Bank of Ireland

# Healthcare Sector H1 2026 Insights and H2 2026 Outlook

July 2026

*Right with you*

## H1 2026 Insights

Ireland's healthcare sector remained resilient during the first half of 2026, supported by strong demographic demand, continued government investment and increasing private sector activity. Population ageing, rising prevalence of chronic disease and growing care complexity continue to drive demand across nursing homes, disability services, pharmacy, primary care, homecare and private hospitals.[1]

Nursing home occupancy remained close to capacity, while providers reported residents entering care later in life with increasingly complex health and support needs. Rising payroll, regulatory and operational costs continued to pressure provider margins despite increases in Fair Deal funding.[2]

Demand for disability services continued to grow, supported by increasing government investment and ongoing expansion of residential and community-based services. Home care gained further strategic importance as policy continued to prioritise independent living and care closer to home, with record levels of home support delivered during the period.[3]

Community pharmacy entered a significant new phase following implementation of the Community Pharmacy Agreement and expansion of pharmacists' clinical role through the Common Conditions Service. Private hospitals continued investing in diagnostics, specialist services and capacity expansion as demand for elective procedures remained strong.[4]

Healthcare remained an attractive investment sector, supported by continued investment, expansion and consolidation activity across a broad range of healthcare services, reflecting long-term confidence in sector fundamentals. Business sentiment remained positive, supported by strong underlying demand, although workforce shortages, funding adequacy and cost inflation continue to present operational challenges.[5]

## Key Trends

- Nursing home occupancy remained near full occupancy at 94.9%, while premium facilities attracted EBITDA multiples of 12x-13x, reinforcing strong demand fundamentals and ongoing consolidation opportunities.[6]
- Government funding for disability services increased to €3.88bn, including €2.2bn allocated to residential services, supporting continued expansion of residential and community-based care.[7]
- An additional 2,197 disability residential places are required nationally, highlighting significant investment opportunities across disability accommodation, supported living and respite services.[8]
- Homecare is becoming an increasingly important component of healthcare delivery, with a record 26.7 million home support hours delivered during 2025 and demand projected to increase by 91% by 2040, reflecting the continued shift towards community-based care and ageing in place.[9]
- Community pharmacy continues to evolve as a key component of primary care, with prescription medicine values increasing by 9.5% as demand for chronic disease management and enhanced clinical services grows.[10]

# Market Dynamics, Conditions & Drivers

Healthcare demand continues to be driven by structural demographic trends rather than economic cycles. Ireland's ageing population, increased life expectancy and rising incidence of chronic disease continue to underpin growth across residential care, disability services, pharmacy, home care and private healthcare.

## Nursing Homes

Demand for residential care remains exceptionally strong. Average occupancy reached 94.9%, while providers continue caring for residents with increasingly complex physical and clinical needs. Staff costs represented 60.9% of revenue and average care hours increased to 3.85 hours per resident per day. Fair Deal rates increased to approximately €1,299 per resident per week; however, labour, regulatory and operating cost inflation continues to pressure profitability.[11]

Capacity remains constrained. National nursing home bed stock declined by 116 beds during the last twelve months (LTM), while approximately 605 additional beds are planned and the ESRI estimates that 1,039 nursing home beds will be required annually to meet future demand. Investment activity remains robust, with continued consolidation and premium valuations of 12x-13x EBITDA reported for modern Dublin-based facilities, reflecting strong investor confidence in long-term sector fundamentals.[12]

### Nursing Home Capacity Gap[13]

94.9%
Occupancy

-116
Beds Lost (LTM)

