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CIOB Ireland General Election 2024 Manifesto

Our Vision for Ireland's Built Environment

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Preface

Despite economic, political and social challenges, the transformation of the built environment in Ireland has continued at a pace over the last number of years. As our country has become more prosperous, the construction sector has continued to deliver the infrastructure befitting of a modern economy.



CIOB is the world's largest professional body for construction management. Locally, in Ireland, we provide representation on several platforms such as the Construction and Green Skills group; the National Immigration Stakeholder Group; the Construction IT Alliance; the DASBE (Digital Academy for Sustainable Built Environment) working group; and the MentUp (Mental Health Promotion and Intervention in Occupational Settings) steering group. These groups reflect the breadth of the CIOB's commitment to the built environment, encompassing technology, mental health, the labour force, and guality. We have a complimentary mixture of staff and active volunteer members all playing their part. Our members in Ireland work in all sectors of construction, from contractors to consultants, designers to project managers.

Policy Priorities

Introduction

We strongly believe that amongst the many competing voices to be heard at an election, the views of the built environment profession should be prominent, to highlight the challenges and the opportunities that our sector faces, and which can, in turn, have a major impact on wider society. We have focused on four key areas that we would like our prospective elected representatives to consider.

This includes ensuring that the quality of our buildings are not only of the highest standard, but are also safe to live, work and play in. Encouraging quality will require shifting policy intervention from the end to the beginning of the construction process, and ensuring well-resourced public bodies involved in all aspects of construction. We need the skills at all levels to deliver on our plans, and at the current rate even if budgets were available, we have a major shortfall in the people to

build our future. To address this labour shortage, we are proposing interventions to target diversity, sectoral reputation, and degree apprenticeship schemes.

Construction's impact on the environment is immense. We have identified several tweaks to policy which could tackle both operational and embodied carbon emissions in the construction sector. The CIOB has done significant work on innovation in construction, specifically Modern Methods of Construction (MMC). Given a conducive regulatory environment, MMC can deliver higher quality buildings, more quickly, with a lower environmental impact. We are therefore proposing several regulatory changes that would facilitate a wider roll out of MMC in the construction sector.

Finally, as a profession, we want the security of knowing that our elected representatives are concentrated on delivering for the future, as we all need stability. I encourage all prospective political candidates to engage with the CIOB, and our local membership to make your voices heard over the course of this election campaign.

Annette Main, Chair, CIOB Ireland Committee

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The Chartered Institute of Building is the world's largest and most influential professional body for construction management and leadership across the built environment.

We have a Charter to promote the science and practice of building and construction for the benefit of society, and we've been doing that since 1834.

Our members work worldwide, and across the island of Ireland in the development, conservation and improvement of the built environment.

We accredit university degrees, educational courses and training in universities and colleges in Ireland. The CIOB also has a dedicated policy and research function, whose expertise we have drawn on in the preparation of this manifesto. Innovation

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Introduction

The quality of our built environment affects every member of society. It influences productivity and well-being at home and at work. It creates and maintains the places where we live, work and play, the infrastructure that supports us, and the services that sustain us.

A lot has changed since the last general election in Ireland, and the country faces challenges on several fronts. Some of these are domestic in nature, with domestic solutions, whereas others are more international in character. The Irish economy over the last number of decades is mostly a success story. Nevertheless, its success has been checkered by instability, and an inability to convert positive economic metrics into solutions to societal problems. One of the main challenges Ireland faces – the most salient political issue of the last decade – is how to house its population. At the sharp end the result for a large and growing number of people falling between the cracks of renting and owning is homelessness. The large numbers of homeless are bad enough, but recent social tensions provide an extra layer of urgency to the matter. Failure to address the housing situation has already resulted in social unrest, and the situation now risks boiling over to uglier political developments as we embark on a General Election campaign.

The major challenge globally is undoubtedly climate change. Despite being a small country, and despite climate issues hitherto packing a relatively light electoral punch on these shores, Ireland has obligations to live up to, as outlined in the Climate Action and Low Carbon Development (Amendment) Act 2021. The record on living up to those obligations is, however, mixed.

As a small island nation with a growing population, a housing affordability and supply crisis, and a prosperous economy characterised by a booming urban jobs market, Ireland's spatial development should be based on compact growth, and regional connectivity. This means upgrading existing infrastructure, delivering new large scale infrastructure projects, and ramping up the supply of housing in high demand areas.

