

ESRI Opening Statement to the Joint Committee on Housing, Local Government and Heritage

20 January 2026

Let me begin by thanking the Chair for the invitation to the ESRI to appear before the Committee and for the opportunity to discuss ESRI research on Ireland's changing demographics, and what these changes imply for our communities, economy, and policy. I am Dr Adele Bergin, and I am joined by my colleagues Dr Paul Egan, Dr Rachel Slaymaker and Dr Conor O'Toole.

While Ireland's population is projected to continue growing over the period from 2022 to 2040, the composition of that population is shifting significantly. The proportion of older people is increasing, while the share of working-age adults and younger people is gradually declining. These trends have important implications for labour supply, economic growth, public services, and housing demand. Understanding these changes is essential to ensuring that policy is aligned with demographic realities.

Our projections are based on a set of clearly defined demographic assumptions rather than forecasts. Life expectancy is expected to continue rising, while fertility is projected to remain low and broadly stable. As a result, population ageing emerges as a long-term structural feature of Ireland's demographic outlook. International migration is the most important driver of population growth, but it is also the most uncertain component, requiring a range of scenarios rather than a single point estimate.

National Population Trends

Our research indicates that Ireland's total population is projected to rise from 5.2 million in 2022 to just over 6.1 million by 2040, an increase of approximately 922,000 people. Alternative migration assumptions produce total populations ranging from around 5.9 million to 6.3 million by 2040. This represents very strong population growth by international standards, but one that is highly sensitive to migration flows.

The age structure of the population is shifting noticeably. The share of the population aged 65 and over is projected to increase from 15 per cent in 2022 to around 21 per cent by 2040. Over the same period, the working-age population (generally defined as those aged 15 to 64) is expected to decline as a share of the total, from around 65 per cent to 63 per cent. The proportion of children and young people aged 0-14 is projected to decline from 20 per cent to around 16 per cent. While this headline stability suggests continued substantial numbers of young people, their contribution to overall population growth is smaller than in the past. In some scenarios, the number of children declines modestly, and younger age groups form a relatively smaller share of the population compared with older cohorts.

These shifts matter because population change is not only about total numbers, but about where people are in the life course. A population with fewer children and more older adults generates very different demands for schools, healthcare, transport, housing, and community services. Even relatively small net outflows of young adults can have cumulative effects over time, leading to fewer families, fewer children, and a

progressively older population structure. Once established, these patterns are difficult to reverse and should be understood as long-term structural change rather than short-term fluctuation.

Younger Populations and Labour Supply

Although ageing often dominates discussion, trends among younger cohorts are equally important. A more slowly growing base of young people implies weaker growth in future labour supply, with implications for economic growth and the sustainability of public finances. Recent ESRI research highlighted that a declining proportion of working-age individuals will reduce the labour input contribution to output, lowering Ireland's long-run potential growth rate.

Maintaining adequate labour supply will therefore require continued attention to education, skills development, and labour market participation, alongside sustained inward migration. While migration tends to bring in younger adults and supports population growth, it does not fully offset population ageing. Supporting younger cohorts in accessing education, employment opportunities, and housing is essential to sustaining economic growth while meeting the needs of an older population.

Regional and County Patterns

Demographic change is unevenly distributed across counties and regions. Parts of the Eastern and Midland region, particularly Dublin, Kildare and Meath, are projected to experience faster population growth, driven by inward migration and stronger local economic conditions. These areas are more likely to attract younger adults and families, helping to sustain labour markets, schools, and public services.

In contrast, many counties in the western and border regions are projected to experience slower growth and more rapid population ageing. Even where total population continues to rise, slower growth or stagnation among younger age groups can create challenges in sustaining schools, healthcare facilities, transport networks, and local economies.

Research shows that once these demographic patterns become established, they can become self-reinforcing, particularly in areas distant from major employment centres. As younger adults leave or fail to arrive, household formation slows, school enrolments decline, and the viability of local services comes under pressure. Reduced services and fewer opportunities can, in turn, make these areas less attractive to younger households.

Viewed through a rural depopulation lens, these dynamics highlight that the key issue is often not absolute population decline, but changes in age structure. The loss or absence of younger adults has disproportionate effects on community sustainability, housing demand, service provision, and long-term regional balance.

Demographic shift also leads to higher dependency rates, as the proportion of older adults relative to the working-age population increases. However, the impact will vary significantly across counties. Elevated old-age dependency ratios in certain regions will

add additional strain to healthcare systems, and other services, while also posing challenges for maintaining regional economic productivity.

Implications for Housing Strategy

The changing population structure has direct implications for housing strategy. Housing demand is shaped not only by population growth, but also by household formation across the life course. Declining household size and changes in household formation behaviour can place upward pressure on housing demand, even where population growth moderates. At the same time, housing constraints can delay household formation among younger adults, with implications for labour mobility and family formation.

Growth in the number of households is projected to remain substantial over the coming decades. Younger adults will continue to drive demand for rental and owner-occupied housing in higher-growth areas, while population ageing will increase demand for smaller, accessible homes that support ageing in place.

Regional variation further complicates housing planning. High-growth areas must ensure that supply keeps pace with demographic pressures, while areas experiencing slower growth and more rapid ageing may require targeted interventions to sustain housing markets and community services. Estimates of structural (or demographic-driven) housing demand are around 44,000 homes per year from 2023-2030 and about 40,000 per year from 2030-2040. However, under a Baseline population scenario, structural demand over the period to 2030 could range between roughly 38,000 and 50,000 homes per year, depending on household size and housing obsolescence assumptions.

Policy Considerations

Several policy implications arise from these demographic projections. Sustaining labour force participation, particularly among younger cohorts, will be critical for economic growth and public finances. Migration will continue to influence population outcomes, but cannot fully offset ageing. Housing strategy must be closely aligned with demographic realities to ensure appropriate and affordable housing across age groups and regions.

While ageing has received significant attention, trends among younger populations remain central to Ireland's long-term economic and social trajectory. Supporting younger cohorts through education, employment opportunities, and housing access is essential to maintaining balanced regional development and resilient communities. Targeted investment in skills, infrastructure, and services can further strengthen these efforts, ensuring that younger populations are equipped to contribute to economic growth and sustain regional development

Conclusion

Ireland's population is expected to grow steadily to 2040, but the age structure will change in ways that affect labour supply, housing demand, public services, and

regional development. The rising share of older people and more limited growth among younger cohorts underline the importance of treating demographic change as a long-term structural issue. Aligning policy across education, labour markets, migration, housing, and regional development with these realities will be critical to supporting sustainable growth, vibrant communities, and equitable outcomes across generations.