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Private equity investment in long-term care: The case of Ireland

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ABSTRACT

Background: Private equity (PE) firms are key actors in the financialisation of health care systems. Yet, research rarely focuses directly on these firms and related private for-profit actors involved in financialisation. Moreover, existing work mostly concerns the United States, while several key health care sectors remain under-researched.
Objective: This study examines the factors driving PE investment in long-term care (LTC) and the strategies PE firms use to enter and expand within the sector.
Methods: We conduct a thematic analysis of 20 in-depth interviews with expert informants, including senior executives from PE firms, financial investors and private for-profit providers. These interviews shed light on the role of PE in Ireland's LTC sector, specifically within nursing homes and home care.
Results: Five key factors attract PE investment in Irish LTC: demographic trends, market composition, risk diversification, and the characteristics of state funding and regulation. In nursing homes, PE uses the "OpCo/PropCo" (operating company/property company) model. In home care, PE enters via global investments in parent companies, direct acquisitions of Irish firms, and master franchise agreements.
Conclusions: Examining private for-profit actors through key officials central to PE growth in LTC provides valuable insights into the financialisation of health care systems. This approach enhances our understanding of business interests driving investment in European LTC.

Research in context

What is already known about the topic?

PE firms drive the financialisation of health care, yet research rarely focuses on these private for-profit actors. Most studies examine the United States and leave key sectors underexplored.

What does this study add to the literature?

This study examines the private for-profit actors and key officials driving PE expansion in long-term care (LTC), offering new insights into the factors explaining the financialisation of health care systems. It highlights the strategies PE firms use to enter and grow within the sector and enhances our understanding of the business interests shaping investment in European LTC.

What are the policy implications?

Policymakers should carefully assess how regulatory frameworks shape PE investment in LTC. While regulation can provide market stability, it may also incentivise financialised ownership structures that prioritise investor returns over care quality. Strengthening oversight mechanisms is essential to ensure that PE involvement aligns with the public interest.

1. Background

Private equity (PE) firms raise large pools of capital from institutional investors and wealthy individuals to acquire assets that they typically hope to resell within 3–7 years for substantial returns [1,2]. To maximise returns, PE firms typically push for rapid growth through asset-stripping, market consolidation, and financial engineering [3]. In this sense, "PE financialises health care, using health care entities as a means to extract wealth for investors" [3] (p.531). Financialisation in health care is a process by which financial actors increasingly own and operate health care provider organisations [4].

LTC markets and the increasing significance of private for-profit provision has served as fertile ground for the influx of institutional financial actors such as PE in recent years [5,6]. Without an established

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LTC market and private for-profit providers, fewer opportunities exist for institutional investors to take over [5]. Existing research on LTC financialisation remains focused on the United States [4,7], although European systems have begun to receive attention [5,6]. The impact of financialisation on care quality has been examined, with evidence linking PE ownership to poorer care outcomes [8,9]. The interactions between PE and Real Estate Investment Trusts (REITs) have also been documented [7,10]. REITs are institutional investors that own or finance income-generating properties and distribute rental income as dividends [11].

However, there are still significant knowledge gaps — including a "pressing need for research" into the "emergence of private equity investments in specific health care sectors" and "the strategies used by firms" [12] (p. 629). Accordingly, this paper examines the long-term care (LTC) segment of health care, where PE firms have gained a significant foothold but remain overlooked outside the United States. Specifically, our study uses a case study of Ireland to (1) outline and explain the factors driving PE investment in LTC, and (2) examine the key strategies that PE firms use to enter and expand in LTC. The paper relies on in-depth interviews with expert informants from the private for-profit LTC industry, including prominent chief executives and senior management figures at PE firms and REITs. This contributes to overcoming the acknowledged difficulties with accessing health care corporate elites [13] and thus provides an important business perspective on PE involvement in LTC that is currently missing in the literature.

2. PE and Ireland's long-term care system

Ireland's formal LTC system comprises residential (nursing homes) and domiciliary (home care) services. LTC is delivered by a mixed system of providers, including public (Health Service Executive), private for-profit, and non-profit. In 2023, private for-profit nursing homes provided 81 % of total beds in Ireland compared to the public sector which provided 16 % and non-profit nursing homes accounting for 3 % [14]. In home care, private for-profit providers (and a small number of non-profits) deliver 61 % of home care hours and public provision accounts for 39 % [15]. This current delivery mix is the result of significant privatisation in both domiciliary and residential care over the last several decades [16–19]. Working conditions for care workers remain difficult, in line with the situation in other countries [20,21].

