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CBA
Cork Business
Association

Pre-Budget Submission 2027

Presented to: Department of Finance

For Cork business
by Cork business

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CBA President’s Address

As we prepare this year's Budget Submission, it is worth reflecting on both the progress we have made and the challenges that still lie ahead for Cork City.

Throughout 2026, our members have seen the benefits of a greater Garda presence in the city centre. Businesses, employees, customers and visitors have all noticed the difference that increased visibility brings. Alongside the introduction of the Cork City Safety Wardens, we are beginning to create a city centre that feels safer, more welcoming and more vibrant. This is a significant achievement, and one that we must continue to build upon.

Cork's future also depends on investing in the infrastructure that will allow our city to grow. It is encouraging to see the M28 motorway to Ringaskiddy progressing well, but we cannot lose momentum. The Cork Luas, BusConnects, the Park and Ride network and the Northern Distributor Road must now become national priorities. A city of Cork's ambition deserves transport infrastructure that matches its potential.

Our members also continue to tell us that the cost of doing business remains one of their biggest concerns. Rising energy costs, increasing administrative requirements and ongoing operating expenses are placing enormous pressure on businesses, particularly small and family-owned enterprises. We also believe that investment and taxation policies should be reviewed to encourage businesses and individuals to reinvest, grow and create employment. A thriving business community benefits everyone.

Housing remains the defining challenge facing Cork and Ireland. If we want a vibrant city centre, we need more people living in it. That means building new homes, bringing derelict properties back into use and unlocking the potential of vacant upper floors above commercial premises. We need a more ambitious and coordinated approach, and we believe the recommendations contained in this submission can make a meaningful contribution to that discussion.

Finally, I want to extend my sincere thanks to the CBA staff who have worked so hard on this submission, and to our voluntary executive and board, who give their time and energy to support our members and the businesses of Cork City. Well done and thank you to each and every one of you.

Thank You,

Dave O’Brien
President, Cork Business Association

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Cork Business Association - Background

Cork Business Association (CBA) is an engaged, connected and committed representative of the business community in Cork City, supporting members since 1957.

We are a local voluntary collective of business people who provide a support network for members and personal one-to-one advice. We champion a vibrant, safe, clean, welcoming, sustainable and living Cork City. By working together, we can ensure that businesses in the city have a stronger voice when dealing with local and national issues.

As a board driven organisation, we have ensured that our board is made up of exceptional Cork Business leaders with diversified experience, expertise and knowledge to steer the CBA, with the city's and members' needs central.

The CBA Executive comprises members with extensive expertise in diverse fields. This deliberate selection ensures that the CBA possesses a wealth of knowledge, specialised skills, and valuable contacts across various sectors. Our aim is to leverage this expertise to effectively support our members and address the specific needs of Cork City.

Cork Business Association

Our Submission

We are dealing with, in the main, SME businesses based in Cork City and the surrounding areas. We have spoken to our members and many of the stakeholders in our city, City Council Members, Gardai and a host of businesses based in Cork City.

Based on feedback, CBA's submission focusses on 6 Key areas -

- Housing
- Investing Options
- Capital Gains Tax
- Inheritance Tax Reform
- Transport Infrastructure
- Cost of Doing Business

Executive Summary

Cork is projected to be Ireland's fastest-growing city region, with population growth of between 50% and 60% by 2040. To support this growth, Budget 2027 must prioritise measures that increase housing supply, unlock investment, support family businesses, improve transport infrastructure and enhance SME competitiveness.

Cork has a unique opportunity to play an even greater role in driving Ireland's future economic growth and achieving the objectives of the National Planning Framework. While Cork currently receives 11% of funding under the National Development Plan, compared with 79% allocated to the Greater Dublin Area, increasing investment in Cork would better align with the Government's commitment to balanced regional development. Budget 2027 presents an opportunity to accelerate the delivery of strategic infrastructure projects in Cork, enabling the region to realise its full economic potential, support sustainable population growth, and strengthen Ireland's long-term competitiveness and resilience.

Cork is at a pivotal moment in its development. As Ireland's fastest-growing city region and the principal counterbalance to Dublin, Cork has a critical role to play in delivering national objectives across housing, enterprise, infrastructure and regional development.

The recommendations outlined in this submission are practical, targeted and achievable. They are designed to unlock private investment, increase housing supply, support indigenous enterprise, facilitate business succession, improve transport connectivity and reduce the cost burden facing employers. Many of the measures proposed do not require significant Exchequer expenditure. Rather, they focus on removing barriers to investment, simplifying existing tax regimes and creating the conditions for businesses and individuals to deploy capital productively within the Irish economy.

