Intelligent Investment

# European Healthcare Real Estate 2026

REPORT — CBRE RESEARCH



# Introduction

European healthcare real estate has entered a new era. After years of being characterised as a niche, operationally complex asset class, accessible only to specialist investors, it is now firmly in the mainstream of institutional real estate allocation. Investment volumes hit a record €23.2bn in 2025, and momentum has carried into 2026, with €5.6bn transacted in H1 alone, up 27% year-on-year.

Europe's ageing population is not a trend; it is a certainty. This certainty is already embedded into demographic data. As of January 2025, 18% of Europe's population are aged 65 or older. By 2034, that share rises to 21%, an increase of 3.2 percentage points over the decade. This means there will be an additional 31.3 million people aged 65+ requiring care, housing, and medical services. Healthcare expenditure across the EU is projected to rise from 24.6% of GDP in 2019 to approximately 27% by 2040.

The essential nature of the asset class provides investors with an opportunity to benefit from resilient, stable, and often inflation-linked income, while also shaping long-term demand for healthcare. The sector is less susceptible to the impact of economic cycles than traditional real estate assets.

Unlike traditional commercial real estate sectors, healthcare real estate is underpinned by needs-based demand, reducing the likelihood of assets being vacated or repurposed in response to changing market conditions. Investment in healthcare creates long-term community infrastructure and supports wider economic and social value. Investors who recognise this opportunity early stand to benefit from both income growth and capital appreciation.

**Ultimately, greater investment into healthcare relieves pressure on Europe's overstretched public health services and brings untold advantages to Europe's ageing population.**





© 2026 CBRE, INC.

# Key findings



## 01

**International capital** is playing a growing role across most European healthcare markets with a significant number of new market participants attracted by the fundamentals of the healthcare sector and resilient returns. Healthcare assets are increasingly targeted by both real estate investors and infrastructure investors.

## 02

Despite attractive demographic fundamentals, European healthcare real estate is underinvested. There are opportunities across countries for investors to deploy capital in **operationally resilient**, demographically anchored assets.

## 03

**Stabilising real estate yields** across European healthcare markets are being driven by strong occupational markets and strengthening debt markets. Financing conditions are improving and investor demand for prime healthcare income is growing.

## 04

The varying types of **healthcare financing** have direct consequences for how real estate investors approach different markets. Healthcare financing across Europe is highly diverse, and legislation directly shapes the investment opportunity.

## 05

**Joint ventures (JV)** are often the most effective route to investment in European healthcare. JVs provide investors with access to critical local market expertise and operational capabilities that can be difficult to develop independently, while also helping to mitigate regulatory risks.



© 2026 CBRE, INC.

01

# Investment

# The investment case for European healthcare

The European healthcare investment market is underpinned by significant needs driven demand, strong performance, and powerful socioeconomic and demographic tailwinds, making it increasingly attractive to institutional capital.

## European Healthcare



1

### Robust demand dynamics

- Increasing care needs are being driven by ageing populations; the EU has a high life expectancy of 82 years
- Public systems are under pressure with funding challenges, backlogs, and substantial waiting lists
- Increased use of private facilities to support with public backlog, and growth of outpatient facilities as policy initiatives aim to deliver more healthcare outside of hospital settings



2

### Stable, government-backed income

- Despite differences in funding models, Europe has well established public health systems supported by government policies including public reimbursements in certain countries
- Diverse funding streams including public funding, self-pay, and private medical insurance (PMI) underpin resilient operator business models and strong balance sheets, with 75%+ of tenant income underpinned by government*



3

### Strong tenant universe

- Defensive tenant base comprising government-backed and institutional healthcare operators with revenues linked to public health funding
- European healthcare leases typically run 15–25 years, often with CPI-linked uplifts which match institutional liabilities



4

### Maturing investment market

- European healthcare real estate is nascent; buyers have an opportunity to capitalise on organic growth opportunities and bolt-on acquisitions
- Increasing volumes of global capital looking to European healthcare as an attractive, resilient, thematically supported investment opportunity



5

### Diversifying cashflows

- Investors are increasingly diversifying their allocations and targeting sectors which are fundamental to economic and social resilience such as healthcare
- Participating in the operating income of healthcare assets provides an opportunity for cash flow growth in a returns-driven environment

| 28% | >75% | 100% | 12% | #4 |
|---|---|---|---|---|
| Increase in over 65 population on average across Europe by 2050 | Of European healthcare spend is publicly funded* | Inflation-linked leases are standard | Share of total commercial investment across Europe | Most sought-after alternative sector** |

Source: *OECD Health Expenditure, United Nations, **CBRE European Investor Intentions Survey



© 2026 CBRE, INC.

# Healthcare is becoming increasingly core

European healthcare real estate remains significantly underinvested despite strong underlying demand fundamentals. Investment volumes are 91% lower than in the US, reflecting the scale of the more institutionalised, REIT-driven US market. The healthcare sector is characterised by a fragmented ownership, underinvestment, and significant demand drivers. Investment has surged in recent years, but remains structurally smaller, with activity concentrated in the UK, Germany, Netherlands, and the Nordics.

Healthcare real estate investment strategies have evolved considerably as the sector has matured. These include:

- Platform/portfolio deals: investors want scale and market entry in one move
- Lease structure evolution: shift towards hybrid structures, turnover-linked rents, management agreements, and RIDEA-style JVs
- Operator quality as gating factor: underwriting is focused on operator strength, regulatory environment, and asset quality

Positively for the sector, CBRE's European Investor Intentions Survey 2025 results reveal that alternative investors have increased their allocation preference towards healthcare, from 19% to 40% between 2023 and 2025. European healthcare accounted for 9% of total commercial (office, retail and industrial) real estate investments in H1 2026, an increase of 9.3bps since 2022, highlighting the sector's upward trend in allocation. Investor allocation towards healthcare is reflected in the volumes. Healthcare investment as a percentage of core real estate has grown 5% over the last decade, with full-year 2025 volumes on par with the hotel sector (€23.8bn vs. €23.1bn healthcare investment), a sector long considered mainstream.

**FIGURE 1: European investment volumes (€bn)**

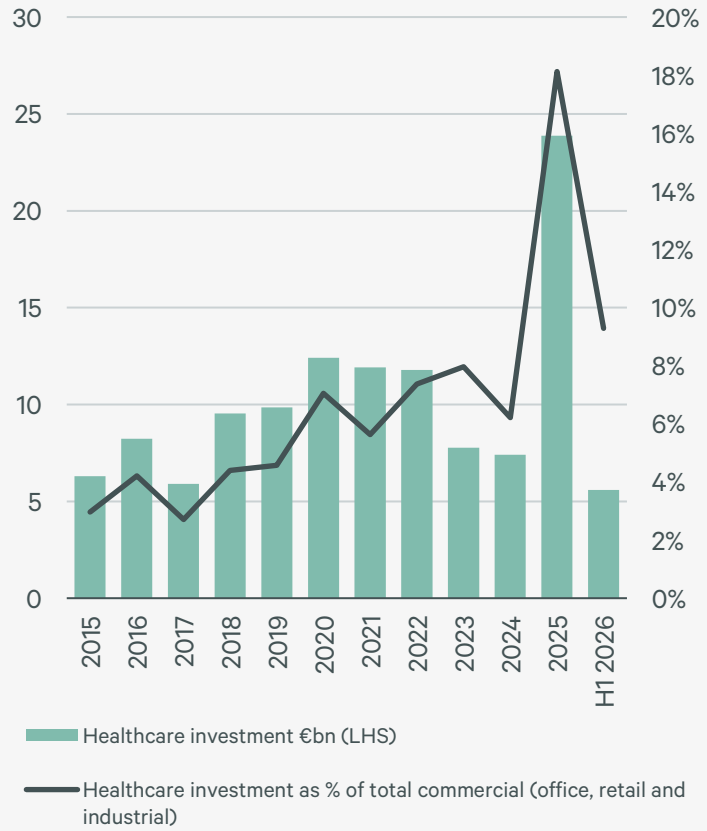
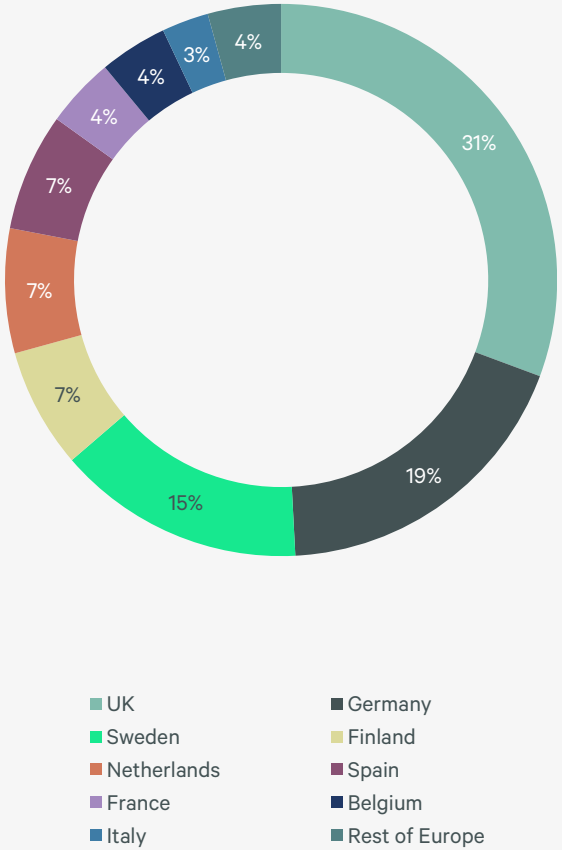



**FIGURE 2: European investment share by country (2019-H1 2026)**




Source: CBRE Research



© 2026 CBRE, INC.

# The positioning of healthcare as infrastructure

In the UK and Ireland, the share of investment in alternatives, residential and healthcare grew from 15% in 2016 to 44% in 2025, including £13bn invested in healthcare in 2025. Across the rest of Europe, the share rose from 23% to 33%. The increase in capital targeting healthcare assets is being driven by structural demand trends, supportive government policy, and an expanding pool of long-term capital seeking the stability characteristics that assets provide. Characteristics that healthcare assets exhibit include:

- The provision of essential services
- Specialist asset management
- Stable and often index-linked income streams
- Low volatility
- Support from government policy objectives

As a result, healthcare assets appeal to real estate investors and infrastructure investors alike. While the presence of infrastructure capital in certain healthcare subsectors is not new, capital targeting infrastructure assets has been increasing to address structural economic and social trends. Our research shows that infrastructure-adjacent sectors, including healthcare, have delivered more stable income and higher risk-adjusted returns than other sectors, underpinning increased capital allocation to the sector.