Irish LTC is integrated within the national health and social care system (Health Service Executive — HSE). The horizontal integration of Ireland's LTC system is relatively unique in a European context, where LTC is typically characterised by a fragmentation of health and social care services that are governed and financed across different levels [22]. As such, Irish LTC can also be understood in relation to the broader health care system. Indeed, LTC is a central component of the Irish state's objective to shift care out of acute hospital settings towards the community. This objective is explicitly outlined in Sláintecare — which is the HSE and Department of Health's policy programme to reform Ireland's health and social care system to ensure universal access to services based on need rather than ability to pay [23,24]. In this sense, Sláintecare highlights LTC as a key pillar of Ireland's health and social care policy agenda.

The HSE manages the operation and provision of health and social care services at a national level, while also funding and directly providing a significant portion of LTC [25]. Alongside the HSE, there are two other main public bodies involved in the governance of LTC. The Department of Health is responsible for policy and strategic oversight at a national level [25], while the Health Information and Quality Authority (HIQA) is the independent regulator that monitors the quality and safety of health and social care providers. Since 2009, HIQA regulates and inspects all nursing home care providers in Ireland's LTC sector. In contrast, home care services remain lightly regulated, fragmented and of uneven quality, with no automatic entitlement to services [26] – although a major regulatory scheme is in the process of being finalised [27]. The proposed landmark statutory scheme would transform home care radically by providing entitlements to domiciliary services and implementing tighter regulation.

Public funding for LTC was €2.5 billion in 2023, over 10 % of the total health and social care budget [28]. The majority of public expenditure on LTC is spent on nursing home service provision, reaching 55 % of the total budget for older people [25]. In terms of specific financing mechanisms, the state is the main funder of LTC in Ireland, but co-payments and privately funded care are also important. The Nursing Home Support Scheme (NHSS) — generally referred to as the 'Fair Deal' scheme — was introduced in 2009 as the state's flagship financial policy instrument for the nursing home sector. Public funding for the Fair Deal scheme is provided through general taxation and pay-related social insurance contributions. Under the Fair Deal scheme, nursing home residents contribute towards the cost of their care (depending on their means) and the state pays the remainder. In practice, approximately 75 % of the cost of a Fair Deal resident is covered by the state, with the remainder covered by the resident [29].

In home care, through the Home Support Service, the HSE assesses service users' needs and allocates care delivery to itself through direct public provision or to approved private for-profit and non-profit providers through competitive tendering. When home care is outsourced via the tendering system, the HSE funds private providers to deliver a specified number of hours of care. In addition, there is a private pay market in which individuals pay providers out-of-pocket, often to top up hours paid for by the HSE. This is due to a lack of service provision in some regions, where individuals with a medical card — a public healthcare entitlement determined primarily by household income that allows the cardholder to access a range of services free from co-payment or at a reduced cost — are prioritised [28].

In recent years, PE involvement in Irish LTC has grown but remains under-researched [15,30,31]. LTC marketisation and the dominance of private for-profit provision has created a fertile environment for their growth [15,30]. In the nursing home sector, PE firms have entered and expanded dramatically. In 2016, PE funds were largely non-existent, but by 2022, 14 out of the top 15 nursing home operators (in terms of beds) were either partially or fully owned by PE funds and/or REITs [30]. Indeed, the top 10 PE funds and REITs (in terms of beds) held 31 % of total nursing home beds in Ireland in their portfolios in 2022 [30] — see Table 1. Government expenditure also serves as a useful proxy for the market share of PE and REIT owned nursing homes. Between 2017 and 2022, the amount of government funding received by the top 10 nursing home groups (all of which are PE and/or REIT owned) nearly doubled from 14 % to 27 % of overall government expenditure — see [30] and Table 2. In the home care sector, the top 4 private providers (Bluebird, Comfort Keepers, Home Instead [now renamed Dovida] and Irish Homecare) in terms of public funding received are currently all PE-owned. In 2023, those 4 care providers received 25 % of overall government spending on the home care sector [32].