Budget 2027 should:

- Unlock investment through EIIS, CGT and savings reforms
- Accelerate housing delivery and city centre regeneration
- Support intergenerational wealth transfer and business succession
- Deliver long-term funding certainty for Cork's transport infrastructure
- Improve the competitiveness of SMEs and employers
- Recognise Cork's strategic importance to Ireland's future economic growth

Cork: A National Growth Engine

Key Facts

• Cork is projected to be the fastest-growing city region in Ireland by 2040
• Cork City's population is expected to increase by more than 100,000 people by 2040
• Ireland needs to deliver approximately 300,000 homes by 2030 to meet housing demand
• Irish households currently hold approximately €167 billion in deposits
• Cork is Ireland's primary counterbalance to the Greater Dublin Area
• National Planning Framework growth targets are dependent on Cork succeeding
• Future housing, transport and enterprise investment should reflect this critical national role
• Budget 2027 should recognise Cork as a city of scale and a national economic priority

The Investment Disparity

Analysis of the National Development Plan reveals an imbalance in capital investment allocation:

Region	NDP Funding Allocation
Greater Dublin Area	79%
Cork	11%

This funding disparity somewhat contradicts the National Planning Framework's explicit objective to curtail the growth of the Greater Dublin Area and promote balanced regional development. To demonstrate its commitment to balanced regional development, the Government should address this funding imbalance as a priority in Budget 2027 by significantly increasing capital investment in Cork.

Headline Recommendations

The Cork Business Association's key Budget 2027 recommendations are:

Housing & Regeneration

- Reform the Living City Initiative (remove High Earners Restriction, expand boundaries, review/increase/abolish project cap)
- Reform Croí Conaithe schemes with front-loaded grant payments
- Introduce Apartment Living Initiative as second arm of Living City Initiative
- Reform Help to Buy Scheme to include refurbishment of existing dwellings
- Extend Croí Conaithe (Towns) Fund to developers and investors
- Introduce National Brownfield Regeneration Tax Incentive
- Recognise professional housing providers as trading businesses with 12.5% corporation tax rate
- Protect self-directed PRSA property investment

Investment & EIIS

- Extend and simplify EIIS
- Simplify GBER requirements
- Introduce accessible Savings & Investment Scheme

Capital Gains Tax

- Reduce CGT from 33% to 20%
- Increase Entrepreneur Relief lifetime limit from €1.5m to €3m
- Introduce CGT Rollover Relief for reinvestment into housing and regeneration
- Reform investment fund taxation

Inheritance & Succession

- Increase CAT thresholds (Group A to €500,000)
- Introduce seven-year gift exemption
- Simplify family business succession and management buy-outs
- Reform Dwelling House Relief

Transport Infrastructure

- Multiannual funding for Cork Luas and CMATS projects
- Formally include Luas Cork in the National Development Plan - Designate Luas Cork as Project of National Strategic Priority
- Delivery of Park & Ride infrastructure
- Improved public transport reliability and accessibility

Cost of Doing Business

- Introduce Employer PRSI rebate for lower-paid workers (below €30,000 per annum)
- Reduce operating cost pressures on SMEs
- Establish dedicated Office of Tax Simplification
- Address insurance costs through increased underwriting capacity

Housing

The housing crisis remains the single greatest obstacle to Cork's economic and social development. The persistent shortage of housing, particularly within urban centres, has generated a detrimental knock-on effect for the business community. Companies report considerable difficulty in attracting and retaining a skilled workforce, a direct consequence of the scarcity and profound unaffordability of local housing options.

The Scale of the Challenge

- Population Growth: Cork's population is projected to increase by 50%-60% by 2040, requiring the city to accommodate an additional 125,000 people within the city boundary.
- Housing Deficit: The Housing Commission estimated a national deficit of between 212,500 and 256,000 homes at the time of the 2022 Census.
- Annual Requirement: According to Knight Frank, Ireland requires a minimum of 58,000 housing units annually until at least 2027. Cork needs to deliver between 7,500 and 10,000 housing units per year to keep pace with demand.
- Graduate Retention: Cork hosts two nationally important third-level universities with a combined student population of approximately 35,000. Annually, between seven and ten thousand highly skilled individuals graduate and seek entry into the workforce. The critical lack of housing supply acts as a significant barrier to regional economic growth.

Market Distortions

In line with fundamental economic principles, the chronic shortage of accommodation has inflated housing prices to unprecedented levels. Concurrently, a challenging global economic climate characterised by construction inflation, elevated interest rates, and increased material costs has driven the expense of building apartments to unviable levels for many developers.

This economic reality has created a market distortion where building houses on greenfield land in the suburbs remains one of the few financially feasible development models, despite the pressing need for higher-density, city-centre living. The recent response from government—an instruction to local authorities to zone more land—risks exacerbating this problem by further promoting suburban sprawl while doing nothing to address the core viability issues that have paralysed apartment construction in urban areas.

