

Technical Assistance – Market Studies of Pipeline and Stakeholders

Ireland

July 2025

Disclaimer

This project benefits from support from the European Union under the InvestEU Advisory Hub. Its production was commissioned by the Council of Europe Development Bank (CEB) from Price Waterhouse Coopers (PwC).

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An **comprehensive analysis of social infrastructure investment** in nine EU countries is a key objective of the project

Introduction – Project in focus

The project is initiated by the **Council of Europe Development Bank** who has hired **PricewaterhouseCoopers**, through the support of InvestEU Advisory hub, to identify market gaps and potential investment opportunities, with stakeholder engagement playing a crucial role in enriching the study's findings.



Project overview and goals

- The project, led by the **Council of Europe Development Bank (CEB)** and executed by **PricewaterhouseCoopers (PwC)**, is financed by the **European Commission under the InvestEU Advisory Hub**. This signifies a strong commitment from the EU to enhance social infrastructure.
- The aim is to **map the current state of social infrastructure investments** in several EU countries, notably including Ireland. This involves a comprehensive assessment of market conditions, funding availability, and potential investment opportunities.
- **The study aligns with InvestEU's broader goals to stimulate investment across the EU**, specifically targeting the development and enhancement of social infrastructure.



Methodology and phased approach

1. **Phase One - Desk Research:** In the initial phase, PwC conducts extensive desk research to collate and analyse existing market data and studies. This phase establishes a foundational understanding of the investment landscape in the targeted countries and identifies key stakeholders.
2. **Phase Two - Direct Market Interviews:** Following the desk research, the second phase involves conducting interviews to gather firsthand market insights from identified stakeholders. This step is crucial to enrich the analysis with real-world perspectives and data.
3. **Comprehensive Evaluation:** The combination of desk research and direct interviews ensures a thorough and multi-dimensional analysis, providing a detailed picture of the current market and identifying key areas for potential investment.



Stakeholder engagement

- **The CEB and PwC are actively engaging with principal stakeholders to gather insights and respond to specific inquiries.** This collaborative approach is essential for validating the study's initial findings and enriching the overall analysis with diverse perspectives.
- Through this engagement, the **CEB seeks to build a network of informed and interested parties**, fostering a collaborative environment for future projects and investments.
- Post-study, stakeholders will have opportunities to remain involved in ongoing dialogues and initiatives led by the CEB. This continued involvement is aimed at translating the study's findings into tangible investment actions and partnerships.



Limitations

The main project limitations consisted of reduced data availability, which was mitigated through involvement of local experts who provided estimates, and in some cases, additional data access. As well as, access to stakeholders for the phase 2 interviews, which resulted in some segments being covered by only one interview.

1



Introduction



Trade tensions, foreign investment competition, and low infrastructure delivery caused Irish GDP to contract in 2023

Introduction (3/5) – Overview of the Ireland's Economy

Ireland's economic forecast

The economic landscape in Ireland is considered one of the most robust and fastest-growing among EU member states. This is evidenced by its strong recovery from the pandemic. Between 2019 and 2023, Ireland recorded an impressive average annual GDP growth rate of approximately 8,8%, significantly outpacing the EU average of about 5,0%.

Despite this strong performance, the Irish economy experienced a 2,1% decline in GDP in 2023. This downturn was primarily due to poor performance in sectors dominated by multinational companies, global trade tensions and delays in infrastructure projects. However, the Economic and Social Research Institute (ESRI) expects a recovery, projecting GDP growth of 2,5% in 2024 and 3,2% in 2025. This recovery is anticipated to be driven by improvements in global trade, easing inflation and a robust labour market.

According to the Government, at just over 42k EUR per capita, Ireland has one of the highest gross public debt levels per inhabitant in the world. However, the public debt ratio in Ireland is declining, indicating effective debt management by the country.

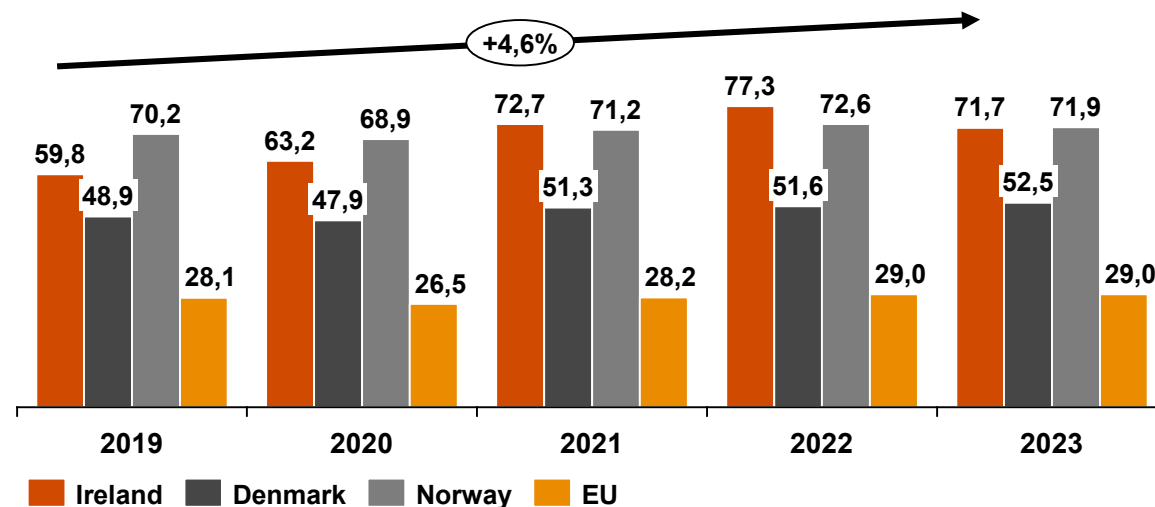
Ireland	2019	2020	2021	2022	2023	CAGR
Population (mil.)	4,90	4,96	5,01	5,06	5,27	1,8%
GDP, current prices; bn., EUR)	363,67	382,21	449,22	520,94	509,95	8,8%
GDP growth (%)	8,6%	5,1%	17,5%	16,0%	-2,1%	n/a
GDP per capita (EUR)	59.800	63.220	72.670	77.300	71.700	4,6%
Unemployment (%)	5,0%	5,9%	6,2%	4,5%	4,3%	n/a
HICP (rate of change)	0,9%	-0,5%	2,4%	8,1%	5,2%	n/a

GDP per capita and inflation

Over the past five years, Ireland's GDP per capita has experienced fluctuations but maintained an overall upward trend, with an average y-o-y growth of around 4,6% from 2019 to 2023. After rising significantly from 59,8k EUR in 2019 to 77,3k EUR in 2022 – a change of about 17,5k EUR – there was a notable decline to 71,7k EUR in 2023. This 7,2% decrease is attributed to an economic slowdown, particularly due to contractions in the multinational-dominated sectors of Industry and Information and Communication.

According to the Bank of Ireland, prices (HICP) have significantly increased compared to pre-pandemic levels. Inflation peaked at 8,1% in 2022, primarily due to rising energy and food costs. However, since reaching this peak, inflation has been decreasing, mainly driven by falling energy prices – a trend expected to continue.

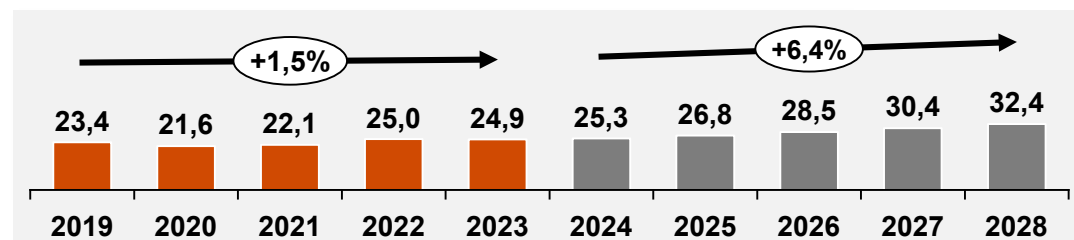
GDP per capita of Ireland and a basket of countries; in EUR; in ths.



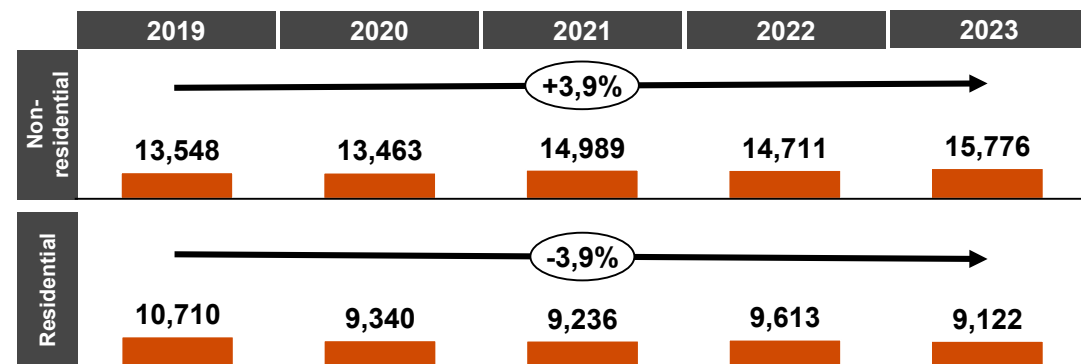
Despite the construction sector's strength, trends in residential building suggest a potential gap in planning and investment

Introduction (4/5) – Overview of the Construction Sector

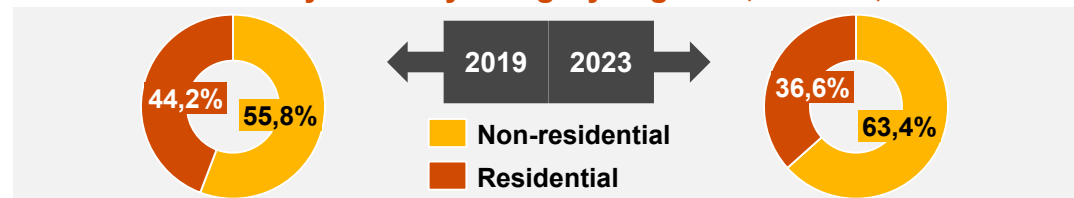
Buildings construction industry value in EUR; in bn.



Construction industry value by category segmentation; in EUR; in bn.



Construction industry share by category segment; in 2019; in 2023



After a decline in construction due to COVID, the Irish industry recovered swiftly

The Irish construction industry experienced slow growth between 2019 and 2024. In 2020, the industry recorded a decline of around 7,9% compared to the year prior. This is mainly attributed to the industry contraction due to the impact of the COVID-19 pandemic, which limited overall growth during this period. However, the sector demonstrated resilience and robust recovery in the subsequent years. From 2021 to 2023, the construction sector in Ireland recorded a y-o-y growth of around 6,0%. Looking forward, the industry is expected to maintain a healthy growth rate of around 6,4% annually from 2024 to 2028, according to the latest available projections by EMIS.

In 2023, the Irish construction sector accounted for about 0,8% of the total construction sector value in Europe, amounting to approximately 24,9B EUR in total revenues. The industry is highly fragmented, particularly in residential construction, with a large number of small to medium-sized enterprises operating alongside major multinational corporations. The market is dominated by large international players, including P.J. Hegarty & Sons, BAM Ireland, SISK, John Paul and Bennett.

Non-residential and residential construction



The non-residential segment accounted for the sector's largest proportion in 2023, with total revenues accounting for ~15,8B EUR or ~63,4% of the industry's overall value. Between 2019 and 2023, the non-residential construction sector recorded a substantial year-over-year growth rate of around 3,9%. This growth can be attributed to increased investment by the Government of Ireland in industrial, commercial, energy and utility projects. Continued investment in the country's infrastructure is expected to sustain the dominance of the non-residential construction segment in Ireland.

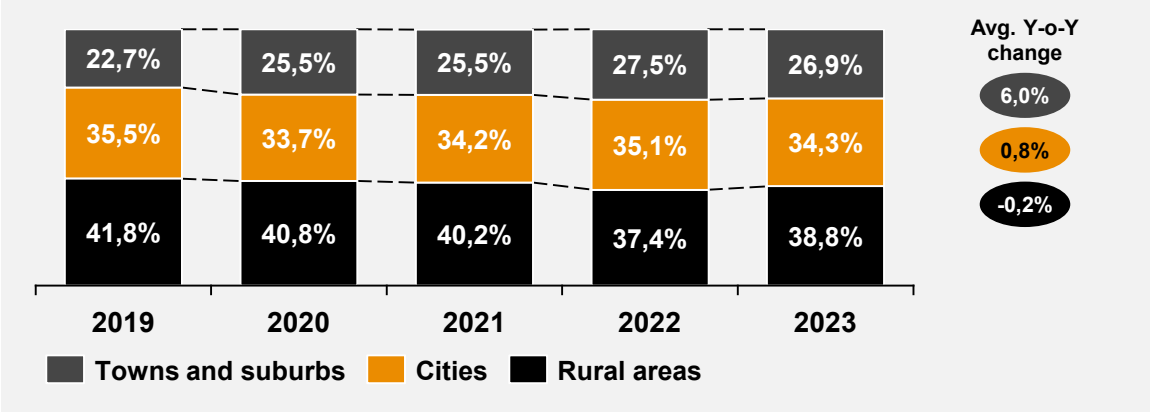


On the other hand, residential construction accounted for about 36,6% of the total construction sector value, amounting to ~9,1B EUR in 2023. Between 2019 and 2023, the residential construction sector recorded a contracting CAGR of around 3,9% as new home completions have been declining. As demand for housing continues to outstrip supply, an urgent need for increased housing construction is underscored.

The COVID-19 exposed certain disadvantage for the rural population, reflected high risk of poverty rate compared to EU

Introduction (5/5) – Overview of Ireland's population

Share of population by degree of urbanisation; in %

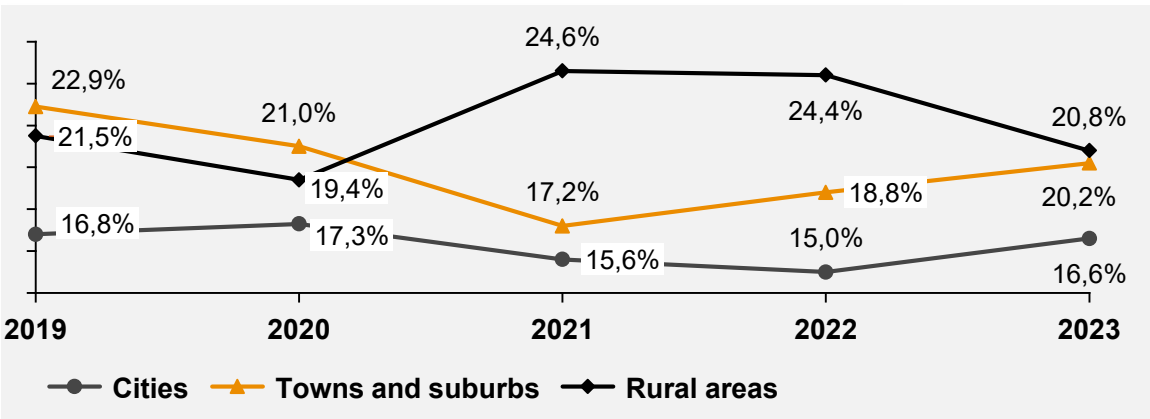


Share of population by degree of urbanisation; in %

In 2023, Ireland's population reached approximately 5,3M and is projected to rise to 5,4M by 2030. The population is fairly distributed across urbanization segments, with most people living in rural areas, comprising about 38,8% of the total population. This is followed by 34,3% residing in cities and 26,9% in towns and suburbs. A slight declining trend in the rural population share has been observed over recent years, with a CAGR of -0,2%. This trend, alongside significant y-o-y growth in populations living in towns and suburbs, suggests a gradual shift towards urbanization, which could impact the rural economy and demographics.

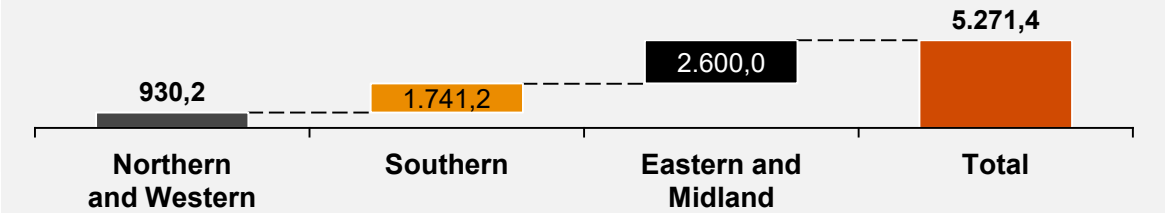
The Irish population can be segmented into three broad regions. The largest share resides in the Eastern and Midland region, consisting of 35 counties, which accounts for almost half of the population (49,3%). The Southern region, comprising 27 counties, accommodates approximately 33,0% of the population, while the Northern and Western region, with 21 counties, accounts for around 17,6% of the total population in Ireland.

People at risk of poverty or social exclusion by degree of urbanisation; in %



In 2023, Ireland reported a lower share of people at risk of poverty and social exclusion compared to the EU average across all urbanization segments. However, the highest risk of poverty was observed in rural areas (20,8%) and towns and suburbs (20,2%). When observing historical trends, we can see that the risk of poverty in rural areas increased significantly during the Covid pandemic, but has recently gone down to pre-pandemic levels. Interestingly this number dropped across other urbanisation levels in the same period, indicating that Covid-19 pandemic disproportionately hit rural areas.

Population split in 3 broad regions in Ireland; in 2023; in ths.



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Affordable social housing



Affordable housing is **identified** as one of the **primary priorities** in Ireland driving **investments & future plans**



Social and affordable housing

Key conclusions – Phase 1

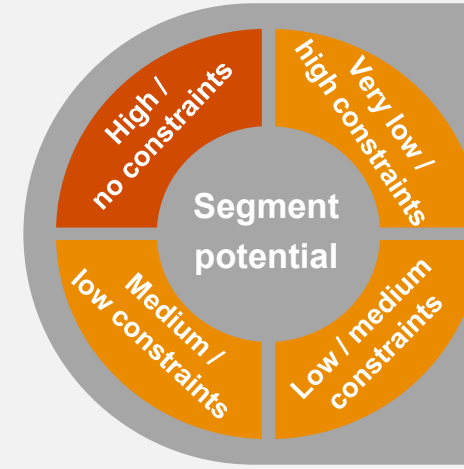
- The social housing is the responsibility of the Local Authorities and Approved Housing Bodies, with a significant support scheme from the state.
- ~30% of population rents a dwelling with ~16% being rented below market rate. Rent increases are considered as one of the key issues in Ireland, with limited success of the policy aimed at reducing the growth.
- Additionally, historically low construction between 2008 and 2018 has caused property shortages and price inflation (68% since 2015), hence driving demand for affordable housing. In recent years significant investments have helped, but the demand is still present.

Key conclusions – Phase 2

- Stakeholders have indicated that there is an uncertainty in the market in terms of the continuity of funding for certain programmes. This uncertainty causes a place for external players to offer additional funding besides the state funded programmes.
- Stakeholders have confirmed that they have substantial pipeline in the works depending on the available funding.
- Currently, a cost rent model is mostly used, with some stakeholders indicating that they would be willing to consider a mixed tenure model, however getting support from the Government grants can be problematic.



PwC Assessment



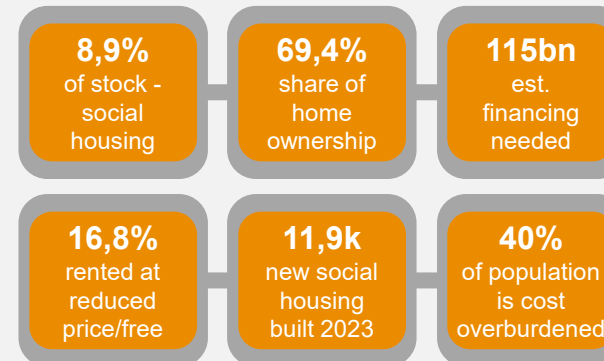
Total number of dwellings almost doubled from 2018 to 2022, while 11% of this new construction was Social Housing



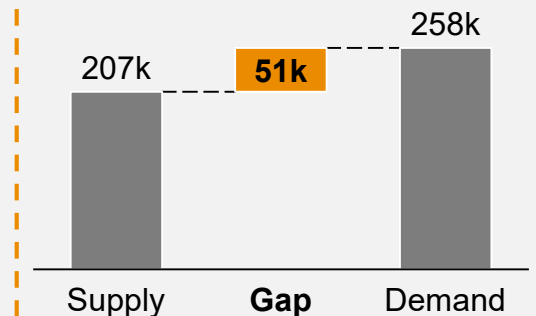
The Government has set ambitious targets for more than 10k SH delivery per year, indicating large potential for funding



Key Segment Data



Gap analysis



Social housing in Ireland is characterised by local control, fragmented planning and an increase of funding initiatives

Social Housing – General Overview (1/2)

Social Housing definition, legislative framework and funding initiatives

According to the Government of Ireland, the definition of social housing support is housing provided by a local authority or an Approved Housing Body (AHB) to people who are assessed as being unable to afford a home or rent accommodation in the private sector.

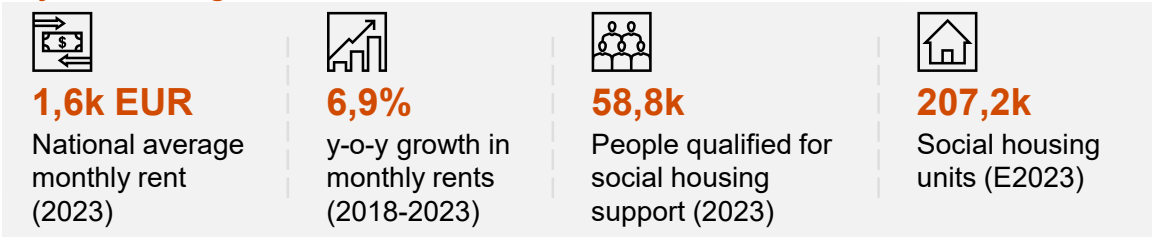
Recently, two important acts were implemented to promote social housing: the Affordable Housing Act 2021 and the Land Development Agency (LDA) Act 2021. The first act aims to increase social housing stock by allowing local authorities to provide affordable homes for purchase on their lands and by allowing them to enter into agreements with developers for the acquisition, building or provision of housing. The second act regulates public land to increase the amount of land available for the provision of housing, as well as expanding the powers of the LDA to include planning, construction and operation of social and affordable housing.

Currently, there are three important funding initiatives in this segment in Ireland: The Croí Cónaithe (Cities) Scheme (“CCCS”), New Secure Tenancy Affordable Rental (STAR) and Capital Advance Leasing Facility (CALF). The CCCS provides funding for projects that would otherwise not be viable for developers or owner-occupiers. STAR aims to deliver 4k cost rental homes that will have their rents set at 25% below market rent in high-demand areas by investing 750M EUR. CALF is financial support provided by local authorities to Approved Housing Bodies (AHBs) for the construction, acquisition, or refurbishment of new social housing. In recent years, it has become the primary funding source for AHBs, covering up to 30% of the eligible capital cost of housing projects.