3. Methods

3.1. Data collection and participant selection

We conducted 20 in-depth, semi-structured interviews with senior executives/officials (e.g., CEO, Chief Investment Officer, senior managers) at relevant LTC stakeholders (see Appendix A for an anonymised list). Expert informants worked at PE firms or REITs ($n = 7$), private for-profit care groups ($n = 7$), as well as private for-profit industry associations ($n = 2$), an Irish bank ($n = 1$), the HSE ($n = 1$), HIQA ($n = 1$), and the Department of Health ($n = 1$). In total, 22 h of interviews were recorded, which were transcribed semi-verbatim. All interviews took place between January 2023 and May 2025. Interviewees were identified and recruited through purposive sampling, where the guiding logic was to collect the most relevant data to address the research questions, in terms of being rich in information or insights [33]. Purposive

Table 1
Top 10 financial investment funds involved in Ireland's nursing home sector in 2022 – type and market share (in terms of beds). Source: Reproduced from O'Neill, 2024 [30].

Position	Investment fund	Type & country of origin	Nursing home operator	Number of homes	Market share [1] in homes (%)	Number of beds	Market share [2] in beds (%)
1	Euryale Pierval Santé	Real estate (France)	Sonas, Grace/Vivalto, Virtue/Emera	25	4 %	1994	6 %
2	Cardinal Capital	Private Equity (Ireland)	Mowlam	25	4 %	1436	5 %
3	Aedifica	Real estate (Belgium)	Virtue, Coolmine, Mowlam, Bartra	14	3 %	1314	4 %
4	Infravia	Private Equity (France)	Carechoice	13	2 %	1291	4 %
5	Waterland	Private Equity (Netherlands)	Silverstream	11	2 %	750	2 %
6	AXA IM	Real estate (France)	Mowlam	11	2 %	636	2 %
7	Primonial	Real estate (France)	ORPEA (First Care)	6	1 %	552	2 %
8	Care Property Invest	Real estate (Belgium)	Silverstream, Trinity/ DomusVi	8	1 %	555	2 %
9	JWP	Private Equity (China)	Evergreen	10	2 %	565	2 %
10	Cofinimmo	Real estate (Belgium)	Trinity/DomusVi	7	1 %	491	2 %
			Top 5 totals	88	15 %	6785	21 %
			Top 10 totals	130	22 %	9584	31 %

[1] Market share in terms of homes (%) calculated as the ratio of the number of nursing homes held by each investment fund to the total number of registered homes in the state in 2022.
[2] Market share in terms of beds (%) calculated as the ratio of the number of beds held by each investment fund to the total number of registered beds in the state in 2022.

Table 2
Top 10 private for-profit groups involved in Ireland's nursing home sector in 2022 (in terms of beds). Source: Reproduced from O'Neill, 2024 [30].

Position	Nursing home group	**Operations investor/ ownership**	**Property investor/ ownership**	**No. of beds**	**Market share [1] in beds (%)**	**No. of nursing homes**	**Market share [2] in homes (%)**	**Fair Deal funding received (€ million)**	**Market share [3] in funding (%)**
1	ORPEA (now rebranded as "Emeis" in Ireland)	Orpea/Brindley	Primonial (6 homes), Orpea/Brindley	2104	7 %	23	4 %	€54,802,474	5 %
2	Mowlam Healthcare	Mowlam/ Cardinal Capital	AXA IM (11 homes), Mowlam/Cardinal	1436	5 %	25	4 %	€37,328,858	4 %
3	Carechoice	Carechoice/ Infravia	Carechoice/Infravia	1291	4 %	13	2 %	€37,110,988	4 %
4	Virtue Integrated Care	Virtue/Emera	Euryale Pierval Santé (6 homes), Aedifica (7 homes), Virtue/Emera	1228	4 %	13	2 %	€28,372,557	3 %
5	Trinity Care	Trinity/DomusVi	Cofinimmo (7 homes), Care Property Invest (2 homes), Trinity/ DomusVi	937	3 %	12	2 %	€28,780,703	3 %
6	Silverstream Healthcare	Silverstream/ Waterland	Aedifica (3 homes), Care Property Invest (4 homes), Silverstream/ Waterland	750	2 %	11	2 %	€13,016,202	1 %
7	Grace Healthcare	Grace/Vivalto	Euryale Pierval Santé (7 homes), Grace/Vivalto	688	2 %	9	2 %	€24,450,352	2 %
8	Sonas	Sonas	Euryale Pierval Santé (7 homes), Sonas	642	2 %	12	2 %	€15,290,748	2 %
9	Evergreen Care	Evergreen/JWP	Evergreen/JWP	565	2 %	10	2 %	€15,068,902	2 %
10	Aperee/Ditchley Group	Aperee/Ditchley	Aperee/Ditchley	563	2 %	10	2 %	€14,381,960	1 %
			Top 5 totals	6996	22 %	86	15 %	€186,395,580	19 %
			Top 10 totals	10,204	32 %	138	25 %	€268,603,743	27 %