The consistent year-on-year failure to meet national housing targets is the only evidence required to demonstrate that the current policy mix is insufficient.

1.1 Reform of the Living City Initiative

The current Living City Initiative has proven to be ineffective in its present form, albeit improvements in last years Finance Act were welcome. The existing designated area excludes key commercial streets such as Patrick Street, South Mall and Oliver Plunkett Street. Expanding the relief to cover the entirety of Cork City Centre would facilitate residential conversion of vacant upper floors and support Government compact-growth objectives.

The persistent advocacy by numerous representative organisations and developers for the implementation of significant tax incentives, comparable to the historic Section 23 model, has been a recurring feature of the debate on housing supply. However, successive governments have maintained a consistent position of rejecting such proposals. To address this crisis, Budget 2027 must introduce a suite of targeted, time-bound tax incentives and reforms to stimulate housing supply, especially in urban centres like Cork.

The recent improvements to the Living City Initiative are welcomed but these could be built upon significantly.

CBA Recommendations:

1. Expand the Qualifying Area

- Review and remap Cork's Special Regeneration Areas (suggested map appended)
- Expand regeneration boundaries to include today's brownfield and urban regeneration opportunities
- Include Patrick Street, Grand Parade and South Mall/Morrissons Island at the very least
- Review the maps every five years
- The Living City Initiative should become Ireland's flagship urban regeneration programme

2. Review the €300,000 Project Cap

- The current cap does not reflect modern construction costs. A project involving the refurbishment of a derelict building into multiple apartments can easily exceed €2 million, yet receives the same relief ceiling as if €300k was spent on one apartment.

The CBA recommends consideration of the following:

- A substantial increase in the cap
- Removal of the cap altogether
- Alternatively, applying the cap per investor rather than per project
- The €300,000 tax relief limit should apply to each residential unit created, rather than per project, with the suggested limit on the number of units that a developer can refurbish being similar to the S.I. 75 provision of 9 units. If required planning permission and part V would apply.

3. Remove the High Earners Restriction

- The restriction reduces the attractiveness of the scheme for those with the financial capacity to undertake large refurbishment projects and should be removed to maximise participation

4. Introduce Government-Backed Refurbishment Finance

- Banks remain reluctant to fund mixed-use and urban regeneration projects. Government backed lending supports modelled on successful SBCI programmes should be introduced. The fact that these are required to be self funded is unlikely to be transformative.

1.2 Reform of Croí Conaithe (Cities) Fund

Research indicates that the cost of building apartments in Irish cities significantly exceeds market sale prices, with an average shortfall of €144,000 per unit. To bridge this gap, the government has made grants of up to €144,000 available to developers for qualifying schemes. This direct fiscal intervention is a clear acknowledgment of market failure.
The scheme has been broadly welcomed as a necessary measure to incentivise urban apartment development, particularly in high-demand areas such as Dublin, Cork, and Galway.

The Primary Barrier: The grant payment structure, which is made upon completion of the units, requires developers to fund the full construction costs upfront before receiving state support. Given the high capital requirements and rising interest rates, many developers, particularly smaller and mid-sized firms, struggle to secure the necessary financing. This has slowed the rollout of the scheme and limited its potential impact.

CBA Recommendations:

1. Front-Load Grant Payments

- If the government has quantified the viability gap at €144,000 per unit, there is a compelling case for paying the grant at the outset of construction rather than upon completion
- By frontloading the payment, the grant could act as a deposit, reducing the amount of private financing required and making projects more attractive to lenders
- This adjustment would significantly lower the barrier to entry for developers, accelerating delivery of much-needed housing

2. Apply to Existing Planning Permissions

- Estimates suggest there are up to 5,000 approved or pending apartment units in Cork that could be unlocked if the grant were made available at the start of the development process

3. Publish Pre-Approved Applicant List

- A list of pre-approved applicants qualifying for Croí Conaithe grants would help give developers and financial institutions an accurate picture of demand

1.3 Reform of Croí Conaithe (Towns) Fund

The Croí Cónaithe (Towns) Fund via the Vacant Property Refurbishment Grant provides financial support to bring vacant and derelict properties in towns back into use as residential homes. This initiative is part of Ireland's Housing for All strategy, aiming to combat vacancy, regenerate town centres, and increase housing supply in rural and regional areas. It makes available grant amounts of up to €50,000 for vacant properties and €70,000 for derelict properties, primarily for owner-occupiers, with individuals able to redevelop up to two properties and rent out one of the properties.

