



## **Higher energy costs not stopping Irish consumers spend on home improvements**

- **Almost half of Irish consumers plan substantial home improvement spend in next two years**
- **A further one in four plan ‘refresh’ spend on their homes**
- **Just one in four will borrow for home improvements, with just under half relying on savings and one in four using their current income**
- **Credit Union loans the most common financing option for home improvement loans**
- **Two in five consumers say difficulty moving home is a significant factor in their planned home improvement spend in their current property. Upwards of 250k households may be planning home improvement spend because availability/affordability constraints on moving make their current home more likely to be their ‘forever’ home.**
- **At the margin, the latest energy price shock may be causing some consumers to consider or accelerate an energy upgrade to their homes**

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## **Home improvement remains a key aspect of Irish consumer spending**

The **March 2026 Credit Union Consumer Sentiment Survey** (in partnership with Core Research) **included a number of questions focussed on Irish consumers' current and planned spending on home improvements.**

Home improvement spending represents a significant element of Irish economic activity and a substantial portion of the financial outlays of Irish households. National accounts data suggest that **the amount spent on major renovations and minor 'refresh' projects is broadly similar to that spent on new homes** each year. The latest data (2024) show both elements saw spending of just over €10 billion. Moreover, in recent years, 'improvement' spend has grown rapidly.

One element influencing increased consumer interest and outlays on home improvements has been the role of Sustainable Energy Authority of Ireland (SEAI) home energy upgrade grants. According to SEAI data and releases, some 58k homes benefitted from energy upgrade grant-supported improvements, some 10k more than in 2023.

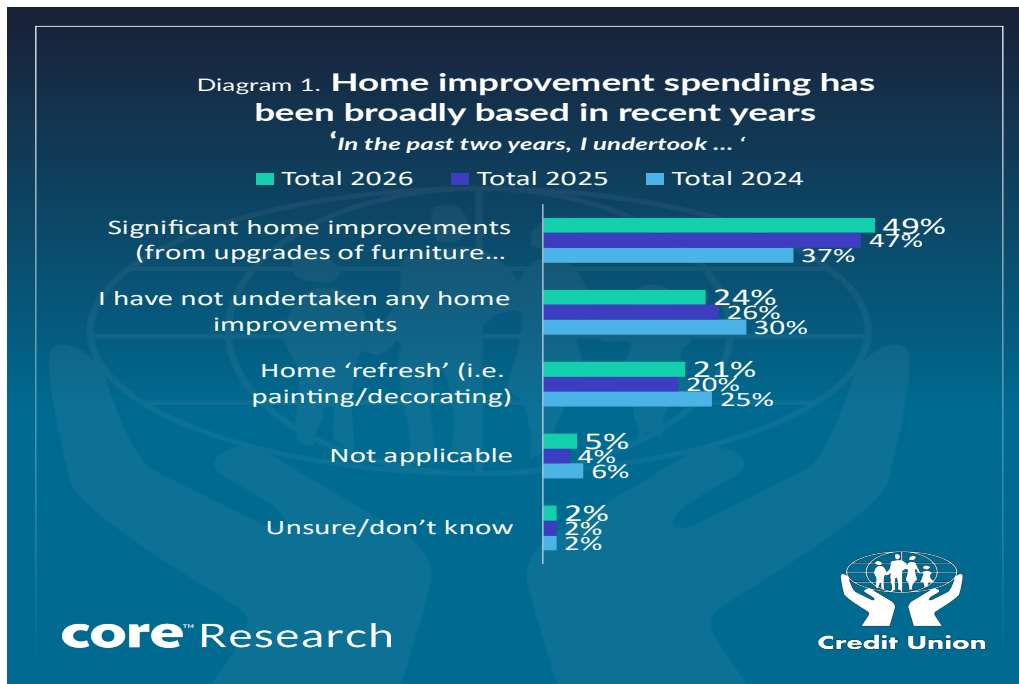
A new range of increased SEAI grants for improvements to insulation, installation of heat pumps and replacement windows and doors announced in January 2026 may maintain momentum in home improvement spending by Irish consumers in 2026. Media reports indicate that the Department of Climate, Energy and the Environment estimates the 2026 Budget allocation could underpin 73k home energy upgrades.