[1] Market share in terms of beds (%) calculated as the ratio of the number of beds held by each nursing home group to the total number of registered beds in the state in 2022.
[2] Market share in terms of nursing homes (%) calculated as the ratio of the number of care homes held by each group to the total number of registered homes in the state in 2022.
[3] Market share in terms of Fair Deal funding (%) calculated as the sum of Fair Deal funding received by each individual nursing home in each group as a ratio of the government's total Fair Deal spend in 2022.

sampling was combined with snowballing — where participants were asked to introduce the researchers to other people who may be useful to engage with regarding the topics discussed. Finally, interview data were supported by a survey of key documents (industry and government reports, parliament debates, media articles) on the topic to corroborate important pieces of information.

3.2. Data analysis

Interview transcripts were examined using thematic analysis [34, 35]. Specifically, our analysis involved organising the data into categories aligned to the research questions of the paper, open coding for emerging concepts, identifying patterns across those codes, condensing those pattern codes into themes, and explaining the findings represented by those themes — in line with established frameworks for qualitative analysis [36,37]. Overall, the qualitative approach enabled our analysis to uncover findings that addressed the research questions of the study. Without the study's qualitative approach that relies largely on in-depth interviews, it would simply not be possible to gain a deep understanding of the motives behind PE involvement in LTC and their strategies to enter and expand in the sector.

4. Results

Expert informants shared their views about the factors driving PE interest in Ireland's LTC sector (Section 3.1) and the main strategies used by PE funds to enter and expand in Irish LTC (Section 3.2).

4.1. Private equity interest in Irish LTC

4.1.1. Nursing homes

Our analysis identified five key factors that drive PE interest in the nursing home sector.

First, demographic trends in Ireland forecast existing and future demand for nursing home beds and a simultaneous lack of supply. A common response to the question of "why is the Irish nursing home sector attractive to investment funds?" was the aging population. As highlighted by a senior manager at a transnational investment fund, "fundamentally, the attraction of the nursing home sector is underpinned by the aging demographic" (Interview 01, 2023). The latest data from the Central Statistics Office estimate that by 2051, the population in Ireland aged over 65 will double to 1.6 million [38]. Further, the biggest increase will be in the over 80 age cohort (the predominant users of nursing homes), which is expected to dramatically rise from 150,000 in 2016 to 550,000 in 2051 – a 271 % increase [38]. Ireland is at the beginning of a period of rapid growth in its aging population, and this has driven PE interest in the sector because high demand means high occupancy rates and a stable stream of income.

At the same time, this demand for nursing home beds exceeds what is available in the overall public and private bed stock. The HSE forecasts capacity requirements for 2031 to reach over 40,000 beds – a 36 % (10,000 beds) increase in total supply in less than a decade [39]. Given that government policy in recent decades has been to outsource care to the private for-profit sector, PE funds have strong expectations that most of the future demand for nursing home beds will continue to be met by private for-profit nursing homes. As the Director of an investment fund involved in the Irish nursing home sector summarised this point:

"I don't see the government rolling out any new nursing homes right at the moment or building new nursing homes, and yet, the demographic growth suggests you're going to need more nursing homes and of a higher spec and of a higher quality. If the government aren't going to deliver it, it creates the opportunity, shall we say, for the private sector… The demographics isn't going to change and government policies that don't change radically when you've got Fianna Fáil, Fine Gael [Ireland's two dominant political parties] in power since the dawn of time in our state. I'd say that's probably what attracted them, to be honest with you" (Interview 10, 2023).

