



Building Adaptably:

How the construction sector
can future proof Irish cities

14th Annual NERI Labour Market Conference

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Today

- **The State of Play:** Unpacking record vacancy rates and the environmental cost of the "demolish and rebuild" cycle.
- **Defining Adaptability:** Shifting the paradigm from seeing buildings as static objects to viewing them as dynamic, evolving systems.
- **The Case for Reuse:** Analyzing the economic and environmental benefits of converting commercial surplus into urban housing.
- **Future-Proofing Ireland:** Practical recommendations for embedding adaptability into public policy and procurement.



Setting the scene

5 facts to set the scene about the state of Ireland's built environment

1. Ireland's national commercial vacancy rate (14.6%) is the highest on record
2. Dublin's office vacancy rate reached 15.7% in 2024 — the highest level of any major European city.
3. Office vacancy in Ireland is concentrated in the areas where housing need and demand is highest.
4. Waste from construction and demolition (CDW) is forecast to double between 2020 and 2029.
5. Converting a building can save up to 73% of embodied carbon compared to demolishing and rebuilding.



The Evolution of Building Form

"Time makes certain structures obsolete for some enterprises, and they become available to others."

— Jane Jacobs, 1992

Success Through History:

- **Parthenon:** Transitions across multiple centuries: temple to treasury -> church -> mosque -> tourist attraction
- **Amsterdam Canal Houses:** From warehousing to housing - > offices - > shops -> housing
- **Manhattan:** Mid 20th Century reinventing office blocks as residential



The Trap of 'Present Bias'

Modern construction is often rigidly defined by short-term cycles, resulting in single-function buildings that become obsolete assets.

Present Bias in Design

- Rigid Design:** Modern buildings suffer from "present bias," where their form is strictly defined by immediate economic cycles rather than future scenarios.
- Functional Rigidity:** Buildings are typically designed for a single, fixed function (e.g., office only), making them difficult to repurpose when demand shifts.
- Exposed Vulnerability:** Recent tech contractions and remote working have exposed the high costs of this rigidity, leading to historic office vacancy.
- Missed Opportunity:** This rigidity creates a "mismatch" where offices sit vacant in the exact urban locations where housing demand is most acute.



Commercial Vacancy in Ireland

Vacancy and speculative commercial real estate development

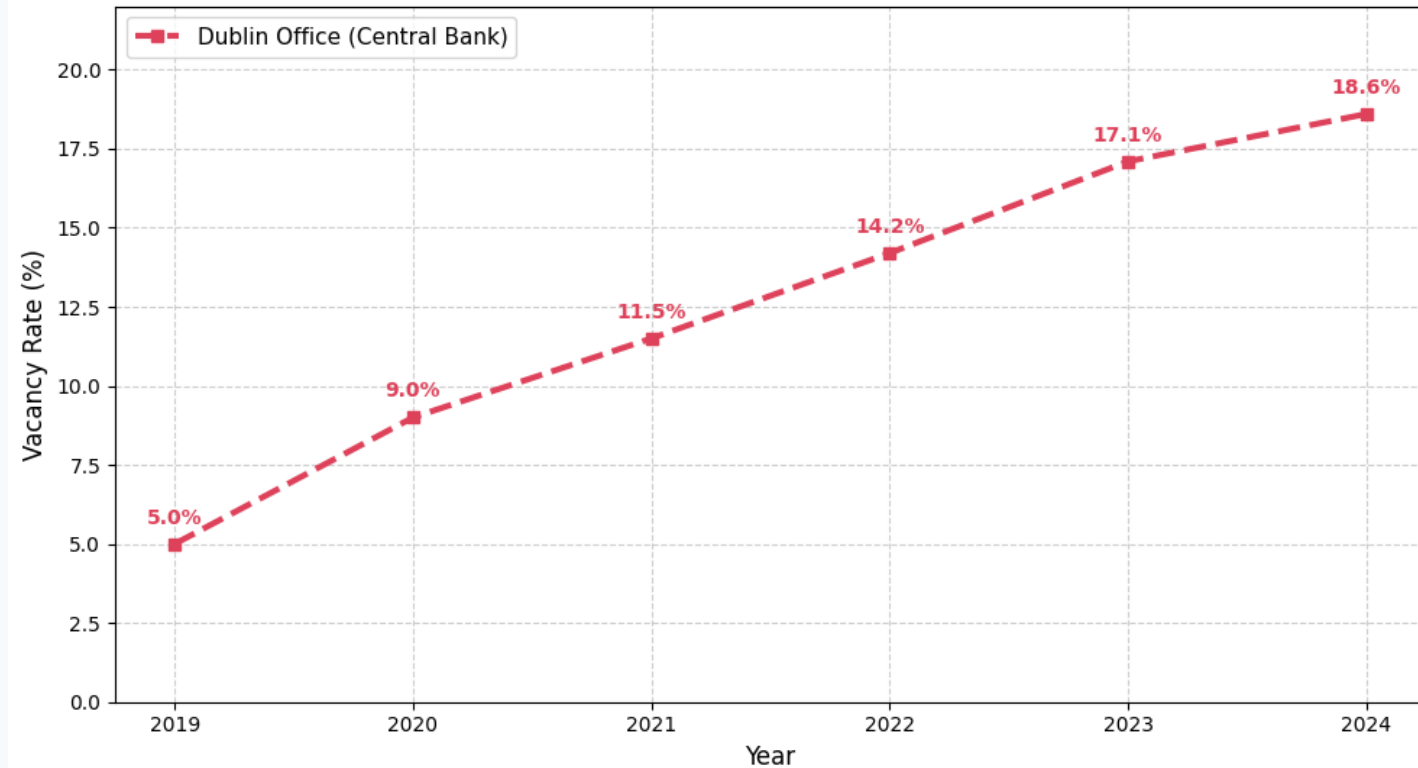
•Dublin's European High:

- Vacancy rate reached 15.7% in 2024, the highest of any major European city.
- Supply continues to outpace demand, with more construction in Q1 2024 than in all of 2023.
- A lot of take-up of new space is largely driven by "churn" (existing tenants relocating) rather than new market entrants.

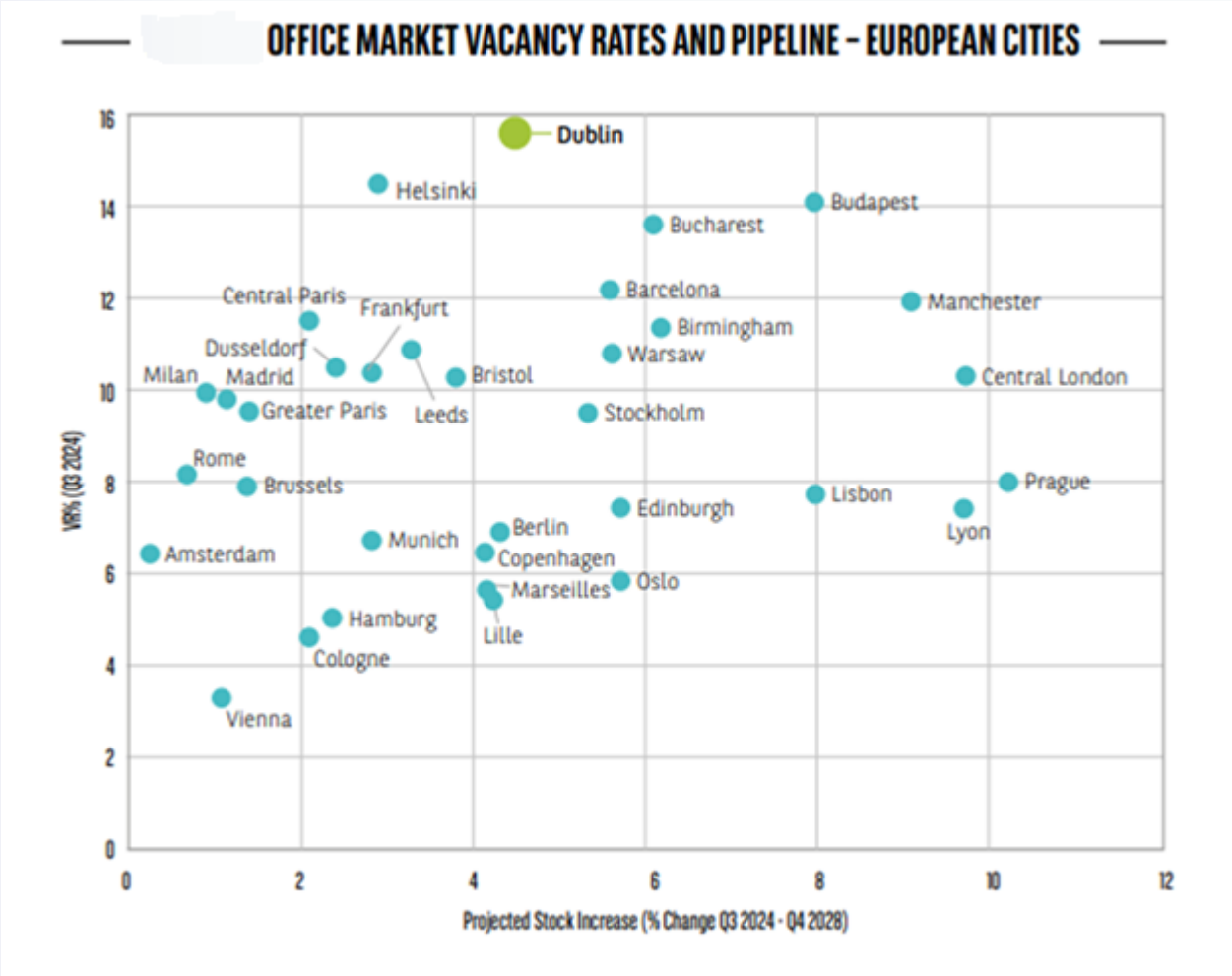
•National & Regional Trends:

- National commercial vacancy hit a record high of 14.6% in Q2 2025.
- The highest rates are in the West and Midwest: Sligo (20.5%), Donegal (19.4%), Galway (18.5%), and Limerick (17.5%).
- Cork remains slightly more resilient at 12.4%, bolstered by public sector leasing (HSE).

Dublin Office Vacancy Rate Trend (2019-2024)

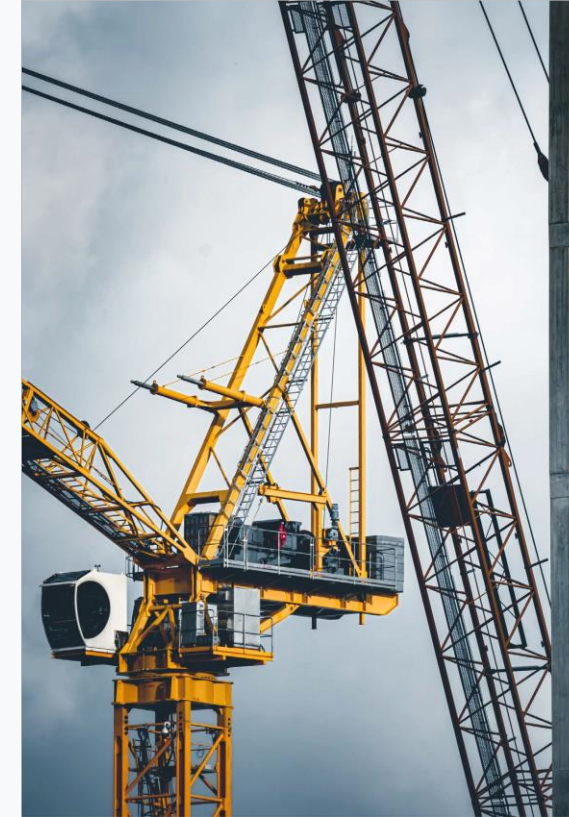


Consequences of ‘present bias’



Factors Underlying reduced demand

- **Permanent Hybrid Shift:** Remote work is now a structural fixture, with 58% of the workforce primarily based outside the office.
- **Tech Contraction:** A global industry downturn has led to shrinking workforces and a sharp reduction in new office demand.
- **Dublin Exposure:** "Tech-heavy" hubs are hit hardest; tech firms previously accounted for over 50% of all new leases in Dublin.
- **Structural Decline:** Reduced office occupancy is no longer a temporary spike but a long-term stabilization of lower spatial needs.