## **Resilience in planned home improvement spend suggests much of these outlays are likely to be needs-based**

The 2026 sentiment survey tranche on home improvement was taken against a backdrop of surging energy costs and threatening developments in the middle east.

Such circumstances might be expected to prompt a significant reduction in discretionary spending. Indeed, as previously reported, the sentiment survey found a significant pullback in Irish consumers' buying plans. **However, planned spending on home improvements is now slightly higher than in the corresponding 2025 survey.**

The broadly based and sustained levels of spending on home improvements may suggest that difficulties in moving home and changing family dynamics mean **that much of home improvement spending seems to be substantially needs-driven rather than discretionary.** In addition, the notably enhanced SEAI home improvement grants is likely bolstering Irish consumer spending in this area. Importantly, the latest energy price shock may be motivating some consumers to consider or accelerate energy upgrades to their homes.



As diagram 1 above indicates, **just under half of Irish consumers (49%) say they have undertaken significant home improvements in the past two years**, marginally higher than the 47% who gave this response in 2025 but **up markedly from** just over one in three consumers (37%) who gave this answer in **the 2024 survey**.

While consumers across all demographic headings undertook significant spending on home improvements, **those not having difficulties making ends meet at present, were significantly more likely to have done so than those with problems in this regard. Similarly, significant spending on home improvement was positively correlated with household income.**

Male respondents were also more likely to report significant home improvement spending than females, with females more likely to say they had not undertaken significant spending or had done some 'refresh' work in the past two years.

**The age groups reporting the highest incidence of significant home improvement spend were those aged between 25 and 44.** Difficulties in moving onto and up the fabled 'property ladder' may be leading younger consumers to spend on alterations to make their present accommodation more suitable to their current and future needs.

In contrast, those aged 55 to 64 were notably more likely than other age groups to say they had not undertaken any home improvement spending in the past two years.

Those with lower incomes, and those with difficulty making ends meet also tended to have a notably above average incidence among the **24% of consumers who have not undertaken any form of home improvement spend in recent years**. This continued a modest trend drop in the share of consumers reporting no home improvement spend from to the 2024 survey where 30% of consumers reported no home improvement

spend in the previous two years. This likely reflects some consumers experience of an easing in cost-of-living pressures since the peak of the inflation surge in 2022 and 2023.

## **Irish consumers not planning to cut back on their home improvement spending**

The weakest element of the main body of the Credit Union Consumer Sentiment survey for March (in partnership with Core Research) was consumers' spending plans. This might seem at odds with the responses given to the special questions on home improvement spending set out in this analysis that reveal a steady to slight increased planned spend on home improvements.

**Irish consumers now indicate that their planned spending on home improvement over the next two years will be broadly similar to that planned a year ago.** Intended future home improvement spend is shown for the 2026, 2025 and 2024 surveys in diagram 2 below.