The construction sector has proven to be adaptable in the face of the instability that has characterised life since the last election in February 2020. With the sector having experienced a resurgence over the last decade and a remarkable bounce back since the pandemic, there is once again high demand for construction. Dovetailing with Ireland's National Development Plan, the continual demand for building means a next Government has the opportunity to put in place a long-term pipeline of projects to secure an historically economically cyclical sector.

Therefore, it is essential that construction is seen as an attractive career path. In a world of declining manufacturing employment and the increase of often precarious and poorly paid service jobs, construction work offers a path to improved living standards, while also facilitating social mobility.

From a policy perspective, the last electoral cycle has seen the launch of a Skills Strategy for Ireland, the Climate Action and Low Carbon Development (Amendment) Act 2021, Housing for All – a new national housing strategy; and a new Planning and Development Act.

The Chartered Institute of Building (CIOB) has contributed to each of these and other policy initiatives through consultation responses and direct engagement with policy makers. With this upcoming election, now is the time to drive each of these policy areas forward, and to equip Ireland to deal with the challenges that will face its built environment for the remainder of this decade. It is with this in mind that we are setting out CIOB's vision for the future of Ireland's built environment in this manifesto.

Introduction

Policy Priorities

Our Charter ensures that we work in the public interest. While we listen to the views of our membership, our goal is to ensure that a positive change is made to the regulation and operation of the built environment as a whole.

Our manifesto highlights four key policy priorities for construction and the built environment we urge the next government to act on.



Sustainability

While progress has been made in regulating operational carbon emissions, the built environment still accounts for almost 40% of Ireland's emissions. We have a series of proposals to address both embodied and operational carbon emissions in the sector.



Quality

The current model of development and resourcing of public authorities is preventing the sector from delivering the highest possible quality buildings. We are suggesting changes to the timing of policy intervention and public authority resourcing to solve this.



Skills and Labour

The skills shortage in the construction sector will need to be addressed if the next Government is to deliver Ireland's significant housing and infrastructure ambitions. Our interventions would target diversity, sectoral reputation, and the roll out of new apprenticeship schemes.



Innovation

Modern Methods of Construction has the potential to deliver higher quality buildings, more quickly, and with lower emissions than traditional building methods. We are suggesting several regulatory changes that will facilitate the mainstreaming of MMC.



Sustainability

The built environment sector accounts for 37% of Ireland's carbon emissions. Operational carbon, which includes the heating, cooling and lighting of buildings, accounts for 23% of national emissions, with the remaining 14% attributable to embodied carbon.

Embodied carbon emissions result from mining, quarrying, transporting, and manufacturing building materials, in addition to construction activities, the repair, renovation and demolition of buildings. Embodied carbon emissions in the built environment sector are rising and require a firm policy response. Residential operational carbon is proportionally the sector's highest emitter. It accounts for 43% of built environment emissions, and 16% of national emissions, with the increasing number of home-based workers likely to further inflate these figures in future. Both embodied and operational emissions must therefore be a priority area of national climate policy for the next Government if Ireland is to meet its net zero 2050 target.



The built environment sector accounts for 37% of Ireland's carbon emissions.



The amount of construction and demolition waste rose to 9 million tonnes in 2021 from 3 million tonnes in 2014.



Construction waste accounts for over half of the total waste currently generated in Ireland. Only 8% of total Irish construction and demolition waste is recycled or reused.



Less than 25% of the housing stock has a Building Energy Rating (BER) of A or B.



Sustainability Recommendations

To Deal with Embodied Carbon: Charge demolition at full rate of VAT

Under Ireland's current tax structure, a reduced rate of 13.5% VAT is applied to demolition projects, creating a perverse environment where the embodied-carbon-hungry activities of demolition and replacement enjoy financial parity with the sustainable repair and restoration, of Ireland's built environment. This contradicts the principles outlined in the Circular Economy and Miscellaneous Provisions Act 2022, the Climate Action and Low Carbon Development (Amendment) Act 2021, and the EU Taxonomy Regulation 2020 - an EU-wide classification system for sustainable activities.

To remedy this, the CIOB is proposing that the next Government use the tax system to incentivise repair and restoration over the demolition of buildings, thereby reducing the embodied carbon footprint of Ireland's built environment. Specifically, we are calling for demolition to be charged at the standard rate of 23% VAT, while repair and renovation activities remain at least the reduced rate of 13.5%, or reduced to 0% VAT.