For healthcare owners looking to divest, there is an upside to this broader buyer pool. An increased number of competing bidders can contribute to pricing tension, and infrastructure mandates typically have greater equity, allowing investors to transact with greater speed and fewer conditions. While healthcare has been long considered niche and operationally complex, an increase in infrastructure capital targeting the sector is helping to broaden its investor appeal. For vendors across Europe, well-structured, clearly positioned healthcare assets can tap into a materially deeper and more competitive buyer universe.

**FIGURE 3: Alternatives, residential and healthcare share of Europe and UK investment (%)**




Source: CBRE Research



© 2026 CBRE, INC.

# Yield dynamics in European healthcare

Prime nursing home yields across Europe compressed materially between 2018 and 2022, driven by increased institutional appetite for defensive, inflation-linked income. Yields reached historic lows across the major markets, with the tightest pricing falling below 4% in the most mature markets. This reflects a broader structural repricing of healthcare real estate as a mainstream institutional asset class.

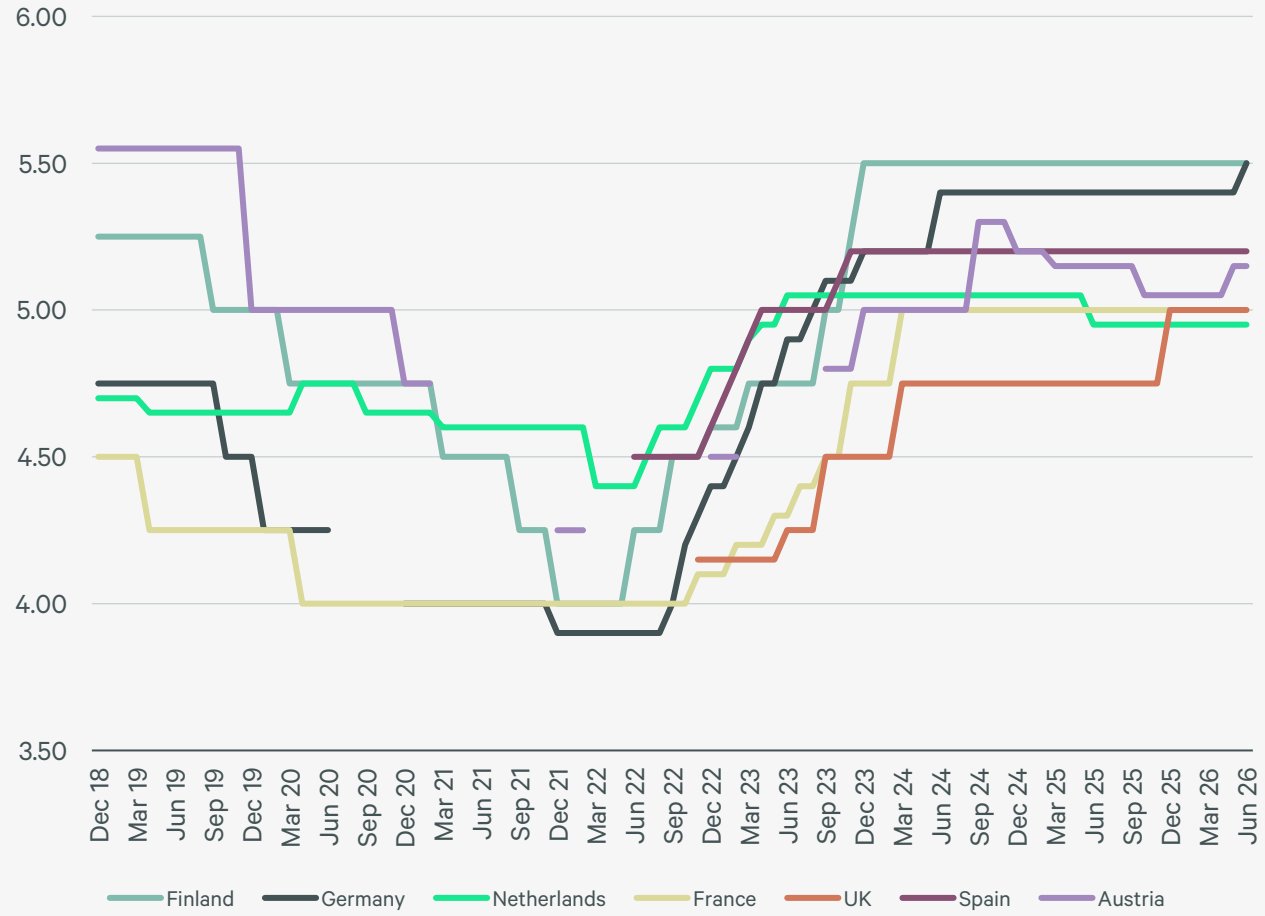
As central banks tightened monetary policy in 2022/2023, yields repriced across all real estate sectors. By the end of 2023, prime nursing home yields had moved out by 100–150bps across most European markets, unwinding much of the prior cycle's compression in under 18 months.

Since mid-2024, yields have broadly stabilised, supported by improving financing conditions, a recovery in investor confidence, and resilient operational performance. Operators have delivered resilient performance throughout the cycle, supported by occupancy levels and continued inflation-linked rental growth.

Prime yields currently range from approximately 4.75%-5.50%, with the intermarket spread narrowing as capital has returned more broadly across the continent.

Healthcare income characteristics (long-dated, inflation-linked leases) justify the thin spread, and demographic demand supports pricing. Unlike commercial real estate, where compression requires improving macroeconomic conditions, healthcare can compress further. This is driven by structural demand, capital competition, and operational upside. As capital deployment accelerates and competition for a limited pool of prime product increases, healthcare yield compression appears increasingly likely through the remainder of 2026 and into 2027.

**FIGURE 4: Prime nursing home yields by country**




Source: CBRE Research



© 2026 CBRE, INC.

# Care homes driving European healthcare, but investor universe is widening

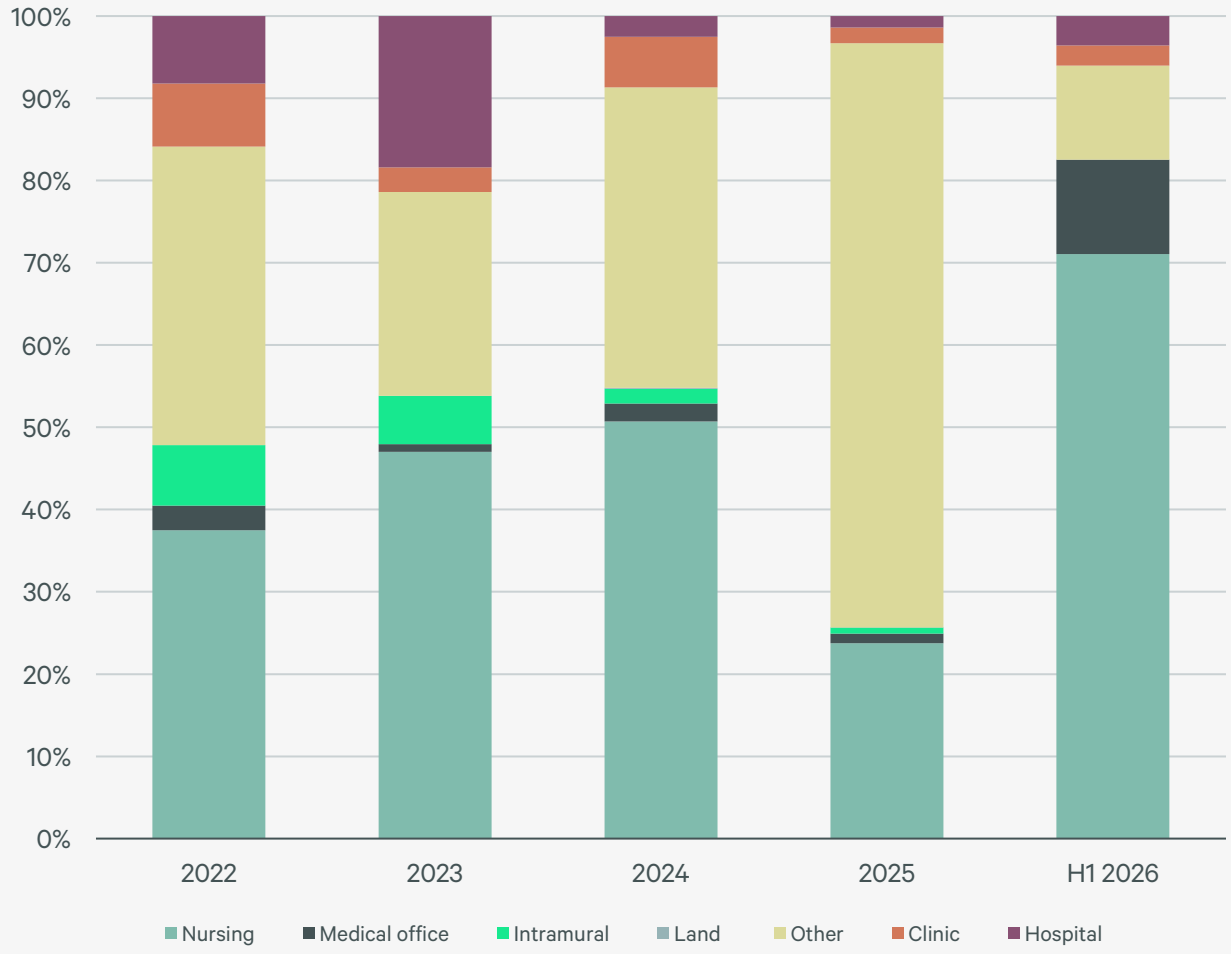
Consistently, nursing (elderly care) leads investment activity with volumes increasing from €2.8bn recorded in 2023 to €5.5bn in 2025, nearly doubling in two years. Elderly care's share of total healthcare investment has grown from 37% to 70% since 2022. This is driven not only by demographic tailwinds, but by the operational simplicity, homogeneity, and scalability that elderly care offers relative to other healthcare subsectors, alongside the relative defensiveness of elderly care's income. European elderly ownership is still heavily fragmented; it is predominantly dominated by small private operators, charities, and local authorities. Homogeneity and operating model allow pan-European investors to underwrite assets across Europe. Investors can acquire portfolios, professionalise operations, and benefit from economies of scale. Other healthcare subsectors such as hospitals are predominantly publicly owned and are rarely available for acquisition.