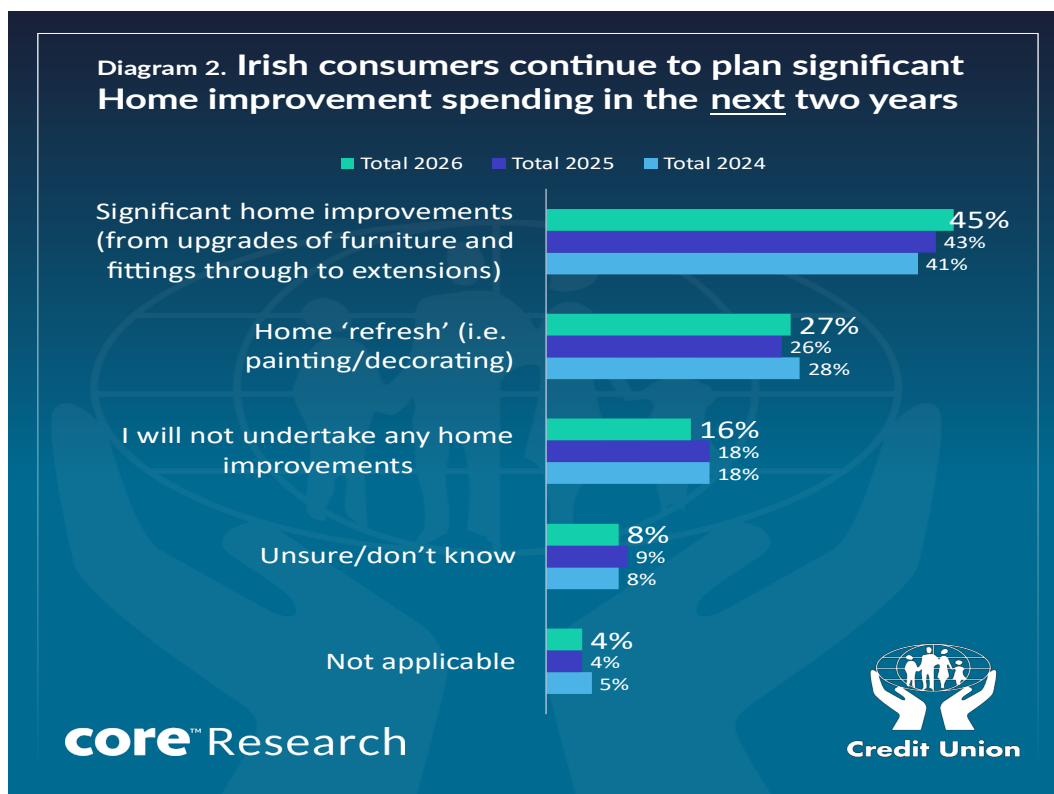
It may be worth exploring why the planned spend on home improvement appears resilient in the face of a more broadly based planned cut-back on spending on 'big ticket' items.

First of all, it should be noted that this was also the case in the April 2025 survey results which did not seem to be markedly affected by White house 'Liberation Day' tariff announcements.

**As such, it may be that some combination of the slightly longer two-year time frame, and the essential nature of regular home refurbishment, as well as the healthy financial circumstances of a not insignificant cohort of Irish consumers translate into expectations of a continued strong spend on home improvements.**

**A further consideration is that the prospect of sharply increased energy costs may be causing some consumers to consider or accelerate measures to make their homes more energy efficient.**

**The early 2026 announcement on increased SEAI grant support for energy upgrades may also be having some positive influence in this regard.** We estimate that about 3% of Irish consumers used an SEAI grant in 2025 and the sentiment survey suggests this figure could be somewhat higher in the next two years.



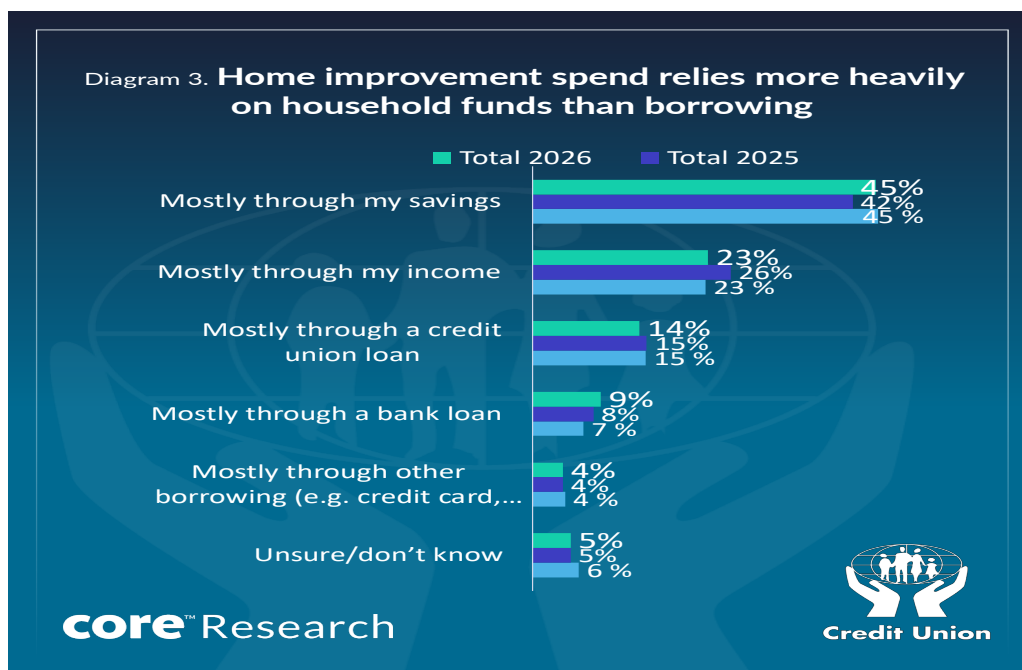
Although slightly fewer consumers say they plan to undertake major home improvement spending in the next two years than say that they had done so in the past two years (45% compared to 49%), **planned spending on home improvements has continued to edge up in 2026 from that seen in previous years surveys.**