To Deal with Operational Carbon: Reform Stamp duty

The tax system – and stamp duty in particular – is frequently used as a lever to achieve wider policy objectives. The CIOB believe it could also be used as a mechanism to reduce residential emissions. The CIOB's proposal is to defer stamp duty liability on properties that have been purchased – by individuals, groups, or businesses – with the sole purpose of improvement. Once the enhanced property has been resold, the stamp duty liability is paid. The crux of the proposal is to encourage investors to fix up older, less energy efficient stock for resale, thereby creating a 'green flipping' business model, providing an additional incentive to retrofit, and increasing the overall number of residential retrofits.



Quality is critical. It is about the greater public good we expect from our buildings to promote human health, safety and wellbeing as well as addressing today's numerous social, cultural, environmental, and economic concerns. The CIOB has long campaigned for improvements to building quality and safety.

Internationally, we continue to actively drive building safety reform, with representation on the UK Government's Industry Safety Steering Group to lead the Building Safety Programme and deliver cultural change in construction industry. Key to improving quality will be an industry-wide shift in culture, and the future Irish Government must challenge the industry in Ireland to build better.

Land

Builders of all sizes – SMEs and larger developers – are clear that the most significant constraint on delivering a well-designed, high quality, affordable end product is the high cost of land. The high cost of land means developers are required to dedicate a disproportionate amount of their budget for a given housing project to fund the initial land purchase in a highly competitive market. In order to fund this purchase and see off competition, developers must drive down costs elsewhere in the process, typically on design and quality. In the current land market, all the value that could be dedicated to ensuring the final product is high quality and affordable for the occupant flows to the landowner when a plot of land is purchased.

Public Authority Resourcing

Our members are unanimous in saying that all projects involving public authorities – water, electricity, local and national planning authorities to name a few – stall when they reach the relevant authority for action. This is partly because Ireland's National Development Plan and Housing for All Strategy have not been accompanied by an adequate resourcing strategy for public authorities involved in the construction process.

We are sceptical as to the efficacy of setting housing and infrastructure targets without addressing the structural challenges facing the construction sector. Chief among these is ensuring there are sufficient resources available for all stages of the construction process in public authorities such as Uisce Éireann, the ESB, and local planning authorities. This will require a coordinated, long-term strategy, and accompanying resourcing plan. Isolated regulations and market incentives alone will not be enough to address the scale of the challenge.



Land Prices have been more volatile than house prices over the last 25 years, increasing by up to 176% since the mid 2000s.

Ireland's spending through local government is one of the lowest in the EU, with only Greece, Cyprus and Malta spending less.

Quality Recommendations

Take a more proactive policy approach to the land market

This could capture the gains from development for the benefit of the community, and harness competitive forces, which are currently focused on the land market, to delivering better quality and affordability for consumers. This means shifting the focus of market competition in the development process downstream to the construction phase and away from the land purchase phase. Policy intervention will also be shifted upstream to the land purchase phase and away from the construction phase.

Plan for Public Authority Resourcing when creating policy strategies

We need to adequately resource public authorities involved in the construction process. This means publishing an accompanying resourcing plan for each public body involved in any aspect of the construction process, ideally alongside the update of the National Development Plan, or any future national housing strategy. Too often previous governments have tended to announce big ticket strategies for housing and planning with little explanation as to how they will be delivered on the ground.



Skills and Labour

The number of people employed in the construction sector reached more than 198,000 in 2022, according to figures from the Central Statistics Office. The 2022 data show construction accounted for 20% of businesses, or enterprises, and 9% of workers in the economy. However, the industry has consistently struggled to attract enough new entrants, often due to a poor perception of construction careers that prevents many people from even considering working in the industry. The construction skills gap is persistent and only likely to grow without meaningful intervention, with estimations of 70,000 to 80,000 additional skilled construction workers required to deliver Ireland's housing and infrastructure targets. The importance of this issue cannot be understated. If the skills gap is not addressed, then the construction sector will not be able to deliver on routine work, much needed regeneration and development under a new Government's agenda, or sustainable construction work needed to meet Ireland's legally binding net zero target. If left unsolved, the construction skills gap will provide a major hindrance to economic growth.

A lack of skilled workers also creates issues for delivering a high standard of work, resulting in lower productivity and poor-quality buildings. If the next Government is to deliver an agenda higher levels of quality and safety for the built environment, then it needs to ensure that the industry is equipped with sufficient competent people and skills to deliver safe, high-quality buildings.