Housing undersupply, commercial oversupply

- **Coexistence of Two Crises:** Record-high office vacancy is occurring simultaneously with a severe, long-term housing shortfall in Ireland's cities
- **Societal Consequences:** Unmet housing demand has resulted in acute overcrowding, unaffordability, homelessness, and an overheating rental market
- **Failure of the Speculative Model:** The current development paradigm has failed to align with real demand, prioritizing speculative office space over essential residential needs.
- **Space for Policy Intervention:** Legislative action is required to correct market failures and ensure new developments serve prevailing social needs rather than speculative future gains.



Correcting the problem

Policy intervention

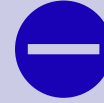
Circular Economy Solutions

- **Design for Change:** Shift from "demolish and rebuild" to design-led adaptability.
- **Carbon Reduction:** Extend the life of structures and facades to slash embodied carbon.
- **Agile Repurposing:** Quickly convert vacant offices into high-demand urban housing.
- **Standards-Led:** Use the EU Level(s) framework to guide to building adaptably
- **Social Value:** End the "cost of vacancy" by meeting immediate local needs.



CIOB Proposal

‘Introduce adaptability metrics into the planning permission decision-making process. Assessing a building’s potential adaptability would ensure that new buildings are designed to meet real demand, rather than to meet future speculative demand’



Introduce Adaptability Scores: Use **EU Level(s) Indicator 2.3** to assess how easily new buildings can be repurposed.



Targeted Spatial Policy: Focus requirements on large-scale developments in **central urban cores** where demand shifts are frequent.



Reduce Administrative Burden: Embed standards directly into **City Development Plans** rather than assessing case-by-case.



Climate & Circular Alignment: Meets 2022 Act requirements for carbon cuts and resource efficiency by extending building lifespans.

INTERNATIONAL BEST PRACTICE



📍 London

- **Policy D3:** Mandates designs that are "fit for purpose" today and in the future.
- **Flexibility:** Prioritizes generous floor heights and robust servicing infrastructure.



📍 Paris

- **RE2020:** Regulations mandate reversible, modular, and demountable techniques.
- **Mixed-Use Zoning:** Promotes potential conversions from inception.



📍 Amsterdam

- **Design for Disassembly:** Integrates circular economy principles into land-use agreements.
- **'Long-life, Loose-fit':** Focus on reconfigurable and repurposed space.