Moreover, the planned 'refresh' spending by 27% of consumers in the 2026 survey, if realised, would represent a clear increase on the 21% of consumers who told the 2026 survey they undertook such spending in the past two years (see diagram 4).

As in previous years, the demographic breakdown of these results suggests that those aged under 45 are far more likely to plan significant home improvement spending in coming years than those aged over 55. Conversely, those aged over 45 were more likely to plan 'refresh' spending on home improvements. Not surprisingly, planned home improvement spend was strongly positively correlated with income. spend financed more by own fund

### **Home improvement spend financed more by own funds than by borrowing**

As in the comparable survey in each of the past two years, **the March 2026 Credit Union Consumer Sentiment Survey (in partnership with Core Research) also asked consumers how they are funding their home improvement spend.** As the diagram below indicates, funding patterns have not changed markedly through the past couple of years.



**The most common approach**, cited by slightly more consumers in 2026 (45%) than in 2025 (42%) **is reliance on savings**. One interpretation would be that this suggests the scale of spending on most home improvement projects is relatively modest.

Another possible reading is that increased use of SEAI grants may be allowing wealthier households undertake more ambitious projects. Overall, **these results might also be interpreted as hinting at some continuing aversion to or difficulty in taking on debt**.

Not surprisingly, and as was the case in previous surveys, the use of savings for home improvement projects tended to be more prevalent among those with higher incomes, among those not having difficulty making ends meet, and among those aged over 65.

These results broadly tally with official figures showing relatively modest borrowing growth by Irish households of late. While Central Bank data show some pick-up in consumer credit growth in recent years, it slowed slightly through 2025 and February 2026 data show growth of 6.7% y/y, similar to the 6.3% growth in household deposits. (The much higher level of household deposits mean the twelve month rise in consumer credit of €1.3bn is dwarfed by a €10.1bn rise in household deposits over that period).

**The sentiment survey hints at some combination of continuing caution and constraints influencing Irish consumers take-up of debt**, as diagram 3 illustrates.

**Just one in four consumers (27% of respondents) say they will borrow to finance their home improvement spend. Within this group, borrowing from credit unions is more prevalent than borrowing from banks (14% against 9%)** and borrowing on credit cards or from family is relatively uncommon but not entirely irrelevant (4%). Again, these results were similar to those in the corresponding surveys in the past two years.