Housing Programmes in Ireland



Key facts and figures



Responsibility for social housing

The Department of Housing, Local Government, and Heritage is responsible for overseeing social housing at the macro and policy levels in Ireland. Its primary objectives include supporting homeownership and affordability, eradicating homelessness, increasing social housing delivery, addressing vacancies and making efficient use of existing housing stock.

The State channels investment through agencies such as the Housing Finance Agency (HFA), Home Building Finance Ireland (HBFI), and the Ireland Strategic Investment Fund (ISIF) to finance housing development. However, it has reduced its direct role, instead delegating delivery to local authorities and Approved Housing Bodies (AHBs), which may lead to fragmented land-use planning and local opposition to new developments. AHBs, represented by the Irish Council for Social Housing (ICSH), have become key providers of social housing, with over 500 AHBs in Ireland focusing on affordable rental homes and specialist housing for groups such as the homeless and older people.

Local authorities are the main providers of social housing in Ireland and are, accordingly, the biggest landlord in the country. The main purpose of the Housing Services Department in local authorities is to facilitate the provision of suitable, cost-effective, quality accommodation and housing support for people in need.

The Land Development Agency (LDA) is also an important player in social housing in Ireland. Established in 2018, it is a commercial, state-sponsored body tasked with promoting the better use of public land to deliver affordable and social homes.

Average homeownership rate and a substantial growth in rental prices, with a surge identified in rural areas of Ireland

Social Housing – General Overview (2/2)

Tenure and rental market breakdown

Ireland's homeownership rate has declined from a peak of 79,3% in 1991 to 69,4% in 2023. This rate is about the same as the EU average (69,2). In 2023, 30,6% of population rented an apartment, of which ~16,8% of tenants rented at reduced at or for free, which is higher than the EU average of~10,2%.

The distribution of population by tenure status points to ~1,5M dwellings being owned (out of 2,1M dwellings in total). Around 32,9% of homes are not burdened with mortgage or loan, meaning, there are around 698k homes owned outright, as opposed to 775,5k homes (52,6% of total owned dwellings) with either a mortgage or a housing loan.

According to the Irish Housing Agency, the private rental sector has been steadily increasing in recent years. By 2023, the national average monthly rent reached around 1,6k EUR, marking a 39,5% increase compared to 2018.

This growth in rent came mainly from new tenancy rents, which grew by ~6,9% between 2018 and 2023, and were on average 16,2% higher than the average rents for existing tenancies, according to the Residential Tenancies Board (RTB). This trend is reversing as in 2024, the annual growth rate of new tenancy rents was 4,7%, while existing tenancy rents grew at a rate of 5,8%.

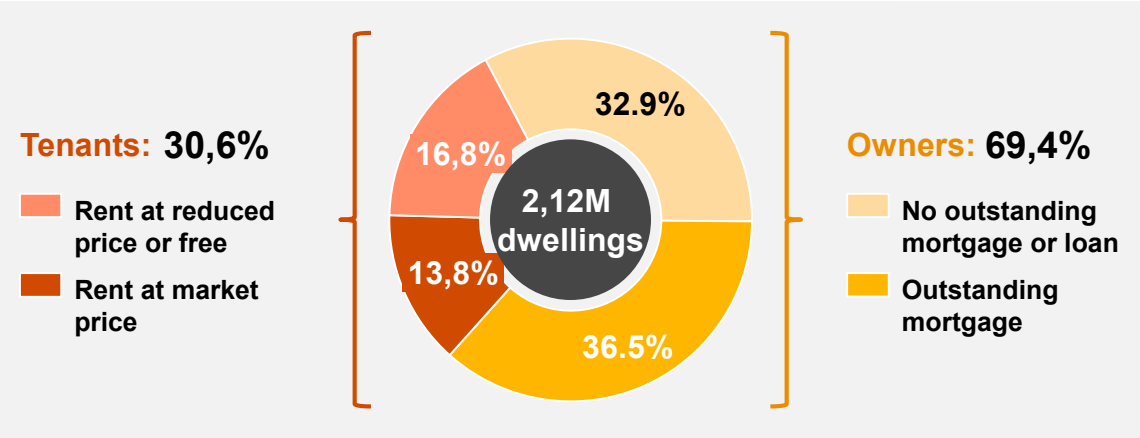
The standardized average rent for new tenancies varied significantly across Ireland. In 2023, the highest average monthly rent for new tenancies was observed in Dublin, at ~2,1k EUR. This indicates that the monthly rent in the capital city is about 33,4% higher than the national average. However, the general trend of Irish residential rents rising sharply extends not only to metropolitan areas but also to smaller towns and rural areas. Notably, the outside of Greater Dublin Area (GDA) recorded a significant y-o-y growth of 8,3% between 2018 and 2023, whereas the average yearly rent growth in the EU was ~2%.

When comparing HICP rent inflation in 2024, Ireland's rent recorded a significant growth of 66% from 2015 (the rent index was 166 in 2024), which was 42% higher than the EU average, which grew by 17% in the same period (the rent index was 117).

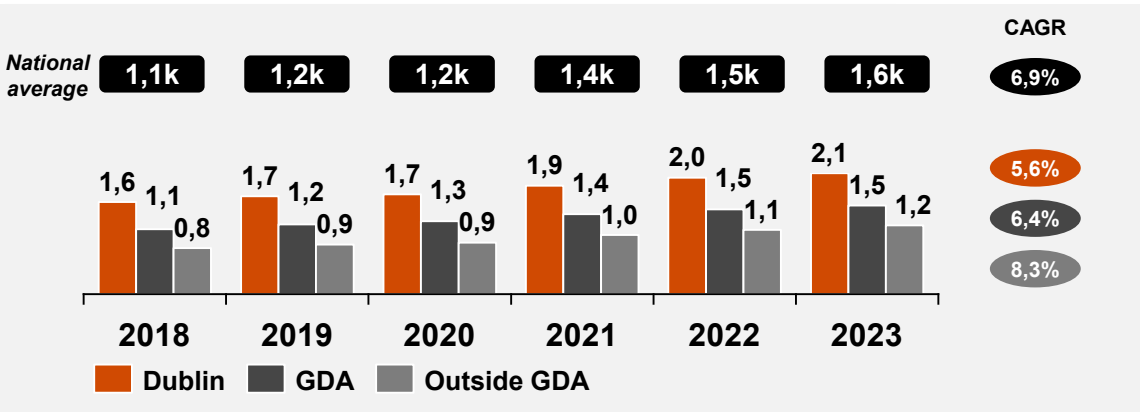
PwC

Sources: Eurostat, Central Statistics Office (CSO), Ireland Residential Tenancies Board (RTB), Local news sources PwC analysis

Distribution of population by tenure status; in 2023



Standardised average monthly rent for new tenancies; in ths.



Rent Pressure Zones (RPZ) are having trouble containing rent inflation, with the government reconsidering the framework

Social Housing – Key Drivers & Issues (1/3)

The Rent Pressure Zone (RPZ) framework and investment requirements

Rent Pressure Zones (RPZs) are designated areas in Ireland where rent increases are capped to the rate of general inflation, as measured by the Harmonised Index of Consumer Prices (HICP), or capped at 2% if inflation exceeds this rate. These restrictions apply to both new and existing tenancies within RPZs. Currently a large part of Ireland is covered in RPZs with 10 out of 31 local authorities being entirely covered by RPZ, with 9 more being partially covered by RPZ.

A recent report by the Housing Commission indicates that these rent caps have proved ineffective. Despite the rent caps, rent growth in all major regions (Dublin, Greater Dublin Area, and areas outside the Greater Dublin Area) exceeded the rent caps. Rent growth has been highest outside the Greater Dublin Area, while rents in Dublin exceed rent caps by 2,5 times, despite entire Dublin being designated as a Rent Pressure Zone (RPZ). This is due to rent caps having some exceptions, such as if the property has been vacant for 2 years or has undergone substantial changes..

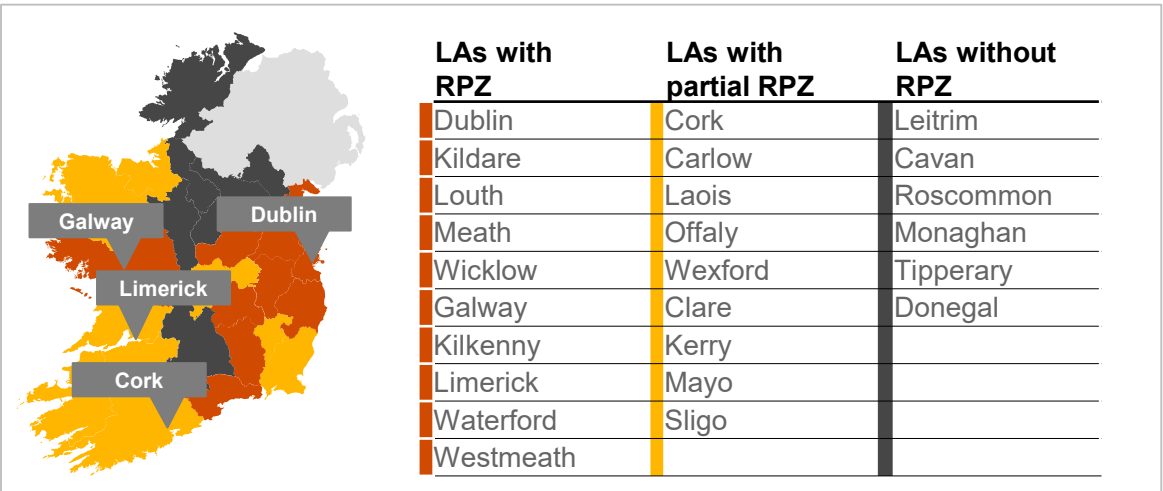
Despite this, the total number of landlords in Ireland has risen by 5,7% from 2023 to 2024. The growth mainly comes from large landlords, signalling that many institutional landlords are entering the market, while small landlord numbers remain stagnant. This indicates that the negative effects of RPZs are yet to be observed. There is also an observed trend of landlords moving from the Dublin market to more regional investments with no RPZs, where the largest rent increases have been observed. Hence, continuing RPZ regulation might in the future discourage investments in the market, thus lead to a decreased supply

Ireland is experiencing high rent inflation, particularly compared to EU averages, with Ireland recording 7% HICP rent inflation in 2023, more than double the EU average of 3%. The Government has attempted to address these challenges by increasing funding for social housing supply. In response to RPZ measures limiting housing supply, the Government has indicated that it will reconsider the RPZ framework before the legislation expires at the end of 2025.

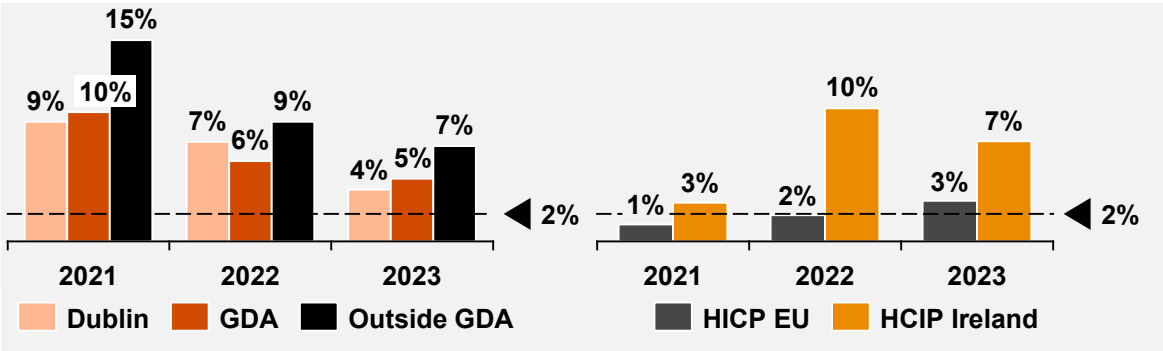
PwC

Sources: Eurostat, Central Statistics Office (CSO), Ireland Residential Tenancies Board, PwC analysis

Rent pressure zones (RPZs) by local authority (LA) in Ireland; in 2024



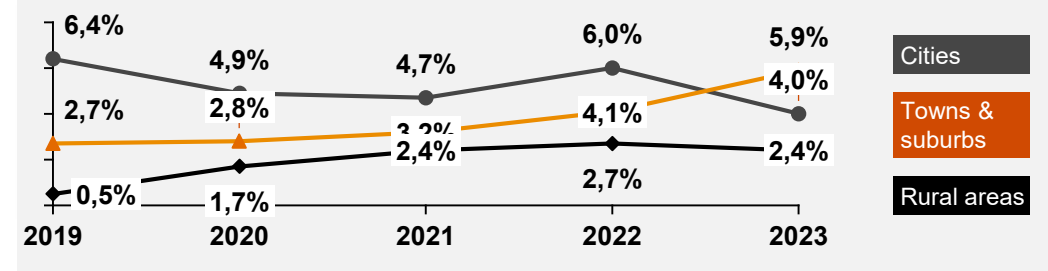
Rent growth compared to rent controls (HICP 2015)



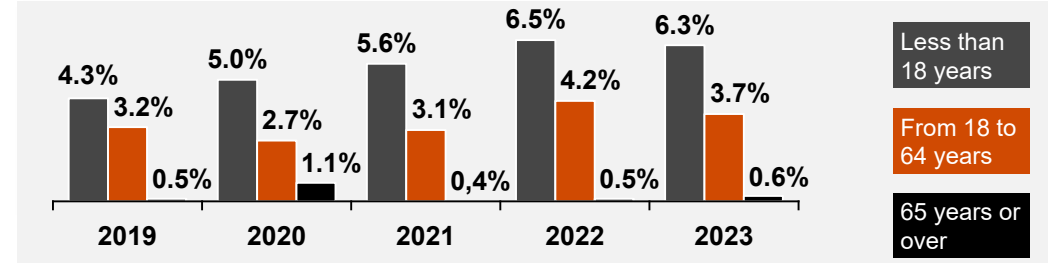
Ireland's younger age groups face more housing issues, with the government launching a new strategy to build more homes

Social Housing – Key Drivers & Issues (2/3)

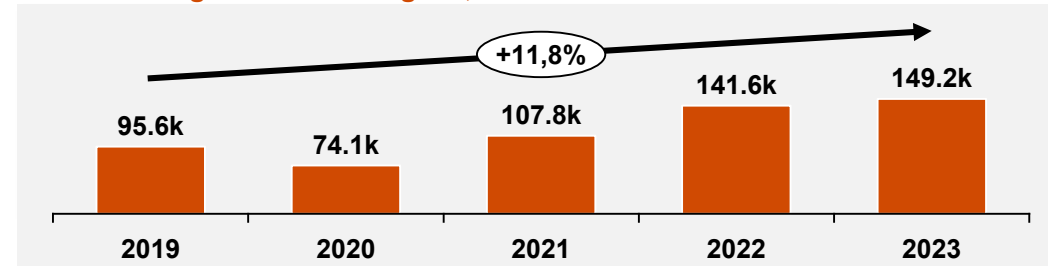
Overcrowding rate by degree of urbanisation; in %



Overcrowding rate by age group; in %



Estimated migration of all origins ; in ths.



Housing issues are more pronounced among younger age groups

The overcrowding rate in Ireland was historically highest in cities. In the last 5 years, we can observe a trend where overcrowding is falling in cities and rising in towns & suburbs and rural areas, with overcrowding being significantly lower in all three segments compared to EU averages which are all above 14%. This can be explained by the rapid growth in apartment construction, which has increased from 2,2k to 12,2k or at a CAGR of 39,1%, while the total housing stock grew by 12,9% y.o.y since 2018. Before 2018 the supply of housing was much more limited. Thereby, the recent construction efforts have helped reduce overcrowding in cities

While Ireland ranks fourth in homeownership for households aged 40 and above, with just under 80%, the rate for those under 40 is significantly lower at 34%. This disparity creates one of the largest gaps in homeownership between younger and older populations in the EU, second only to Greece.

When examining the overcrowding rate by age group, we observe a similar trend: younger age groups experience significantly higher overcrowding rates. This trend suggests that housing affordability issues are particularly prevalent among the younger population. Similarly, when looking at overcrowding and income, the population in the bottom 20% had a 3x higher overcrowding rate (7,4%) than those of the top 20% (2,2%) in 2023. Similarly, when looking at tenure status, on average, tenants had 6x times higher overcrowding rates than owners (1,6% vs 9,4%).

A key driver of increased demand is the influx of migrants into Ireland, with the country receiving 149,2k immigrants from Q1 2023 to Q1 2024, which is a 17 year high. This also marked the third consecutive year in which Ireland received over 100k immigrants. According to the Irish Housing Agency, 56% of all immigrants are accommodated in the private rented sector and are more vulnerable to overcrowding. Thus, leading to increased demand for social housing.

In 2021, the Irish Government launched its new Housing for All (2021-2030) strategy. Its goal is to build 24,6k homes in 2022, followed by a target of 29k newly built homes in 2023.

Limited availability, construction delays combined with soaring property prices, has exacerbated the housing shortage

Social Housing – Key Drivers & Issues (3/3)

A large share of new dwellings completions in Ireland are social dwellings

Ireland's housing sector has had a varied history; in the early 2000s, it experienced massive construction and price growth, which plummeted during financial crisis. From 2010, the price growth was driven mainly by a lack of availability of housing, caused by a decade of underinvestment according to the EU commission. This is further supported by the observed decrease in listings of available properties, where they decreased by ~82% from the peak of 2009 to 2024, according to Daft, which is a leading property search website in Ireland.

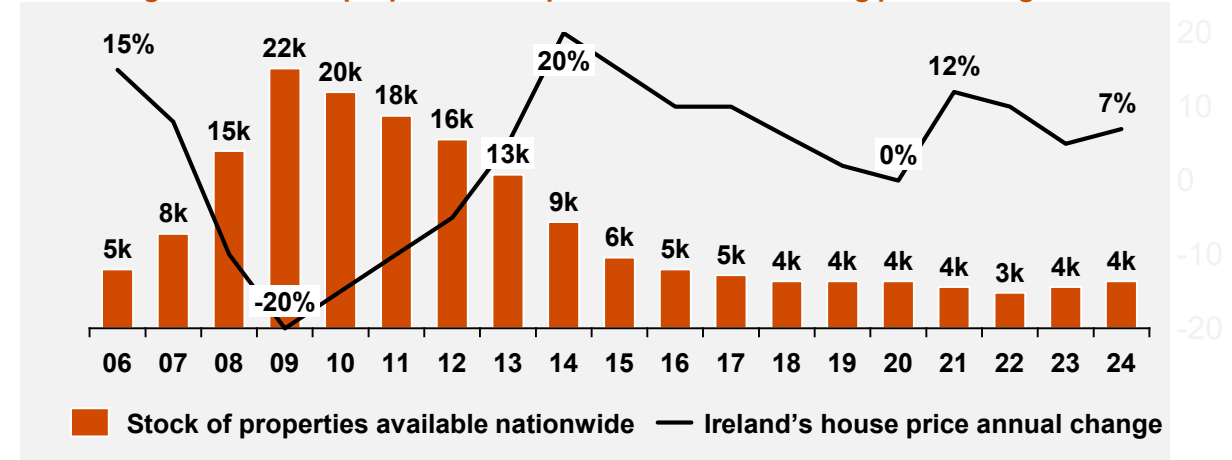
Housing prices have consistently risen by ~9% since 2014, along with a CAGR of -8,6% of the number of available properties in the same period, leading to a tighter housing supply. A reverse of this trend is occurring in 2023 & 2024, where we can observe a growth of property listings for the first time since 2009, likely due to increased construction.

In 2023, around 32,7k new dwellings were completed. The Central Bank estimates that this increase is still insufficient to meet market demands from increasing population and net migration; they project that around 50k new homes per year will be needed. Over the years, the overall growth of new dwelling completions has been mainly driven by a significant y-o-y increase in new apartment dwellings completion at a CAGR of 39,1% from 2018 to 2023. The main driver of apartment completion rates was the private rental sector (PRS). An increase in institutional investment in the PRS drove the growth in apartments.

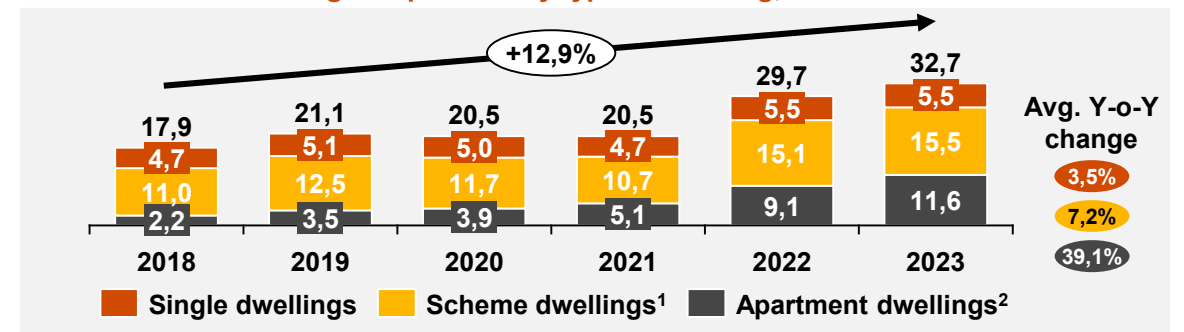
Among the new dwellings completed, there were 8,1k social housing (SH) units built in 2023. Importantly, this figure represented ~24,8% of new dwellings, excluding SH delivered through acquisition/lease. Between 2018 and 2023, the number of new SH builds in Ireland increased by ~11%. The growth in the delivery of SH can be mainly attributed to increased government spending on housing from 1bn EUR in 2015 to over 6bn EUR in 2023.

There is an observed trend of delays hindering social housing construction. According to a report by the Central Bank of Ireland, over 20k homes are still awaiting decisions, with an additional 8k awaiting judicial reviews. On average, planning decisions were running 16 months late by the end of 2023.

The listings of available properties compared to annual housing price changes



Number of new dwelling completions by type of dwelling; in ths.



