CIF CALLS FOR €15BN PAGKAGE FOR INFRASTRUCTURE AND HOUSING

An additional investment of €15bn over the next six years in infrastructure and housing is essential to overcome the impact of Covid-19 in the short-term and to solve the housing and climate change crises in the long-term, according to the Construction Industry Federation.

The Construction Industry Federation (CIF) maintains that the Government should take advantage of the current low interest rates to invest an additional €15bn over the next six years in infrastructure and housing.

A CIF delegation, led by Director General Tom Parlon, met with Minister for Finance Paschal Donohoe and Minister for Public Expenditure Micheal McGrath in mid-September to identify critical infrastructure and housing projects that could underpin economic recovery in other sectors such as tourism and retail in the short term.

The CIF's pre-budget submission contained an economic impact assessment of the construction industry on the wider economy. It notes that every €1bn invested in infrastructure, housing and other construction-related activity leads to €1.85bn in additional GDP output, 1,200 additional jobs and €140m in Exchequer revenue (excluding levies etc),

The CIF's economic impact analysis shows that construction generated directly and indirectly over €50bn for the economy, contributing €19bn to the economy through wages and profits. The construction body suggests that the €15bn stimulus package would, by these figures, generate an additional €27bn in output, 18,000 FTE jobs, €2.1bn in Exchequer revenue and €10.2bn in wages and profits up to 2027.

UNIQUE OPPORTUNITY

CIF Director General, Tom Parlon said that the Government has a unique opportunity to drive recovery, solve the housing crisis, build climate change resilience and facilitate Ireland's Covid-19 response by increasing investment in infrastructure, housing, and other construction activity.

"The reality is that the construction industry is the economic sector best-placed to generate the economic activity to erode the debt from dealing with Covid-19 as we have proven we can operate at capacity within the Covid-19 context.

"We believe the ambition to do so is there within the Government. What is required now is a fundamental recalibration of how the industry and government operate to ensure essential housing and infrastructure is delivered optimally."

He said that the CIF will engage with Government to identify the key projects based on the immediate need for stimulus and sustainable and balanced regional development within the NDP and Project Ireland 2040.

He added that CIF members have reported a slowdown in housing (down 45% year on year) and infrastructure projects, particularly in the regions. "Companies now need a strong, ambitious commitment to increasing investment to bolster the industry's confidence in a very challenging environment," he noted.

SHARED EQUITY SCHEME

The CIF is calling for the Government to introduce a shared equity scheme, as one of its main recommendations to alleviate Ireland's housing crisis. In conjunction with the Help-to-Buy (HTB) scheme, it claims this will remove the ever-growing group in society locked out of the market and further adding pressure to the rental market.

The CIF also recommends that the HTB scheme be available until 31 December 2025 to provide certainty to the market and enable homebuyers to secure mortgage deposits for new homes.

Recommendations included in the pre-budget submission include a multi-annual deep retrofit scheme for homes (based on the Home Renovation Incentive model); increasing Irish Water's operational budget to €2bn per annum; an additional €3bn for regional projects over a three-year period, and to establish a €50m SME-focused fund to support companies in taking on new apprenticeships.

The CIF Director General said that the construction industry is best-placed of all economic sectors to rebuild Ireland's economy in 2021 and shape a sustainable, dynamic, and citizen-focussed Ireland 2040. "Our research shows that every euro invested in the construction industry today has the greatest positive impact across the economy."