+605 Beds
Planned Expansion

+1,039 Beds
Annual Requirements

## Disability Services

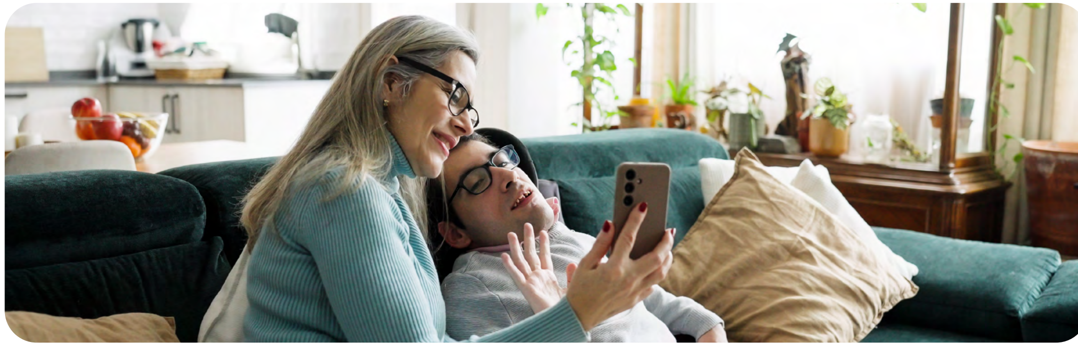
Disability services continue to experience sustained growth. In the most recent reporting period, 38,288 adults accessed HSE-funded disability services, representing annual growth of approximately 10%. Government investment remains substantial, with total disability services funding reaching €3.9bn in 2026, including €2.2bn allocated to residential services. Approximately 90 providers currently operate 8,911 residential disability placements nationally.[14]

Future demand highlights a significant capacity gap. Current planning estimates indicate a requirement for an additional 2,197 residential disability places, alongside further day-service, respite and home support capacity. This represents one of the most significant healthcare infrastructure opportunities over the medium term.[15]

### Disability Residential Capacity Gap[16]

| Residential Capacity | Places |
|---|---|
| Current Capacity | 8,911 |
| Additional Places Required | 2,197 |
| Future Requirement | 11,108 |

+25%
Residential Capacity Required



## Home Care

Home care continues to emerge as a strategic priority as healthcare policy increasingly focuses on supporting independent living. Latest available data indicates that 26.7 million hours of home support were delivered to approximately 60,100 people, with independent providers delivering 68% of total home support hours nationally. Despite record investment, approximately 5,600 people remained on waiting lists.[17]

Long-term demand fundamentals remain compelling .Home care support currently reaches only around 7% of Ireland's population aged over 65, while the ESRI projects demand for home support services could increase by up to 91% by 2040, while Ireland's population aged over 65 is projected to double by 2050. These trends support continued growth across home care, assisted living and community healthcare infrastructure.[18]

### Home Care Growth Opportunity[19]

26.7m
Home Support Hours

60,100
Service Users

5,600
Waiting List

68%
Independent Provider Share

+91%
Demand Growth by 2040

## Community Pharmacy

Community pharmacy continues to evolve following implementation of the Community Pharmacy Agreement. Strong prescription growth, expanded clinical services and ongoing digital investment are strengthening the sector's role within primary care. Pharmaceutical sales increased by 3.9% during Q1 2026, while prescription medicine values increased by 9.5% and prescription volumes increased by 5%. Increasing utilisation of the Common Conditions Service is further expanding pharmacists' role in the delivery of frontline healthcare services.[20]

Despite rising operating costs, M&A activity remains active, with an estimated 98 pharmacy transactions completed between 2023 and 2025.[21] Continued consolidation reflects robust investor confidence and attractive long-term sector fundamentals. Community pharmacy is expected to play an increasingly important role in primary care delivery as healthcare policy continues to support care in the community.

### Community Pharmacy Growth [22]

+3.9%
Pharmaceutical Sales

+9.5%
Prescription Values

+5.0%
Prescription Values

98
Pharmacy Transactions (2023-2025)

## Private Hospitals & Technology

Private hospitals continue investing in operating theatres, diagnostics, outpatient services and specialist care. Rising elective care demand, increasing private health insurance membership and persistent public waiting-list pressures continue to support activity levels.

Artificial intelligence and digital transformation are becoming increasingly important across healthcare, including private hospital operations and patient care pathways. Providers continue investing in electronic health records, remote monitoring, digital prescribing and automation technologies, while Ireland's AI for Care Strategy 2026-2030 provides a framework for future adoption.


## H2 2026 Outlook

The outlook for Ireland's healthcare sector remains positive, supported by favourable demographics and continued investment across residential care, disability services, pharmacy, homecare, primary care and private hospitals.