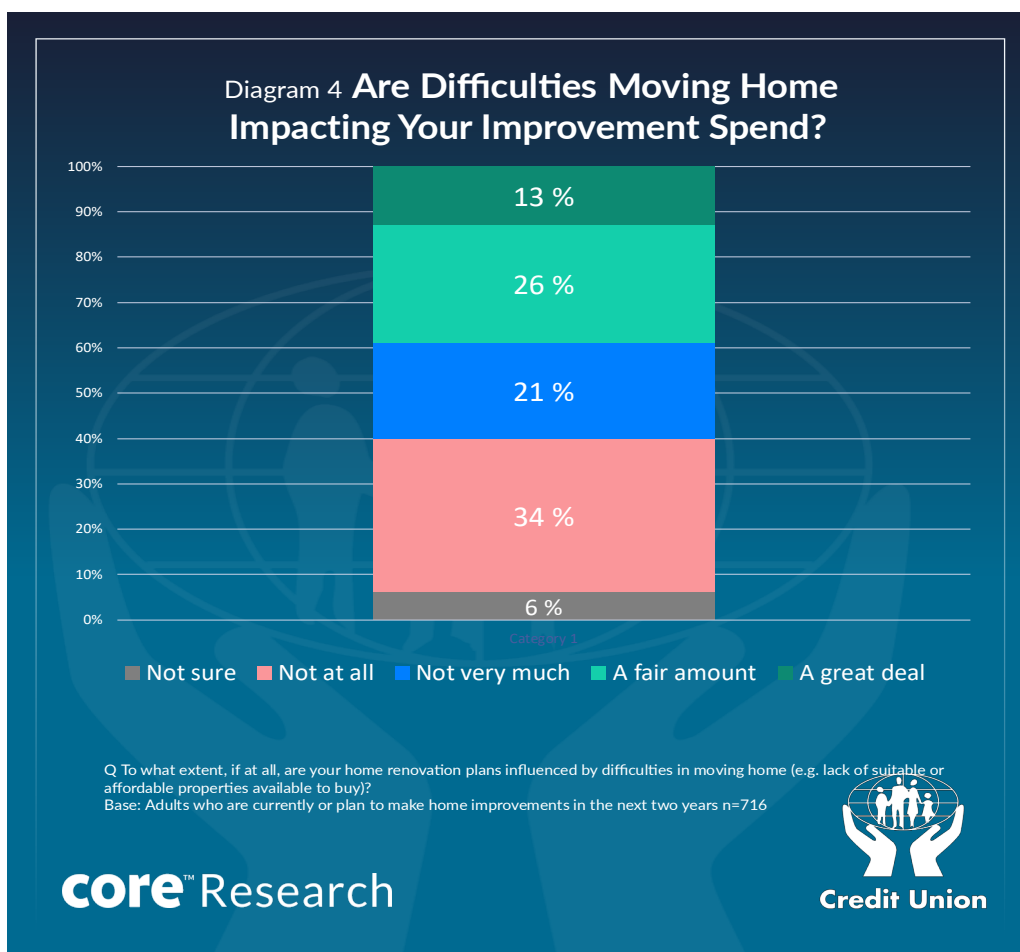
Borrowing to fund home improvements was more prevalent among those aged under 45 and was also more common among those with difficulty making ends meet.

Not surprisingly, younger borrowers who tend to undertake larger home improvement projects are likely to require external sources of funding. However, **the fact that consumers facing difficulties making ends meet are also borrowing for this purpose might suggest that, for some consumers, the associated spend relates more to necessary repairs and refurbishment rather than ‘improvements’ per se.**

**Roughly one in four consumers (23%) say they will finance their home improvement spend from their current incomes.** This response tended to be more common among those aged between 45 and 65 and somewhat more prevalent among those reporting difficulties making ends meet than among those without problems in this regard. This would suggest that the scale of works funded through income is relatively modest.

### **Are consumers making home improvements because they’re stuck?**

We also asked consumers if their home improvement spending plans had been influenced by difficulties finding a suitable/affordable home to buy. Responses to this question are shown in diagram 4 below.



As the diagram illustrates, **nearly two in five consumers say problems finding a suitable or affordable home to buy are playing a significant role in their spending on home improvements.** Some 39% of consumers say difficulties in moving home have influenced their spending on home improvements ‘*a great deal*’ or ‘*a fair amount*’.

If we focus solely on the 13% of consumers planning home improvement projects who say difficulties moving home is influencing that spending *a great deal*, **this implies that upwards of 250k Irish households might be making alterations to their current accommodation because availability and/or affordability constraints mean they are forced to make it their ‘forever’ home.**

**In circumstances where household purchasers bought just 1.7% of the existing housing stock in 2025, implying the average home is sold just once in 55 years, it is scarcely surprising that a logjam in home sales is a key driver of home improvement spending.**

Not surprisingly, the share of consumers citing difficulties in moving home in relation to their planned home improvement spend is far more pronounced in those aged under 35 but it only falls markedly among those aged over 55, underlining that difficulties with housing are an enduring problem for many Irish consumers.

**Affordability constraints are also evidenced by a notably higher incidence of these responses among those with difficulty making ends meet but sustained high levels of difficulty among those reporting higher household incomes illustrates the pervasive nature of Ireland’s housing problems.**

*The Credit Union Irish Consumer Sentiment Survey is a monthly survey of a nationally representative sample of 1,000 adults. Since May 2019, Core Research have undertaken the survey administration and data collection for the Survey. This month’s survey was live between the 4<sup>th</sup> – 17<sup>th</sup> March 2026.*