1. Houses that form part of a multi-unit development 2. Dwellings part of multi-unit development

In Ireland, the most populated counties exhibit a higher share of the population with an ongoing need for social housing

Social Housing – Market Demand (1/2)

Around 4,6% of the Irish population have an ongoing need for social housing

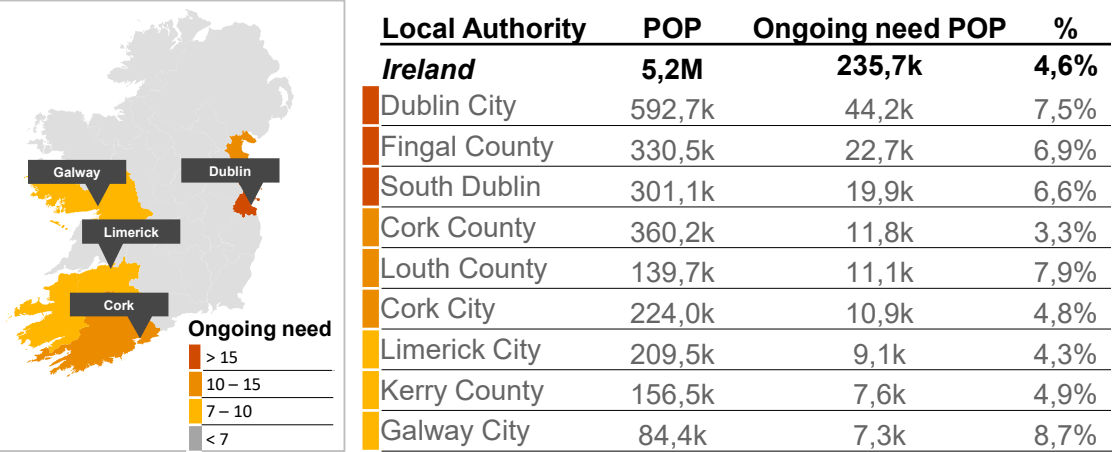
In 2023, around 235,7k people, or 4,6% of Ireland's population, had an ongoing need for social housing, meaning that they are on the waiting list or receiving HAP support, according to the Parliamentary Budget Office (PBO). The highest total demand was observed in Dublin City, with 44,2k people in need, followed by Fingal County and South Dublin.

When examining the percentage of each local authority's population in ongoing need of social housing, Galway City stands out with the highest demand at 8,7%, compared to the national average of 4,6%. Louth County (7,9%), Dublin City (7,5%), Fingal (6,9%), and South Dublin (6,6%) also show significant demand. In contrast, Cork County has a much lower proportion at 3,3%, indicating comparatively less pressure on housing supply in that area.

As detailed in the table below, we considered the ability of the Irish population to purchase a 50m² home with a mortgage from a commercial bank or to afford monthly rent. Our analysis indicates that ~4 deciles of the population may struggle to pay rent, as it exceeds 40% of their household income.

ID	Description	Value
A	Average price per m2	3,4k EUR
B	Total cost for 50m2 (A * 50)	170k EUR
C	Down payment (B * 10%)	17k EUR (10% deposit for first time buyers, according to the central bank of Ireland)
D	Mortgage amount (B – C)	153k EUR
E	Mortgage fixed interest rate (APR)	3,8%
F	Monthly instalment cost	~ 911,1 EUR / month
G	Repayment period	240 monthly instalments (20 years)
H	Total cost (F * G)	~ 218,7k EUR (65,7k in total interest)
I	Monthly rent	~ 1,6k

Population (POP) with an ongoing need for social housing; 2023



Average total income per household; in 2022

Decile	Accumulative number of HHs (ths.)	EUR	40% of household income; EUR
D 1	208,5	1.419,8	567,9
D 2	416,9	2.061,0	824,4
D 3	625,4	2.918,8	1.167,5
D 4	833,9	3.604,7	1.441,9
D 5	1.042,4	4.237,6	1.695,1
D 6	1.250,8	5.047,0	2.018,8
D 7	1.459,3	5.575,3	2.230,1
D 8	1.667,8	6.591,5	2.636,6
D 9	1.876,2	7.422,6	2.969,0
D 10	2.084,7	11.136,5	4.454,6

Deciles for mortgage overburden Deciles for rent overburden

While the number of households qualifying for support has declined, waiting times have not improved

Social Housing – Market Demand (2/2)

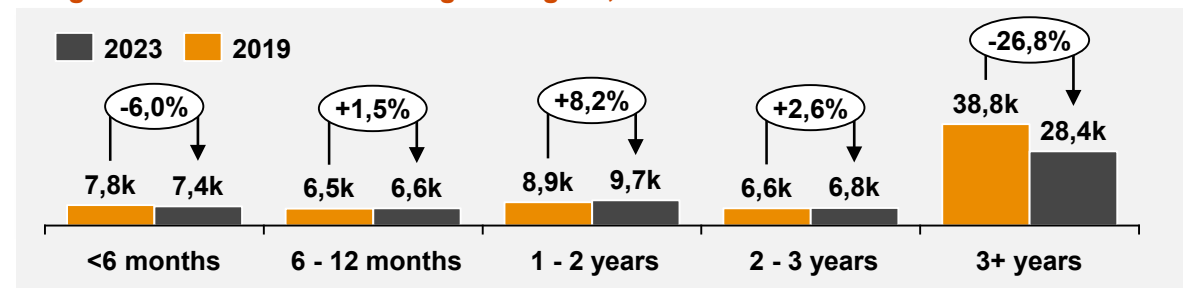
An encouraging decline in households qualifying for social housing

Importantly, there are still 58,8k households which remain on the waiting list for social housing support, either awaiting allocation of social housing or placement in the HAP or RAS scheme. The majority of those on the waiting list are aged 30–49. Notably, the number of households aged 70 and above qualifying for social housing support has risen from 1,6k to 2,1k between 2019 and 2023, making it the only age group to see an increase.

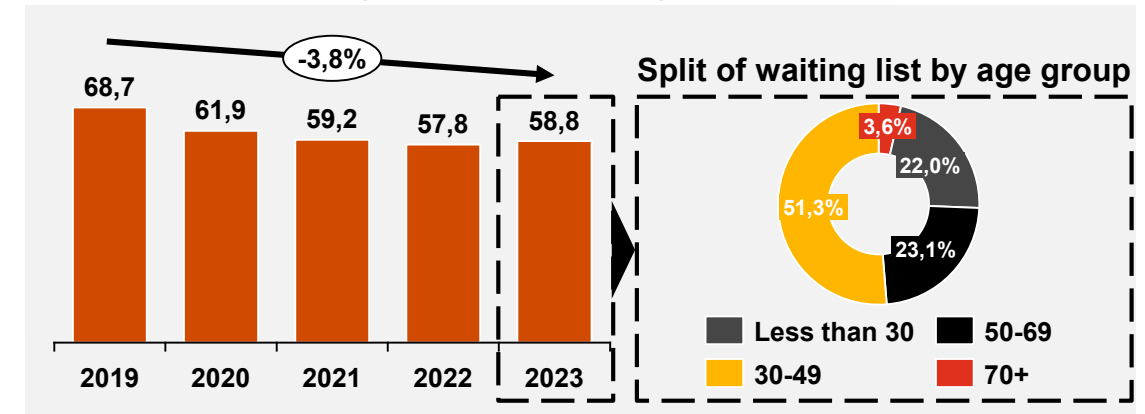
Most households qualify for social housing due to unsuitable living conditions or the need for rent supplements. Importantly, the demand for social housing because of homelessness (i.e. living in emergency accommodation) has been observed as the only category to see an increase between 2019 and 2023 (see the graph in the bottom right corner).

The total number of households on the social housing waiting list has fallen by 14,3% in from 2019 to 2023. Although the overall number of households qualifying for support has declined, waiting times have not improved across all time brackets. While waiting times have decreased for those with immediate needs (under 6 months), the proportion of households on the waiting list for 6 months to 3 years has increased. This trend may be partly explained by faster movement onto and off the list, especially for those accessing HAP support, as well as a higher number of new households joining the list between counts, as the total number of household on the waitlist is falling.

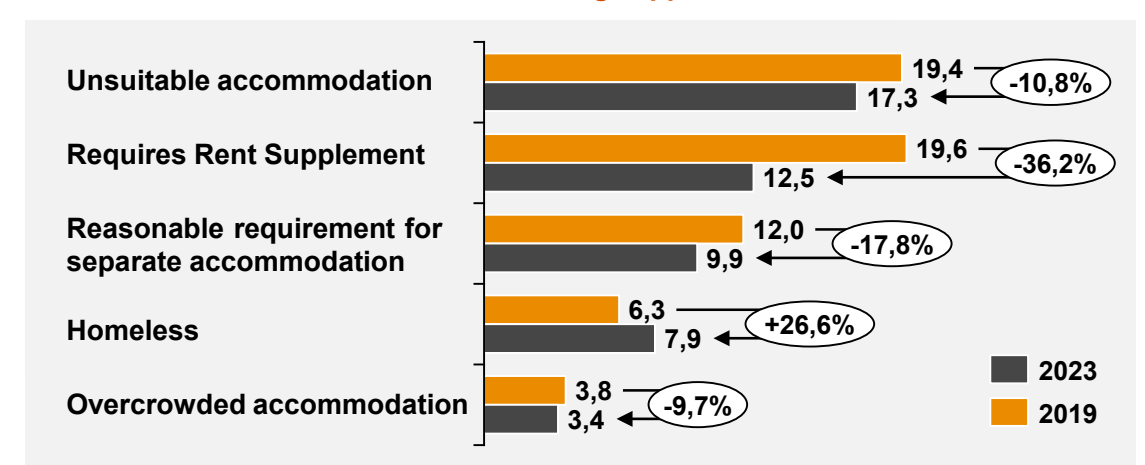
Length of time on social housing waiting list; in ths.



Households on the waiting list for social housing support; in ths.



Main need of households for social housing support; in 2023



In recent years, Ireland has been setting ambitious social housing delivery targets, however, it was unable to fulfil them

Social Housing – Market Supply

The vast majority of social housing supply is owned by local authorities

In 2021, Ireland's housing stock comprised ~2,1M homes. Around 185k (8,9%) of the national housing stock is dedicated to social housing. Of the total social housing stock ~141k was delivered by local authorities and ~44k was delivered via Approved Housing Bodies (AHBs). Taking into account the recent social housing unit deliveries, we estimate a supply of 207,2k units in 2023.

In 2023, the majority of newly constructed social housing units were standalone delivered by AHBs (3,7k units), while around 2,5k were standalone delivered by the local authorities. Moreover, the two entities in cooperation delivered around 1,9k social housing units. The rest of the social housing delivery was either acquired or leased. Additionally, the most social housing units were delivered in Dublin City (558 units) and Cork City (491 units), South Dublin County (468 units) and Kildare County (370 units). This regional distribution indicates the Government's priority for social housing delivery in urban areas.

Despite record-high social housing delivery, Ireland has not met its targets

According to the Central Statistics Office (CSO), there were a total of 11,9k social homes delivered by local authorities and AHBs in 2023. This includes 8,1k new-build homes, 2k homes delivered through leasing programmes and 1,8k acquisitions.

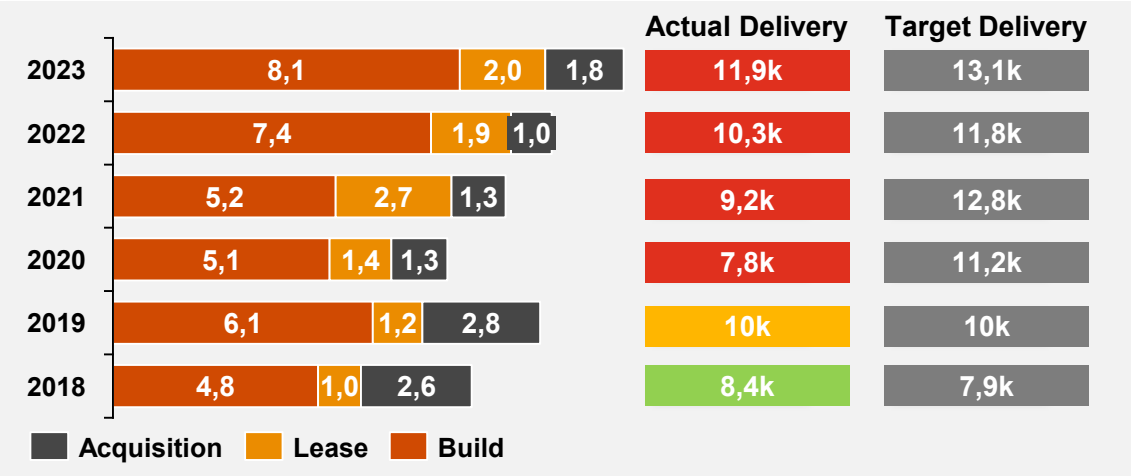
Between 2018 and 2023, a y-o-y growth of ~7,3% has been observed in social housing delivery. However, in recent years, Ireland has not met its social housing delivery targets set by the Department of Housing. While in 2023, Ireland delivered a record high number of social housing units, it failed to commit to its delivery target by around 1,2k social housing units. This is likely due to a 36% rise in construction material costs since 2020.

Between 2018 and 2023, Ireland delivered ~144k social housing units through a combination of new builds, acquisitions, leases, and rental support schemes (RAS and HAP). Dublin accounted for the largest share with ~45k new units. Cork followed with ~16k units, while Kildare (~8k), Galway (~7k), and Louth (~6k) also made significant contributions. This shows a trend where social housing development is concentrated in larger urban areas.

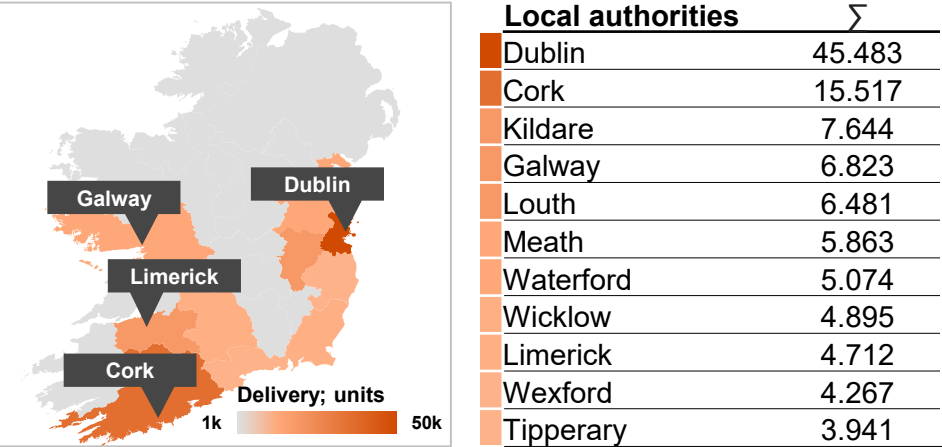
PwC

Sources: Eurostat, Central Statistics Office (CSO), Government of Ireland, PwC Analysis

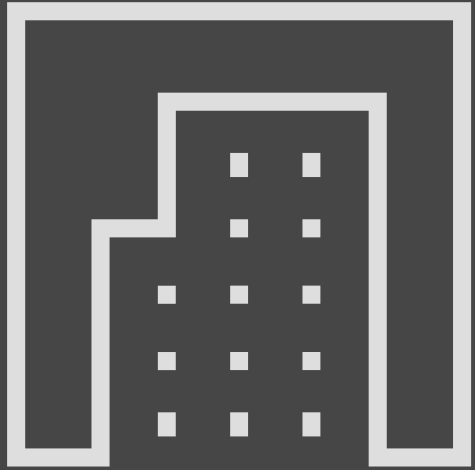
Delivery of social housing units, by actual and target output; in ths.



Social housing delivery output between 2018 and 2023 (Non-exhaustive)



3



Student housing



Student housing market in Ireland is **characterised with low availability**, and it **negatively influences** student's experience

Student housing

Key conclusions – Phase 1

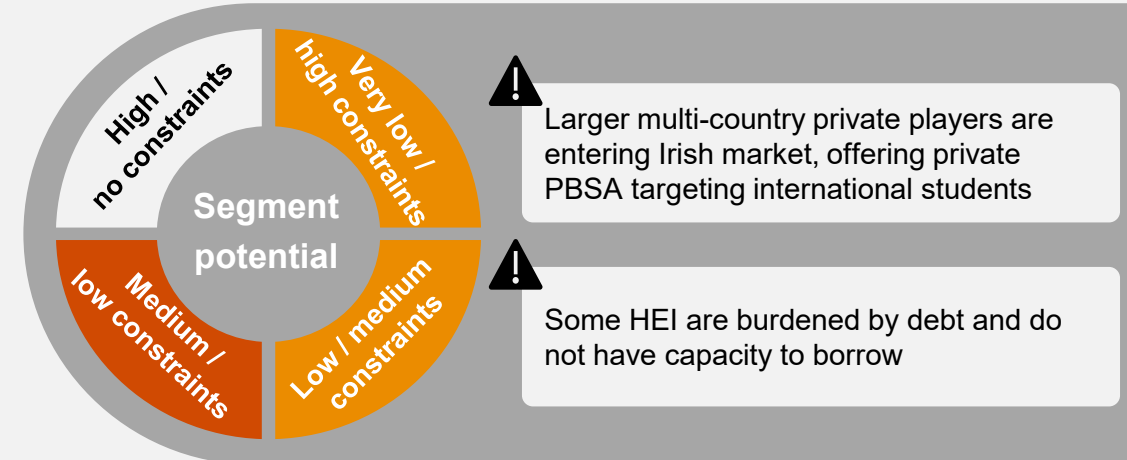
- Only 17% of students in Ireland live in PBSA, with the rest equally split between living with their parents and living in private accommodation
- 57% of students state that the housing situation had a negative impact on their experience, mainly due to long searching time and low supply of affordable options. Estimates suggest about 2:1 ratio of students to PBSA beds
- The provision of service is split between university provided PBSA (around 44%), and private players (56%) who operate at market conditions
- PBSA costs (800-1,1k EUR) are higher than the costs of shared apartments (700-900 EUR), but they offer a range of amenities tailored to student's needs

Key conclusions – Phase 2 (Student housing & universities)

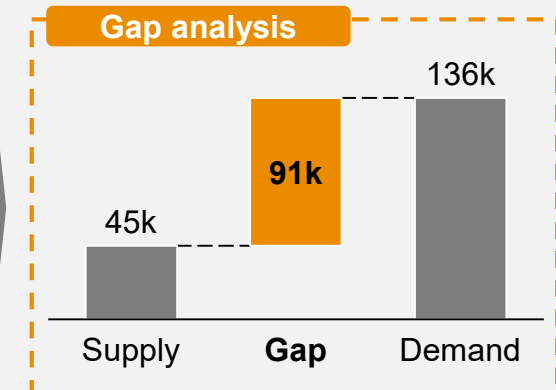
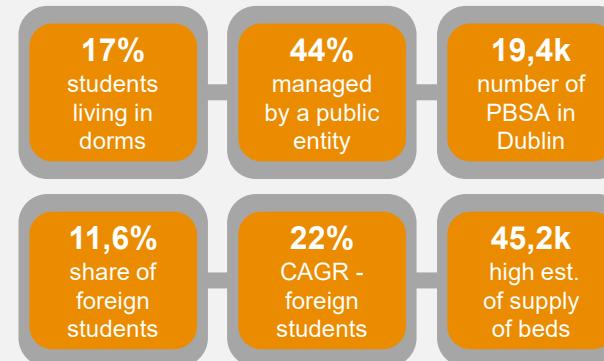
- Stakeholders mainly operate their own PBSA through a subsidiary or through dedicated third party. They have indicated that they understand this is a clear need for the country, and have included these projects in their strategic plans.
- Problem with developing own projects is the fact that universities often do not own the land adjacent to the universities, which can get pricey on the market.
- Changes in education practices after COVID-19, where the lectures are recorded, and some students can even study remotely, have influenced the pipelines for new housing, however it still remains an issue.



PwC Assessment



Key Segment Data



Students in Ireland have a variety of options for their accommodation, with the most in demand being the PBSA

Student Housing – General Overview

Student housing options

Students in Ireland have several options available for housing. According to our research, around 42% live with parents, followed by ~41% of students living in shared or private rental apartments or in homestays. Around 17% of students are reported to live in PBSA.

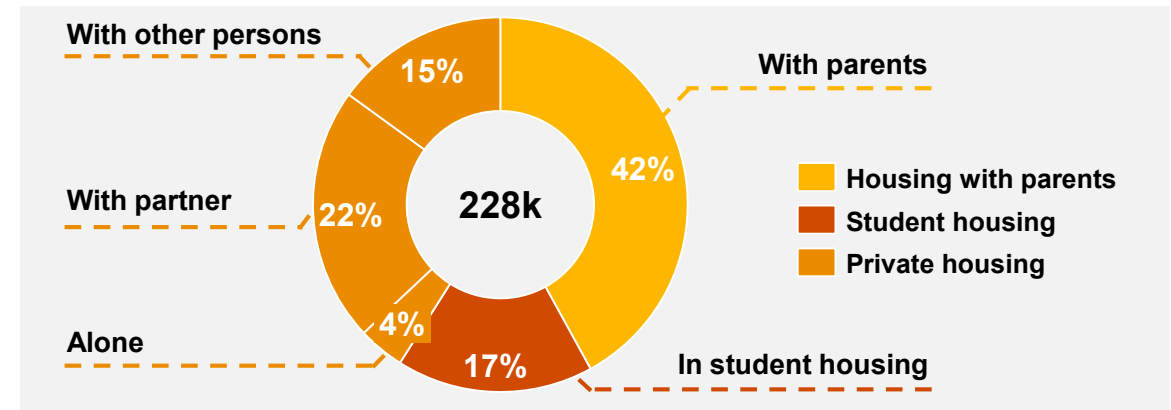
Students that live in purpose-built student accommodation (PBSA) in Ireland, can choose between private of campus or public/private on campus accommodation:

- On-campus accommodation** is usually organised as apartments of 4 to 8 students, with either shared or private bedrooms and communal spaces. These are either university provided public accommodations or accommodations provided by private operators.
- Private off-campus student accommodation** typically situated in proximity to colleges, with the quality of these student residences varying significantly across different dormitories and regions. The colleges themselves sometimes have specific arrangements with independent providers.

Students who choose not to live in PBSA, are living either in student hostels and homestays, at home with parents or renting flats or rooms from the private real estate market.

- Long-term student hostels or accommodation in a homestay** are another two popular options for students, especially for international ones. Students may choose to stay in a hostel with other students or live in an family home. When a student rents a room in a house where the landlord also lives, it is referred to as a homestay.
- Private rented accommodation** is typically a bedsit, a flat, or a shared house. The overall cost of renting private accommodation (including utilities) can be cheaper than living in student housing in Ireland if the rent is shared. However it requires sharing a home with several other people while allowing more freedom and flexibility.
- Around 42% of students are **living with their parents at home and commuting to college**. This option is more common among local younger students, allowing them to keep the costs as low as possible.

Split of students per type of accommodation; in %



Governance and student housing frameworks overview

Student housing in Ireland is not formally arranged, with Purpose-Built Student Accommodation (PBSA) provided either by universities in the form of on-campus PBSA or by private providers offering off-campus PBSA.

In 2022, the Government approved the development of a new policy called the Student Accommodation Strategy to provide State assistance in stimulating the development of new PBSA for public higher education institutions. This strategy aims to reduce delivery costs through the development of standardised design guidance, promote the efficient use of existing building stock through refurbishment, and examine vacancy rates. This marked the first time that the State provided funding for the construction of PBSA. Currently, the Technological Universities are conducting a feasibility study to assess supply and demand for PBSA and evaluate the feasibility of expanding PBSA capacities.

The Government also supports student housing through protections in the private rental market. There is a specific type of rental accommodation that must be built in order to rent a property to students, and landlords are required to abide by specific regulations.