Demand is expected to remain strong as Ireland's population continues to age and healthcare increasingly shifts towards community-based and home-based models of care. Home care is expected to become a more significant component of healthcare delivery, with demand projected to increase by up to 91% by 2040.

Consolidation is expected to continue across the healthcare sector, while investment in disability services, home care, private hospitals and primary care infrastructure is expected to continue. The requirement for an additional 2,197 residential disability places highlights the scale of future investment opportunities within social care infrastructure. [23]

Operators with modern infrastructure, strong governance frameworks and the financial capacity to invest are expected to be best positioned to capitalise on future growth opportunities. Digital health technologies, artificial intelligence and integrated care models are also expected to become increasingly embedded within healthcare delivery. Despite ongoing challenges relating to workforce availability, operating costs and regulation, healthcare remains one of Ireland's strongest long-term growth sectors.

# Strategic implications and action points

Healthcare continues to present significant opportunities for investors, lenders and healthcare operators. Demand is being driven by long-term demographic trends rather than economic cycles, creating a resilient investment environment across residential care, disability services, homecare, pharmacy and community healthcare.

Capacity constraints remain evident across nursing homes, disability services and homecare, creating opportunities for providers with the ability to expand, modernise and scale operations. Nursing home development, disability accommodation, supported living facilities and community-based care infrastructure are expected to remain key areas of investment demand. Stakeholders should prioritise workforce attraction and retention strategies, cost management, regulatory compliance and digital transformation. Investment in artificial intelligence, electronic health records, automation and data-driven care delivery is expected to improve productivity and support service quality as demand continues to grow.

Consolidation is also expected to continue across nursing homes and community pharmacy, creating opportunities in acquisition finance, refinancing and succession planning. Providers with modern infrastructure, strong governance and access to capital are likely to be best positioned to capture future growth.

Over the longer term, population ageing, increasing care complexity and the continued shift towards community-based care models are expected to underpin sustained demand across the healthcare sector, supporting continued investment in capacity expansion, technology and integrated care delivery.

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Sources: [1] BDO/Nursing Homes Ireland Biannual Pulse Survey Report, June 2026; HCCI Pre-Budget Submission 2027 [2] BDO/Nursing Homes Ireland Biannual Pulse Survey Report, June 2026 [3] Department of Children, Disability and Equality; HSE National Service Plan 2026; HCCI Pre-Budget Submission 2027 [4] Pharmacy Circular NCO-22-2025 Community Pharmacy Agreement 2025, September 2025. [5] BDO/Nursing Homes Ireland Biannual Pulse Survey Report, June 2026; Pharmacy Pulse Report Q1 2026 [6] BDO/Nursing Homes Ireland Biannual Pulse Survey Report, June 2026; PKF Brenson Lawlor Irish Nursing Home Sector Report 2026 [7] Department of Children, Disability and Equality; HSE National Service Plan 2026 [8] Department of Children, Disability and Equality; HSE National Service Plan 2026 [9] HCCI Pre-Budget Submission 2027, July 2026; [10] Pharmacy Pulse Report Q1 2026 [11] PKF Brenson Lawlor Irish Nursing Home Sector Report 2026; BDO/Nursing Homes Ireland Biannual Pulse Survey Report, June 2026; HCCI Pre-Budget Submission 2027 [12,13] PKF Brenson Lawlor Irish Nursing Home Sector Report 2026 [14] HRB Disability Services Data 2025; Department of Children, Disability and Equality; HSE National Service Plan 2026 [15] Department of Children, Disability and Equality; HSE National Service Plan 2026 [16] ESRI, Projections of national demand and bed capacity requirements for older people's care in Ireland, 2022–2040,2025 [17] HCCI Pre-Budget Submission 2027, July 2026 [18] ESRI, Projections of national demand and bed capacity requirements for older people's care in Ireland, 2022–2040,2025 [19] HCCI Pre-Budget Submission 2027, July 2026; ESRI, Projections of national demand and bed capacity requirements for older people's care in Ireland, 2022–2040,2025 [20] Pharmacy Pulse Report Q1 2026 [21] Pharmacy Pulse Report Q1 2026 [22] Pharmacy Pulse Report Q1 2026 [23] Department of Children, Disability and Equality; HSE National Service Plan 2026