With H1 2026 investment volumes already reaching €3.2bn, full-year activity across Europe is on track to match or exceed 2025 levels, highlighting growing investor confidence in the healthcare sector. Germany and the UK lead the market in terms of investment volumes, but Spain has emerged as an increasingly active nursing market, with €941m recorded in Q4 2025.

Domestic and overseas investors have been positioning themselves to invest in clinics and health centres, with several larger portfolios now forming. In the Netherlands, deal flows across medical offices and clinics have been consistently active, with just over €800m invested since 2022. We expect similar portfolios to form over the next two years, which will also open portfolio acquisition entry points for overseas investors.

Overall, investors are concentrating capital in operationally resilient, demographically anchored assets (nursing homes, primary care, and medical offices). Investors remain selective on acute-care assets and are avoiding assets with complex care structures.

**FIGURE 5: European healthcare investment by subsector**




Source: CBRE Research



© 2026 CBRE, INC.

# Healthcare REITs positioned to outperform

Discount to NAV (Net Asset Value) is still large for European listed real estate. Listed real estate prices rose YoY but remain below 2022 levels. While REITs fared better than general equities during the correction in April, other equities have since outperformed.

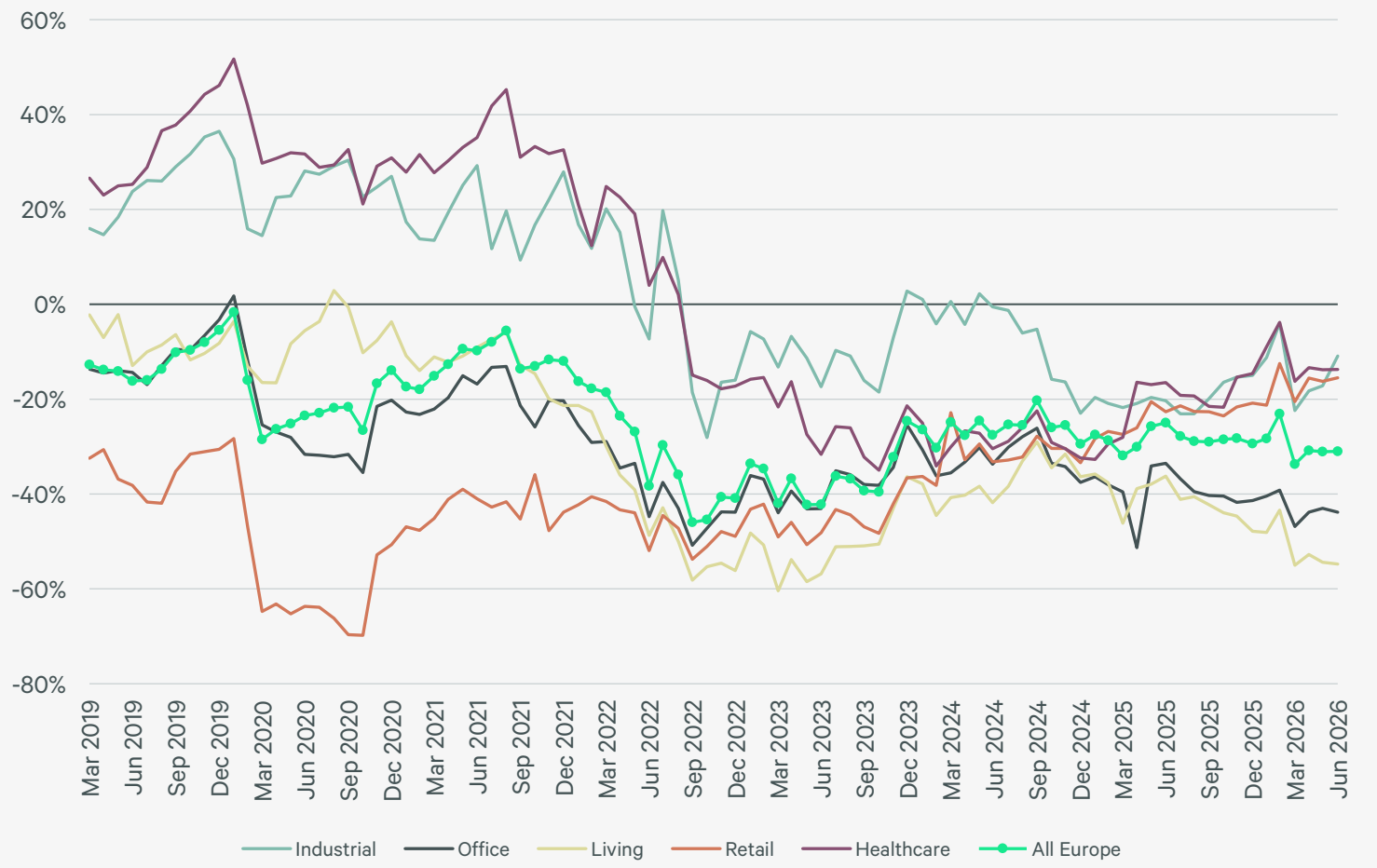
European healthcare REITs trade at approximately -13.7% discount to NAV; smaller than the discount seen across living (-54.7%) and commercial assets (-23.4%). That gap reflects the defensive qualities investors assign to healthcare real estate: long leases, government-backed reimbursement income, and demand that does not shrink in a downturn. European healthcare REITs offer a higher income yield and a wider NAV discount than their US counterparts. This is an attractive entry point for investors who believe appraisal values are supported. However, this may prove to be a value trap risk if rates remain higher for longer and valuations face continued downward pressure.

**Defensive income profile:** Healthcare rents are underpinned by government reimbursement, long leases, and essential-use demand, making income streams more reliable than commercial assets. Investors apply a lower risk premium, which compresses the discount.

**Operational risks:** Care home operators have faced rising staffing costs and operational turbulence, which weighs on investor confidence.

**Market sentiment:** Negative sentiment regarding commercial property in general has dragged down the share prices of even defensive, necessity-based healthcare properties.

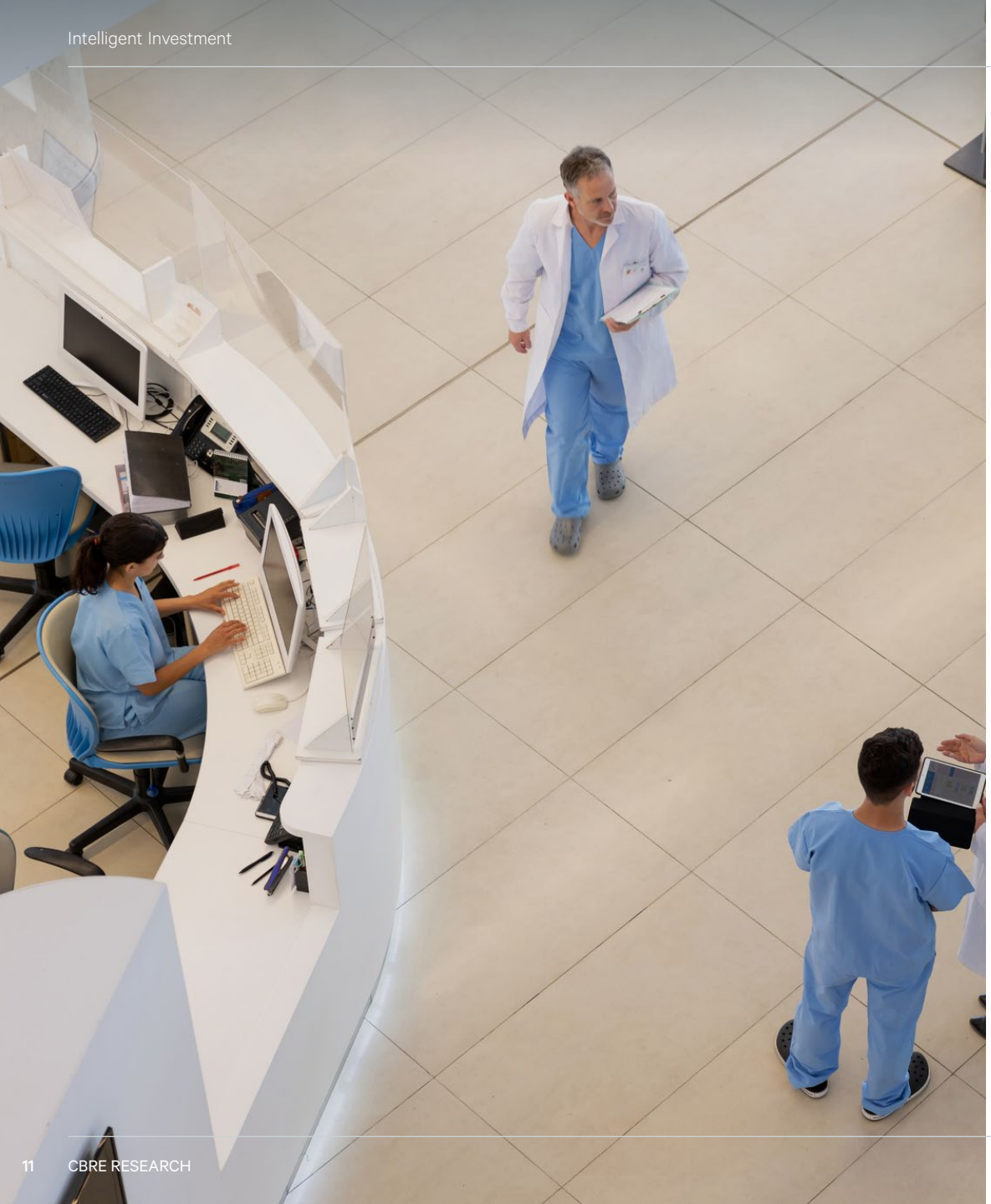
FIGURE 6: Discount to NAV by sector (%): European listed real estate




Source: CBRE Research



© 2026 CBRE, INC.



# Policy, structural changes and opportunities

Private investment into European healthcare real estate is shaped, first and foremost, by **legislation**.