Higher rents, limited supply, and surging demand in university cities across the GDA contribute to the growing gap

Student Housing – Key Drivers & Issues

Significant differences in pricing of private and public PBSA

Student housing costs vary by type. According to university website the cost of living in a shared apartment is between 700-900 EUR per month without utilities. The cost of on-campus housing in Ireland is estimated between 800 – 1k EUR per month. For students who are unable to secure a room on campus, a private off-campus apartment is an option. The average off-campus accommodation rent can be up to 1,1k EUR, which translates to around 10k for a 9-month semester lease.

This is further supported by Knight Frank's estimates, which show a 2:1 ratio of students to PBSA beds, meaning half of the student population must rely on the private rental market or live at home with parents. However, private rental availability is also limited, with many students forced into overcrowded or substandard accommodation, a situation made worse by some landlords being unwilling to rent to students, according to RTE. This has been further worsened as the average rent for a one-bedroom apartment has surged from 2019 to 2023 by approximately 17,6% to 34,2% in major university cities.

According to a report by Knight Frank, the current pipeline of PBSA projects is limited, primarily due to construction cost inflation and planning delays as was also observed in social housing segment, which have led to viability issues and project pauses.

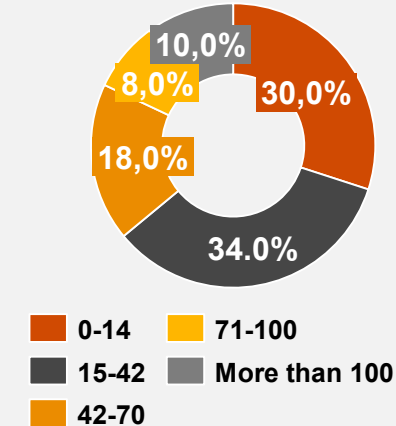
The housing situation is one of the key negative impacts on student experience in Dublin with 57% of student claiming this. Furthermore, only 30% of student found accommodation within 14 days, with the rest taking significantly longer times, including 10% more than 100 days, indicating that housing is a significant issue in Ireland.

To tackle this issue, the Government has committed 100M EUR from the National Development Plan (2024–2026) to help HEIs build student accommodation stalled by high construction costs. This will deliver 1k new PBSA beds at Maynooth University, DCU, and UCD, with 30% allocated to target group students at below-market rates.

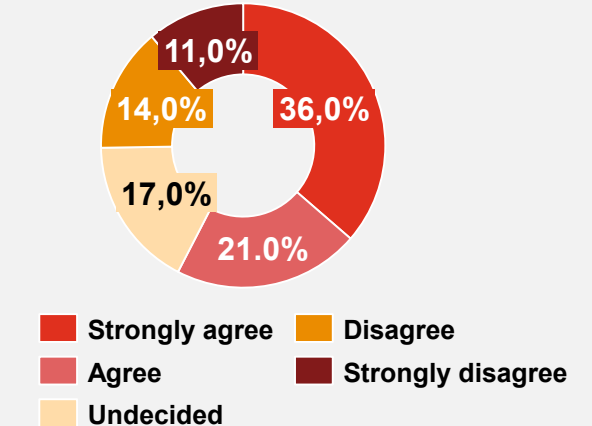
Sources: Eurostat, Higher Education Authority (HEA), Irish Universities Association (IUA), GoStudy, Knight Frank, PwC analysis
PwC

Student accommodation survey of international students; 2023

Estimated length of finding accommodation; in days



Negative impact on student experience due to housing crisis



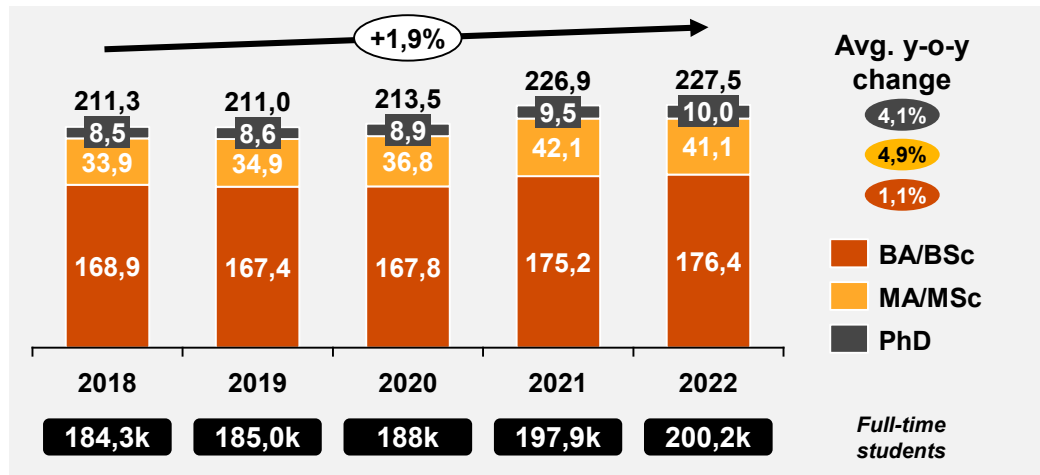
Number of student and avg. rent for one bedroom apartment in uni. cities, in 2023

Selected County	# of students	Avg. rent	Rent increase from 2019
Dublin	56,4k	1670	18,1%
Cork	27,5k	1012	17,6%
Galway	14,1k	968	20,2%
Kildare	11,8k	1141	26,1%
Limerick	9,8k	971	34,2%

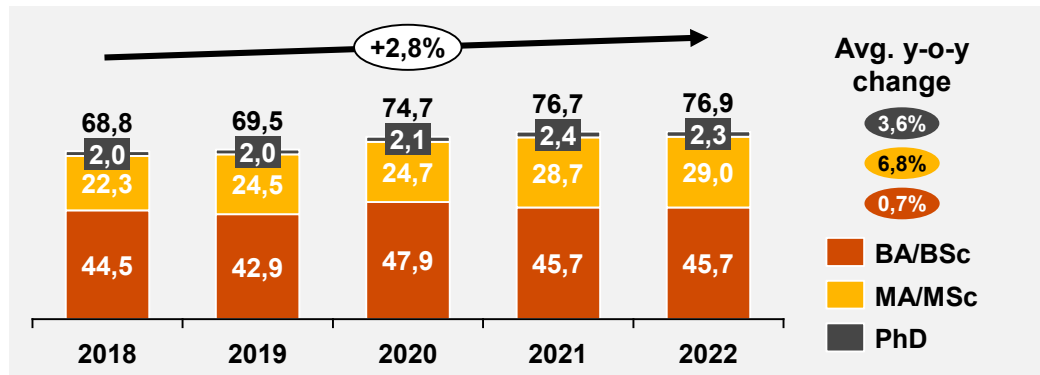
Student enrolment is on an upward trajectory, with a notable and consistent rise in the number of international students

Student Housing – Market Demand

Number of tertiary education students; in ths.



Number of newly enrolled student per year; in ths.



The number of domestic and international students in Ireland is growing

The total number of students in higher education has been increasing by 1,9% on a yearly basis over the period between 2018 to 2022. The increase is mostly due to an average 1,1% y-o-y increase of students attending bachelor degree programmes and an average 4,9% y-o-y increase of master's students, amounting to a total of ~16,2k more students in 2022, as compared to 2018.

Moreover, the data shows an upward trend in new student enrolments across all degrees from 2018 to 2022, with an overall annual increase of 2,8%. The latter is predominantly driven by increases in master's student enrolments.

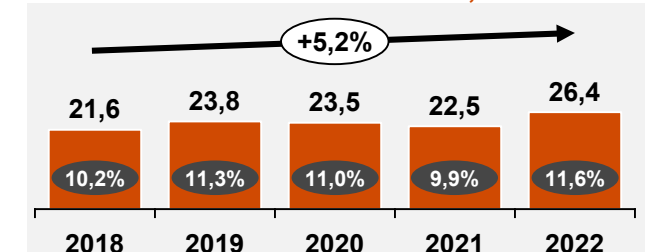
Furthermore, the projections reveal that the 20-24 population cohort is forecasted to increase by 35,3k (11,5%) from 307,1k in 2022 to 342,4k in 2026 and substantially grow to 387k by 2036, which ultimately increase the demand for student housing. However, as Ireland's population is aging, the long-term demographic projections indicate that by 2050, the number of students could significantly decline due to a reduction in the younger population. This is expected to adversely impact the university education enrolments and thus, student housing demand.

However, the data shows an upward trend in the number of international students studying in Ireland. Between 2018 and 2022, this number increased by ~22,5%. Excluding the period of COVID-19, consistent annual growth of ~5,2% has been observed. In Ireland, there were around 26,4k international students, translating to ~11,6% of the total number of students in 2022. High numbers of foreign students directly increase the demand for student housing.

Student increase (2016 – 2022)

Selected County	Student increase
Dublin	+7.600
Cork	+2.700
Galway	+2.100
Limerick	+1.100
Ireland	+33.500

Number of international students; in ths.



The majority of student accommodation is privately owned, with a significant concentration in the cities of Dublin and Cork

Student Housing – Market Supply

Concentrated student bed supply with predominant private ownership

Nationally, the student bed ownership breakdown suggests that ~66% of beds are privately owned, but there are major variances across counties. For instance, in Dublin, about 56% of student accommodations are privately owned, while less than half, around 44%, are managed by tertiary education institutions or the Higher Education Authority (HEA). Moreover, Cork and Galway also reported mostly private ownership of student beds with 82% and 64% privately owned share of total bed spaces, respectively. In contrast, in Limerick, more than half of student beds are publicly owned.

The majority of the student beds supply are located in Dublin, where ~19,4k places were available in 2022/23 (43% of the total stock). The rest of the student bed stock, amounting to ~25,8k beds, is located across other counties, with the largest supply of those being in Cork with ~7,6k beds, equaling ~17% of all student beds. This data indicates a notable concentration of student housing, with the four most popular student cities, where major universities are located, comprising more than 85% of the total student housing stock.

Evolving trend of strategic investment and recent expansion pipeline

Historically, the investment in student housing has represented a small percentage of overall residential investment in Ireland. Nevertheless, it is expected to grow due to rising demand and new developments. In recent years institutional investors, such as GSA, Hines, Round Hill Capital, DWS and Exeter, have acquired ~38% of the private PBSA. However, these investors are likely to offer housing at higher prices compared to what is considered social. On the affordable student housing side, the EIB has invested 200M EUR to deliver 2,7k student beds across Ireland in 2023.

Around 1,9k student bed spaces were under construction in Q3 2023, across 6 developments. Namely, Cork accounted for 702 bed spaces, equivalent to 38% of the total construction, followed by Dublin with 513 units (28%). Recently, there has been a slowdown in the delivery of student accommodation, with ~10k beds awaiting construction. This is largely due to rising development costs, a slow planning process, and challenges in securing debt funding, according to local news sources.

PwC
Sources: Eurostat, Higher Education Authority (HEA), Knight Frank, Cushman & Wakefield, Local news sources, PwC analysis

Non-exhaustive split of beds and full-time enrolments by county; in 2022/23

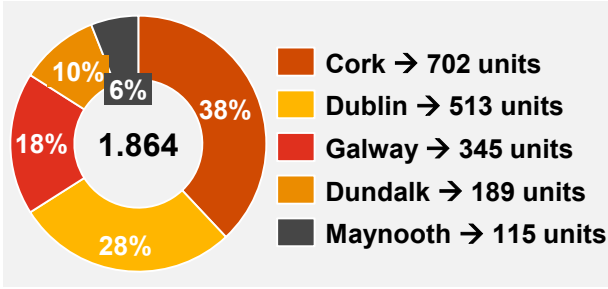


County	Beds		% Students	%
Ireland	45.200	/	227.457	/
Dublin	19.423	43,0%	56.420	24,8%
Cork	7.620	16,9%	27.470	12,1%
Limerick	6.738	14,9%	9.835	4,3%
Galway	5.188	11,5%	14.080	6,2%
Kildare	1.151	2,5%	11.830	5,2%
Meath	736	1,6%	9.640	4,2%
Tipperary	/	/	7.345	3,2%
Kerry	710	/	6.785	3,0%
Wicklow	/	/	6.650	2,9%
Wexford	/	/	6.425	2,8%
Donegal	162	0,4%	6.305	2,8%

Distribution of publicly-owned beds by county and year; in %

County	2017	2023
Dublin	56%	44%
Limerick	38%	56%
Galway	24%	36%
Cork	22%	18%

Beds under construction; in Q3 2023



4



Universities



The segment is characterised by **high enrolment** driven by international students **and high student to teacher ratio**

Universities

Key conclusions – Phase 1

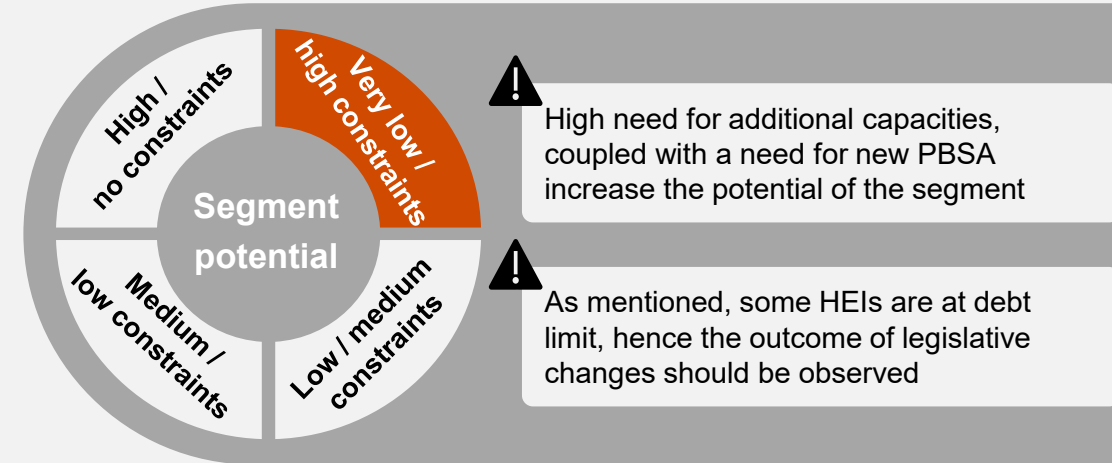
- The segment is dominated with public players, with only 2,4% of students attend private institution, while student enrolment growth is expected to continue in the short to medium term, driven by the increase in international students
- Ireland has a significantly higher student to teacher ratio (23,7 as opposed to 14,7 OECD average), indicating overcrowding of classrooms, and low spare capacities, mainly driven by low new employment in this segment
- The need for external investments is also recognised by the Government, who prepares legislation that should expand potential of technical universities to seek external funding

Key conclusions – Phase 2 (Student housing & universities)

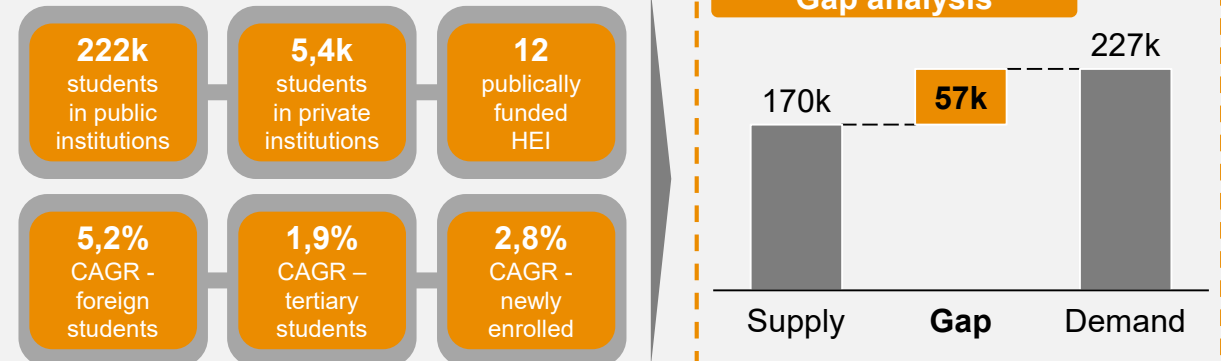
- Stakeholders have indicated that there was a Government backed scheme in 2018 and 2023 to improve capacity of campuses. This might negatively influence the potential pipeline in this area. The primary benefit is seen in the development of research centres and specialised buildings, not in clear increase in capacity.
- Stakeholders have outlined that a significant oversight over universities is performed by the Government, where approvals from multiple Government bodies is often requirement.
- Some universities stated that they are at their borrowing limit for the near term, while with some there are capacities to borrow.



PwC Assessment



Key Segment Data



Ireland has the second largest proportion of the population with a university degree, significantly higher compared to the EU

Universities – General Overview

Organisation of tertiary education in Ireland

The tertiary education system („Third-level Education“) in Ireland is multifaceted, it is comprised of universities, technological universities, and colleges of education.

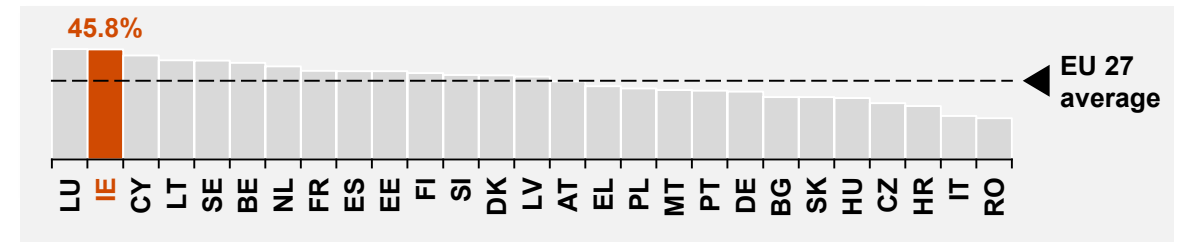
Universities are state-supported and offer a range of undergraduate and postgraduate degrees. Institutes of technology are more specialized than traditional universities; they offer specialized courses and training in fields like science, engineering, and business. They are also publicly funded. Colleges of education focus on education degrees and teacher training programs. These colleges are privately owned but publicly funded. There are also several private colleges in Ireland offering a range of programmes, including business, accounting and finance, law, computer science, humanities and social sciences, journalism and media communications, interior design, and fashion design.

The Irish education system follows the Bologna Process, which is a standard three-tier structure of bachelor's, master's and PhD degrees. This system ensures programs are compatible with the European Credit Transfer System (ECTS).

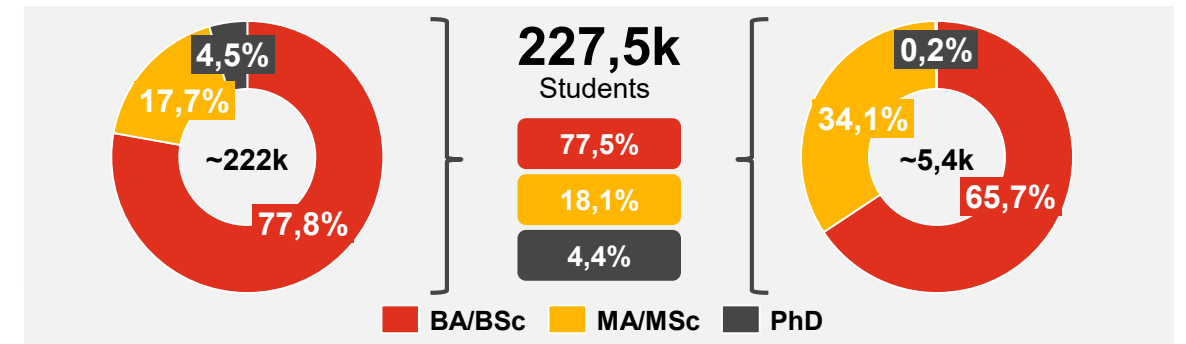
The Higher Education Authority (HEA) in Ireland is responsible for the governance and regulation of the higher education system. It leads the strategic development of higher education and research. The HEA ensures institutional autonomy and academic freedom while aligning strategies with national objectives. It oversees funding, accountability, quality outcomes, policy research, data analytics, and coordination between public bodies and higher education institutions. The HEA is accountable to the Minister for Further and Higher Education, Research, Innovation and Science for achieving national outcomes in the higher education sector.

In Ireland, students are mostly pursuing higher education in public institutions. According to Eurostat, around 97,6% or ~222k students attended public institutions, with the remaining ~2,4% or 5,4k students attending private institutions. The share of the population with a tertiary education degree remains at the top of the EU, only falling behind Luxembourg.

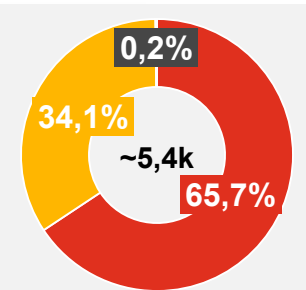
Share of population with university degree; in %; in 2022



Split of students by public institutions; in %; in 2022



Split of students by private institutions; in %; in 2022



Technological Universities Act 2018

The reform merged smaller Institutes of Technology into larger Technological Universities (TUs), with five now operating and receiving public funding to create stronger entities to reduce the number of small institutions and cut infrastructure costs. A recent policy change now allows TUs to access external funding previously restricted to other higher education institutions, but legislation is still an issue. This is explained in more detail on the next slide.

The high share of the youth with tertiary education and high employment rate of graduates indicate a robust labour market

Universities – Key Drivers & Issues

Ireland's tertiary education is attracting both domestic and international students

In recent years, Ireland has become a top study destination for higher education, attracting students not only from within the EU but also from international destinations such as the United States, India, China and Canada. The impact of Brexit has further boosted Ireland's popularity among international students, with a 56,5% increase in international enrolments in the 2021/22 academic year compared to 2019/20.

However, demographic projections indicate a significant contraction in the population segment aged 18-24, with an anticipated decline of 10,8% by 2050. This significant reduction in the younger demographic is expected to adversely impact the demand for university education, presenting potential challenges for the higher education sector in terms of student enrolment.

Despite this, the share of young adults in Ireland with tertiary qualifications remains significantly above the EU average. In 2023, ~62,7% of 25-34 year-olds held a tertiary qualification, a figure well above the EU average of 43,1%. Dublin accounts for the largest share of students at 42,1%, significantly outpacing all other regions. The South-West (14,5%) and Mid-West (11,3%) follow, while the West (10,1%) also has a notable presence.

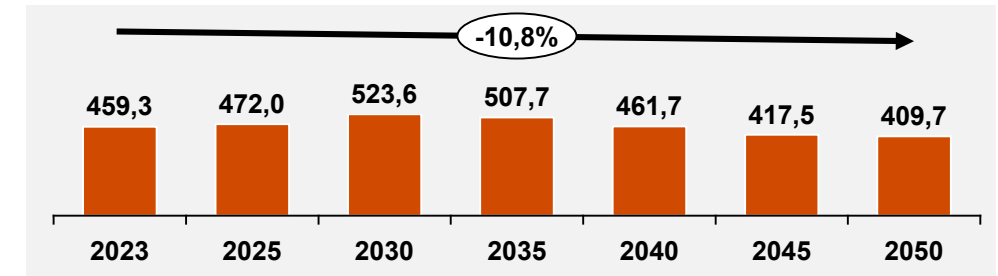
Additionally, Ireland's strong labour market for recent graduates is evident, with an employment rate of 87,3% in 2022. The figure is above the EU average at 82,4%. This strong labour market increases the appeal of university studies in Ireland, hence increasing demand for tertiary education. Although the Irish labour market experienced a sharp increase in labour shortage in 2020 due to the COVID-19 lockdown, a swift recovery in 2021 has been observed.

