the location. The subsidy enables local authorities to make affordable homes available to purchase or rent at prices and rents significantly below market rates; 15% reduction for affordable purchase and 25% reduction for Cost Rental.

Affordable Purchase homes are sold to eligible via the **Local Authority Affordable Purchase Scheme (LAAPS)**. The Local Authority retains an equity share in the home equal to the funding provided by the Exchequer and this can grow or reduce according to the market value of the home at the time of the redemption of the share.

12.2.4 OTHER HOUSING SUPPORTS

In November 2022 the Government approved an allocation of €125m from the Department's existing capital resources to the Housing Agency to establish the **Housing for All Land Acquisition Fund** on a pilot basis. The Fund was established to support the acquisition of land to support new-build direct social housing delivery by local authorities and Approved Housing Bodies (AHBs).

Housing for All Action 4.5 includes a commitment to "support local authorities to acquire suitable land to deliver a housing programme, based on existing land banks, the level of social housing to be delivered under Housing for All and local authority Housing Delivery Action Plans".

The first annual review of Housing for All identified further actions required in this area as follows:

Action 4.1 - Conduct an in-depth analysis of land available to underpin social housing delivery out to 2030, taking account of the data available from the Local Authorities Housing Delivery Action Plans, and identify the land gap remaining; and

Action 4.2 - Put in place a strategy to assist local authorities and Approved Housing Bodies to identify and acquire suitable land banks to support the ongoing social housing need out to 2030.

Housing for All Action 4.12 required each Local Authority to develop a Housing Delivery Action Plan, setting out details of social and affordable delivery in the period 2022-2026. The development of the Plan also required Local Authorities to set out details of the locations of proposed social and affordable housing projects, the land available to deliver the projects, and future land acquisition required to deliver projects where they did not own land.

Under the Fund the Housing Agency will also acquire land on behalf of AHBs. A long-term lease (150 years) will be set up between the Housing Agency and the relevant AHB. The Housing Agency will then transfer ownership of the land to the local authority with the long-term lease in place. The provision of a long-term lease will provide AHBs with long-term certainty to deliver and finance construction developments. From the local authority perspective, the long-term lease allows the local authority certainty in relation to the use of the land for social housing purposes through the insertion of a specific clause in the lease on the matter.

In December 2023 in order to continue to build the social and affordable housing pipeline with a focus on "direct build" and taking account of the remaining land gap to meet targets under Housing for All, the Fund was extended into 2024 and expanded to include sites for affordable and mixed tenure delivery. An additional €64m was provided for the acquisition of sites for social housing delivery and €50m was provided from the Affordable Housing Fund for sites for affordable housing delivery. The acquisition of sites for mixed tenure delivery uses both aspects of the Fund's resources as outlined above.