Current Limitations:

- Excludes developers and investors, restricting the grant to owner-occupiers
- Slow impact on housing supply
- Misses opportunities for rental housing (capped at maximum of two units)
- Fails to address shortages in both owner-occupied and rental sectors

CBA Recommendations:

1. Allow Developers and Approved Housing Bodies to Access the Grant

- For multi-unit refurbishments, accelerating housing delivery
- Introduce conditions such as minimum lease terms and affordability requirements to ensure community benefit

2. Permit Refurbishment of Multiple Properties per Applicant

- Expanding the grant beyond the current one-property limit
- Allow refurbished homes to be used for long-term rental

3. Introduce Fast-Track Planning Exemptions

- For vacant property conversions to reduce delays

4. Increase Grant Caps for High-Cost Renovations

- Some derelict properties require far more than €70,000

1.4 Taxation of Rental Income

A 25% tax rate currently applies to landlords who have units let in a company. Landlords with more than 10 properties need to be treated in the same way as any other business owners and pay tax accordingly.

CBA Recommendations:

1. Apply 12.5% Corporation Tax Rate

- To qualifying residential rental businesses
- The current corporate effective rate of nearly 40% does not entice private landlords to provide accommodation, in fact it is the main reason why landlords are getting out of the market
- Government housing policy explicitly acknowledges the importance of attracting private investment capital into housing delivery if national housing targets are to be achieved

2. Abolish the Close Company Surcharge

- Where profits are retained and reinvested into housing

3. Recognise Professional Housing Providers as Trading Businesses

- Professional residential rental businesses should receive taxation treatment comparable to other accommodation providers
- The tax system should encourage businesses that deliver long-term homes

1.5 Living Over the Shop Scheme

The Living Over the Shop scheme is a targeted grant initiative funded from The Department of Housing, and administered locally by Cork City Council, providing financial incentives to stimulate the conversion of empty spaces above shops into modern residential apartments. The scheme is a conditional grant, meaning the financial support is provided retrospectively upon the successful completion of the project and after all costs have been paid by the property owners. These costs include fire safety upgrades, installation of new heating, plumbing, and electrical systems, and improvements to energy efficiency. The grant will cover half of the total eligible costs up to a maximum of €50,000 for each residential unit created.

Current Barrier: The requirement for the property owner to fund 100% of the project costs upfront is a significant barrier. Furthermore, the final grant amount is based on eligible costs, and any budget overruns or unforeseen expenses are solely the responsibility of the owner. The complexity of renovating historic buildings cannot be overstated. Navigating the planning and regulatory landscape is a major challenge. While some conversions may be exempt from full planning permission, most require at least a Fire Safety Certificate and a Disability Access Certificate, the requirements for which can be stringent and costly in an old building.

CBA Recommendations:

1. Introduce Phased or Advanced Payment System
- Offer an initial lump sum upon project commencement or milestone-based payments to dramatically improve cash flow for owners

2. Increase Grant Amount to €70,000
- Similar to Croí Conaithe Towns

3. Provide Pre-Packaged Technical Solutions
- Commission and provide a set of standardised, pre-approved design templates for typical building types

4. Establish Dedicated One-Stop Shop Office
- Within the council to guide applicants through the entire process

5. Introduce Tiered Grants for Larger Projects
- Implement a higher grant cap for buildings that deliver three to nine units

6. Apply Scheme Equally to:
- Individuals
- Trading companies
- Pension structures
- Long-term commercial property owners

Housing incentives should reward the delivery of homes rather than the ownership structure of the building.

1.6 Co-Living for Cork

In the context of Ireland's persistent housing challenges, a re-evaluation of the legislative prohibition on co-living developments is warranted.

Demographic Context:

- Current housing supply data from the Residential Tenancies Board indicates a market heavily skewed towards traditional dwellings, with 63% of renters residing in houses and a mere 27% in purpose-built apartments
- Since the sequential bans on bedsits and co-living were enacted, the proportion of 25 to 29-year-olds living in the parental home has surged from 37% in 2013 to 68% in 2022 nationally, starkly above the EU average of 42%
- Cork specific statistic from Census 2022: 60,694 adults continue to live with their parents, a number that has grown by 12% since 2016
- The tipping point for moving out in Cork is now age 25

Successful Precedents:

- Sustainable brownfield redevelopments in Dún Laoghaire
- Building retrofits in Rathmines
- International examples in Berlin and Amsterdam
- The 2025 Apartment Planning Guidelines formally acknowledge shared accommodation as a distinct niche within the residential sector, possessing a legitimate role in Ireland's urban centre

CBA Recommendations:

- Permit one to two co-living schemes to be built in Cork before any presumption against further development is adopted – even for older persons with communal facilities to free up under occupied large houses in Cork City which can be released to the market.
- For young professionals, international workers, and single-person households, co-living presents a cost-effective alternative to prohibitively expensive traditional apartments, enhancing financial stability and facilitating access to urban centres

1.7 Capital Gains Tax Rollover Relief

CBA Recommendations:

- Allow Capital Gains Tax to be deferred where proceeds are reinvested into qualifying housing and regeneration projects
- Rather than taxing capital as it moves, Government should encourage its continuous reinvestment into housing supply

1.8 Protect Self-Directed PRSA Property Investment

CBA Recommendations:

- Self-directed PRSAs represent an important source of long-term private investment
- Budget 2027 should maintain the ability of PRSAs to borrow for qualifying property acquisitions and avoid changes that would materially reduce pension investment in residential property
- Housing policy should encourage every available source of long-term capital

1.9 Overall Housing Objective

The Cork Business Association believes that Ireland's housing strategy should be built upon one simple principle: Reward housing delivery.