A recent legislative developments has allowed Institutes of Technology to receive funding outside of the government funding. This includes funding from industry collaborations, philanthropic contributions, and competitive research grants from agencies like Research Ireland. In the future it is aimed to increase this ability of external funding to also include loans from commercial entities and IFIs. This change was implemented because Tus were falling behind regular universities, which could receive external funding. As a result, Technological Universities had trouble acquiring loans for purpose-built student accommodation (PBSA) or capital projects. The Technological University Transformation Fund (TUTF) was also established to assist the development and progression of technological universities.

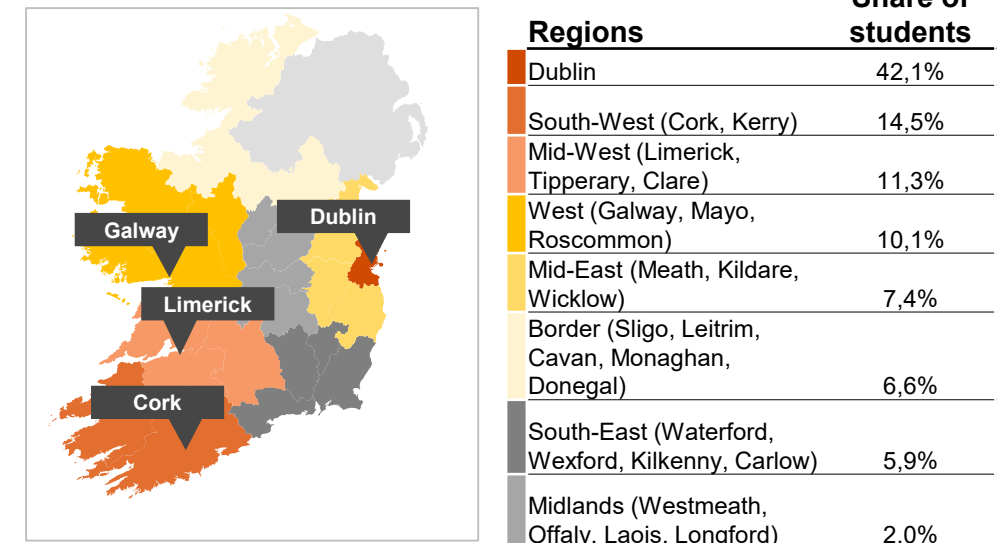
PwC

Sources: Eurostat, Higher Education Authority (HEA), European Commission, Central Statistics Office (CSO), PwC analysis

Projected population in the 18-24 age group; in ths.



Split of students by broad region; in %



The growth in total and newly enrolled students is expected to persist due to the increasing influx in international students

Universities – Demand

There is an increasing number of students across all educational levels

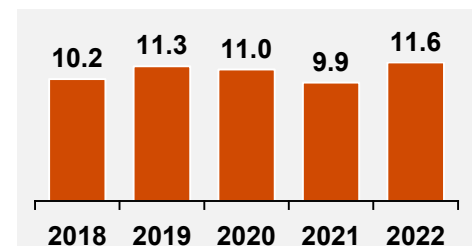
The total number of students in Ireland has been increasing by 1,9% on a yearly basis between 2018 and 2022. When, it has reached ~227,5k students enrolled in BAs, MAs and PhD programmes, representing an increase of ~16,2k students or 7,6% from 2018.

The majority of students are enrolled in bachelor programmes (77,5%), followed by students enrolled in master's (18,1%), and PhD programmes (4,4%). All three cycles have experienced y-o-y growth in the number of students enrolled, where the number of BA students increased increasing by a CAGR of 1,1%, MA by 4,9% and PhD by 4,1%.

Moreover, the number of newly enrolled students has been increasing at the rate of 2,8% on a yearly basis between 2018 and 2022, indicating substantially higher growth compared to the EU average of 1,8%. The figure has been driven by masters enrolments. The high growth in new enrolments indicates that we can expect the demand for universities to continue to rise in the short to medium term, while long term population projection indicate slowdowns in this demand due to reduction in university age population.

The growth is further stimulated by an increase in the number of international students. Between 2018 and 2022, the number of foreign students grew at an average annual rate of 5,2%. In 2022, international students made up ~11,6% of the student population in Ireland (26,4k students).

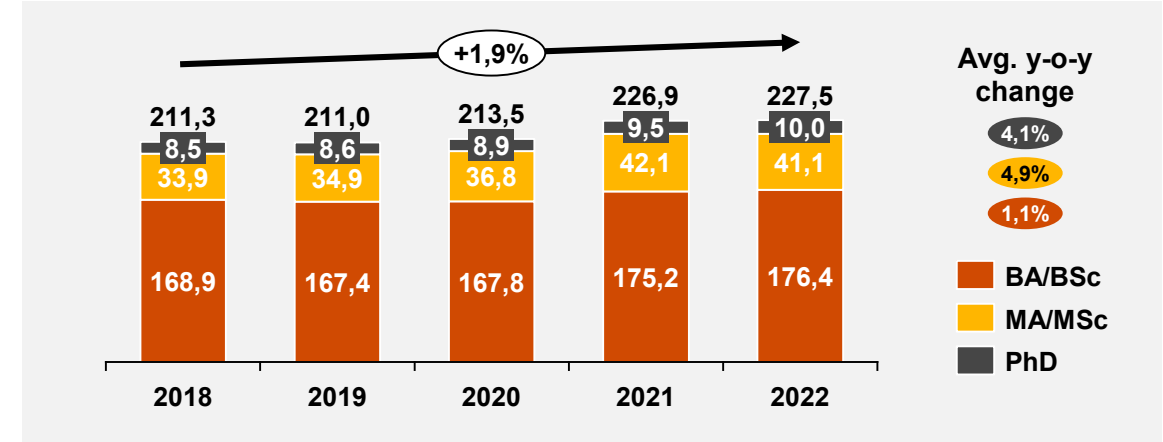
Foreign students; in %



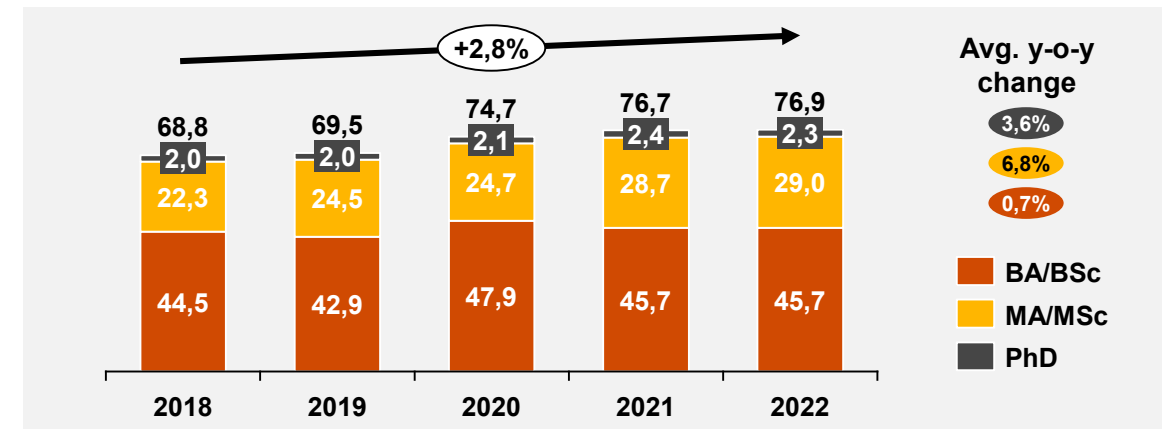
Number of students in the top institutions

Institute / # of Students	2021/22	2022/23
1. Uni. College Dublin	25,5k	25,8k
2. Uni. College Cork	18,9k	19,0k
3. Tech. Uni. Dublin	19,5k	18,7k
4. Trinity College Dublin	17,4k	18,0k

Number of tertiary education students; in ths.



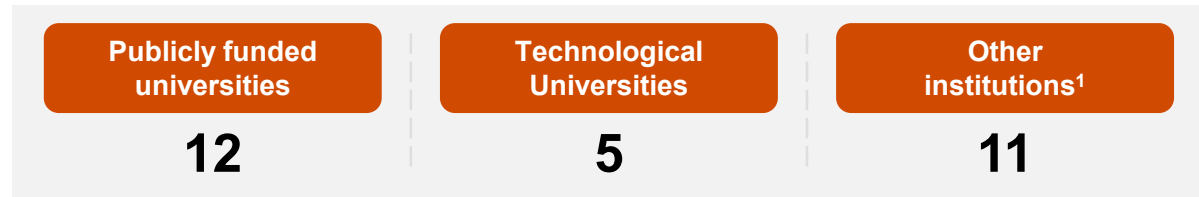
Number of newly enrolled students per year; in ths.



A steady shortage in teaching staff has been observed, potentially impacting the quality of education in Ireland

Universities – Supply

Number of publicly funded tertiary education institutions



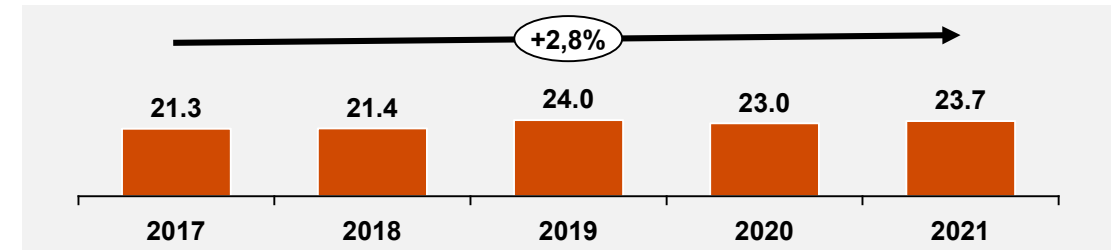
In Ireland, there are 12 publicly-funded universities, 5 Technological Universities and 11 other HE institutions receiving public funding. As mentioned, the vast majority (97,6%) of students are attending public institutions. This suggests a strong reliance of the Irish population on public education and infrastructure. Both due to historical preferences and higher perception of quality of publicly funded universities.

Based on our analysis, a large student to teacher ratio has been observed indicating a lack of teachers in HEI, hence indicating overcrowded classrooms. This student to teacher ratio of 23,7 is significantly higher than EU and OECD averages of 14,7.

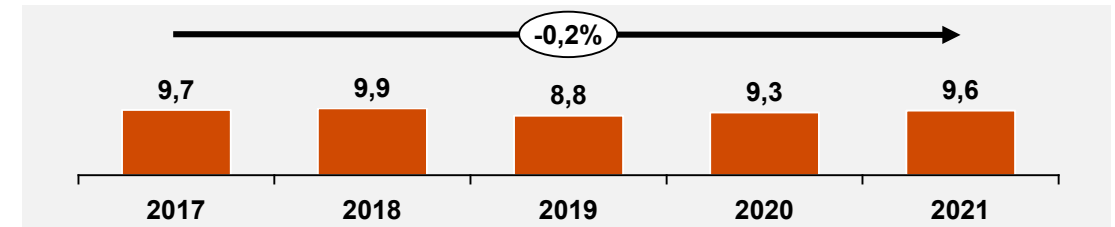
The ratio, as an indicator of education quality, has been growing y-o-y by 2,8% between 2017 and 2021. The high and growing ratio is due to the increase in the cost of teacher education programmes. According to LabourIE there were ~800 vacant teaching posts nationwide, forcing institutions to bridge staffing gaps with assistants and unqualified staff. The issue is largely due to the profession becoming less attractive career option in recent years, mainly due to lower salaries compared to other possible career options, as well as non secure employment where a significant proportion are employed on temporary contracts.

According to Eurostat, in 2021, the Irish government spent around 3,4B EUR on tertiary education, equating to around 0,5% of its GDP. The latter rate has remained stagnant and is significantly lower compared to the EU average of 0,8% in 2022.

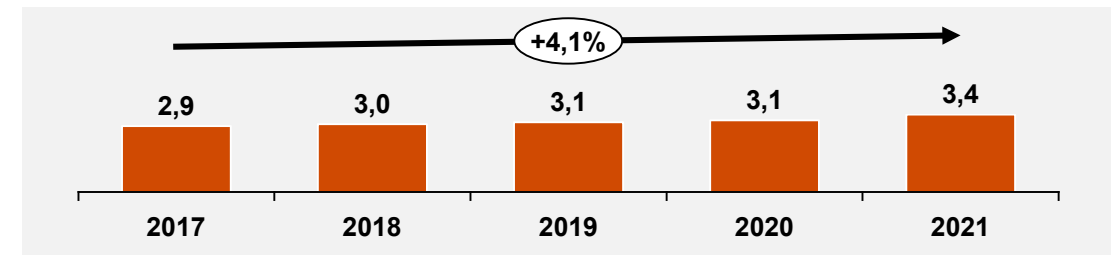
Student-teacher ratio



Number of academic staff in tertiary education; in ths.



General government expenditure on tertiary education; in bn.; in EUR



1. Other institutions that receive public funding include Marino Institute of Education, St. Angela's College, National College of Art and Design and National College of Ireland and others.

5



Pre-school facilities



Oversupply in available places is recorded on a national level, with gaps existing mainly in larger cities



Pre-school facilities

Key conclusions – Phase 1

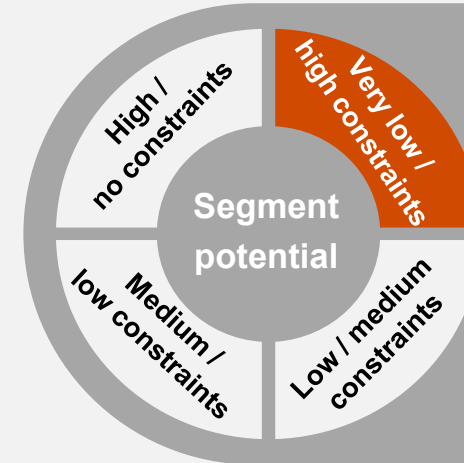
- Early childhood care and education (ECCE) is implemented by local authorities either directly or through partnerships with private players
- Access is promoted through dedicated support schemes aiming to increase accessibility to the ECCE and increase affordability. However, this still remains a large issue, with estimated cost of 960 EUR per child
- Despite this we see a presence of extensive waiting list, however this is mostly since parents tend to apply for multiple schools as a backup
- Despite the waiting lists, we see an existence of an oversupply of places on a national level, with local data indicating shortages in large population centers such as Greater Dublin Area

Key conclusions – Phase 2

This segment has not been shortlisted for phase 2.



PwC Assessment



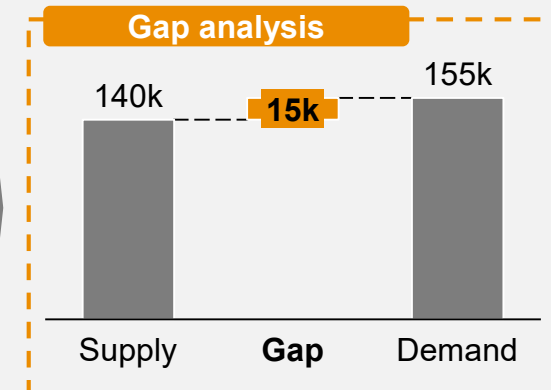
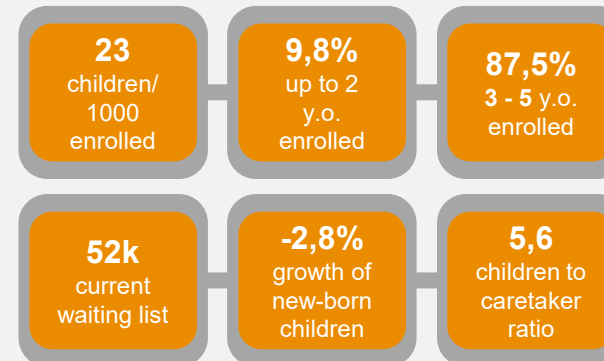
The segment is very fragmented with provision of service mainly undertaken by single-institution providers



Demographic factors further limit the potential of the segment as the population is expected to drop in the long term



Key Segment Data



The number of children enrolled in Early Childhood Education in Ireland per 1.000 citizens is among the lowest in the EU

Pre-Schools – General Overview

Irish ECCE offers a variety of services tailored to meet children's needs

In Ireland, Early Childhood Care and Education (ECCE) refers to the education for children between 0 and 6 years old and is not mandatory. Children usually leave ECCE at age 4 or 5, with the majority leaving at age 5, as they can start primary school at 4, though school is only mandatory from age 6.

A variety of childcare options are available, each catering to different needs and preferences for ECCE. One option is pre-school childcare, which is part of the Free Pre-school Scheme. This program provides free pre-school education for children aged 3 years and above, typically until they begin primary school.

Naíonraí, nursery schools or playgroups, conduct activities in the Irish language, immersing children in Irish culture from an early age. Additionally, Crèches, facilities that offer short daily sessions of ECCE for children, typically aged between 2 – 4, are also another available ECCE option in Ireland. Furthermore, specific intervention centres, such as community support preschools, provide targeted interventions for children who may require additional support due to various needs or circumstances. For example, Barnardos, a children's charity, focuses on ECCE for those affected by poverty, neglect or loss, offering specialized care and educational support.

The direct provision of ECCE services falls under local authorities

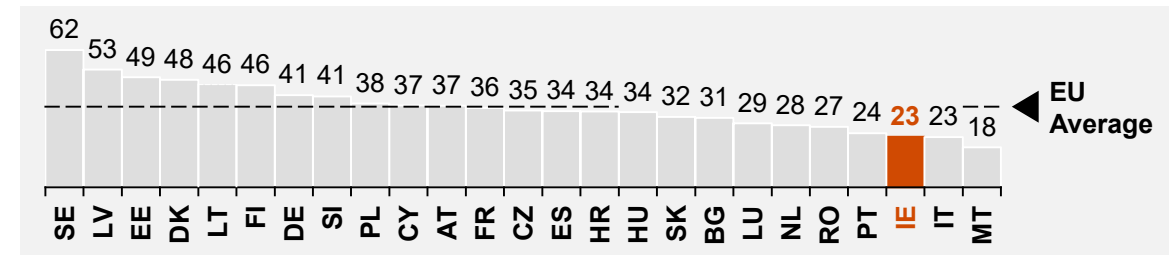
The ECCE services are managed by local authorities, either directly or through agreements with other public or private entities. However, policymaking and regulation in the ECCE sector fall under the responsibility of the Department of Children, Equality, Integration and Youth (DCEDIY). Moreover, Tusla, the Child and Family Agency, serves as the statutory regulator for Early Learning and Care (ELC) in Ireland. It is responsible for a range of child welfare and protection services, holding the ECCE providers accountable for registering and notifying the entity that they are providing the service.

In Ireland, there are four major ELC schemes allowing children to attend ECCE regardless of their background and status (refer to the infographic on the right).

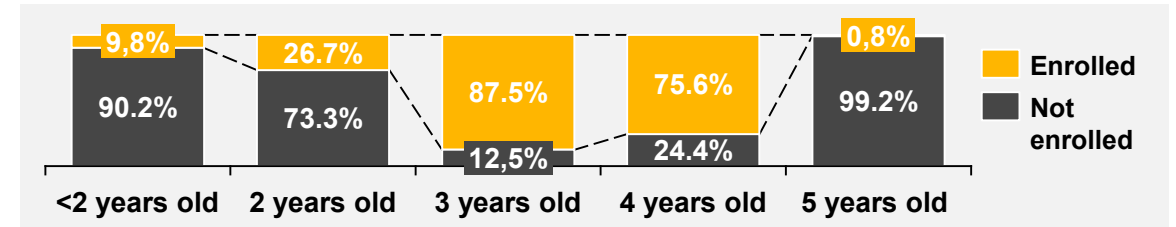
PwC

Sources: Eurostat, European Commission, Health Service Executive (HSE), Tusla, PwC analysis

Children enrolled to pre-school facilities per 1.000 citizens; in 2021



Share of children enrolled in pre-schools; in %; in 2022



The 4 major ELC schemes in Ireland

Early Learning and Care Schemes	City/County Childcare Committees (CCC)	Located nationwide and support and assist families with childcare matters.
	The National Childcare Scheme (NCS)	Financial support for childcare through universal and income-related subsidies.
	The Early Childhood Care and Education Programme ¹ (ECCE)	Universal two-year pre-school programme available to all children aged between 2 and 5.
	Access and Inclusion Model (AIM)	Model of supports designed to ensure that children with disabilities can access the ECCE.

1. The Early Childhood Care and Education (ECCE) Scheme provides free care and education for pre-school children. It is available for 3 hours a day, 5 days a week, 38 weeks of the year. If the children attend more than 3 hours per day, the legal guardians (parents) are expected to be charged for the extra time for childhood care.

The pre-school sector in Ireland faces affordability challenges alongside a declining population of children aged 0-6 years

Pre-Schools – Key Drivers & Issues

The number of children aged 0-6 declined for 7,1% between 2018 and 2023

The number of children aged 0 – 6 has been decreasing with a CAGR of around 1,5% in a six-year period since 2018 when the population in the 0-6 age bracket was ~388,7k. In 2023, number of children aged between 0 and 6 stood at 361,3k, recording a decline of 1,2% from the year prior. During the 2018-2023 period, the number of children in the group aged below 3 years old was decreasing y-o-y by ~1,6%, while the number of children in the group aged 3 to below 6 was on a yearly basis decreasing by around 1,3%.

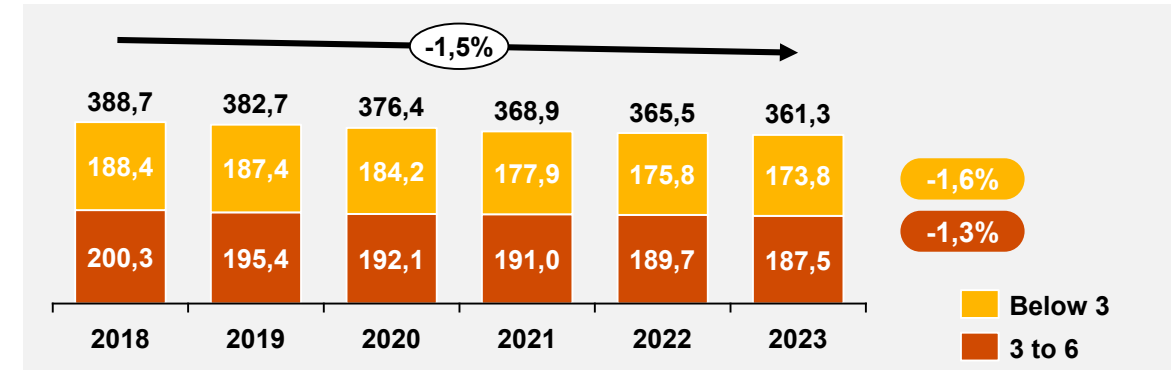
This trend is largely due to a declining birth rate in Ireland, which has seen a negative CAGR of ~2,8% for a five-year period. This resulted in around 6,6k fewer births in 2022 compared to 2018. Moreover, the y-o-y decline in new-borns is more pronounced, compared to the substantially lower EU average y-o-y decline of 2,2%.