Second, PE funds are attracted to fragmented markets where there is potential for market consolidation and significant expansion — which means growth potential, economies of scale, and large market shares for PE who can take advantage of the situation. Indeed, once a few large global players entered the Irish nursing home sector and began to expand around 2017, a spotlight was shone on its fragmented composition which is favourable to PE funds looking to consolidate. The Director of an investment fund explained this succinctly:

"InfraVia [PE fund] came in with the CareChoice [Irish nursing home group] acquisition…Then once these guys come in, they've a fairly big war chest of funds to come in and consolidate that market. Typically, Ireland probably lags…certainly the UK, and even the rest of Europe, probably 10 to 15 years. So, a lot of these guys can say they could recognise that the Belgian market or the French market was a lot like that 10 years ago, and this is how it panned out. It's a reasonably safe bet for them in that respect" (Interview 10, 2023).

The development of other European LTC markets like the United Kingdom, Belgium, and France over the last 10 years suggest that less mature markets like Ireland will follow a similar trend and present plenty of opportunity for consolidation. In this context, PE funds increasingly look to invest in less mature markets like Ireland due to their higher growth potential compared to more mature markets where expansion potential tends to be more limited [40]. As the Chief Operations Officer of an investment fund said:

"That attracted us to Ireland…In those countries where we had the impression that the existing stock was of average or low quality, obviously, that creates an even better opportunity for us, you see?…We find out that the average nursing home business in Ireland is still a mom-and-pop company. Nothing wrong with that except probably that you see healthcare norms and healthcare rules are increasingly more stringent and more severe. That's difficult for small companies to keep pace with… We thought that's really something for us to do there and help in the renovation of the capacity in Ireland" (Interview 15, 2024).

Third, participants regularly highlighted that PE uses Ireland's nursing homes as a source of portfolio diversification to minimise risk: "it all has to do with diversification of risk. That's what led us to Ireland. That's the short answer" (Interview 15, 2024 — Chief Operations Officer at an investment fund). Diversification is important to PE because it can spread their risk in terms of economic sector and geography. For instance, a PE fund investing in healthcare may be present in "cure" and "care" with investments in hospitals, clinics, nursing homes, and home care providers across several different countries globally. This means that when regulations or policies change in a given sector or country, it does not impact their entire asset portfolio all at once. This theme of diversifying risk was present across all interviews with informants working at investment funds.

Nevertheless, health and social care can prove a risky investment, even if many of the ordinary risks associated with a capitalist business are reduced when it comes to the nursing home sector because the state is ultimately responsible for care as the provider of last resort. Indeed, as a senior partner at a leading investment fund emphasised, there is an inherent reputational risk in nursing homes and healthcare more broadly:

"If you make an investment in healthcare and it goes bad that can ruin your entire reputation, I suppose, irrespective of whether you get a good return or not. Certain firms will not ever invest in healthcare for those reasons…they won't invest in businesses that look after, young people, older people, or vulnerable people" (Interview 09, 2023).

Fourth, all interviewees said that PE is attracted to the stable government funding flowing to the nursing home sector through the Fair Deal scheme. Fair Deal funding serves as a government-backed and reliable stream of income to underpin PE investment. This is essentially the bottom line when it comes to PE involvement, there must be returns (usually measured as "EBITDAR" - Earnings Before Interest, Taxes, Depreciation, Amortisation, and Rent) and a secure source of income to ensure the financial viability of their business [41]. It's also a stable stream of income because the nursing home sector is largely recession proof — the government should not stop funding essential nursing home services regardless of economic crises. The CEO of a large private for-profit nursing home group described the attractiveness of the Fair Deal scheme:

"80 % of any nursing home's turnover comes in from Fair Deal. That comes in one cheque on one date once a month. That's because it's from the HSE, it's effectively state guaranteed. There's no chasing debtors… so you can budget and project forward accordingly. When they're going to the bank themselves for loans, they can say: a 100-bed nursing home, 80 % comes in from the state. I can project this. It's very bankable" (Interview 07, 2023).