12.3 Exchequer Housing Supports Expenditure

HOUSING PROGRAMMES	2023 Expenditure	2024 Budgeted
Accommodation for Homeless	€ 316,991,358	€ 242,000,000
Affordable Housing / Shared Ownership Subsidies	€ 2,153,135	€ 1,800,000
Affordable Housing Fund	€ 19,759,113	€ 100,000,000
AHB Regulatory Authority	€ 2,190,325	€ 3,355,000
Building Standards Research, Advice & Market Surveillance	€ 81,853	€ 441,000
Capital Advance Leasing Facility (CALF)	€ 319,627,553	€ 315,000,000
Capital Assistance Scheme (CAS)	€ 220,217,865	€ 140,000,000
Capital Loan & Subsidy Scheme (CLSS)	€ 69,553,302	€ 67,400,000
Climate & Construction Innovation	€ 109,601	€ 1,000,000
Communal Facilities	€ 245,377	€ 500,000
Cost Rental Equity Loan (CREL)	€ 114,612,684	€ 100,000,000
Croi Conaithe Cities	€ 376,582	€ 10,000,000
Croi Conaithe Towns	€ 6,740,143	€ 40,000,000
Defective Homes Remediation - Apartment Defects		€ 10,000,000
Defective Homes Remediation - Defective Concrete Blocks	€ 22,100,910	€ 45,000,000
Defective Homes Remediation - Pyrite	€ 21,000,000	€ 15,000,000
Disability & Older People (Capital)	€ 21,625	€ 1,300,000
Disability & Older People (Current)	€ 1,299,851	€ 2,000,000
DPGs/Improvements/Remedials	€ 20,556,236	€ 25,000,000
Energy Efficiency/Retrofitting	€ 76,921,195	€ 90,000,000
First Home Scheme	€ 40,000,000	€ 50,000,000
Housing Agency (Capital) - Land Acquisition Fund	€ 114,000,000	
Housing Agency (incl Housing Commission)	€ 14,798,826	€ 17,538,000
Housing Assistance Payment	€ 537,367,253	€ 525,000,000
Housing for All Implementation Fund	€ 2,078,956	€ 2,720,000
Housing Research	€ 2,590,797	€ 1,000,000
Legal Expenses	€ 1,071,262	€ 59,000
LIHAF	€ 20,144,441	€ 10,000,000
Local Authority Housing	€ 1,204,283,991	€ 1,504,000,000
Mortgage Allowances	€ 463,776	€ 500,000
Mortgage to Rent	€ 5,623,619	€ 18,000,000
Planned Maintenance/Voids	€ 46,022,000	€ 31,000,000
Private Housing Grants	€ 75,638,356	€ 75,000,000
Regeneration	€ 37,192,171	€ 50,000,000
Rental Accommodation Scheme	€ 112,992,681	€ 111,000,000
Rental Inspections	€ 7,302,386	€ 9,000,000
Repair & Lease	€ 10,060,859	€ 12,000,000
Residential Tenancies Board	€ 13,370,000	€ 13,568,000
Secure Tenancy Affordable Rental (STAR)	€ 60,000,000	€ 34,600,000
Social Housing Current Expenditure Programme (SHCEP)	€ 453,668,731	€ 517,395,000
Social Housing PPPs	€ 21,904,380	€ 30,000,000
Traveller Accommodation (Capital)	€ 29,779,593	€ 21,000,000
Traveller Accommodation (Current)	€ 6,346,524	€ 7,000,000
Ukraine Measures		€ 5,000,000
TOTAL	€ 4,031,259,310	€ 4,255,176,000

Figure 24: Exchequer Housing Supports Expenditure – Source: DHLGH⁴⁸

⁴⁸ DHLGH provided figures 19/07/2024

13. Appendix 3 – Terms of Reference

1. Background

On 27 November 2023, the Cabinet Committee on Housing requested that the Housing for All Investment Workstream advance discussions on the funding requirements of the Land Development Agency.

The initial priority of the Investment Workstream was to identify the immediate level of funding required by the LDA to sustain its activities to 2025, and the value of this interim funding requirement was determined to be €2.5 billion. To meet this short-term need, on 20 December 2023, the Government agreed to commit to the allocation of €1.25 billion additional equity share capital to the Land Development Agency (LDA) from the Ireland Strategic Investment Fund (ISIF), and to enable the identification of €1.25 billion of additional funding for the LDA from other sources.

Furthermore, the Government decided that it is necessary to examine the funding options available to the LDA to ensure that the Agency has a sustainable funding model for the future, given that the scale and remit of the LDA has changed fundamentally since the time of its inception. Consequently, the funding model which supports the Agency's work is no longer aligned with its mandate.

In order to examine the options available and to develop funding options for Government consideration, the Department of Finance will establish a Working Group within the structure of the Housing for All Investment Group, to report to Government in Q4 2024.

2. Role and functions of the Working Group

The role of the Working Group is to identify options for the sustainable future funding of the LDA.

The work programme will be structured in two phases. The focus of Phase 1 will be the compilation of all relevant information to inform the Working Group's deliberations. The second phase will involve assessing all options and preparing a report for consideration by the Investment Workstream prior to submission to Government.

Phase 1 (Q1-Q2 2024) Work Programme will include:

- a) Develop comprehensive understanding of LDA current corporate governance structure, current funding model across entire portfolio and future funding requirements, over the medium and longer-term.
- b) Develop comprehensive understanding and quantification of existing Exchequer supports provided across all Housing schemes and to the LDA more particularly, including any Exchequer supports expected to be available to the LDA. To also include information on any relevant implications of increasing Exchequer support to the LDA to meet its future funding requirements.
- c) Presentation of options developed by the LDA for raising capital on private markets, to include details of projected income generation from existing assets, and options to leverage private capital from assets on balance sheet.
- d) Develop comprehensive understanding of Housing Finance Agency structure, to also include information on any relevant implications of increasing support to the LDA from any structures involving the Housing Finance Agency support to meet its future funding requirements.

- e) Consider the funding structures of any comparable international entities and Approved Housing Bodies which may inform options to support the LDA funding structure
- f) Consider the potential for the LDA to unlock private housing development through the provision of enabling infrastructure, potential in partnership with private market operators.
- g) Any additional options which may arise during the course of the discussions of the Working Group.