Across most of Europe, healthcare is effectively free at the point of care, but access to that care is tightly governed by statutory health funds and insurers whose reimbursement rules determine what operators can earn. This means that the rent an operator can afford to pay, and therefore the value that can be placed on a healthcare property, is directly constrained by how much the operator earns from statutory reimbursement.

Government policy across Europe is actively redirecting care out of hospitals and into community settings. These policies create a new category of assets, with operational characteristics closer to primary care than to traditional acute hospitals. Furthermore, due to the rapid growth in medtech and digital health, private sector operators are now delivering procedures outside of state hospitals, cutting the cost to public health systems, improving care pathways, and driving demand for technically upgraded facilities.

Well-capitalised operators are expanding beyond their domestic markets to capture structural demand and deliver higher-value services. As a result, the stability of healthcare occupier markets is increasing and covenants are improving. The healthcare underwrite is increasingly shifting to be core as a social infrastructure asset class. This is leading to more cross-border investment: cross-border capital accounted for 50% of European healthcare investment in the first half of 2026. The Cofinimmo and Aedifica merger into a €12.1bn vehicle highlights that the market is consolidating into better-capitalised platforms rather than fragmented national owners and operators.

Ultimately, the regulatory framework, the structural shift from acute to community, the rising acuity of independent providers, and the internationalisation of both operators and capital are redefining European healthcare real estate as an investment class, and which assets will attract long-term institutional demand.



© 2026 CBRE, INC.

02

# Public and Private Healthcare

| | Social health insurance | Tax-funded national health service | Reforming models |
|---|---|---|---|
| OPEN | **OPEN MIXED MARKET**<br>– Public, non-profit private and for-profit private all compete for the same funding from social health insurance. In France, for profit private hospitals are established and paid largely from the social insurance pot. In Switzerland, for-profit private hospitals draw on funding from both social health insurance (LAMal) and voluntary supplementary insurance.<br> | **STRONG ROLE OF PUBLIC AND PRIVATE SECTORS**<br>– A tax-funded public service coexists with a large commercial private sector, which takes publicly funded overflow and runs a parallel self/pay insurance tier.<br> | **PUBLIC BASELINE WITH PRIVATE GROWTH**<br>– Poland has a public national health system (Narodowy Fundusz Zdrowia) with a rapidly expanding private sector funded mainly by out-of-pocket and employer contributions.<br> |
| LIMITED | **OPEN MARKET, LIMITED IN PRACTICE**<br>– Germany* – Public, non-profit, and private operators are reimbursed through the statutory health insurance system. As most hospitals are included in state hospital plans (Plankrankenhäuser), they receive public capital funding, which can limit property transactions.<br>– Austria – Private acute market is small and public-dominant, and for-profit is funded through a capped social insurance pot, constraining scale.<br> | **PUBLIC DOMINANT**<br>– Public-dominant, minimal private acute. Private players exist but sit mostly in outpatient and occupational health, not acute hospitals.<br> | |
| CONSTRAINED | **NOT FOR-PROFIT ONLY**<br>– Compulsory insurance funds healthcare, but acute hospitals must be non-profit. Acute equity is hard to access in these.<br> | | |

**Level of investment opportunity in private acute hospitals**

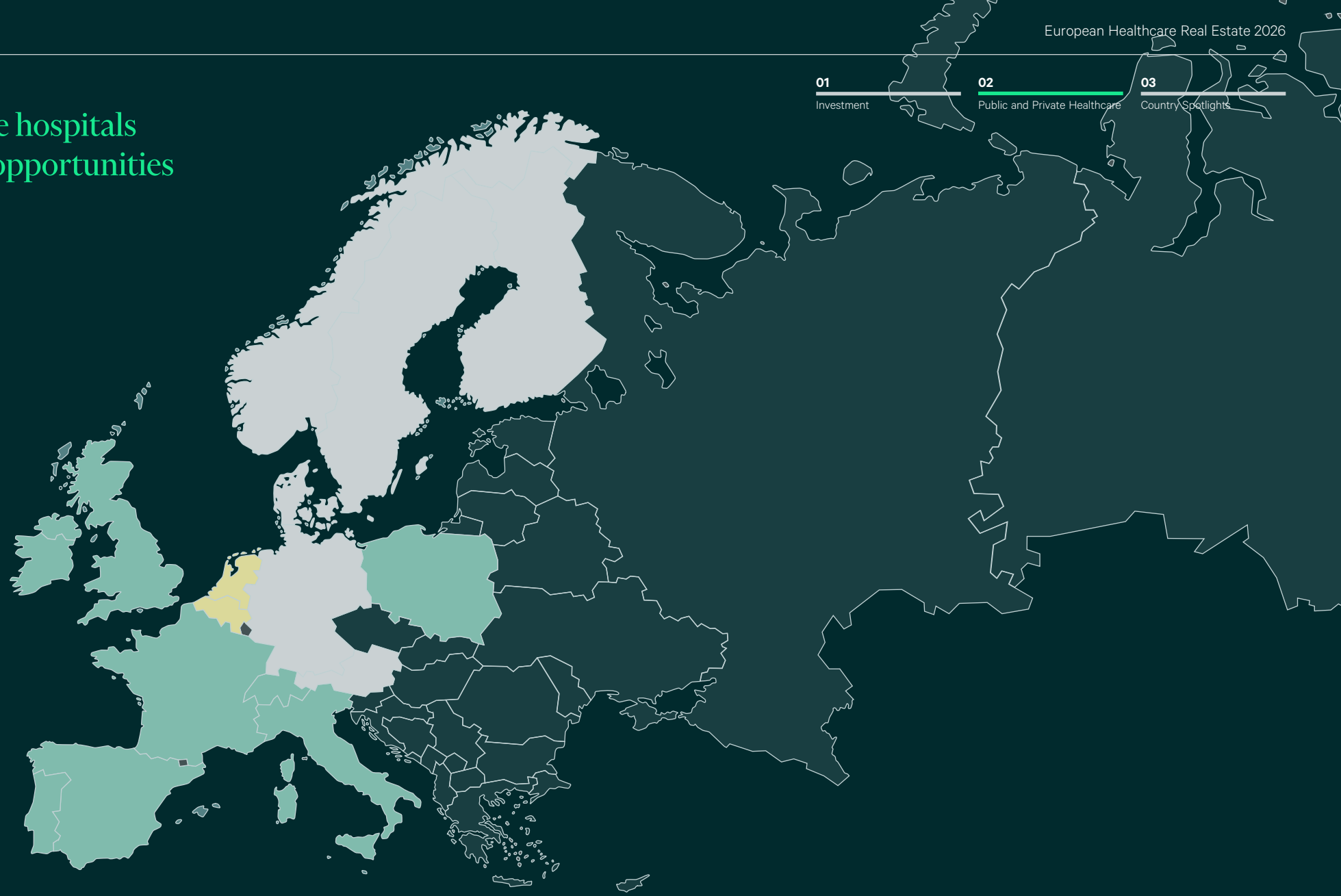
| OPEN | LIMITED | CONSTRAINED |
|---|---|---|
| **Open to investment**<br>For profit acute is permitted and funded | **Limited opportunity**<br>Minimal private acute capacity | **Constrained**<br>Not for profit private hospital market only |

Source: CBRE Research
*Germany – There is a distinction between hospitals run by a private operator and private hospitals treating only privately insured and self-paying patients.
**Italy – Private hospitals are acquirable, but publicly funded (SSN) revenue is capped by regional accreditation and budget ceilings.


© 2026 CBRE, INC.

# Funding models for private hospitals shape private investment opportunities

**Level of investment opportunity in private acute hospitals**






© 2026 CBRE, INC.

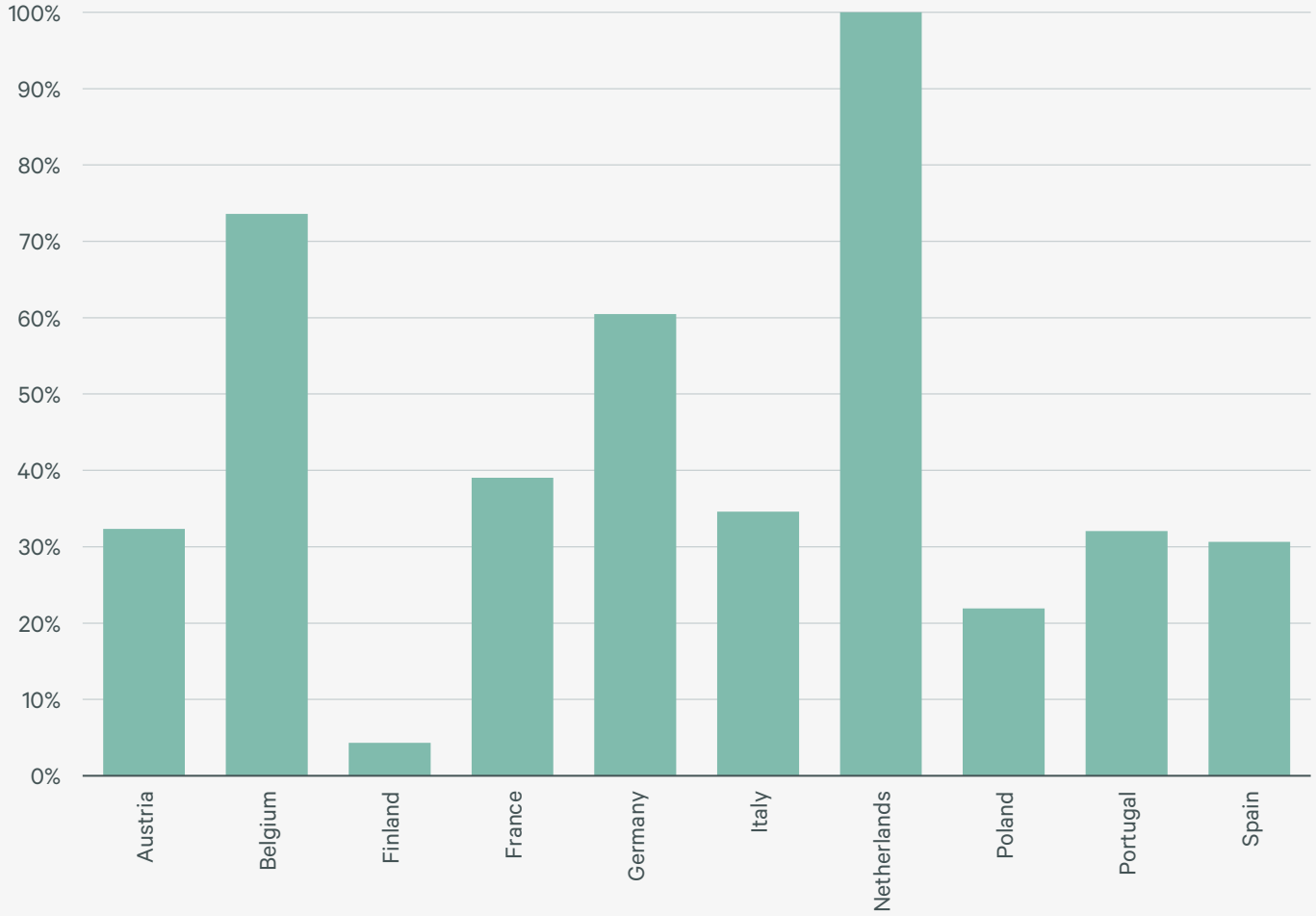
# Private acute hospitals investment experiencing regional differences