Further, Fair Deal financing operates as a sliding scale based on the client's income and assets — an individual who has more money will pay more. Thus, it is not a black and white situation like in the United Kingdom where it is either private pay or local authority funded (Interview 04, 2023). A senior management figure at an investment fund also made the comparison between Ireland and the United Kingdom, highlighting that the Fair Deal scheme is inherently safer than countries with bigger private pay markets:

"The funding is via the Fair Deal scheme which is really providing good security for income for the nursing homes. There is a good involvement of government, let's say, subsidies on that. That's quite attractive. If you look at the market like UK, for example, you would not have that. A lot of the homes are purely private. There, let's say, you could have a bit bigger risk (Interview 11, 2023).

Fifth and finally, Ireland's regulation system (through HIQA) is attractive to PE because it ensures minimum quality standards in the private for-profit nursing homes they invest in This is particularly attractive to foreign PE funds seeking to enter the Irish market but may not be physically located in the country or have in-depth knowledge of the sector (Interview 15, 2024). Several key informants working at investment funds viewed the regulation system in a positive light because they perceive it as lowering the risk of investing in the market by ensuring minimum quality standards — because a poor-quality nursing home will simply not pass inspections. As such, there is a much lower chance of anything going wrong with their investment, as outlined by the CEO of a large private for-profit group operator:

"What does attract the international player is that the system now is very, very well regulated…The supervision and monetary process of care is at a very, very high level now. If you're an international player and you're saying, "If we go in here, is there going to be a risk towards reputation if something goes wrong?" Invariably not. You'll have a centre that's not compliant for something. Okay, fix it. The regulatory system being so stringent is very attractive to them" (Interview 07, 2023).

One specific regulatory policy detail that was mentioned in several interviews is public access to nursing home inspection reports, available through HIQA's website [42]. PE investors appreciate this because it allows them to read through HIQA's reports and analyse the quality of care and reputation of specific nursing homes when conducting their investment thesis (Interview 15, 2023). This is particularly useful for foreign PE funds who are seeking to enter the Irish market. The notion that the regulatory system is an important mitigation against the risk of investing in the Irish nursing home market was a common thread across all interviews with institutional investors. This point was captured in the following quote from a senior management figure at an investment fund:

"You get a lot of comfort from the regulatory regimes that are in place and there is considerable variation within the European market as to what that regulation looks like and how well it's monitored and how well it's reported. Ireland, Germany, and the UK have very strong reporting structures" (Interview 01, 2023).

4.2. Home care

Many of the factors driving PE interest in home care overlap with those outlined above for nursing homes. First, an aging population is expected to translate into more needs and required investment in old-age care. Second, stable public funding flowing to the sector is appealing to investors. Indeed, there has been a significant increase in public funding for home care in recent years. Whereas in 2019, the total home care budget was €436 million (providing for 18.2 million home help hours), by 2023 total public funding had increased by 66 % to reach €723 million (providing for 22.4 million hours) [43]. An experienced senior management figure at a home care provider summarised it succinctly in an interview, arguing that home care is appealing to PE because it is a sector "funded by the state so no issue or problem with payment, and it's a market that's growing, the demographics of the Irish market are that we're still a relatively young market compared to other countries, but we are aging" (Interview 19, 2025).

Third, the home care market has been consolidating, like the nursing home market, and this makes available investment possibilities large enough for PE firms. Although systematic data are difficult to obtain, consolidation is visible in public expenditure data. These show that in 2023, 28 % of public spending was allocated to only five private home care providers (Home Instead, Bluebird, Comfort Keepers, Irish Homecare, and Caremark) [32]. This is an increase since 2021, when the top five providers received 23 % of the budget [32].

Fourth, the issue of regulation is very important to explain PE interest in Irish home care, in particular, the highly anticipated statutory regulation scheme [44]. Home care is currently lightly regulated and there is no automatic entitlement to services (it remains a discretionary service). The proposed landmark statutory scheme would transform home care radically by providing entitlements to domiciliary services. Several of its aspects are attractive to large private providers and their PE backers [45]. First, the statutory scheme would translate into larger guaranteed levels of public funding by establishing an entitlement to services. Second, large providers would be in a better position to meet the accompanying extra regulations due to their access to more professional and financial resources, contrary to smaller providers which are numerous in today's lightly regulated environment. Smaller providers would thus be expected to be eliminated or bought out by larger companies. In short, the statutory scheme would be expected to result in a market with fewer but larger private providers, which would individually capture a larger portion of the market than currently. This was explained by a senior manager at a private for-profit provider:

"A statutory right to a growing market, funded by the government, that's manna from heaven for private equity… Private equity is already in the home care market, and the statutory scheme will turbocharge that… Regulation is a real positive for corporate providers because regulation is one of the best barriers there is to competition and the more complicated it is, the higher the bar to entry is, the better it is for these guys [large providers backed by PE]… Regulation keeps out small players" (Interview 19, 2025).