The industry currently has a limited pool of people to recruit from due to its workforce being predominately male. There is a need to encourage a wider and more diverse range of new entrants into construction work to successfully close the skills gap. The next Government will be a central actor in addressing this issue, through ensuring that the skills and education policy framework is robust in delivering the construction workforce needed by industry, but also by taking steps to improve the poor public perception of construction.



70,0000 and 80,000 additional skilled construction workers are required to deliver Ireland's housing and infrastructure targets to 2030.



Construction accounts for 9% of workers in the economy.



Skills and Labour Recommendations

Address the boom & bust reputation of the construction sector by providing a public pipeline of residential building projects

Cyclicality is the root cause of many of the issues facing the construction sector: productivity; the pool of labour and the ability to attract new talent; job stability; and working conditions all suffer as a direct result of the construction sector's perpetual boom-bust cycle. Cyclicality also negatively impacts the sector's ability to meet housing and infrastructure need during an economic downturn, as well as the sector's ability to respond and meet demand during an upturn.

To address this, the next Government should assemble and publish a stand-alone, comprehensive pipeline of projects in the local-authority direct build housing sector. This should be along the same lines as the National Development Plan. However, rather than relying on developer contributions, leasing or acquisition of housing from the open market, the strategy should create local development corporations with land management resources and specific targets for directly constructed social and affordable housing. This will solidify reliable, long term jobs in the sector, thereby boosting its reputation amongst school leavers, parents and career guidance counsellors.

Develop apprenticeship schemes to cover more subjects in the built environment curriculum

Ireland has made good progress on apprenticeships, with the current Quantity Surveyor and Civil Engineering Apprenticeship schemes proving successful. Allowing students to earn while they learn, and gain practical experience and skills is good for individuals and for the sector at large.

In particular, we would like to see apprenticeship schemes rolled out into design disciplines, such as electrical, mechanical, process, and environmental engineering.

Target specific groups to foster greater diversity

Professional bodies, universities and the Government should work together on a targeted approach to create a clear pathway for the cohort of women who study built environment subjects at third level to progress into working in the sector.

Despite improvements, the sector is still largely male dominated. Trends in higher education courses show a higher proportion of women studying built environment courses compared to women working in the sector. This suggests a significant attrition rate; there are more women interested in construction occupations than who end up working in the industry. Given that there is an existing interest in the construction sector in this group, a targeted approach to reduce the attrition rate could be one of the most effective tools to encourage more women into the workforce.

Innovation: Modern Methods of Construction (MMC)

Modern Methods of Construction (MMC) can be one of the solutions to the construction sector's multifaceted challenges. It can change the perception of working in the construction sector by offering more pleasant working conditions to traditional on-site work; it also offers a means of building housing that is both high quality and sustainable. By moving a large part of the building process to a factory setting, units can be completed more quickly by overlapping different stages of the construction process. It therefore has the potential to quickly increase supply, a supply that has a lower level of embodied carbon.

There are multiple barriers to greater use of MMC in the Irish market. Barriers cut across multiple areas of the industry supply chain and multiple areas of policymaking. Nevertheless, regulatory factors play a central role both in terms of affecting competitiveness and in directly limiting the use of MMC products. In a recent CIOB study with TASC, manufacturers commonly complained about the compliance costs associated with MMC. Due to their newness in the market, many products are untested in terms of fire and other aspects of performance. This is in contrast to products used in traditional construction which are tried and tested and for which the building regulations provide assurance that what is being used is compliant.



Innovation



Innovation: Modern Methods of Construction (MMC) Recommendations

Foster the adoption of MMC through direct build social housing

It is widely agreed that the current housing targets under Housing for All need to be revised upwards. As part of that revision, direct building of social housing should be increased. Direct build has the advantage that the state exerts control over the design and construction process. This can be used to drive MMC both to improve the delivery of social housing and also drive the sector forward. A stable pipeline of delivery enables manufacturers to plan for the future, invest in the relevant plant and machinery, and optimises the use of MMC.

Broaden Technical Guidance Documents to include materials used in offsite construction

The testing process for products to obtain certification to comply with the building code is onerous. It is slow, expensive, and the system is currently clogged. If the building regulations were broadened to include products used in MMC – if the Technical Guidance Documents were updated – there would be less need for manufacturers to repeatedly test. This would bring costs down and make MMC a more attractive option for clients and contractors. The sanctioning of products and materials by the state would provide assurance to those further up and down the supply chain who have concerns about MMC products and processes. This includes not only clients, but funders and insurers.

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Registered Charity No. (England and Wales) 280795 and (Scotland) SCO41725



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