Government policy should encourage investment that creates new homes, protects existing rental accommodation and regenerates our cities and towns.

Ireland does not have a shortage of capital. Ireland has a shortage of investment incentives. By unlocking private capital, reforming taxation and supporting urban regeneration, Budget 2027 can significantly increase housing supply while strengthening Ireland's economy and revitalising city centres.

Investment Options

Irish households are currently holding unprecedented levels of savings. Household deposits stood at approximately €167 billion in 2025, while broader household financial assets exceeded €600 billion. Yet much of this capital remains in low-yield deposit accounts rather than being invested in productive enterprise.

Household savings rates remain elevated at approximately 13-14%, highlighting the opportunity to mobilise private capital to support indigenous business growth.

2.1 Employment Investment Incentive Scheme (EIIS) & Investment

CBA Recommendations:

1. Extend EIIS

- Provide long-term certainty by extending the scheme and maintaining its role as Ireland's principal SME investment incentive

2. Simplify Administration

- Simplified application procedures
- Reduced compliance requirements
- Greater certainty of treatment

3. Simplify GBER Requirements

- Current State Aid compliance requirements are overly complex and should be reviewed to make the scheme more accessible
- The EU Commission wants to simplify corporates doing business and this could be one of the first of many steps

4. Review CGT Treatment of Share Redemptions

- Investor exit opportunities should be enhanced by reviewing the treatment of share redemptions, which should be subject to CGT

2.2 New Savings & Investment Scheme

The proposed Savings and Investment Scheme represents an opportunity to redirect a portion of Ireland's €167 billion of household deposits into productive investment.
In light of the work at the EU level following the EU Savings and Investments Union, we welcome the Minister's recent comments regarding the introduction of a savings and investment scheme in Ireland, anticipated to launch in 2027. For Ireland, a successful scheme should include a tax-free element, likely supported by an annual contribution limit, as evidenced by the experiences in the UK, Sweden, Canada, and France.

Key Features:

- **Simplicity**: A straightforward, easy-to-understand product encourages broad participation across all demographics, including younger savers
- **Incentive:** The scheme must incentivise Irish households to move savings from deposit accounts into the new savings and investment vehicle
- **Economic Growth**: The scheme must be designed to facilitate channelling household savings into productive sectors of the economy, supporting sustainable growth and job creation
- **Tax Treatment**: No tax at source, tax-free growth, and tax-free withdrawal
- **Accessibility**: Require limited financial literacy; easy to access; avoid excessive administrative complexity

As Financial Services Ireland has noted, a clear dichotomy exists between Ireland's status as a global financial centre and our domestic investment culture. Our current taxation framework actively disincentivises public market participation. To mobilise these savings towards investments aligned with EU competitiveness goals, the scheme should feature no tax at source, tax-free growth, and tax-free withdrawal.

Capital Gains Tax (CGT)

Ireland's CGT rate of 33% remains among the highest in Europe and is significantly above the European average. High rates discourage investment and create a "lock-in effect" whereby investors hold assets rather than redeploying capital into new productive opportunities.

At the same time and as mentioned already, over €167 billion sits in household deposits and could be deployed into entrepreneurship, housing and business investment under a more competitive taxation regime.

Evidence:

- Following Budget 1998's reduction of the CGT rate to 20%, CGT receipts increased substantially, from €106 million in 1996 to €3.1 billion in 2006—a 29-fold increase over the decade
- CGT receipts have not yet reached their 2006 peak (€2.1 billion in 2025), implying that the current 33% rate could be suppressing realisations and limiting revenue potential
- A 20% CGT rate would unlock capital for reinvestment, strengthen Ireland's Domestic Direct Investment, and make Ireland more attractive for reinvestment and business growth
- It would support the creation of a dynamic, competitive enterprise environment and remove a material disincentive to business scaling and succession

CBA Recommendations:

1. Reduce CGT from 33% to 20%

- This would unlock capital for reinvestment, strengthen Ireland's Domestic Direct Investment, and make Ireland more attractive for reinvestment and business growth