Regulation is also perceived to be attractive to investors because it can raise standards of care and reduce the risks of bad outcomes or scandals, which in turn can facilitate the sale of the business, a PE objective. As explained by an experienced individual in the private home care industry: "Regulation is attractive because it gives investors security around standards. Getting a good quality stamp through HIQA should also make it easier to sell back the business, which private equity wants" (Interview 20, 2025).

4.3. Private equity strategies

4.3.1. Nursing homes

In terms of the processes and strategies underpinning PE involvement in Ireland's nursing home sector, the most common response to the question of "how have investment funds been able to enter and expand so significantly" was the "OpCo/PropCo" (operating company/property company) model. The OpCo/PropCo model separates the physical nursing home property (real estate) from the operations and services provided (operating business) [41]. The nursing home property is owned by a PropCo and the nursing home business operations are owned by an OpCo. The OpCo is responsible for the daily operation and management of the nursing home, which involves care provision, staffing, administration, and the overall delivery of services to residents [31]. The PropCo owns the physical property/real estate of the nursing home and is responsible for the development and maintenance of the facility [31]. Typically, the OpCo is a nursing home group owned (partially or fully) by PE and the PropCo is a real estate investor such as a REIT. The PropCo leases or rents the nursing home property to the OpCo. Speaking about how the OpCo/PropCo business model works between the private equity/operator and the REIT, the CEO of a private for-profit group described it simply: "invariably it's a tenant-landlord relationship"

(Interview 07, 2023). As the landlord, REITs increasingly "let on the basis of a new irrevocable 25-year triple net lease that is fully indexed to the consumer price index (CPI)" [46]. This is also attractive for REITs because it provides long-term stability to underpin their business model that relies on rental income — with annual net yields of 4 % to 5.5 % in recent years [31].

Often, the OpCo/PropCo model is not used to develop new nursing homes but to take over existing ones through mergers and acquisitions (M&As). It is common for the OpCo itself to originally own the nursing home property, prior to selling it to the PropCo, who subsequently leases it back to the OpCo (known as a "sale-leaseback" agreement). In the Irish context, a typical example of how this works is that a PE fund enters the market by acquiring an incumbent Irish-based nursing home group and then sells the underlying property to a REIT. In this instance, the PE fund and the REIT can coordinate the purchase of the operating company and the real estate assets. A partner at an investment fund summarised the fundamental difference between PE and REITs:

"It's important to draw the distinction between REITs [and PE] … [REITs are] just pure property investors. They could be investing in an office block, or they could be investing in a care home. They don't really care. All they're doing is buying a property based on a 25-year lease, so they are just pure property investors" (Interview 09, 2023).

There are several cases of this happening in recent years, such as Waterland (Dutch PE) buying out Silverstream (large private for-profit nursing home group in Ireland) and in the subsequent years selling their properties to Aedifica and Care Property Invest (Belgian REITs). This strategy has proven a quick and effective way for PE to grow their market share and consolidate.

4.3.2. Home care

In recent years, PE has entered home care and now controls a number of the largest private for-profit provider companies. Although precise data are lacking, this trend is recognised by industry players and analysts [47]. It is readily apparent empirically by considering that among the top five providers mentioned above in terms of public funding (Home Instead, Bluebird, Comfort Keepers, Irish Homecare, and Caremark), all but one (Caremark) are now controlled by PE.

PE has entered the Irish market through two key channels. First, at the global level, PE has invested in the head companies that have activities in Ireland. For example, Wellspring Capital bought Bluebird Care, Comfort Keepers is owned by Heritage Group, and Home Instead was bought by Honor which is backed by several venture capital and investment bodies. Second, more directly, PE has penetrated the Irish market by acquiring Irish companies and master franchises of global companies. For example, Home Instead's Irish master franchise was bought by a group backed by Unigestion, a Swiss PE company (the same process was used to buy Home Instead master franchises in France, The Netherlands, Austria and Switzerland). This has essentially moved the Irish market from one whose master franchises were owned by Irish businessmen to one with significant PE involvement.