Ireland is facing a demographic crisis as its birth rate has been sharply declining over the past decade. Specifically, in 2022, the new-borns figure dropped to below 55k, marking the lowest level in over 60 years. The fertility rate, which was the highest in the EU for most of the period between 1998 and 2011, is now just slightly above the EU average (1,46) at 1,54.

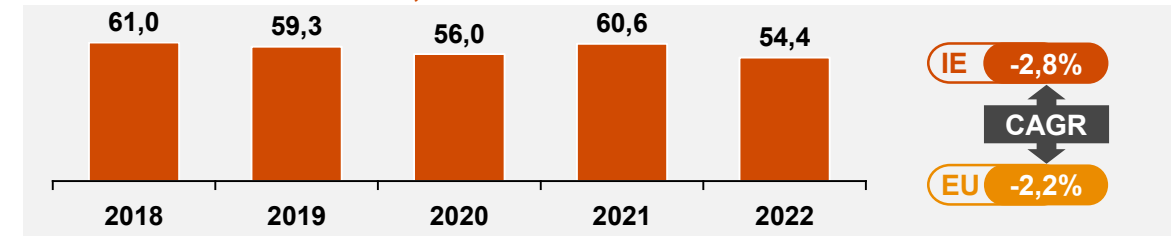
Furthermore, affordability is highlighted as a key concern in the sector, with multiple local news sources citing Ireland as having one of the highest costs of raising a child in the EU. On average, full-time pre-school costs around 960 EUR per month, or approximately 38% of household income. Costs also vary significantly by region, for example, a pre-school place in Dublin can cost up to 1,5k EUR per month, while a crèche in a rural area might cost only a third of that.

The sector also struggles with profitability, with most service centres operating at break-even and many workers earning below minimum wage. The under-3 age group is particularly affected, as many providers are shifting to Government subsidised preschool scheme-only models aimed at ages 3 and above, which are more financially sustainable, further reducing available places for children under 3.

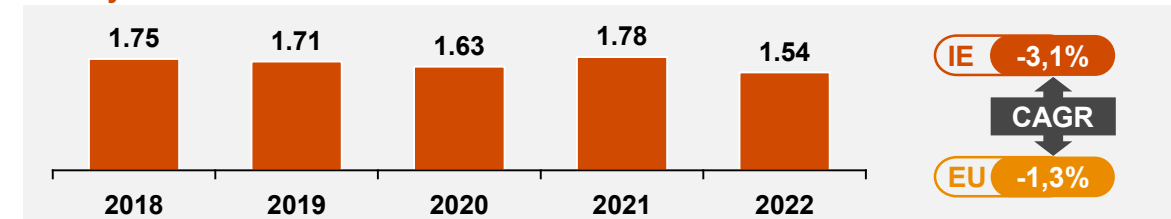
Number of children aged 0-6; in ths.



Number of new-born children; in ths.



Fertility rate



In 2022, pre-school enrolment began to grow again, mainly driven by increased enrolment in the 0 to 3 y.o. age group

Pre-Schools – Demand

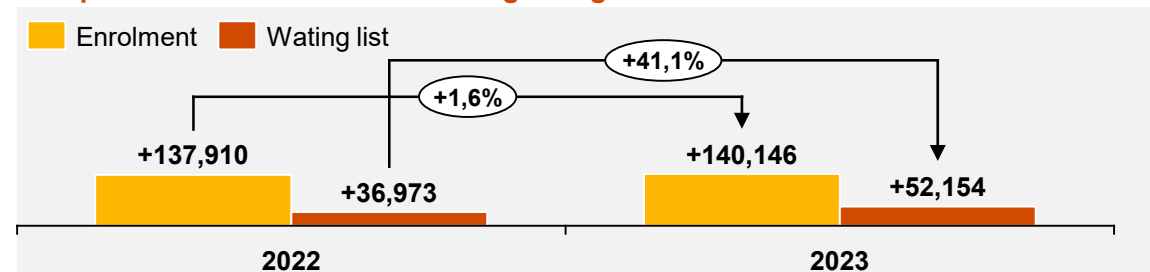
Most of the children in Ireland are enrolled in private ECCE institutions

In 2022, the Eastern and Midland region led pre-school enrolments with around 65.8k children, or 50,6% of total enrolments. However, all regions saw declining enrolments, with a nationwide drop of 6,9% y.o.y. from 2018 to 2022 from 174k to 130k, likely due to lower birth rates. Overall, 30,5% of children aged 0-6 were enrolled on a national level.

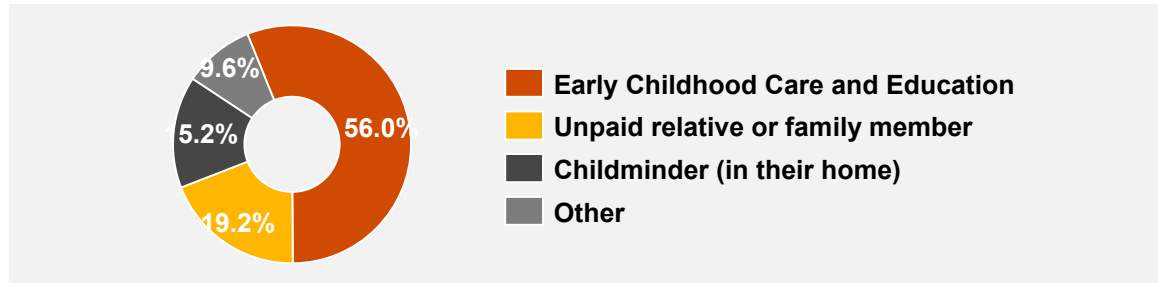
In the 2022/23 academic year, the number of enrolled children grew by 1,6%, mainly driven by growth in the age group of 1 to 3 y.o., which saw an increase of ~1,9k children, or about 5%, from 2022 to 2023. Waiting lists grew across all age groups; the total number of children on waiting lists increased by ~15,2k, or about 34%, with the largest increases observed in the 1 to 3 y.o. age group. Waiting lists for this group grew by over ~9,5k children, which is approximately 1,7x larger than the increase seen in the 3 to 5 y.o. age group. This indicates that demand growth has been concentrated mainly in the lower age groups, with local news reports confirming that supply gaps have been most evident in crèches and early childcare institutions.

More than half of children aged 0-4 (~56%) are enrolled in ECCE. The second most used type of childcare is care by an unpaid relative or a family member (19,2%), followed by childminders (15,2%). There were ~130,1k children enrolled in early childhood education in 2022. Around 129,2k children (~99,3% of children enrolled) were enrolled in private institutions, while the remaining 0,7% were enrolled in public institutions.

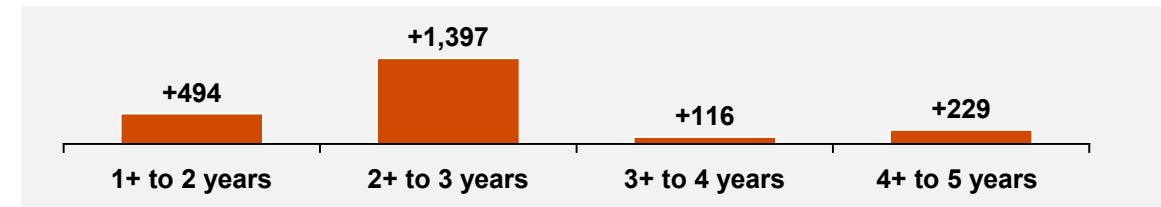
Comparison of enrolment and waiting lists growth



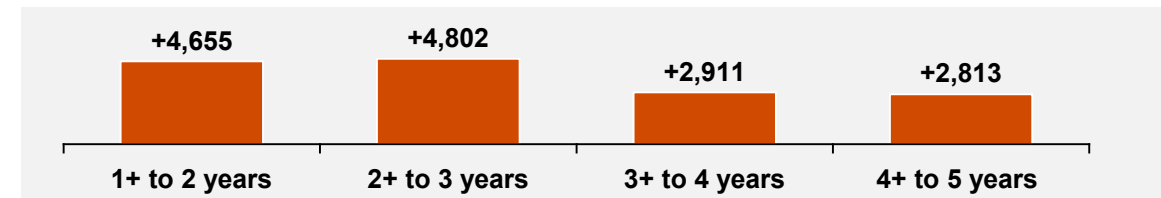
Children aged less than 4; by type of care



Enrolment increase from 2022 to 2023 by age group



Waiting list increase from 2022 to 2023 by age group



The supply of pre-school places has been growing at a slow pace, primarily due to declining supply in the 3-5 y.o. segment

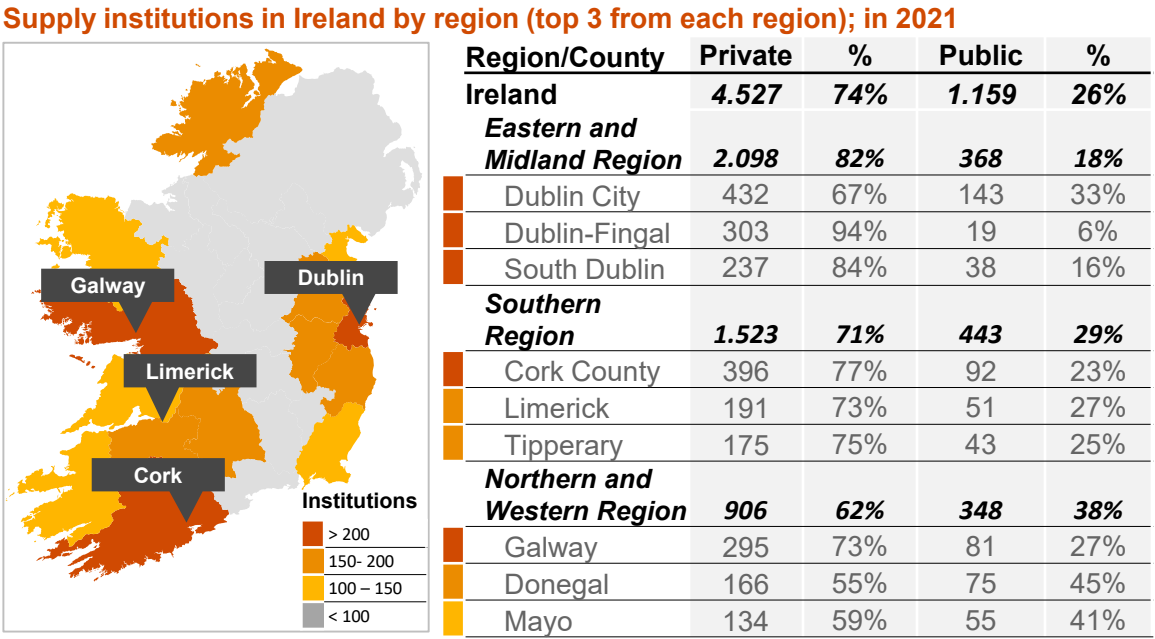
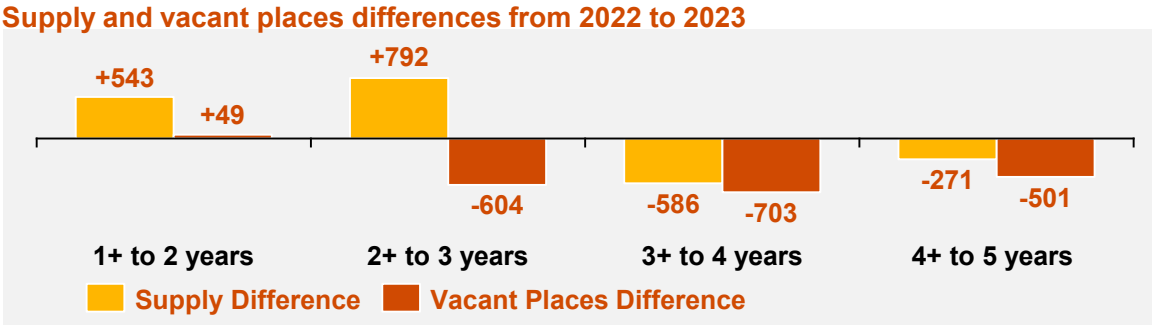
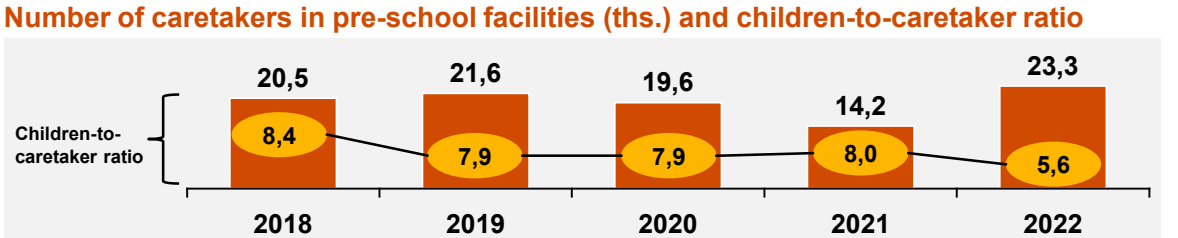
Pre-Schools – Supply

The majority of pre-school services are provided by private entities
In 2020/21, there were 4,5k institutions offering early childhood education and care (ELC and SAC) in Ireland. Of these, about 25,6% (or 1,2k) were publicly owned, while the majority, 74,3% (or 3,4k), were privately owned. This distribution along with the enrolment data suggests that private institutions are generally significantly larger. Moreover, between 2016/17 and 2020/21, the supply of ECCE experienced a modest annual growth of 0,4%, driven by an increase in private providers, which saw a CAGR of 0,8%. Conversely, the number of publicly owned facilities declined at a CAGR of 0,6%.

The growth in supply was driven by the early care segment, the 1 to 3 y.o. segment was the only age group to experience supply growth, increasing by approximately 1,3k places. In contrast, the 3 to 5 y.o. segment saw a slight decrease in supply, with around 857 fewer places in 2023. However, the opposite was true for vacant places, where the older age group (3 to 5 y.o.) had significantly higher vacancy levels compared to the younger cohort..

The most places are available in the most populated Eastern and Midland region, where 2,1k institutions are located. The regional distribution of ELC and SAC services indicates that around 65% (or 2,9k) are located in urban areas, while the remaining 35% are in rural areas.

Data from 2018 to 2022 shows a substantial increase in the number of caretakers, increasing from 20,5k to 23,3k. Consequently, the children-to-caretaker ratio is on a decline, with a reported decrease from 8,4 to 5,6. The increase in the number of caretakers can be attributed to measures taken to mitigate teacher shortage, increased salaries implemented and other initiatives aimed at improving the working conditions.



6



Hospitals



The segment is **dominated by public sector** players, and is **characterised with high utilisation rates**



Hospitals

Key conclusions – Phase 1

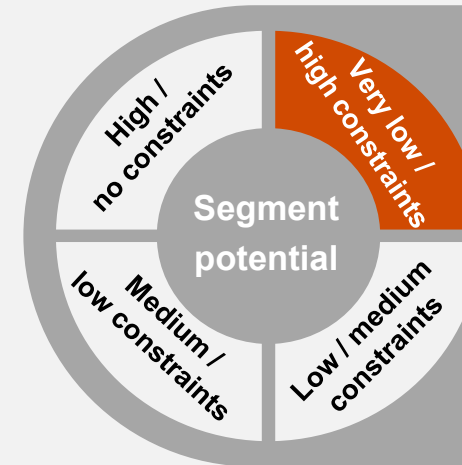
- Ireland has one of the largest per inhabitant healthcare expenditure in the EU, it being 5,7k in IE and 3,6k being the EU average. On the other hand Ireland has lower provision of hospital beds with 3 beds per 1.000 inhabitants, as opposed to 5/1.000 in the EU
- This is also recognised in the news reports and the data, as about 121k patients were not placed in the bed due to overcrowding. Furthermore, 18,3% of population reports their largest unmet need is the waiting list
- Ireland has a large utilisation of hospital beds, which stands at 80,7%, but is still below pre-pandemic level of 90%. This is relatively low compared to other countries in the EU, further indicating lack of capacities.

Key conclusions – Phase 2

The segment was examined for phase 2 initially, however since majority of players are funded through national budget it was dropped from further examination



PwC Assessment



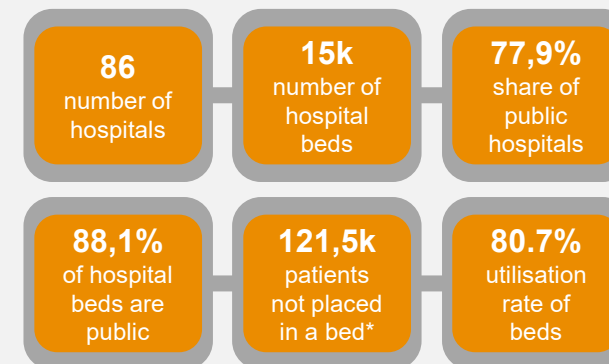
The main limiting factor to the segment potential from the IFI standpoint is the fact that the majority of funding happens through budgetary funding.



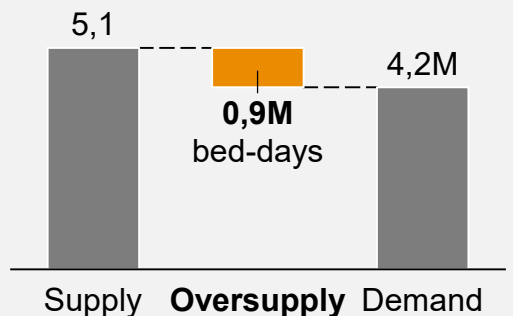
Private segment is relatively small, focused on outpatient procedures, and fully funded through out-of-pocket payments and private insurance



Key Segment Data



Oversupply analysis



*due to overcrowding

Healthcare system in Ireland is mostly provided by public operators and financed by the Government

Hospitals – General overview

Definition of the segment and ownership

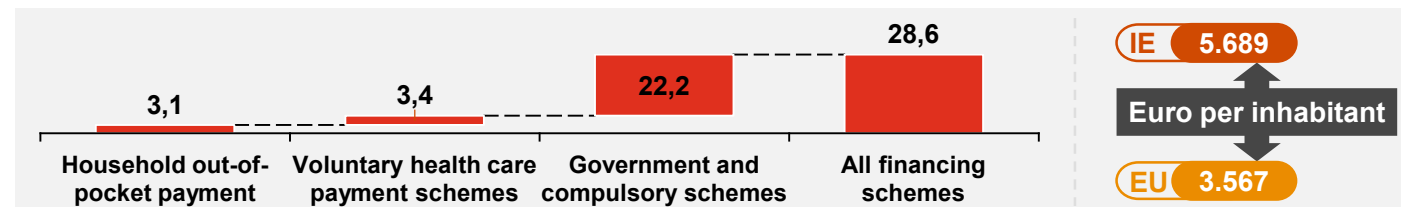
Ireland's national health service is primarily funded through general taxation. It has a dual healthcare system, consisting of both private and public healthcare options. The public healthcare system is regulated by the Department of Health, which oversees the policy direction and overall performance oversight and is responsible for national healthcare budget allocation. Concurrently, the Health Service Executive (HSE) is more operationally responsible for managing and delivering health and social care services.

Over the years, the proportion of Irish citizens using private insurance has grown as people sought protection from soaring waiting times for elective procedures. According to Reuters, the insurance model may have proved to be inefficient for Ireland. Despite nearly half of the population being covered by insurers, insurance only pays for approximately 11,9% of Ireland's total healthcare costs. The state and out-of-pocket payments cover the rest of the nearly 29B EUR annual healthcare expenditure, equivalent to 6,6% of GDP, compared to the EU average of 10,9%. However, because Ireland's GDP is heavily influenced and inflated by multinational corporations, the share of GDP spent on healthcare may seem smaller in comparison.

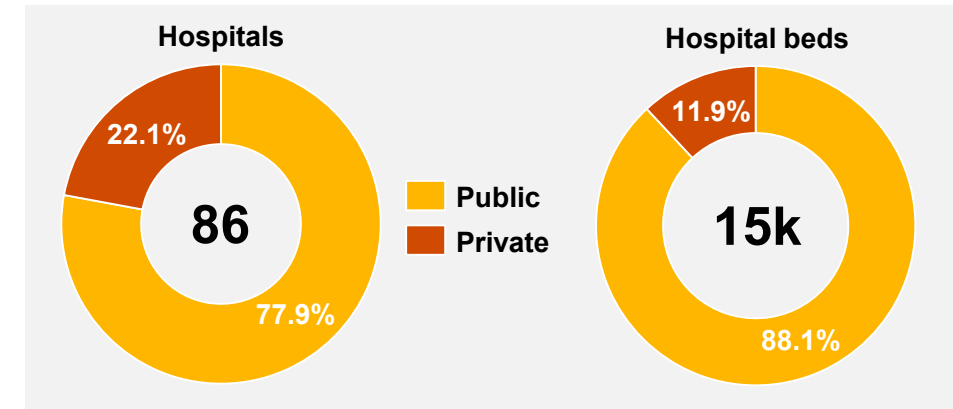
Health expenditure per inhabitant, at around 5,7K EUR, is significantly higher than the EU average of ~3,6k EUR, making Ireland one of the highest spenders on health per inhabitant in the world. However, this high level of spending per capita does not necessarily translate into proportionately better outcomes. The healthcare system still faces challenges related to inequality, inefficiency, and inaccessibility. In response, the HSE and the Department of Health have introduced the Sláintecare Improvement Plan.

The Irish hospital system comprises a mix of public and private hospitals. Most of hospitals are publicly owned (67), with the public sector holding about 88,1% of the total beds (13,2k beds).

Healthcare Expenditure by Financing Scheme; in EUR; in bn; in 2021



Healthcare ownership; in 2022



Sláintecare Improvement Plan and Strategy

The Irish Government set out to create a universally accessible healthcare system („Sláintecare“) by removing private healthcare from public hospitals and abolishing the country's dual health system. This is to move from the American insurance model to one similar to the UK's National Health Service (NHS) – a universal healthcare model.