Phase 2 (Q3-Q4 2024) Work Programme will include:

- a) Consolidation and analysis of information gathered during Phase 1 in order to inform the identification of sustainable funding options for the LDA within the context of wider Government expenditure commitments.
- b) Consideration of any additional information which is considered by the Working Group to provide relevant context to the options presented.
- c) Preparation of draft report for Housing for All Investment Workstream.
- d) Finalisation of report for Government.

3. Reporting requirements

The Working Group will:

- Provide an update to the HFA Investment Workstream on a monthly basis.
- Consider comments received from the HFA Investment Workstream in response to updates from the Working Group and any draft report provided.
- Submit a draft written report to the HFA Investment Workstream in Q4 2024 outlining options for the sustainable future funding of the LDA.
- Incorporate observations and feedback from the Investment Workstream and finalise a report for Government in Q4 2024.

4. Membership

The Working Group will include representatives of relevant Government Departments and State Agencies. Nominated members are asked to ensure that they attend all meetings. Alternative members may be nominated to attend meetings, subject to the prior approval of the Chair. If members

need to be replaced, organisations are asked to advise the Working Group Chair promptly. The Working Group may co-opt additional members as required to provide relevant expertise and will invite presentations from different bodies, as required, to inform the work of the Group.

4.1. Membership List

D/Finance, Chair

Department of Housing, Local Government and Heritage

Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation

National Treasury Management Agency (represented by New ERA)

5. Meetings and Proceedings

The Working Group will meet as required, with the schedule of meetings to be determined by the group. It is expected that the Working Group will meet at least once per month during 2024 and dates will be agreed in advance. Additional meetings of the full Working Group or a subgroup of the members may take place as required.

Decision-making will wherever possible be by consensus. All members of the Working Group commit to work constructively to reach agreement, and to respect the confidentiality of the Group's discussions. Where there are ongoing differences of view, the Chairperson will determine the most appropriate means of reaching agreement.

Members are asked to advise the Secretariat if they have any accessibility requirements for meetings and meeting documentation.

14. Appendix 4 – Sources

Affordable Housing Act 2021 ([25 of 2021](#))

AHBRA Annual Report 2023 ([Available here](#))

AHBRA Second Sectoral Analysis of the Approved Housing Bodies Sector 2023 ([Available here](#))

Approved Housing Bodies Annual Reports 2016 – 2023:

- [Clúid](#)
- [Co-operative Housing Ireland](#)
- [Respond](#)
- [Tuath](#)

Central Statistics Office Statistical Classification Review on the Land Development Agency

Charities Act 2009 ([6 of 2009](#))

Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation Circulars:

- 07/2024 - Temporary Development Contribution Waiver: Commencement Notice and 7 Day Notice Arrangements ([Available here](#))
- 02/2024 – Extension of the Temporary Development Contribution waiver and Uisce Éireann Water Connection Charge refund arrangements ([Available here](#))
- 08/2023 - Temporary Time-Limited Waiver in respect of Development Contributions – Operational Guidance for Local Authorities ([Available here](#))
- 04/2023 – Temporary Time-Limited Waiver in respect of Development Contributions ([Available here](#))

EY Report on Land Development Agency Debt Options

Home Building Finance Ireland Act 2018 ([28 of 2018](#))

Housing Finance Agency Annual Reports 2013 – 2023 ([Available here](#))

Housing for All – A New Housing Plan for Ireland ([Available here](#))

Housing (Miscellaneous Provisions) Act 2024 ([39 of 2024](#))

LDA Annual Report 2023 ([Available here](#))

National Development Plan 2021 – 2030 ([Available here](#))

National Planning Framework ([Available here](#))

NewERA Review of draft LDA Business Plan 2024 – 2028

Planning and Development Act 2000 ([30 of 2000](#))

Sustainable Residential Development and Compact Settlements: Guidelines for Planning Authorities ([Available here](#))

The Land Development Agency Act 2021 ([26 of 2021](#))

The Department was also in regular contact with the LDA, who provided relevant tables and figures as requested.



An Roinn Airgeadais
Department of Finance

Tithe an Rialtas. Sráid Mhuirfean Uacht, Baile Átha Cliath 2, D02 R583, Éire
Government Buildings, Upper Merrion Street, Dublin 2, D02 R583, Ireland

T:+353 1 676 7571 | @IRLDeptFinance
www.gov.ie/finance