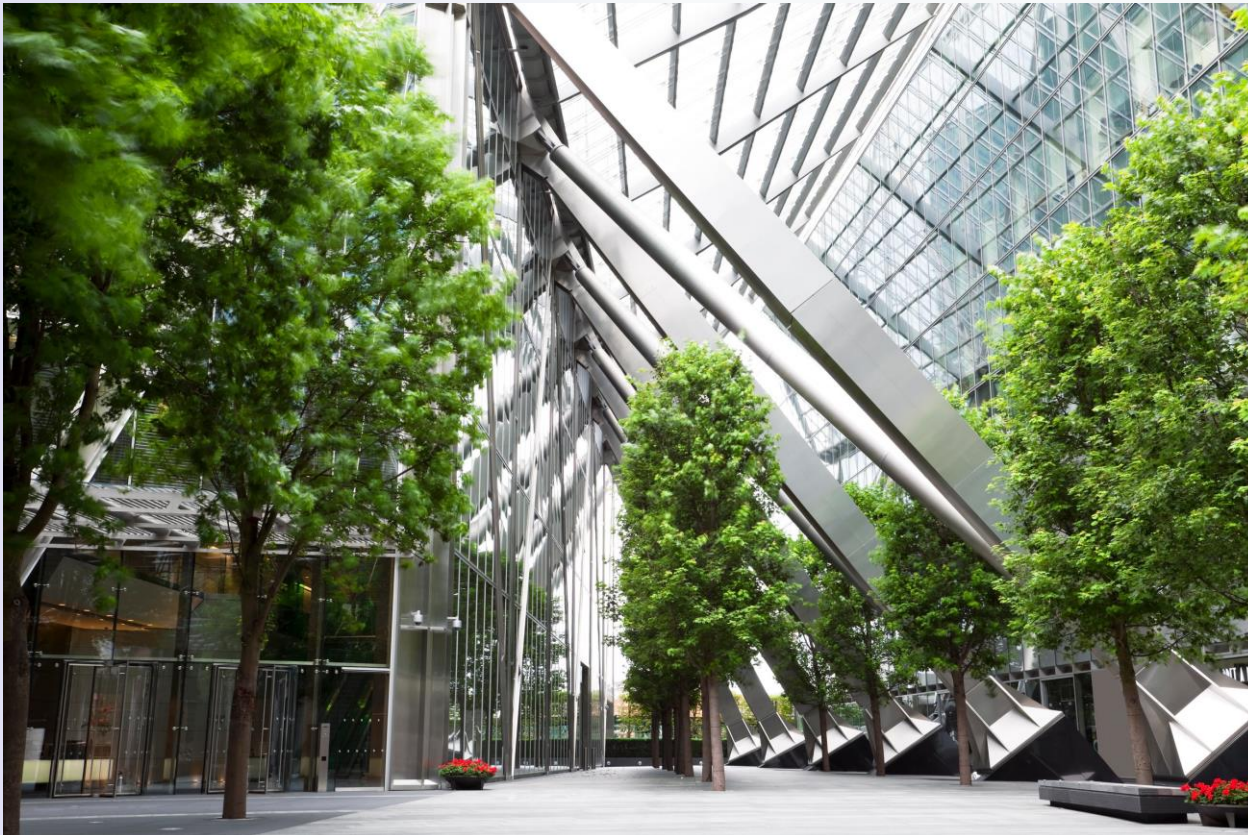


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Ireland's Case for Building Adaptability



Optimal Macro-Economics: The ideal "double-crisis" exists: a structural surplus of obsolete office space alongside a chronic housing shortfall.



Prime Central Vacancy: Vacancy is concentrated in city cores, where housing demand is highest and infrastructure already exists.



Shifting Demographics: Average household size has fallen to 2.74; office conversions are perfectly suited for the rising demand for 1- and 2-bed units.

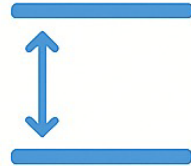


Strong Governance Tools: Local authorities have the legislative power through **City Development Plans** to mandate and catalyze adaptable construction.



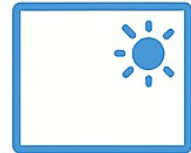
Financial Viability: High construction costs make adaptive reuse a more attractive, lower-risk alternative to the traditional speculative model.

Building characteristics that facilitate adaptability



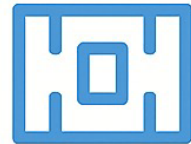
GENEROUS FLOOR-TO-CEILING HEIGHTS

Allows for diverse use types



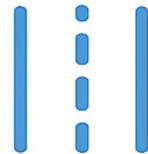
SHALLOW FLOORPLATES

Allows residential conversion



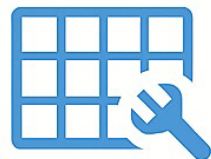
CENTRALIZED CORE

Facilitates spatial flexibility



NON-LOAD-BEARING PARTITIONS

Enables reconfiguration



ACCESSIBLE, ZONED SERVICES

Enables partial or full use change

Recommendations

1. **Mandate Adaptability Assessments:** Require all large-scale city-centre developments to use standardized tools, such as EU Level(s) Indicator 2.3, to guarantee long-term functional and spatial flexibility.
2. **Require Conversion Scenarios:** Compel planning applicants to submit future-use scenarios (e.g., how an office could transition to residential or co-living) to prevent buildings from becoming prematurely obsolete.
3. **Incentivize Circular Construction:** Encourage the use of modular and demountable methods by offering fast-tracked permitting or density bonuses for projects that exceed adaptability benchmarks.
4. **Future-Proof Public Land:** Embed design-for-adaptability criteria into public land sales and procurement contracts to ensure taxpayer-funded projects are resilient to changing urban needs.

Thank you
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