Investment into private acute hospitals across Europe is shaped by whether for-profit provision has an established place in the market and whether public funding forms a part of operators' income. In Belgium and the Netherlands, healthcare is funded through social health insurance, but acute hospitals must operate on a non-profit basis, constraining private investment opportunities. By contrast, tax-funded healthcare systems with a parallel private hospital sector are often more attractive to investors. These markets benefit from a mix of public funding, self-pay patients, and private medical insurance (PMI), creating more diversified and resilient revenue streams.

Spain provides an example of a substantial for-profit private hospital market operating alongside its tax-funded national health system. Scaled private platforms, such as Quirónsalud, Vithas, and HM Hospitales, draw on all three streams of funding. Spanish operators access public funding through two channels: contracts with regional health services to treat publicly funded patients and state funded schemes that pay per-capita premiums for civil servants to receive private care. PMI coverage in Spain has grown to 26%, further supporting growth in the sector and complementing income streams. The sector has an active investment market which has become a key attractor of cross-border capital.

Private investment in Poland is currently concentrated in outpatient, with penetration in private acute hospitals being low. However, long waitlists, growing demand from an ageing population, increasing wages, and funding constraints are creating opportunities for private hospital infrastructure which will complement the public system. The Institute of Public Finance has identified a potential funding gap of €36bn between 2025 and 2027, underpinning a strong case for private capital. Employer-funded health insurance has also been rapidly growing in Poland and makes up the largest share of private cover.

**FIGURE 7: Percentage of private beds out of total beds in selected OECD countries**




Source: OECD Health Statistics 2025



© 2026 CBRE, INC.

# Wait times across Europe are increasing pressure on primary care infrastructure

Long GP waiting times and sustained public backlogs are driving the need for increased primary care infrastructure across Europe. However, the primary care investment opportunity depends on supportive government policies that encourage a shift towards outpatient care, alongside established reimbursement frameworks that support stable and predictable income for investors.

A key constraint on new primary care development is limited public capital funding. In the UK, third party private development models, such as Assura and PHP, have proven effective in delivering new primary care infrastructure or refurbishing not-fit-for-purpose facilities. Under this model, GPs typically lease the building on a 20–25-year institutional lease. PHP has also expanded its footprint in Ireland, owning 25 properties as of the end of 2025, leased to the Health Service Executive (HSE) under similar arrangements. This model is mutually beneficial: it enables governments to address infrastructure deficits despite constrained capital budgets, while offering private investors access to inflation-linked cashflows and durable lease structures, complemented by modest capital growth potential.

Sweden has the highest proportion of patients waiting more than a week for a GP appointment (23%), which is one of the reasons private capital has been welcomed in the primary care sector. One policy response has been the 2010 Primary Care Choice Reform, which allows private primary care providers to establish practices and receive public reimbursement, with the aim of increasing capacity, competition, and patient choice. However, most acute hospitals remain publicly-owned and operated by Sweden's 21 regions, and private hospital operators generally provide services under contracts with the regional authorities.

**FIGURE 8: Waiting time for appointment with a GP or nurse**

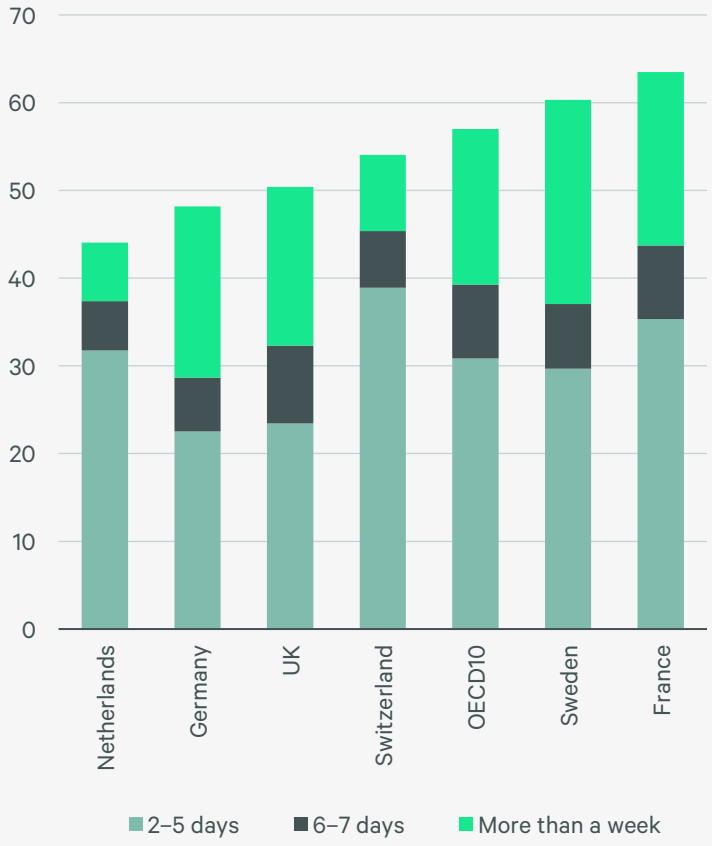
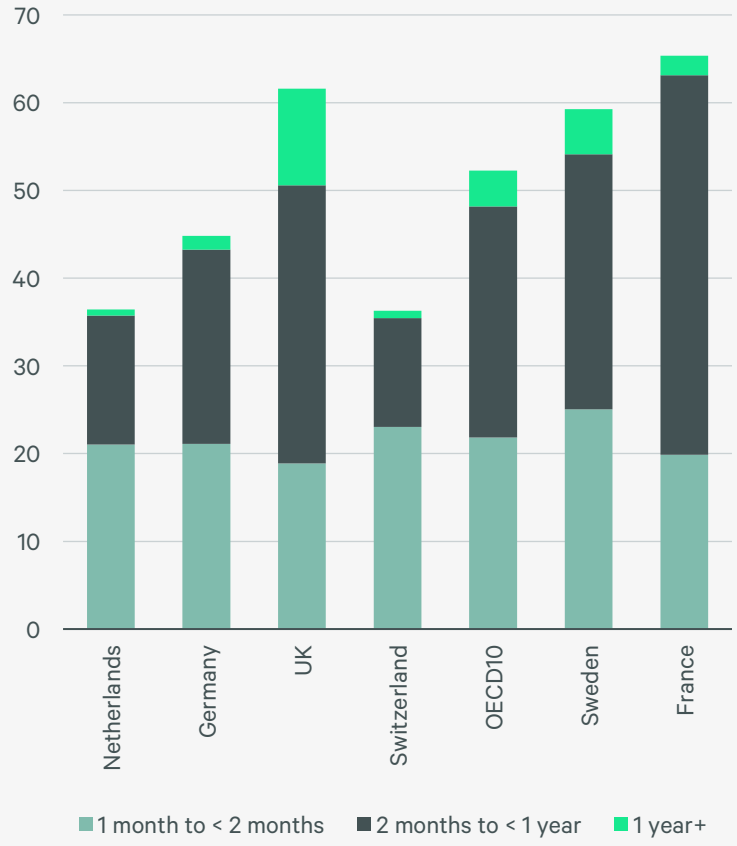



**FIGURE 9: Average wait time for appointment with a specialist**




Source: Commonwealth Fund 2023 International Health Policy Survey
*OECD10 is used as a benchmark and represents the average of Australia, Canada, France, Germany, the Netherlands, New Zealand, Sweden, Switzerland, the United Kingdom, and the United States.



© 2026 CBRE, INC.