2. Increase Entrepreneur Relief Lifetime Limit

- From the current €1.5 million to a more realistic €3 million to support high-growth businesses, encourage reinvestment, and position Ireland as a leading environment for entrepreneurs
- The current limit still restricts high-growth businesses and risks losing entrepreneurs to more favourable tax jurisdictions
- The Programme for Government commits to supporting small businesses, start-ups, and the scaling of indigenous firms while enhancing Ireland's appeal for foreign direct investment
- Raising the threshold to €3 million would demonstrate Ireland's dedication to supporting businesses at every stage and encourage reinvestment of proceeds into new ventures, generating a positive multiplier effect

3. Align Exit Tax and Investment Undertaking Tax with the CGT Rate

4. Remove the Eight-Year Deemed Disposal Rule for Investment Funds

These reforms would encourage investment, support entrepreneurship and unlock domestic capital currently held in low-return cash deposits.

Inheritance Tax Reforms

Property values and construction costs have increased substantially over the last decade, while many inheritance tax thresholds have failed to keep pace.

Intergenerational transfers have become increasingly important as younger generations face significant barriers to home ownership.

CBA Recommendations:

1. Seven-Year Gift Exemption
Introduce a seven-year gifting regime similar to the UK model to support earlier family transfers and improve estate planning

2. Increase Group A Threshold
Increase the threshold to €500,000 to better reflect modern asset and property values

3. Modernise Beneficiary Rules
Allow individuals without children to nominate two beneficiaries eligible for Group A treatment

4. Reform Dwelling House Relief
Allow parents who downsize to transfer surplus sale proceeds to children to help fund home purchases without resulting in CAT liabilities

5. Increase Small Gift Exemption
Increase the annual exemption from €3,000 to €6,000, reflecting inflation and rising costs of living

6. Succession & Family Business Continuity
Family businesses remain a cornerstone of the Cork economy and provide significant employment throughout the region. However, transferring businesses between generations remains unnecessarily complex because different valuation methodologies can apply across CGT, CAT and Stamp Duty regimes.

CBA Recommendations:

1. Introduce Valuation Certainty

A standardised valuation methodology should be available for succession transactions. This would reduce disputes, improve certainty, encourage earlier succession planning, and protect indigenous business ownership

2. Support Management Buy-Outs

- Management buy-outs provide an important succession route but are increasingly difficult to implement due to tax complexities
- The Government should simplify the rules and facilitate CGT treatment for qualifying transactions
- The CGT rate on MBOS should be reduced significantly to 10% to support business succession, encourage indigenous enterprise to remain locally owned and safeguard our business community, distinctive towns and city centres.

Transport Infrastructure

The urgency of investing in Cork's public transport infrastructure cannot be overstated. Ireland's ability to provide, maintain and enhance infrastructure is a key strand of the country's economic competitiveness. From transport and active travel infrastructure to social and cultural infrastructure, every development plays a role in driving Ireland's competitiveness and supporting investment and job creation. Ireland's competitiveness performance in the area of infrastructure continues to lag behind other areas, demanding decisive action and investment from government. Connectivity and accessibility are crucial for sustainable, regional economic development.

The Challenge

The city's population is projected to grow by 50% by 2040, yet its public transport mode share is just 6.8%, compared to 25.4% in Dublin and 16.2% in Galway City. This is not a reflection of preference but of severe underinvestment.

Census 2022 Data:

- In Cork City Council administrative area: 61.1% of workers commuted by car, with a further 2.1% commuting by motorcycle or other private vehicle
- In the wider Cork Metropolitan Area, car dependency is even more pronounced: in the Ballincollig-Carrigaline Municipal District, over 72% of workers commuted by car
- Over 40,000 daily commuters travel into the city along the proposed Luas corridor.

Cork City Development Plan 2022–2028:

"Cork City currently exhibits unsustainable patterns of commuting, with high levels of car dependency, significant congestion on the strategic road network, and a public transport mode share that is among the lowest of any European city of comparable size. The continuation of these patterns is incompatible with the achievement of the City's climate obligations, its housing targets, and its economic ambitions."

The Luas Cork Imperative

The Luas Cork project is the single most important transport intervention proposed for the city. The Cork City Development Plan identifies the East-West Light Rail Transit line as "the single most important transport intervention proposed for the city" and commits the Council to "actively support and facilitate the earliest possible delivery of Luas Cork, including through the protection of the proposed route corridor from prejudicial development."

It is the enabling infrastructure that makes solving Cork's housing crisis physically possible and is fundamental to achieving the city's climate and economic targets. As the Development Plan states: "without high-capacity public transport, the quantum of development envisaged for the Docklands, the City Centre, and the suburban corridors cannot be realised sustainably."