5. Discussion

Our interviews with private for-profit actors and other relevant officials extend knowledge on the motivations behind PE investment in LTC. The findings indicate that PE interest in Irish LTC is primarily driven by opportunities to capitalise on government funding, favourable demographic trends, and prospects for market consolidation and diversification through expansion into care services. In this regard, the Irish case aligns with existing research demonstrating that institutional context and state policies create the conditions that facilitate financial actors' involvement in LTC [6,48].

Our study challenges the notion that PE firms are attracted to sectors characterised by limited public regulation [12]. Indeed, our findings suggest that regulation in LTC may not deter PE investment but may, in fact, facilitate it. PE funds are attracted to regulation in the LTC sector because it provides market stability and mitigates risks associated with care scandals and reputational damage. This is particularly notable given the conventional understanding of private for-profit actors as proponents of deregulation and minimal state intervention. But care scandals (such as with Orpea in France [49]) can undermine profitability. Thus, PE firms may have a vested interest in a stable market [50] that enforces minimum standards, thereby reducing investment risks in the healthcare sector. In general, well-regulated markets may bring stability and predictability that benefit business activity.

Those insights broaden prevailing understandings of PE involvement in healthcare by demonstrating that regulation, rather than acting as a barrier, may actively shape investment incentives. In any case, it is the nature of regulation in LTC that matters. The impact of key features of regulation is a subject that warrants significant additional research.

Moreover, our findings document how PE firms seek to consolidate LTC markets. By treating care providers as tradeable assets, PE seeks to accelerate ownership concentration through mergers and acquisitions, leveraging economies of scale to establish market dominance. The Irish case demonstrates the speed and scale of this transformation. Thus, while institutional conditions create the environment for PE investment, PE firms are active agents that reshape LTC markets.

Finally, some limits of this research should be noted. First, as is often the case, empirical data on PE activity is scarce or unavailable and Ireland is no exception. Second, the Irish LTC market is relatively small, with few companies compared to larger markets. Thus, our sample of cases is correspondingly small from a comparative perspective. Therefore, our findings should be generalised cautiously.

6. Conclusion

This paper examined PE investment in Ireland's LTC sector, focusing on the factors driving PE interest and their key strategies to enter and expand in the sector. By focusing on private for-profit actors and officials central to PE growth, our study provides valuable insights into the ongoing transformation of health care systems. It refines our understanding of the business interests driving investment in European LTC, particularly how regulation may attract PE involvement by offering stability and minimising reputational risks. We also document the rationale behind market consolidation, showing how PE may accelerate ownership concentration by treating care providers as tradeable assets—acquiring and merging facilities to achieve economies of scale and market dominance.

CRediT authorship contribution statement

Nicholas O'Neill: Writing – review & editing, Writing – original draft, Project administration, Methodology, Investigation, Formal analysis, Data curation, Conceptualization. **Julien Mercille:** Writing – review & editing, Writing – original draft, Supervision.

Appendix A

Interview 01	Senior management figure at an investment fund	19 January 2023
Interview 02	CEO at large nursing home group operator	19 January 2023
Interview 03	Chief Investment Officer at an investment fund	23 January 2023
Interview 04	Chief M&A Officer at an investment fund	30 January 2023
Interview 05	CEO at large nursing home group operator	08 May 2023
Interview 06	Director representing private sector	08 May 2023
Interview 07	CEO of large nursing home group operator	11 May 2023
Interview 08	Senior management figure at an Irish bank	15 May 2023
Interview 09	Partner at an investment fund	23 May 2023
Interview 10	Director at an investment fund	29 May 2023
Interview 11	Senior manager at an investment fund	14 July 2023
Interview 12	CEO at large nursing home group operator	17 July 2023
Interview 13	Senior official at Department of Health	25 January 2024
Interview 14	Senior official at HSE	29 January 2024
Interview 15	COO at an investment fund	6 February 2024
Interview 16	CEO at large nursing home group operator	6 February 2024
Interview 17	CEO representing private sector	16 February 2024
Interview 18	Senior official at HIQA	4 March 2024
Interview 19	CEO at private home care provider	14 March 2025
Interview 20	Senior official at private home care provider	27 May 2025

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