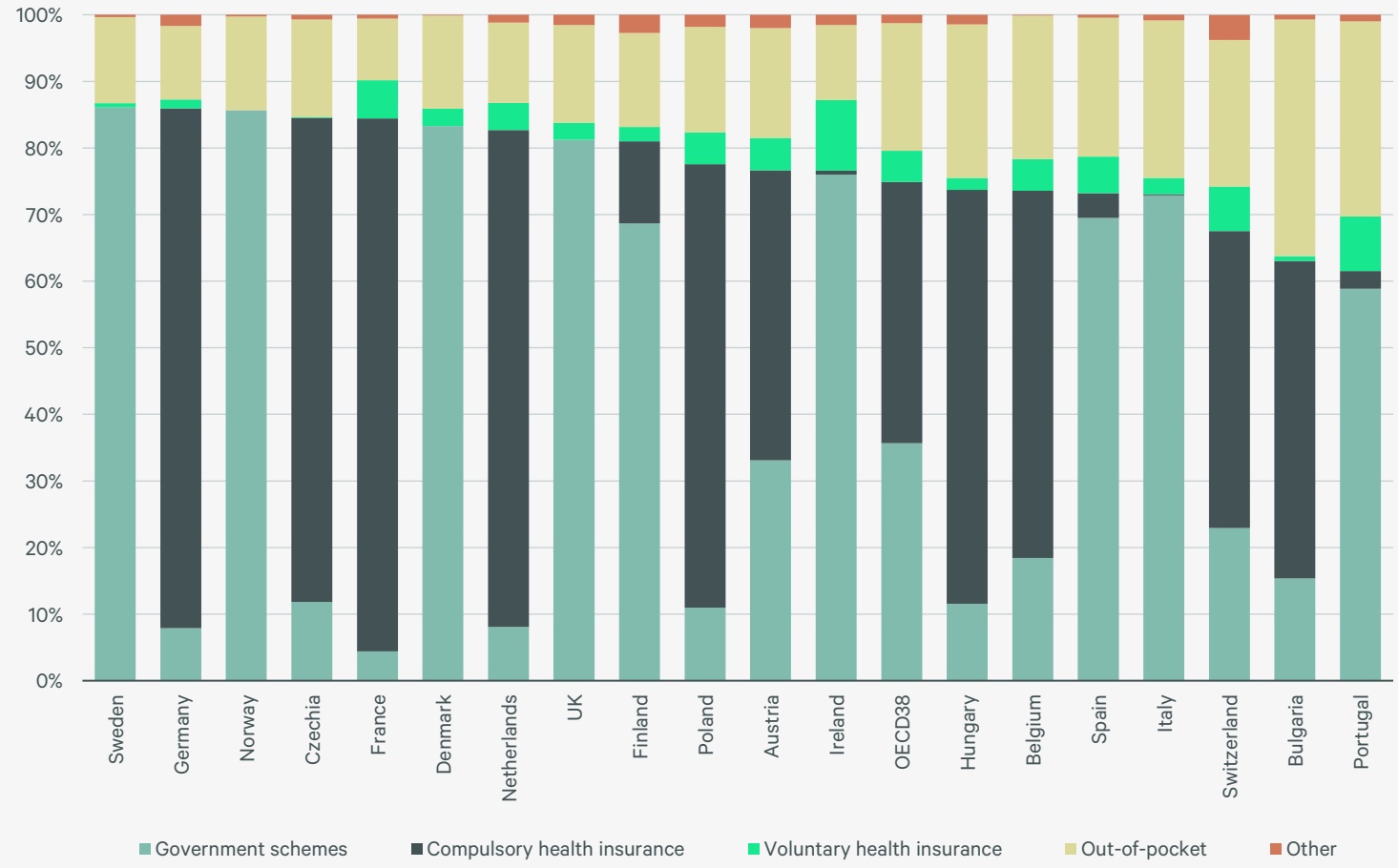
# Healthcare financing shapes investment opportunities

Healthcare funding across Europe is far from homogeneous. While universal coverage is common, funding methods are highly diverse, featuring a mix of models. The varying types of healthcare financing have direct consequences for how real estate investors approach different markets.

In countries with publicly funded systems (such as the Nordics, Germany, and France), the state sets reimbursement rates for operators for a number of assets such as care homes, hospitals, and clinics, which directly caps what operators can afford to pay in rent. In mixed or privately-oriented systems (most notably the UK and Ireland), operators have greater pricing flexibility, which supports stronger and more sustainable rent cover. Countries with high out-of-pocket expenditure are not necessarily attractive for real estate investment as they can indicate poor public systems and low overall spending capacity.

As mentioned previously, in CEE, rising incomes and a rapidly ageing population are driving demand for quality elderly care facilities. Poland, for example, operates a social insurance model and has a notably low government schemes share compared to most European peers, relying heavily on compulsory health insurance as its primary funding mechanism. As income levels continue to rise and waiting lists rise, a private pay market will increase. Elsewhere in CEE, Czechia has a relatively low government schemes contribution and relies predominantly on compulsory health insurance – a model similar to Poland – but with lower out-of-pocket share. Furthermore, Czechia's stable regulatory environment makes it an investable healthcare market.

**FIGURE 10: Health expenditure by type of financing in selected OECD countries**




Source: OECD Health Statistics 2025
*OECD38 represents the average of all 38 member countries of the OECD



© 2026 CBRE, INC.

03

# Country Spotlights



## SPOTLIGHT ON

# Finland

In Q1 2026, Finnish healthcare investment volumes reached €196m. On a rolling 12-month basis, volumes stood at €1.41bn, up 160% YoY. The sector rebounded from a subdued 2023–2024 to become the largest sector in terms of investment volumes in 2025, accounting for 32% of all investment. At the end of Q1 2026, the prime elderly care yield stood at 5.50%.



© 2026 CBRE, INC.

## SPOTLIGHT ON:

# Finland

Cross-border capital has dominated over the past 12 months, accounting for 84% of activity. In Q1 2026, a significant merger in Belgium created Europe's largest REIT, with significant Finnish social infrastructure exposure, further demonstrating the appeal to cross-border capital. We anticipate both foreign and domestic buyers will continue to target and compete for elderly care, daycare, educational assets, healthcare centres, and public-sector leased properties.

Over the past 15 years, the public sector has increasingly outsourced services to private providers, a trend accelerated by the 2023 healthcare and social services reform. Private care companies now represent 36% of the market, with their share having doubled to €5.2bn over the past decade. Despite the trend, over 60% of social care services remain public, indicating further scope for outsourcing.

In elderly care, private operators serve 53% of the market and accommodated over 30,000 clients in 2025. With the over 75 population projected to grow 32% by 2045 to c.900,000 citizens, and Finland ageing faster than any other European country, the structural demand for the sector is clear. This, together with continued fiscal pressure on the public sector and the ongoing restructuring of the wellbeing services counties, is expected to fuel growth in social infrastructure well into 2026.

**FIGURE 11: Finland healthcare Investment volumes (€m)**

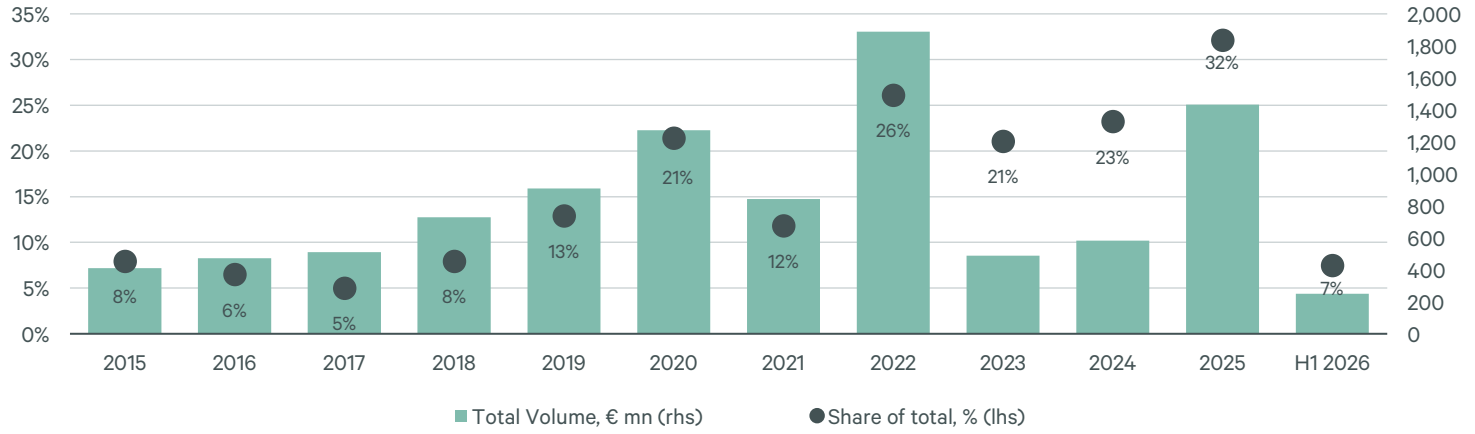
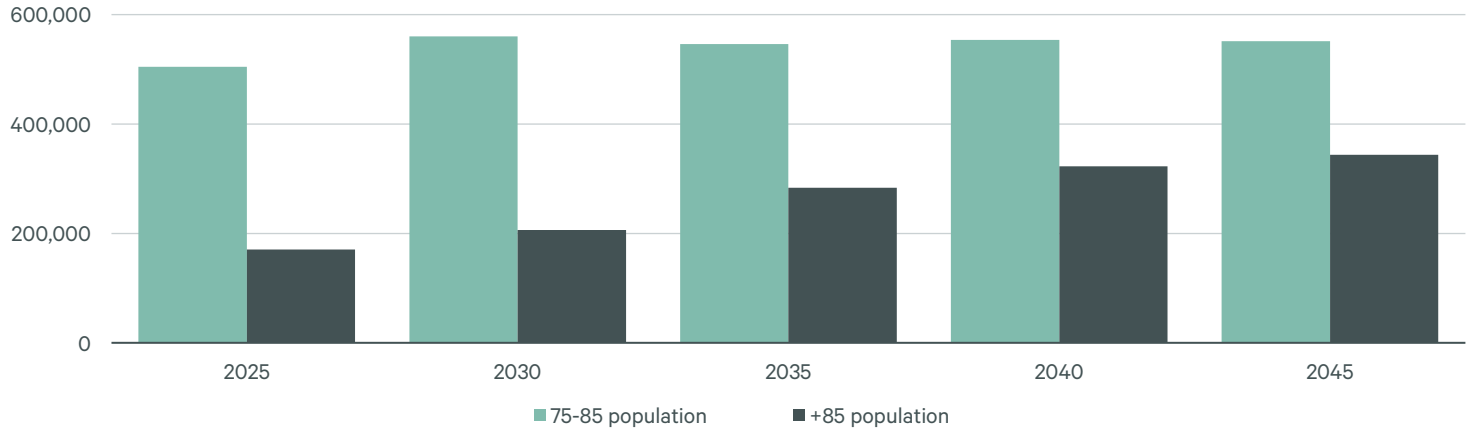



**FIGURE 12: Finland over 75-year-old population growth forecast 2025-2045**




Source: CBRE Research, Statistics Finland, Finnish Institute for Health and Welfare (THL)



© 2026 CBRE, INC.



## SPOTLIGHT ON

# Germany

The recovery of the German healthcare market gained further momentum in H1 2026. Transaction volumes totalled €1.38bn, up 48% YoY and already above the full-year total for 2025. More than €1bn was transacted in the first quarter alone of 2026, underscoring the market's strong performance at the start of the year.



© 2026 CBRE, INC.

## SPOTLIGHT ON:

# Germany

Outpatient healthcare such as medical centres continued its positive trend and saw significant growth. Hospitals and rehabilitation clinics also recorded above-average investment volumes, while senior housing remained subdued due to the limited availability of investment opportunities. However, a significant portion of hospitals and rehabilitation transactions consisted of sales to developers with repurposing strategies or to owner-occupiers.

