Economic Research Unit

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Bank of Ireland

Ireland's Population grows by 1.2% in 2026

New CSO data showed that Ireland's population grew by 1.2% (67,000 people) in the year to April 2026, reaching 5.5 million. Although this remains one of the fastest rates of population growth in Europe, the 1.2% increase was the slowest recorded in Ireland since 2016, excluding the Covid-19-affected year of 2021. This reflects declining birth rates, which have reduced the natural increase in the population, combined with an expected slowdown in net inward migration from the exceptional levels seen following the outbreak of war in Ukraine. However, the broader picture is that net inward migration into Ireland, at 48,000 people or 0.9% of the population, remains exceptionally high by both historical and international standards.

Looking forward, the key question is whether limited housing availability will constrain further inward migration. However, here some progress has been made. The 38,000 housing completions recorded in the year to June 2026 represent enough new housing capacity to accommodate more than 100,000 people. After years of under-supply, homebuilding is now at a level sufficient not only to accommodate population change of 67,000 but also to begin eating into pent-up demand. So Ireland may continue to record population outcomes towards the upper end of the CSO's population projections.

Irish population growth slows to 1.2% in 2026: This week's CSO data indicated Ireland's population had grown to 5.5 million in 2026, up 67,000, or by 1.2% on 2025. While still a substantial rise vis-à-vis other European countries, this is the softest pace of population growth for Ireland since 2016 (excluding the Covid-19-pandemic-affected 0.4% rise in 2021). Why? Falling birth rates have led to a steady decline in the natural increase in the population, to just 19,000 in 2026. However, the starker change has been falling net inward migration, from 79,000 in 2024, to 60,000 in 2025 and now 48,000 in 2026.

But still close to the fastest-growing population in Europe: The European Commission's latest forecasts envisaged just three countries (Cyprus, Luxembourg and Malta) would see faster population growth than the 1.2% recorded in Ireland in 2026 (see chart below). In comparison, the aggregate population of the euro area countries was expected to grow by just 0.2% to 360 million in 2026. The UK Office for National Statistics (ONS) estimates the population of England and Wales grew by 0.4% in 2025, with average growth of 0.3% p.a. forecast through 2026-2030. So Ireland's population growth may have slowed to 1.2%, but still stands out compared to others.

Why has net inward migration into Ireland slowed? Net inward migration into Ireland peaked following the outbreak of war in Ukraine, so was inevitably likely to slow. Nonetheless, the 48,000 figure for net migration in the year to April contributed the bulk, 0.9 percentage points, of the 1.2% growth in the population. In comparison, Eurostat data shows net inward migration was equivalent to 0.5% of the population across a range of European countries in 2025. The UK has seen a far sharper slowdown in net migration, to just 0.3% of the population in 2025. The big picture is that net migration levels into Ireland, albeit slowing, still remain high compared to other countries.

Population out-turns close to the top-end of CSO projections: The CSO had forecast that Ireland's population would grow by 4-6% through 2025-2030, based on varying assumptions on net migration, to 5.6-5.75m. So far, the out-turns have been close to the top-end of this range. Recent indicators suggest this will continue. Work permits granted to EU nationals through January-July were up 32% on 2025. We are also conscious that the CSO's initial estimate could be revised up, once Census 2027 is published, because of the difficulty in measuring net migration. Indeed, the CSO's initial estimate of the population in 2022 was revised up by 1%, or by 49,000 persons to 5.15 million following Census 2022.

Homebuilding now sufficient to accommodate population growth and eat into pent-up demand: Ireland's labour market remains tight. The unemployment rate remains low at 4.9% and vacancy rates are still above pre-pandemic levels. That said, depressed conditions in the hospitality sector (hotels and restaurants) are an exception. However, weak labour demand is unlikely to play a role in depressing net migration going forward.

Rather, the lack of housing availability, both for purchase and in the private rented sector, is far more likely to be a constraint on inward migration. Here some progress has been made. There were 38,000 housing completions in the year to June 2026. Census 2022 revealed that the average household size amongst homes built during the period 2016-2022 was just over 3 persons.

So the capacity of newly built homes to accomodate the population now surpasses 100,000 people, exceeding population change substantially for the first time and eating into pent-up demand (see chart below). This is clearly a desirable outcome. True, the housing market remains very difficult and the recent pick-up in homebuilding follows years of under-supply. Nonetheless, the improvement in housing completions may help to facilitate further high levels of net inward migration into Ireland in the years ahead. If so, population out-turns could continue to be at the upper end of the CSO's projections.

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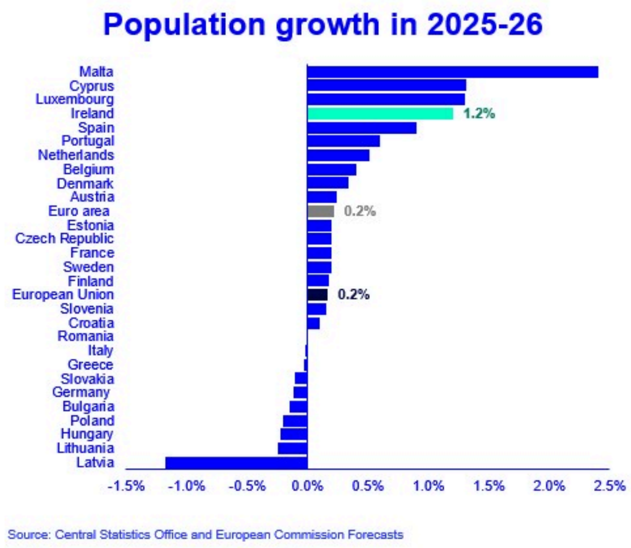

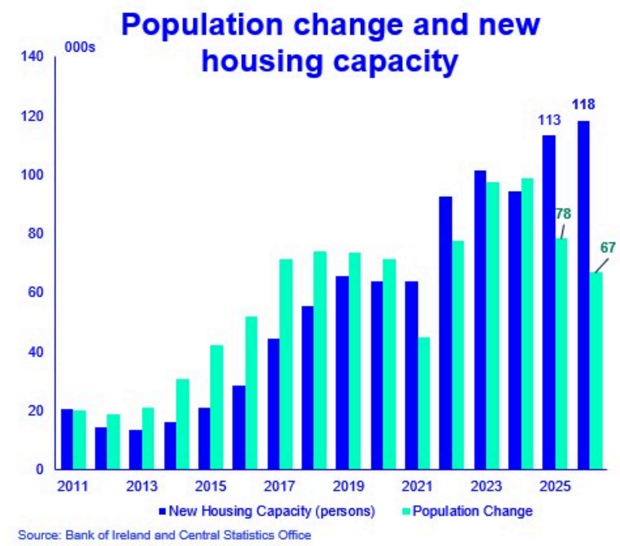

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