International Evidence:

The evidence from comparable second-tier cities like Bordeaux, Freiburg, and Olsztyn demonstrates that light rail investment delivers transformative economic and social benefits. A systematic review and meta-analysis of 23 international studies found that light rail investment is associated with:

- Average residential property value uplift of 5%–12% within 800m of stations
- Commercial property value uplifts of 10%–20% in city-centre locations
- Mean increase in retail footfall of 15%–30% within three years of opening
- Average reduction in car mode share of 8–15% points among corridor residents

Delay Costs:

The Department of Public Expenditure's 2025 report on Accelerating Infrastructure identified that the planning and consenting process for critical infrastructure "takes 3–5 years longer due to the added threat, duration and impact of judicial reviews." Major road projects can now have a development cycle of up to 15 years, more than double the timelines typical just 20 years ago. This trajectory must not be allowed to continue with Luas Cork. Every year of delay imposes real economic costs on the city, in lost productivity, increased emissions, and housing that remains unbuilt.

CBA Recommendations:

1. Formal Inclusion of Luas Cork in the National Development Plan

- With a clear, multi-annual funding profile and a defined delivery timeline
- The revised NDP for 2026–2030 encompasses total public investment of €275.4 billion, with €10 billion specifically targeted for investments in Ireland's electricity grid, water and wastewater services, and MetroLink
- Cork's equivalent transformative public transport project must receive comparable certainty
- Formal NDP inclusion, with ring-fenced multi-annual funding, is the most concrete mechanism for removing uncertainty and for signalling to the international construction market that Luas Cork is a credible, funded, and imminent project

2. Designate Luas Cork as a Project of National Strategic Priority

- This should be fast-tracked to ensure it is not subject to the disproportionate delays caused by judicial reviews and fragmented coordination

3. Commit to Multiannual Funding

- Strategic transport infrastructure requires certainty beyond annual budget cycles
- Multiannual allocations should be adopted for major Cork projects

4. Prioritise Key Projects

- Cork Luas
- BusConnects Cork
- Multi-Modal Northern Distributor Road
- Park & Ride facilities

These projects are essential to supporting population growth, labour mobility and economic competitiveness

5. Improve Bus Reliability

- Bus priority measures
- Reliability improvements
- Additional service frequency
- Corridor upgrades

CBA Recommendation:

- Increase capital funding in Budget 2027 to accelerate the delivery of key strategic projects in Cork. Enhanced investment will support regional economic growth, strengthen infrastructure, improve connectivity, and ensure that Cork can realise its full potential as a driver of national economic development.

Cost of Doing Business

Ireland's status as a high-cost environment is a significant and growing concern for businesses. SMEs continue to face significant cost pressures through rising wages, increased energy costs, insurance inflation, pension auto-enrolment, and Employer PRSI increases.

Key Challenges

- The minimum wage is the second highest in the EU at 78% above average
- Electricity prices are roughly 35% above the European average
- High operating costs are feeding directly into consumer prices, making Ireland the most expensive country in the EU for consumer services
- Business sentiment is slipping; only 24% of businesses report revenue growth compared to last year, while 51% report a decline
- Rising energy costs are cited as a top concern by 75% of businesses
- 59% cite rising operating costs

These pressures are squeezing margins and making domestic consumers more cautious

Administrative Burden

The positive impact of innovative measures to support the economy is diluted where the attendant administrative burdens are overly onerous, resulting in low uptake and impact. It is critical that the cost of doing business in Ireland is minimised and that the administrative burden on businesses is low. The scale of burden should be commensurate with the scale of the business. Therefore, greater simplification should be afforded to smaller businesses, recognising the outsized impact administrative burdens have on them given their reduced scale. This would also serve to encourage the establishment of more domestic businesses, helping to broaden and deepen the breadth of scaling domestic enterprises and acting as a counterbalance to dependencies on concentrated Foreign Direct Investment.

Recent examples of increased burden on businesses include:

- Enhanced Reporting Requirements, specifically the requirement to be filed in real time
- The Irish corporation tax return, which has had 43 pages added to it over the last 12 years, with the same form applying irrespective of the size of taxpayer
- The recent cessation of the VAT Fixed Direct Debit Scheme, unduly requiring small businesses to now file six bi-monthly VAT returns instead of the previous single annual VAT return filing

A simple, transparent, and approachable Irish tax system is essential to reduce compliance costs and uncertainty, thereby fostering investment, economic growth and long-term confidence among both domestic and foreign businesses. SMEs can face a disproportionate burden in meeting tax compliance obligations due to the limited resources available to them. Simplification measures are therefore needed for this sector in order to provide a level playing field.

The importance of the Irish tax system being approachable, with simple, clear and straightforward policies cannot be overstated in creating a favourable business environment. A transparent and easy-to-understand tax framework reduces compliance costs and uncertainty for businesses, making Ireland an attractive destination for both domestic entrepreneurs and foreign investors.