Looking ahead, transaction activity is expected to remain moderate in the coming months. A few larger portfolios remain available, offering further potential for transaction activity, while additional investment opportunities are expected to come to market in the form of smaller portfolios and single-asset properties. Portfolio transactions are likely to remain relevant for value-add and core-plus investors, whereas core capital continues to focus on high-quality single-asset transactions.

Demographic change and the shift towards outpatient (health) care models continue to support long-term demand and increase the importance of flexible, future-proof asset concepts. However, the investment environment is still shaped by political and regulatory uncertainty, with ongoing discussions around healthcare reforms and broader macroeconomic risks influencing market sentiment.

Overall, healthcare real estate in Germany remains an attractive investment segment in 2026. A dynamic first half of the year, and strong structural fundamentals underline the sector's resilience and long-term growth potential, even in a more selective and evolving market environment.

**FIGURE 13: Germany investment volumes (€bn)**

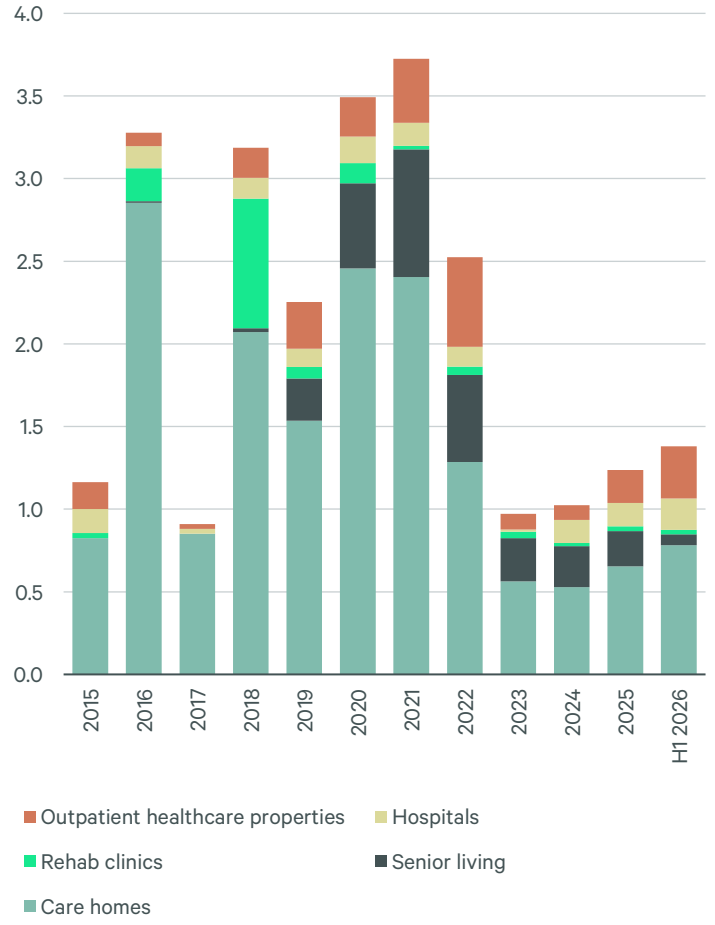
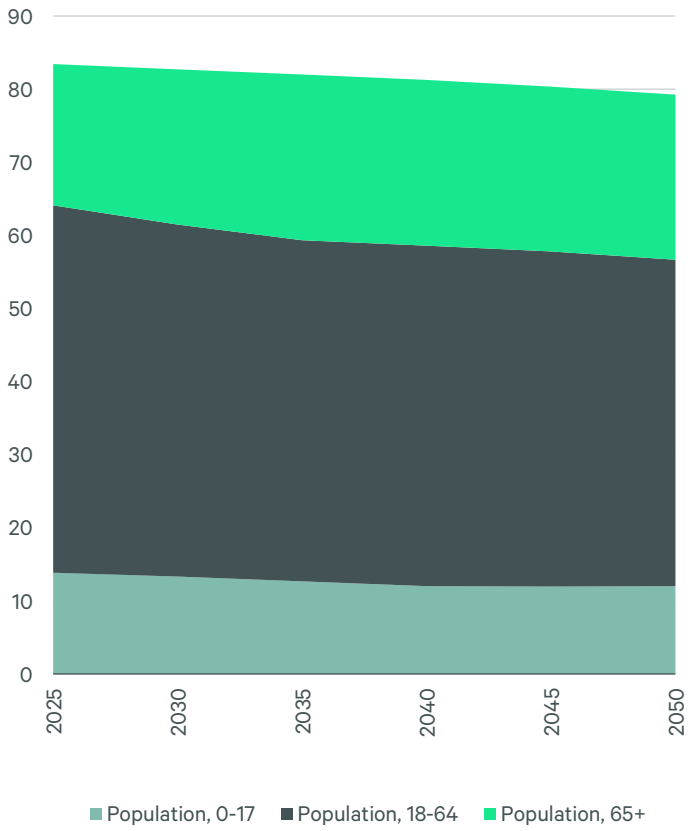



**FIGURE 14: Germany age profile and forecasts (millions)**




Source: CBRE Research, Destatis



© 2026 CBRE, INC.



SPOTLIGHT ON

# Italy

After a slowdown in 2024, Italy's healthcare market rebounded strongly in 2025, with transaction volumes surpassing pre-pandemic levels. This momentum has continued into 2026, supported by a significant M&A transaction.



© 2026 CBRE, INC.

## SPOTLIGHT ON:

# Italy

Since 2017, elderly care has proven to be the most active sector, consistently outperforming other healthcare subsectors. Hospitals, despite being strategic assets, have not attracted the same investor interest due to their high complexity, limited product availability, and complex operational nature – factors that structurally favour M&A transactions over direct real estate acquisitions. However, no such deals have been recorded in Italy to date, keeping institutional investor participation more contained. Since 2022, outpatient and polyclinic facilities have attracted increasing investor interest, driven by their perceived scalability and lower operational risk compared to hospitals.

The investor base is broadening. Alongside specialist and core institutional funds, core-plus investors are increasingly drawn to assets offering potential for higher returns through repositioning or operational improvement. There is also rising demand for opportunities to combine real estate with operational exposure, particularly when backed by strong operators and long-term income visibility.

Despite this growing interest, the Italian market remains constrained by a very limited supply of available assets, which are typically small in lot size. This granularity makes it difficult for large institutional investors to assemble sizeable portfolios. The market is widely recognised for the selective quality of its assets and its resilience as a needs-driven class, yet the structural shortage of product persists.

Italy ranks among the lowest in Europe for healthcare infrastructure, with a hospital bed capacity of just 3.1 beds per 1,000 inhabitants and an average of 15 beds per 1,000 residents aged over 65, a figure that nearly doubles in the more developed northern regions.
This structural undersupply is particularly notable considering Italy's demographic profile. With 24.9% of the population aged 65 or over in 2025 – the highest share across the EU – and a trajectory projected to reach 36% by 2050, the gap between latent demand and available capacity is set to widen. For investors, this imbalance represents both a systemic challenge and compelling long-term opportunities in the senior care and healthcare infrastructure space.

**FIGURE 15: Italy healthcare volumes (€ millions)**

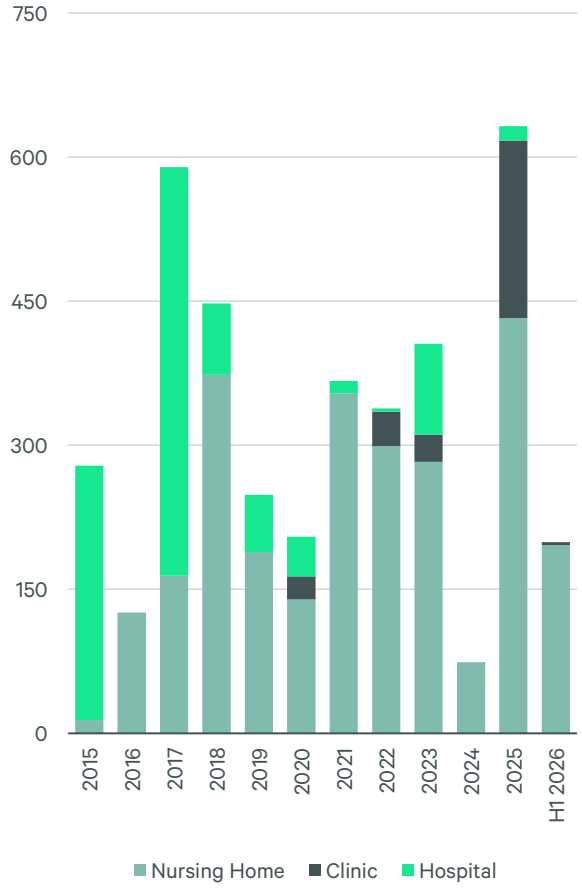
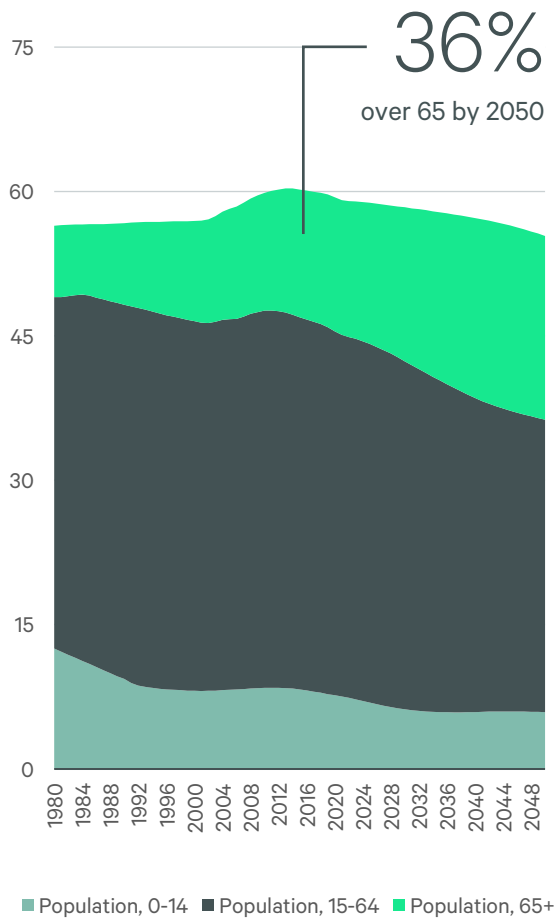



**FIGURE 16: Italy age profile and forecast (millions)**




Source: CBRE Research, Eurostat, Oxford Economics



© 2026 CBRE, INC.