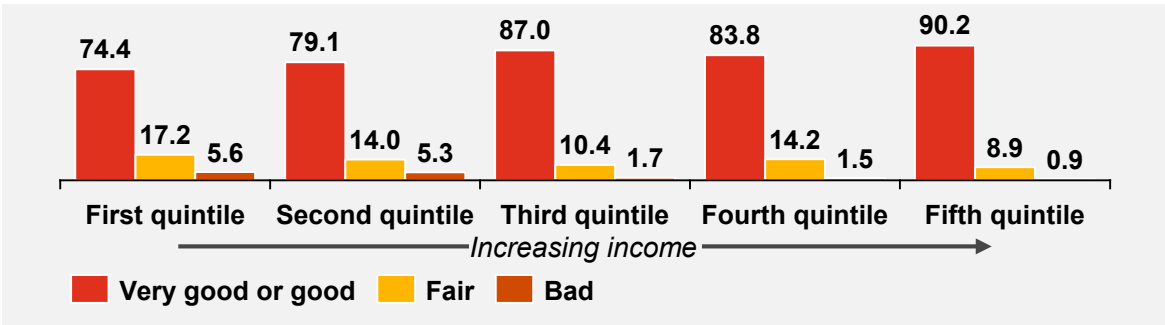
Since the start of the Sláintecare Implementation Strategy and Action Plan (2021-2023), the major achievements of the Government include:

- abolishment of acute public in-patient charges in all public hospitals for children under 16 years
- reduction in waiting times
- recruitment of over 2,4k healthcare workers

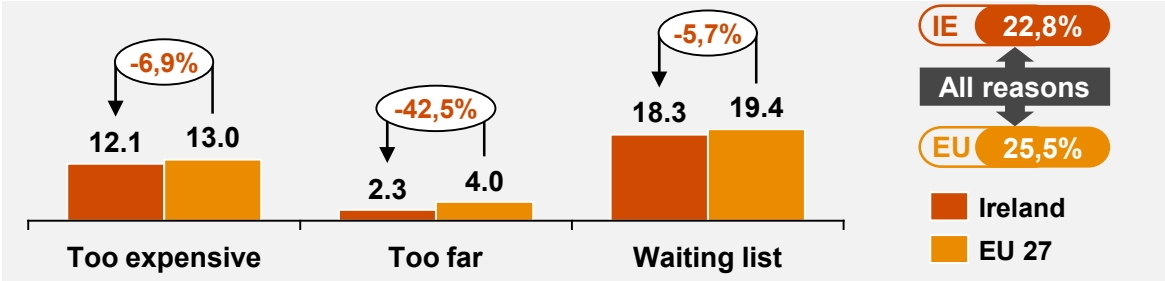
In Ireland, the primary healthcare challenge remain extensive waiting lists, compounded by low supply of hospital beds

Hospitals – Key Drivers & Issues (1/2)

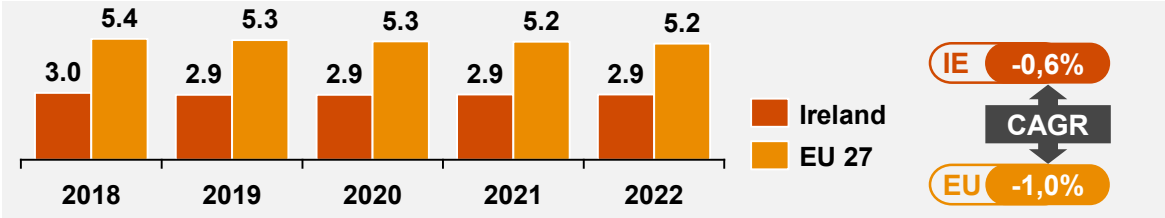
Self-perceived health by income quintile; in %



Self-reported unmet needs for health care; in %



Number of hospital beds; per thousand inhabitants



A large gap in reported health between income groups has been observed

In 2023, 83,5% of Irish adults reported good health, the highest in the EU, but a widening income gap persists, with 90% in the top quintile vs. 74,4% in the lowest. The gap has grown by 13% since 2019.

In Ireland, 12,1% of people aged 16 and over consider healthcare to be costly, which is lower than the EU average of 13%. Additionally, 2,3% of people cited distance as a barrier to accessing healthcare, also below the EU average of 4%. The most significant factor contributing to unmet healthcare needs in Ireland is waiting lists. Around 18,3% of the population aged 16 and over identified waiting lists as the main reason for their unmet healthcare needs, which is slightly below the EU average of 19,4%. In response, the government has launched a Waiting List Action Plan, allocating 360M EUR to reduce waiting times.

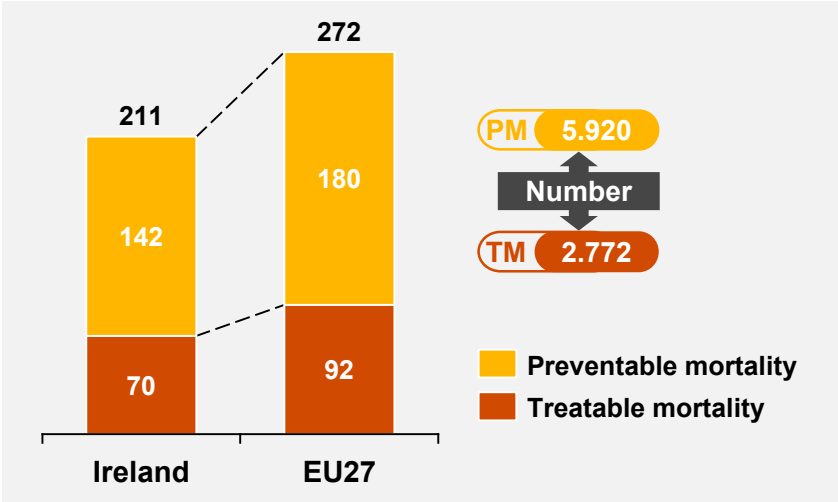
As of July 2024, there were 911k people on a hospital waiting list, a record high according to local news sources. This increase is largely driven by a rise in outpatient appointments, which grew by 6% or 36k in the first half of 2024, despite government estimates projecting a decline. The number of inpatients on the waiting list also rose to approximately 3k or 3% in 2024, marking a record high for Ireland. Recent government initiatives to expand hospital capacity have also fallen short. Although the government committed to delivering 127 new hospital beds in 2024, this falls well below the 330 new beds per year recommended by official government reports to keep pace with demand. This shortfall is partly due to construction delays, which continue to hinder the achievement of construction targets. Hospital resource availability adds to these challenges. In 2022, Ireland had just 3 hospital beds per 1.000 inhabitants, well below the EU average of 5, placing Ireland among the lowest in the EU.

A major issue is ageing and obsolete medical equipment. According to IMSTA, the representative body for medical equipment manufacturers and distributors, there is currently a €400 million backlog in essential medical equipment investments. To address this, the HSE has published its 2025 National Service Plan, with a total budget of approximately 27bn EUR, of which 1,4n EUR is allocated for infrastructure and equipment across the health service.

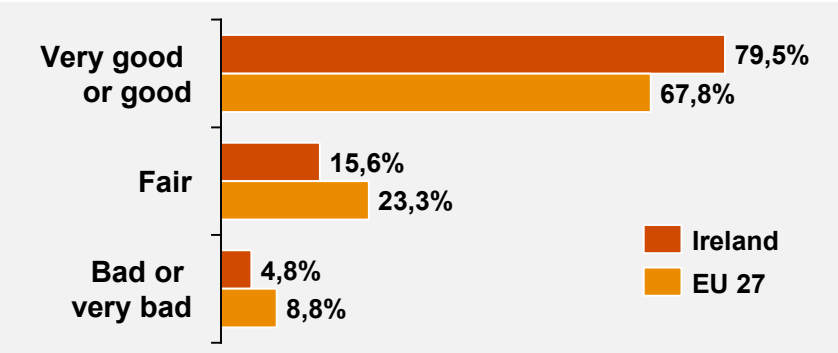
Preventable and treatable mortality rates are below the EU average and more people perceive themselves in good health

Hospitals – Key Drivers & issues (2/2)

Preventable Mortality (PM) and Treatable Mortality (TM)



Self-perceived health and risk factors; in %; in 2023



PwC
Sources: Eurostat, World Health Organization (WHO), PwC analysis

Average life expectancy of the population in Ireland is above EU average by 2 years

Ireland places below the EU average, both for the rate of preventable mortality (142 to the EU average of 180), and for the rate of treatable mortality (70 to the EU average of 92). The combined treatable and preventable mortality rate is almost 25% below the EU average (211 to the EU average of 272). In absolute terms, in 2021 Ireland reported a total of ~8,6k preventable and treatable deaths, out of which 68,1% were preventable and 31,9% were treatable.

In Ireland in 2022 life expectancy at birth was estimated at ~82,6 years, significantly higher compared to the EU average, surpassing it by 2 years. Similarly to other EU countries, in Ireland, there is a discrepancy between males' and females' life expectancy, where females outperformed males by 3,2 years recording a life expectancy of 84,2 years.

Over the past decade, Ireland's increases in life expectancy were predominantly driven by consistent reduction in mortality from the broad group of circulatory diseases, which were the leading cause of death in Ireland until 2019. After 2019, cancer became the largest driver of mortality, accounting for almost 30% of all deaths, followed by diseases of the circulatory system, which contributed to around 27% of all deaths. In 2022, Ireland reported around ~35k deaths.

Health determinants of lifestyle; in %; in 2019

Health determinant ¹	Ireland	EU-27
Obesity	26,0%	16,0%
Tobacco consumption	4,1%	5,9%
Alcohol consumption	2,4%	8,4%
Nutritional habits	32,9%	12,4%
Physical activity	16,9%	13,6%
Strong Social support	57,8%	37,8%

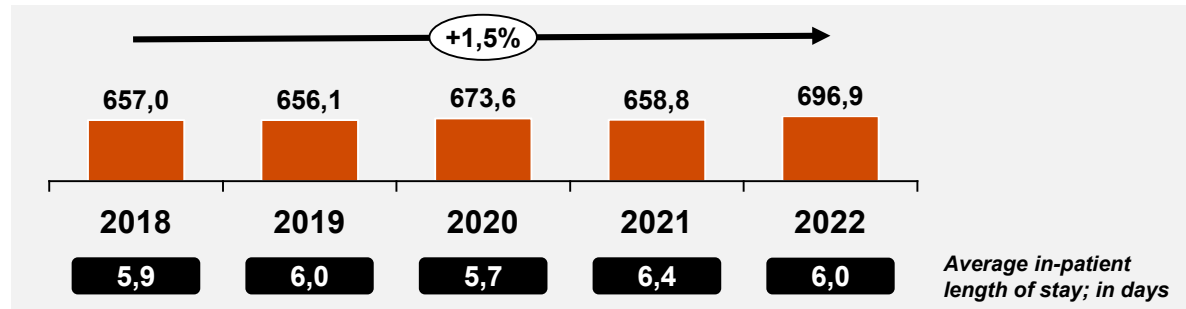
In 2022, ~80% of the population aged 16+ perceived themselves as either in good or very good health, which is higher than the EU average (~68%). Compared to the EU average, in Ireland, almost half less people perceived themselves as in bad or very bad health.

According to Eurostat (2019), ~26% of Irish adults were obese, well ahead of the EU average (16%). This places Ireland as the second worst in the EU in terms of obesity, trailing only Malta at 28%. In a similar survey in 2014, Ireland was ranked 7th, with an obesity rate of 18%, indicating a substantial increase in the coming years. As for the other health factors, Ireland performs better compared to the EU average, especially in high nutritional habits and low alcohol consumption.

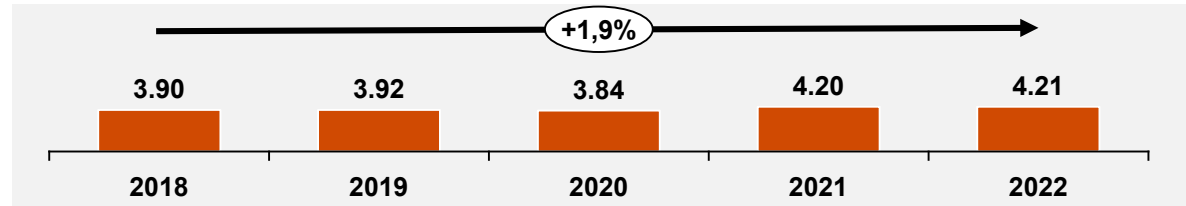
The rise in bed days, with ~14% of the Irish population requiring hospitalization, reflects sustained high demand

Hospitals – Market Demand

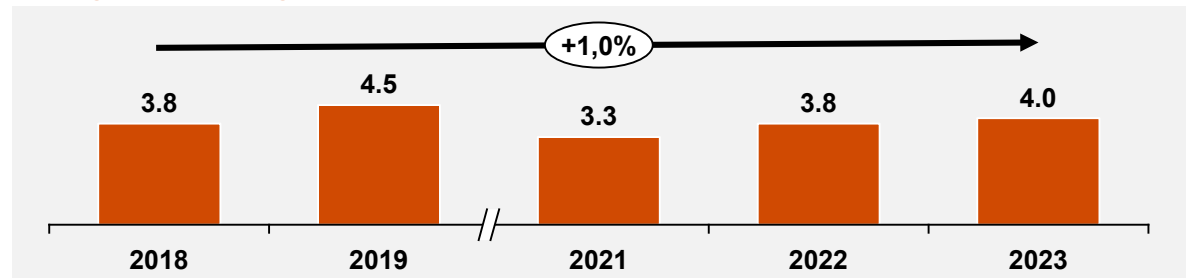
Number of hospital discharges in Ireland; in ths.



Number of hospital bed-days for in-patient curative care; in mil.



Average number of general practitioners (GP) visits



Ireland's upward trend in bed-days is an outlier compared to EU countries

In 2022, Ireland reported around 696,9k hospital discharges. Between 2018 and 2022, the number of hospitalizations has been increasing by 1,5% on a yearly basis. Those were also concentrated in the biggest urban areas such as the Eastern and Midland region.

According to the data available, Ireland is one of 10 countries in the EU with a growing number of hospital bed days for inpatient cases. Between 2018 and 2022, the number of bed days for inpatient cases has been steadily increasing with a CAGR of almost 2%. The largest increase, of about 9,4%, as compared to the previous year, can be observed in 2021, due to the rise of the COVID-19 pandemic. The increase is mainly due to the rise in inpatient days for the population aged 65 and older. In 2021, 55% of all bed days were used by individuals aged 65 and above.

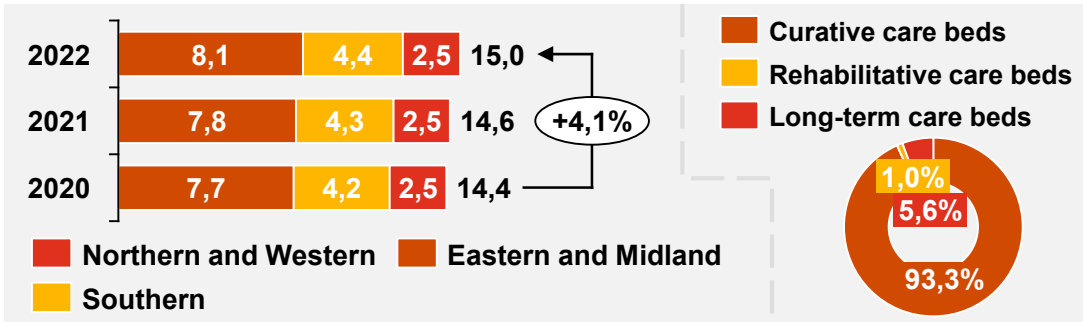
Interestingly, even in 2022, the number of hospital bed days in Ireland increased slightly by 0,1%, making it an outlier compared to other EU countries. This continuous increase in bed days in the post-COVID years suggests that Ireland's healthcare system is experiencing sustained high demand for inpatient care. From 2018 to 2022, the average hospital stay in Ireland increased by approximately 0,4% per year, in contrast to most EU countries, which saw year-on-year declines. Despite this increase, Ireland's average stay of 6 days in 2022 remained below the EU average of 6,3 days.. Interestingly, in 2020, the average stay in Ireland decreased as 92,4% of COVID-19 patients were admitted directly from home, and elective surgeries were postponed to prioritize COVID-19 cases. In 2021, the average stay rebounded due to deferred care re-emerging. By 2022, the average stay declined to 6 days, aligning with its pre-COVID-19 levels and other EU countries.

From 2018 to 2023, the average number of GP visits in Ireland showed a fluctuating trend. Visits rose from 3,8 in 2018 to 4,5 in 2019, likely due to increased healthcare awareness and accessibility. In 2021, the average dropped to 3,3 amid COVID-19 restrictions. In 2023, they increased to 4, indicating a return to normal healthcare practices and a potential focus on preventative care post-pandemic. This may indicate that the healthcare system may need to adapt to this sustained higher demand for primary care services.

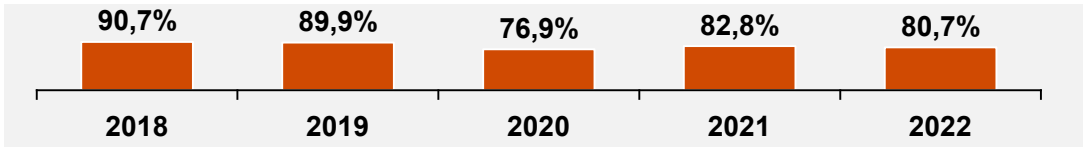
A significant hospital bed occupancy and hospital overcrowding rate as well as low rate of beds per capita has been observed

Hospitals – Market Supply

Number of hospital beds; in ths.



Inpatient curative bed occupancy rate; in %



Hospital beds pipeline by Health Service Executive (HSE) area; in units

Hospital beds pipeline	Delivered 2020-2024	Planned 2025-2031
HSE Dublin and Midlands	149	571
HSE Dublin and North East	419	623
HSE Dublin and South East	213	604
HSE Midwest	160	198
HSE South West	184	579
HSE West and North West	93	422

Regional discrepancies in hospital beds supply in Ireland

Over the past years, the supply of hospital beds has been growing. According to the data available, the number of hospital beds between 2020 and 2022 grew by ~2,1% on a yearly basis. The supply growth rate is similar between the private and public-owned hospital beds with a y-o-y increase of approximately 2,2% and 2,0%, respectively. The observed increase in hospital beds between 2020 and 2022 in both sectors accounted for 597 new hospital beds or a supply increase of ~4,1%.

Geographically, most of the hospital beds are held by hospitals in the Eastern and Midland region accounting for around 8,1k hospital beds or more than half (~54%) of total hospital beds supply.

According to the data available, the in-patient curative bed occupancy rate in Ireland, which stood at 80,7% in 2022 is the highest in the EU. The Economic and Social Research Institute of Ireland (ESRI) indicates that although the absolute and per capita public hospital inpatient bed capacity has increased in recent years, a large bed capacity deficit remains a significant problem in Ireland. Their scenario that assumes an 85% occupancy rate estimated a bed capacity deficit of around 1k in-patient beds in public acute hospitals in 2023. Moreover, this bed capacity deficit is likely a key contributor to recent overcrowding issues observed across public hospitals.

Namely, in 2023, Ireland reported a record-high hospital overcrowding rate. Over 121,5k patients have gone without a bed in Irish hospitals according to the Irish Nurses and Midwife Organisation (INMO). The most overcrowded hospitals include University Hospital Limerick (~21,1k patients), Cork University Hospital (~12,5k patients), University Hospital Galway (~8,9k patients), Sligo University Hospital (~8,1k patients) and St. Vincent's University Hospital (~6,6k patients). The high bed utilisation rate likely drives these regional capacity issues.

In response to the persistent issue described above, the State has, in 2024, committed to build 441 hospital beds. This initiative is particularly focused on hospitals experiencing high overcrowding rates (i.e. 184 beds will be delivered to University Hospital Limerick). Furthermore, the Government has outlined an encouraging investment pipeline to further increase hospital bed capacity. Between 2025 and 2031, nearly 3k additional inpatient beds – representing roughly 20% of the current supply – are planned to be added.

7



Retirement homes



Despite **observed gap in supply** of places, the potential of segment **is limited due to financial concerns**



Retirement homes

Key conclusions – Phase 1

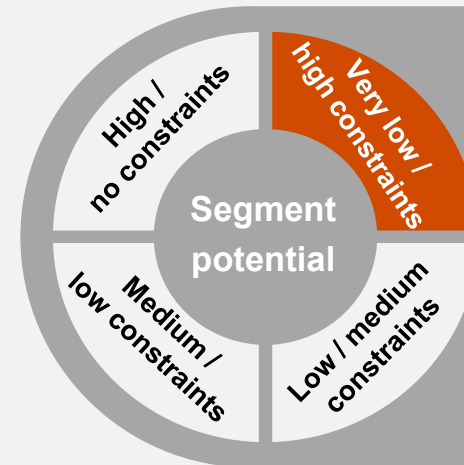
- Ireland's LTC system is managed by Health Service Executive, and is dominated by private players who hold 74% share receiving only 55% of funding
- The segment is characterised by large out-of-pocket payments with 176 EUR per inhabitant, which is significantly higher than EU average of 104 EUR
- One of the key issues in Ireland is worsening financial situation of nursing homes with 33% reporting operating losses, a situation that did not exist in 2017 driven by impacts of COVID-19 and the subsequent inflation
- HSE forecasts that in order to meet the demand of the ageing population additional 11k beds should be constructed. Our forecasts indicate the current gap will increase to about 28k by 2040.

Key conclusions – Phase 2

This segment has not been shortlisted for phase 2.



PwC Assessment



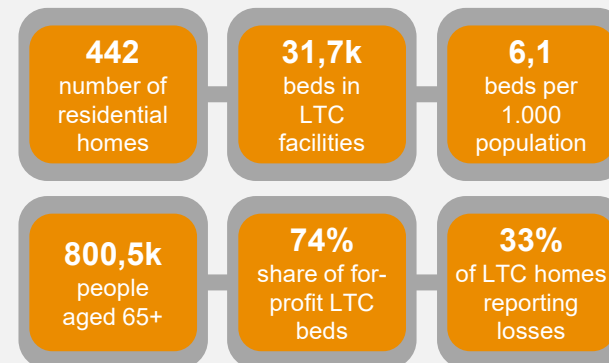
The poor financial performance has resulted in net reduction of 21 homes between 2019 and 2023



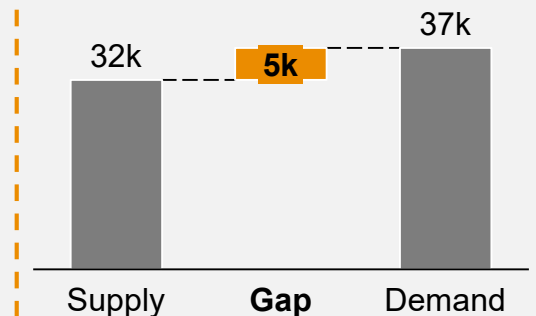
Rising share of population of 65+ coupled with limited investments will increase the existing gap in the medium term



Key Segment Data



Gap analysis



LTC in Ireland consists of various options, which are delivered through a combination of private and public services

Retirement Homes – General Overview

Organisation of the system

In Ireland, the Long-Term Care (LTC) system for the elderly is an integral part of the country's healthcare and social service framework. It is delivered through a combination of private and public facilities and services. Public long-term care is provided in The Health Service Executive (HSE) nursing homes and community nursing units, while private long-term care is provided in private nursing homes. Moreover, services for older people are provided by various agencies, including the Department of Social Protection, the local authorities and voluntary organizations.