We support the EU's target to cut the administrative burden for SMEs by at least 35% and call on the government to implement a rigorous "Think Small First" principle across all tax legislation and forms. The need to support SMEs has also been acknowledged at EU level in the Competitiveness Compass, which specifically calls out the necessity to create a friendly environment for young companies to start and expand.

CBA Recommendations

1. Hospitality VAT Rate

- We welcome the 9% VAT rate for food-related hospitality businesses and seek this to be continued in the 2027 budget.
- While a decrease in the VAT rate is going to be costly for the government and the country, the continuation of closures will prove to be equally costly.

2. Employer PRSI Rebate

- Introduce an Employer PRSI rebate for employees earning below €30,000 per annum
- This would support hospitality and retail, protect employment, help labour-intensive businesses, and offset rising payroll costs
- Employer PRSI rates have already increased and are scheduled to continue increasing through 2028

3. Administrative Burden

- Establish a dedicated Office of Tax Simplification to assist the Department of Finance with this process, working in consultation with wider stakeholders
- Given the pace of change in the tax landscape over recent years, Ireland's tax code has seen much added complexity
- Ireland must take steps to ensure it maintains its attractiveness as a location of choice for businesses
- Implement a rigorous "Think Small First" principle across all tax legislation and forms
- Support the EU's target to cut the administrative burden for SMEs by at least 35

4. Garda Resourcing

- A greater Garda presence is welcomed on the streets of our cities and towns
- An increase in crime and anti-social behaviour was having a detrimental effect on the safety and attractiveness of urban centres, harming local businesses and reducing footfall
- We need to ensure that the increased Garda presences in Cork City is maintained and grows along with the expected population growth in cities like Cork. This will reduce exorbitant security costs on businesses

5. Energy Costs

- The lack of national grid network capacity presents significant challenges for businesses with ambitions to electrify their fleet of vehicles
- Upgrade existing grid infrastructure to accommodate alternative fuels
- Scale biomethane production and associated infrastructure
- Provide incentives to early adopters to help accelerate the transition to sustainable technologies

6. Support SME Competitiveness

- As Cork continues to grow as Ireland's second city, Government policy must ensure SMEs remain competitive and capable of investing, employing and expanding
- Targeted supports aimed at easing operating costs will protect regional employment and economic growth

Conclusion

Cork is at a pivotal moment in its development. As Ireland's fastest-growing city region and the principal counterbalance to Dublin, Cork has a critical role to play in delivering national objectives across housing, enterprise, infrastructure and regional development.

Budget 2027 provides the government with a crucial opportunity to deliver for Cork, for business, and for the national economy. A fundamental rebalancing of capital investment away from the Greater Dublin Area and towards the country's second city is not just a matter of fairness; it is a strategic economic necessity. The proposals outlined in this submission are practical, evidence-based, and designed to address the most pressing challenges facing our members: housing, cost of doing business, taxation, and infrastructure.

The evidence base is clear and multi-layered. Census 2022 data confirms the depth of Cork's unsustainable car dependency, with over 61% of city workers commuting by car, a public transport mode share of just 6.8%, and over 40,000 daily commuters travelling into the city along the proposed Luas corridor. The Cork City Development Plan explicitly identifies Luas Cork as the single most important transport intervention proposed for the city and states that without high-capacity public transport, the quantum of development envisaged for the Docklands, the City Centre, and the suburban corridors cannot be realised sustainably. An increased proportion of National Development Plan monies are needed to deliver strategic projects like Luas Cork and the Events Centre on time and on budget.

Many of the measures proposed do not require significant Exchequer expenditure. Rather, they focus on removing barriers to investment, simplifying existing tax regimes and creating the conditions for businesses and individuals to deploy capital productively within the Irish economy.

Budget 2027 presents an opportunity to position Cork for the next phase of sustainable growth. By supporting housing regeneration, incentivising investment, strengthening family businesses and accelerating transport infrastructure delivery, Government can ensure that Cork continues to grow as a vibrant, competitive and internationally significant city region.

The Cork Business Association looks forward to working constructively with Government, public representatives and key stakeholders in advancing the measures outlined in this submission.

Summary

Budget 2027 should:

- **Unlock investment through EIIS, CGT and savings reforms**
- **Accelerate housing delivery and city centre regeneration**
- **Support intergenerational wealth transfer and business succession**
- **Deliver long-term funding certainty for Cork's transport infrastructure**
- **Improve the competitiveness of SMEs and employers**
- **Recognise Cork's strategic importance to Ireland's future economic growth**

Thank You for the opportunity to make this submission on behalf of Cork City Businesses and we appreciate your review.

We are available for any further discussion.

CBA
Cork Business Association