## SPOTLIGHT ON

# Spain

Spain's above-average life expectancy (3.5 years higher than the EU average) and rapidly ageing population continue to underpin strong long-term demand for healthcare and senior housing.
Nursing homes remain the largest investment segment within the Spanish healthcare market; however, the operator landscape is still highly fragmented and less institutionalised than in other European countries. Combined with a structural undersupply of assets, this creates significant opportunities for market consolidation and further yield compression.



© 2026 CBRE, INC.

## SPOTLIGHT ON:

# Spain

The current shortage of care home beds is estimated at approximately 100,000, with projections suggesting the deficit could increase to 250,000 as demographic pressures intensify. While most core and core plus transactions in the senior housing sector have already taken place, the supply-demand imbalance is driving greater interest in greenfield developments, particularly as new facilities are required to meet evolving ESG standards and regulatory requirements. The sector is also being shaped by a fragmented regulatory framework, with different rules applying across Spain's autonomous regions.

Opportunities for core and core plus sale-and-leaseback transactions remain, although operators continue to face challenges from the VAT treatment applied to rental payments. From an investment perspective, 2025 marked a record year for Spanish healthcare real estate, with approximately €1.4bn invested, more than 200% above the previous year and 76% higher than the five-year average.

Demand for private healthcare continues to grow. The number of individuals holding private medical insurance increased from 11 million in 2020 to 12.8 million in 2025, driven by long waiting lists, capacity constraints, and chronic underfunding in the public healthcare system, where per capita spending remains approximately 10% below the OECD average. Acute healthcare infrastructure also faces a significant capacity gap, with approximately 3 hospital beds per 1,000 inhabitants compared with the EU average of 4.7, implying a shortfall of around 40,000 beds. Private operators are increasingly adopting decentralised care models, expanding through smaller outpatient facilities. However, as outpatient services are typically integrated within hospital platforms and primary care remains predominantly public, the investment market for standalone medical office assets is currently limited.

**FIGURE 17: Spain healthcare investment volumes by subsector (€m)**

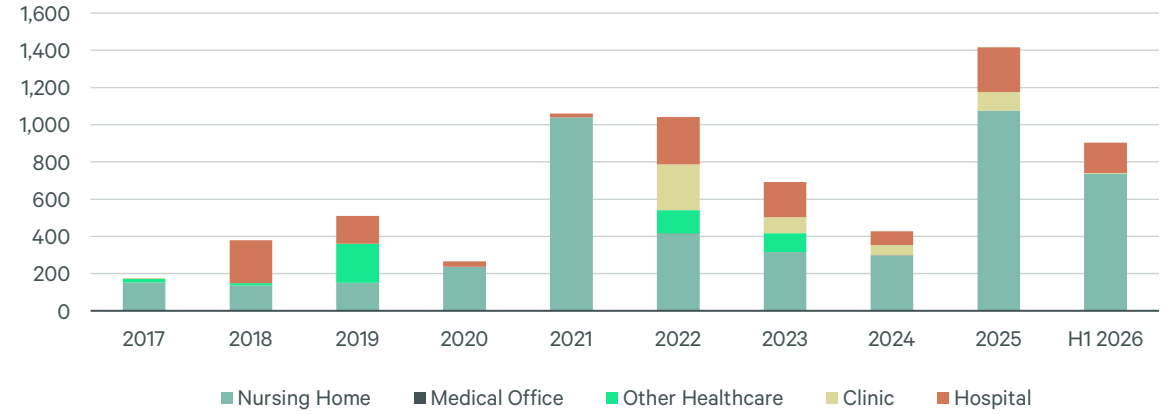
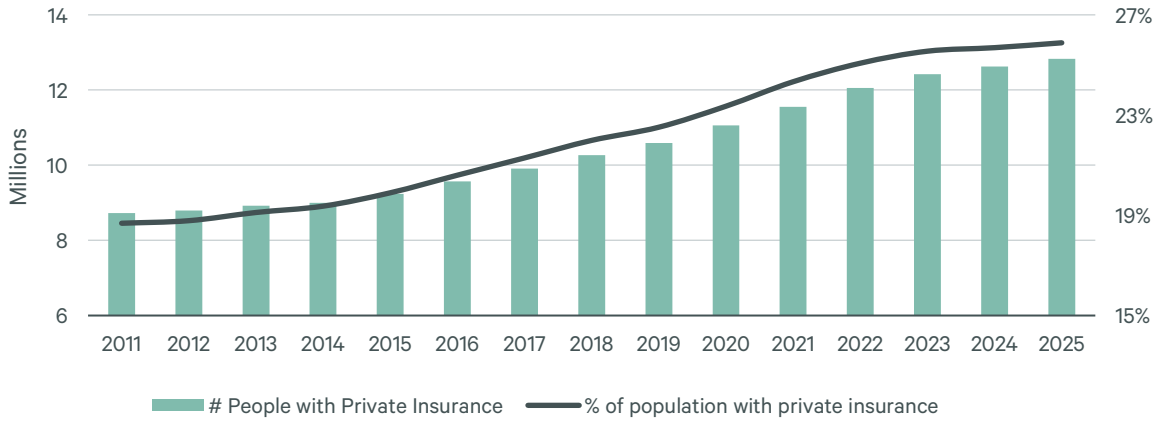



**Figure 18: Number of insured (millions) and population share (%) in Spain**




Source: CBRE Research



© 2026 CBRE, INC.



# How can investors enter the healthcare real estate space?

Cultural and economic differences make it difficult to compare healthcare systems. Local culture, care traditions, and the role of the state vary significantly. It is therefore challenging for investors – who may have exposure to healthcare – to enter a different market. Public systems lack the capital to build much-needed healthcare infrastructure, and private investors may struggle with the political and regulatory risk.

**How can new investors enter the market?**

As private health insurance grows and self-pay capacity increases across Europe, markets that were previously too opaque or constrained for institutional capital will become increasingly attractive to real estate investors. Given the complexity of local regulatory systems, reimbursement structures, and planning constraints across Europe, JV partnerships (with established regional operators or specialist healthcare real estate platforms) are often a requirement for market entry. The level of operational understanding is seldom required in traditional real estate; healthcare operators require greater in-house expertise, or specialist advisory support. A JV partnership allows investors to access local operational knowledge and regulatory relationships.

However, this requires a joint effort from both the Government and the private sector. It is essential that they invest together in future-proof healthcare real estate solutions to address the challenges of an ageing population and ensure a sustainable healthcare infrastructure, rather than waiting until existing healthcare infrastructure can no longer meet demand.



© 2026 CBRE, INC.

# Contacts

## Business Contacts


**Tom Morgan**
Executive Director
Head of Operational Real Estate
tom.morgan@cbre.com

**Sarah Livingston**
Executive Director
Head of Healthcare
sarah.livingston@cbre.com

**Calum Lawrence**
Senior Surveyor
Healthcare IP
calum.lawrence@cbre.com

**Jileen Loo**
Senior Director
BD and Key Client Strategies
jileen.loo@cbre.com


## UK Research Contacts


**Steven Devaney**
Senior Director
Head of Investment Market Research
steven.devaney@cbre.com

**Alice Marwick**
Director
Head of OPRE Research
alice.marwick@cbre.com

**Lily Clark**
Associate Director
OPRE Research
lily.clark@cbre.com


## European Research


**Tasos Vezyridis**
Head of Research,
UK&I and Continental Europe
tasos.vezyridis@cbre.com

**Jan Linsin**
Head of Research, Germany
jan.linsin@cbre.com

**Anna Maria Burrichter**
Associate Director, Germany
anna-maria.burrichter@cbre.com

**Miriam Goicoechea**
Head of Research, Iberia
miriam.goicoechea@cbre.com

**Nicolás Atorrasagasti**
Senior Consultant, Spain
nicolas.atorrasagasti@cbre.com

**Pierre-Edouard Boudot**
Head of Research, France
pe.boudot@cbre.fr

**Estelle Barbary-Lefebvre**
Senior Analyst, France
estelle.barbary@cbre.fr

**Giulia Ghiani**
Head of Research, Italy
giulia.ghiani@cbre.com



© Copyright 2026. All rights reserved. This report has been prepared in good faith, based on CBRE's current anecdotal and evidence based views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this presentation, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE's control. In addition, many of CBRE's views are opinion and/or projections based on CBRE's subjective analyses of current market circumstances. Other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE's current views to later be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change.

Nothing in this report should be construed as an indicator of the future performance of CBRE's securities or of the performance of any other company's securities. You should not purchase or sell securities—of CBRE or any other company—based on the views herein. CBRE disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CBRE as well as against CBRE's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.

# Contacts

## European Research


**Eleonora Barbieri**
Senior Analyst, Italy
eleonora.barbieri@cbre.com

**Frank Verwoerd**
Head of Research, The Netherlands
frank.verwoerd@cbre.com

**Kim Verdonck**
Head of Research, Belgium
kim.verdonck@cbre.com

**Drew Misner**
Senior Analyst, Belgium
drew.misner@cbre.com

**Gábor Borbély**
Head of Research, CEE
gabor.borbely@cbre.com

**Katarzyna Gajewska**
Head of Research, Poland
katarzyna.gajewska@cbre.com

**Agnieszka Mikulska**
Associate Director, Poland
agnieszka.mikulska@cbre.com

**Jana Jovanović**
Head of Research, SEE
jana.jovanovic@cbre.com

**Colin Richardson**
Head of Research, Ireland
colin.richardson@cbre.com

**Jussi Niemisto**
Head of Research, Nordics
jussi.niemisto@cbre.com

**Jerkko Leikonen**
Senior Research Analyst, Finland
jerkko.leikonen@cbre.com

**Maryrose David**
Head of Research, Sweden
maryrose.david@cbre.com



© Copyright 2026. All rights reserved. This report has been prepared in good faith, based on CBRE's current anecdotal and evidence based views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this presentation, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE's control. In addition, many of CBRE's views are opinion and/or projections based on CBRE's subjective analyses of current market circumstances. Other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE's current views to later be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change.

Nothing in this report should be construed as an indicator of the future performance of CBRE's securities or of the performance of any other company's securities. You should not purchase or sell securities—of CBRE or any other company—based on the views herein. CBRE disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CBRE as well as against CBRE's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.