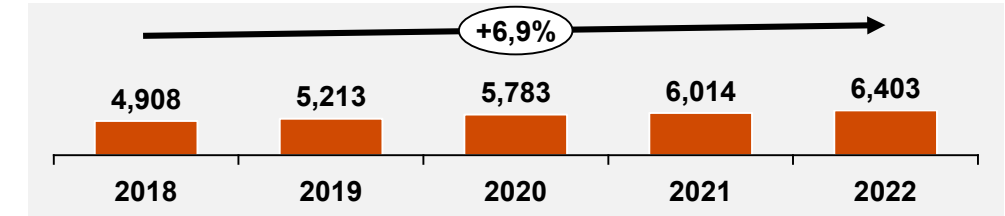
HSE also offers community care and home care support at the local level. One of its flagship programs is the Home Support Service, formerly known as the Home Care Package Scheme. This service aims to help older adults, aged 65 and over, continue living independently in their own homes. It provides necessary support to those who need assistance either to remain at home or to transition back home after a hospital stay. Importantly, the Home Support Service is offered free of charge.

The HSE provides a range of services for older people in the Irish community, including in-patient acute services, step-down and convalescent care, day services, rehabilitation, community services, home care and help. In Ireland, the main housing options available for the elderly include the following four options:

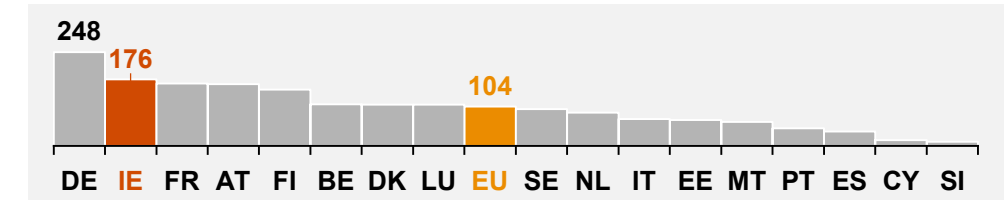
- **Residential homes** are one of the options available for elderly care in Ireland. These homes provide accommodation, meals, and basic care services.
- **Care homes** are similar to residential homes but offer more extensive medical care and services.
- **Nursing homes** are the most extensive option for elderly care, offering 24/7 medical care and attention.
- **Community-based care options** are non-profit organizations and volunteer groups, that provide social support and companionship to the elderly who wish to remain in their homes, as well as assistance with daily activities and healthcare needs.

Residential homes, care homes and nursing homes are often privately owned and operated, the cost of living in them can be rather high.

Long-term care (health) expenditure; EUR; in mil.



Out-of-pocket payment (LTC expenditure per inhabitant); in EUR



Fair Deal Scheme (Nursing Home Support Scheme – NHSS)

Under the Fair Deal Scheme, the elderly contribute a portion of the total cost of nursing home care, with the HSE covering the remaining balance, called the fair deal rate. It applies to approved private, voluntary and public nursing homes. However, it does not extend to short-term care options such as respite, convalescent, or daycare services, nor does it cover additional fees charged by nursing homes for services like hairdressing, therapies, or activities. According to ESRI, there are noted discrepancies in Fair Deal funding between public and private nursing homes¹. Additionally, the rate of inflation from 2020 to 2022 significantly surpassed the funding increases provided to nursing homes under the scheme.

Ireland has high life expectancy and a growing population aged 65+, yet its old-age dependency remains below the EU average

Retirement Homes – Key Drivers & Issues (1/2)

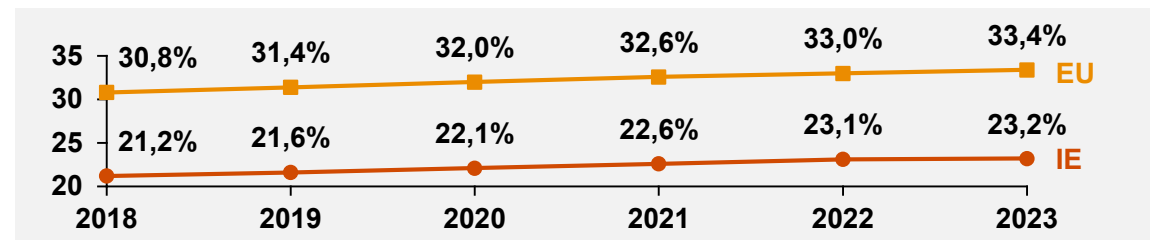
The average life expectancy in Ireland exceeds the EU average one

In line with one of the highest perceived health statuses reported in the EU, Ireland's average life expectancy at birth in 2022 was ~82,6 years, according to Eurostat's data. The difference between the life expectancy of males (80,9 years) and females (84,2 years) was about 3,3 years. Compared to the EU average of 80,6 years, Ireland's population is expected to experience longer life expectancy for both genders. This may indicate an increasing need for LTC services as individuals live longer, potentially with chronic conditions or disabilities that require extended care (see population aged 75+ increases).

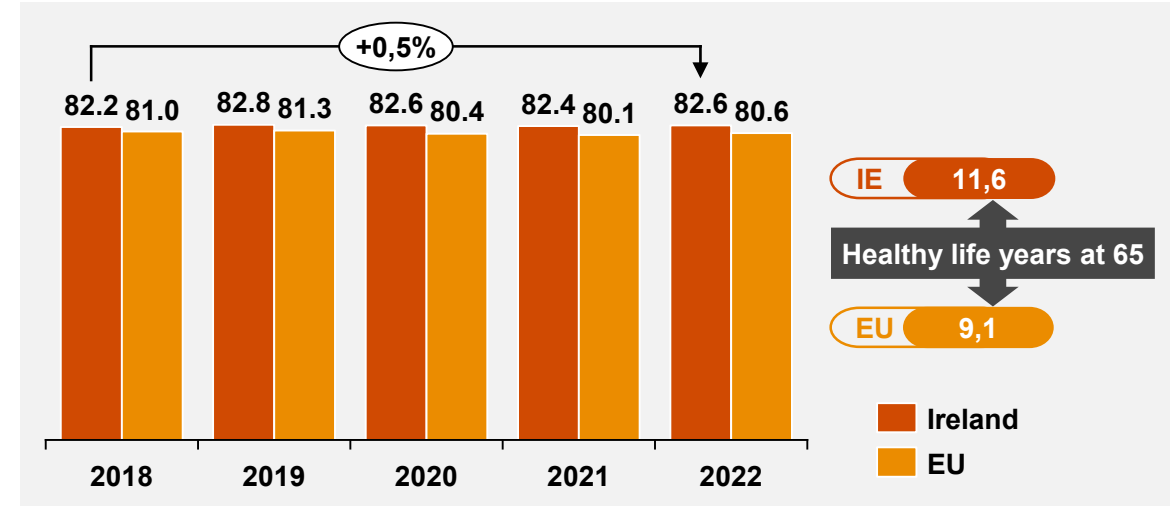
In 2022, the population aged 65 could on average expect to live for 20,5 more years, reaching 85,5. Males of the same age class could expect to live for 19,4 more years, reaching 84,4, and females for 21,6 more years, reaching 86,6. Out of the observed age group, males could on average expect to live healthy for 11,3 more years, while females for 11,9 more years, together averaging around 11,6 healthy life years at age 65. These figures are all well above the EU averages, indicating a pronounced trend in the aging population in Ireland, which may translate into an expected increase in demand for long-term care.

The old age dependency ratio is well below EU averages, being ~44% lower than the EU average. The main factors contributing to this are Ireland's positive net migration, high birth rates, and overall population growth, all of which correlate to an overall lower percentage of older population.

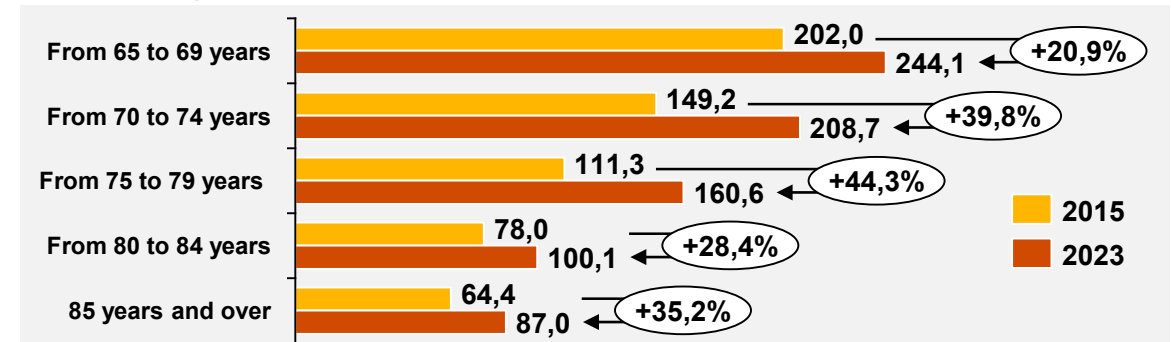
Old-age-dependency ratio; in %



Average life expectancy; in years



Population aged 65 and over; in ths.



Increased operating cost and closes of retirement homes have caused some regional availability issues

Retirement Homes – Key Drivers & Issues (2/2)

The Irish elderly prefer to age at home, but care worker shortage hinder this

The average weekly rate for nursing homes in Ireland was 1,192 EUR in 2024. The average Fair Deal rate stood at 950 EUR per week, while the average State Contributory Pension amounted to approximately 280 EUR per week. Notably, around 57% of workers estimate that they will rely solely on the State Pension as their only source of income in retirement. Combined, the Fair Deal rate and the State Pension just about cover the average cost of nursing home care, leaving little to no financial buffer for additional expenses. Affordability does not seem to be a pressing issue, as local news source mostly report about regional lack of supply of nursing homes. There were approximately 6k people on a waiting list for the HSE's Services for Older People in 2023, this further points to regional disparities.

Furthermore, a large segment of home care workers are themselves older, with 42% of healthcare support assistants aged 60+. Recruitment challenges are ongoing, as evidenced by a 2022 Nursing Homes Ireland survey, which found that 97,4% of respondents experienced difficulties in hiring healthcare assistants (HCAs). On average, nursing homes face 4,5 vacancies for healthcare assistants and 9,4 resignations each year.

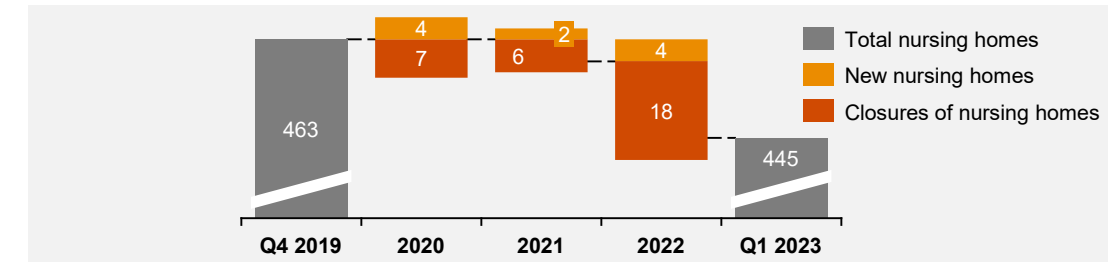
The State's intervention due to sector weaknesses exposed during COVID-19

The COVID-19 pandemic exposed weaknesses in Ireland's welfare and healthcare systems, particularly in the nursing home sector, which faced the highest rate of COVID-19 infections and high mortality rates. It also faced financial strain as nursing homes were subject to increased operating costs. This led to a yearly increase in the proportion of retirement home operators reporting operating losses, with the ratio rising from 0% in 2017 to 33% in 2022. This trend has been driven by rising operational costs which rose 36% since 2017, increased capital expenditure which increased by 82% since 2017, and an industry-wide staffing shortage. As a result, 31 homes have closed between 2019 and 2023, according to a report conducted by PwC Ireland. The closures were mostly small regional nursing homes in rural areas in particular, struggled to navigate the challenges presented. As a result, the State was required to intervene with significant resources, leading to the establishment of sector-specific financial support through the Temporary Assistance Payment Scheme (TAPS). It is estimated that over 132M EUR was provided through TAPS by the end of 2021, with private providers using the scheme extensively.

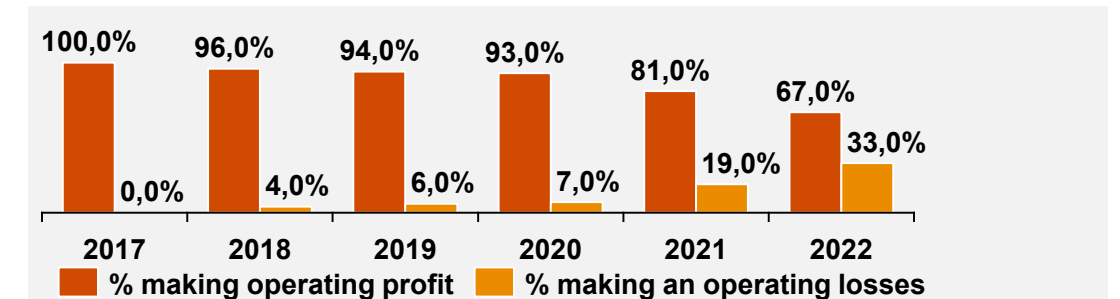
PwC

Sources: Eurostat, Health Service Executive (HSE), Central Statistics Office (CSO), Local news outlets, PwC Ireland, PwC analysis

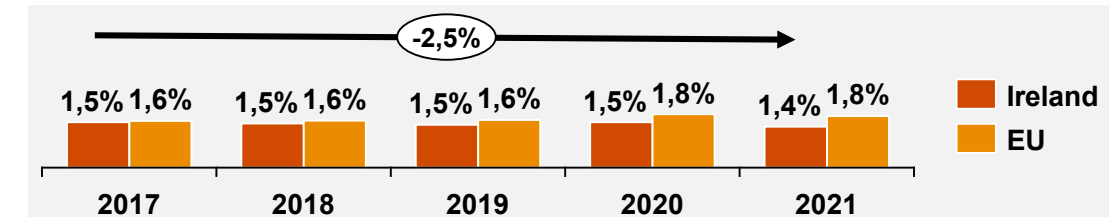
Breakdown of nursing home closures and openings, 2019-2023



Proportion of nursing homes reporting an operating loss



Long-term care (health) expenditure; in % of GDP



The expected growth in elderly as well as a large share of elderly at risk of poverty present key drivers for sectors' future demand

Retirement Homes – Demand

A substantial shift in Irish demographics is expected over the coming years

Ireland's aging population is expected to drive an increased need for elderly support in the near future. In 2023, there were approximately 800,5k people aged 65 and over, comprising about 15,2% of the total population. This reflects a net increase of around 109,1k people in this age group since 2019, marking a 15,8% rise. Despite having one of the lowest shares of elderly people among EU member states, alongside Luxembourg, the demographic profile in Ireland is expected to shift substantially over the coming decade.

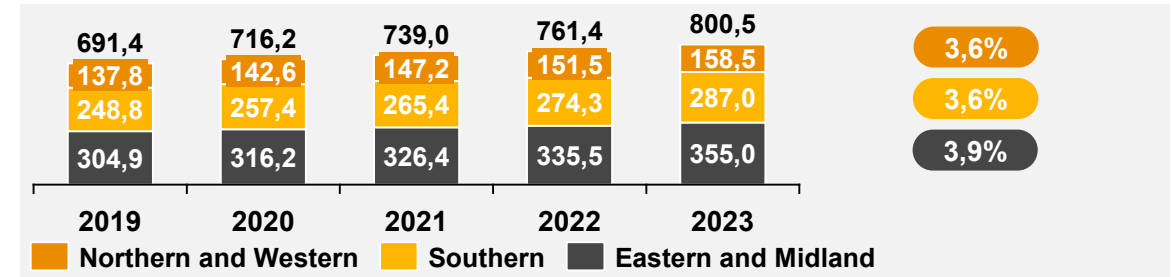
According to Eurostat, between 2019 and 2023, the population aged 65 years and over has been consistently growing by ~3,7% on a yearly basis. The largest y-o-y increase has been observed in the oldest age groups 75-79 years (~6,2%) and 80-84 (~3,5%). The Eastern and Midland region reported a slight above-average growth in population aged 65 years and over at around 3,9% on a yearly basis, followed by the Southern region and Northern and Western region which reported an elderly population y-o-y growth of 3,6%.

The argument for the expected demographic shift in Ireland over the coming years is further supported by population projections. Eurostat shows that in the following years, the number of elderly people in Ireland is expected to increase to 1,1M by 2035, amounting to around a 35% increase over the observed decade. Furthermore, according to Eurostat's' baseline population projections, the current number of elderly people is expected to double by 2050.

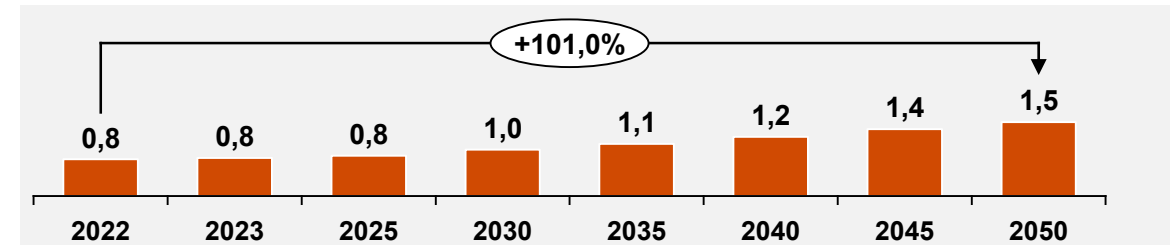
The number of beds per population aged 65+ has been decreasing since 2013, with a compound annual growth rate (CAGR) of -2.2%. This decline is due to the population aged 65+ growing faster than the increase in bed capacity.

Currently, around 143k (18.7%) of Ireland's population aged 65+ live at risk of poverty or social exclusion. Older people have seen the largest recent rise in poverty rates due to higher living costs. State measures, including the Fair Deal scheme, have significantly reduced elderly poverty rates, now approaching the EU average.

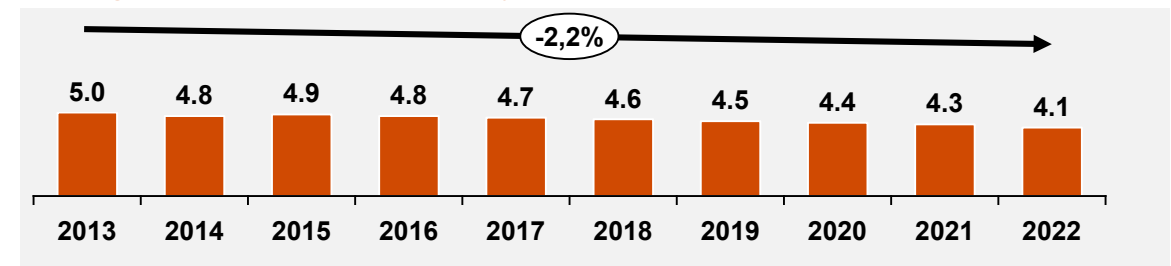
Population aged 65 years and over by region; in ths.



Baseline population projections for elderly aged 65 years or over; in mil.



Nursing home beds per 100 over 65 years population



Ireland's low growth of LTC beds, was caused by increasing development cost and closures of care homes

Retirement Homes – Supply

Since 2000s the private sector has become the dominant provider of LTC

According to the latest data available, there were 31,7k long-term beds across 558 LTC homes in 2022. Between 2018 and 2022, the number of long-term beds grew by 423 units, reflecting an increase in LTC bed supply of ~1,4%. However, when only the timeline since the pandemic was observed, a decrease of 336 LTC beds was observed. This is due to 31 closures of LTC homes, especially in rural areas and an increase in development cost per nursing home bed, which, according to a report conducted by PwC Ireland, have increased by 46% in rural areas and 49% in urban areas from 2017 to 2022. Bed reduction within public nursing homes also contributed to supply reductions, as nearly half recorded a decreased bed supply.

The HSE forecasts that, in order to meet the demands of an ageing population, Ireland will require 11k additional beds, a 36% increase in supply, by 2031. However, this target is unlikely to be met, as recent cost increases and operational losses in the sector have put significant pressure on providers, as evident in the 1% decline in supply from 2021 to 2022.

Across all counties, the majority of LTC beds are provided in private homes. The counties with the highest rate of private LTC bed provision include Kildare (90%), Meath (90%) and Wicklow (84%). These counties also rank among the highest in LTC beds per capita.

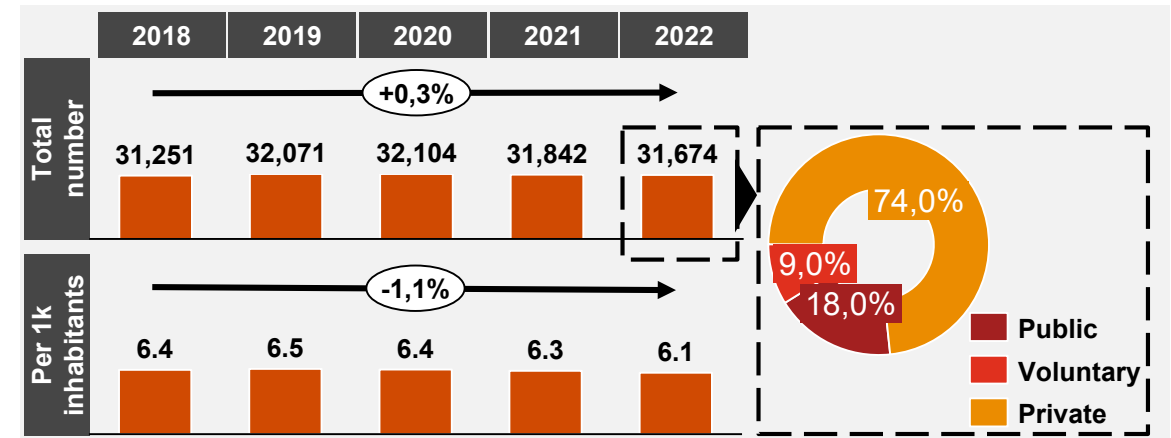
Until the early 2000s, public and voluntary homes were the main providers of beds in this segment. However, tax incentives introduced in the early 2000s and the establishment of the Fair Deal scheme in 2009 shifted dominance to the private sector by enhancing financial security and attracting both domestic and international operators. Concurrently, public and voluntary provisions declined due to fiscal constraints, public employment limits from the Great Recession and stricter regulatory requirements for facility upgrades.

According to the ESRI, 40% of nursing home beds in Ireland are controlled by 14 private operators. Despite their market dominance, private sector patients receive 55% less funding under the State's subsidy scheme compared to those in the public sector. This reliance on private supply may further lead to higher long-term care costs for Irish citizens in the future.

PwC

Sources: Eurostat, Health Service Executive (HSE), The Economic and Social Research Institute (ESRI), PwC analysis

Beds in nursing and other residential long-term care facilities



LTC beds across counties by % of population aged 65+ and over (ELD)

County	Beds	Supply (%)	ELD %
Ireland	31.674	/	15,2%
Dublin	8.433	26,6%	14,0%
Cork	3.634	11,5%	15,7%
Galway	1.792	5,7%	15,2%
Kildare	1.628	5,1%	12,3%
Meath	1.281	4,0%	12,4%
Limerick	1.241	3,9%	16,6%
Tipperary	1.182	3,7%	18,0%
Wicklow	1.123	3,6%	15,7%
Mayo	1.112	3,5%	19,4%
Wexford	1.014	3,2%	17,2%

