



savills

JUNE 2024

# Irish Hotel Market Overview

I R I S H  
HOTELS  
FEDERATION

## 01

# Market Environment

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# Market Activity **Key Statistics**



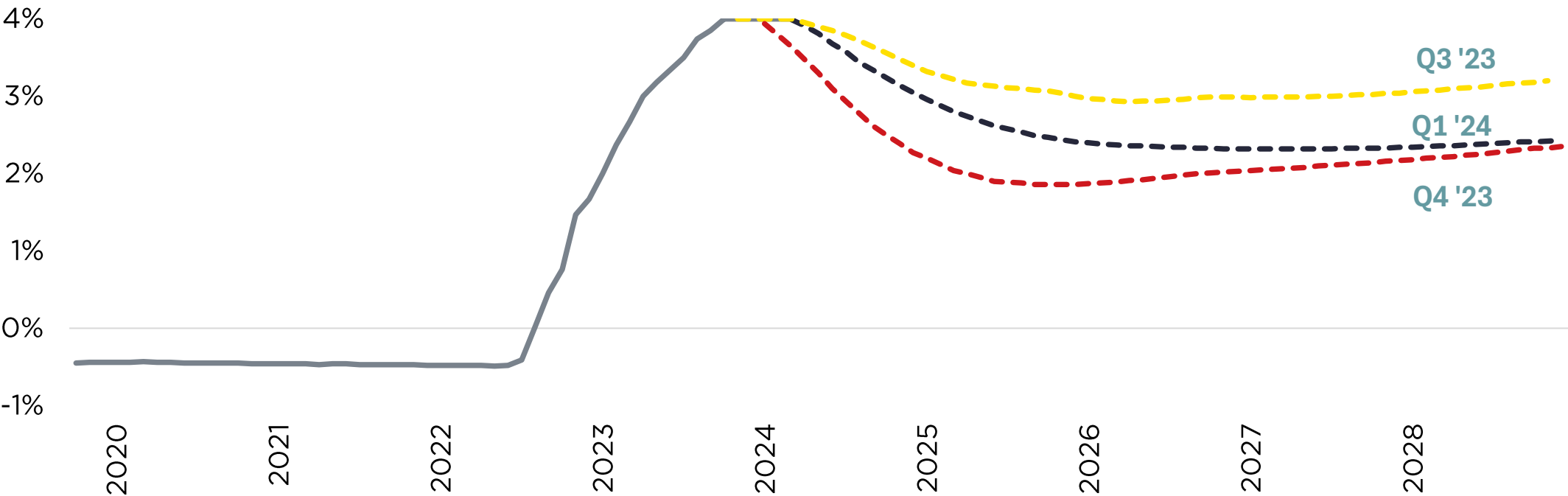
	2015	2019	2022	2023	2024 (FYE)
Value of Deals	€1.1bn+	€700m	€400m	€350m	€1bn
Number of Deals	72	28	22	20	TBC
Dublin Occupancy	82%	82%	78%	82%	80%
Dublin ADR	€112	€142	€170	€180	€177
Dublin New Rooms	N/A	1,600	2,200	1,200	1,100
Dublin Airport Passengers	25m	33m	28m	32m	32m

Source: STR, DAA, Savills Research

# There has been a renewed upward shift in rate expectations

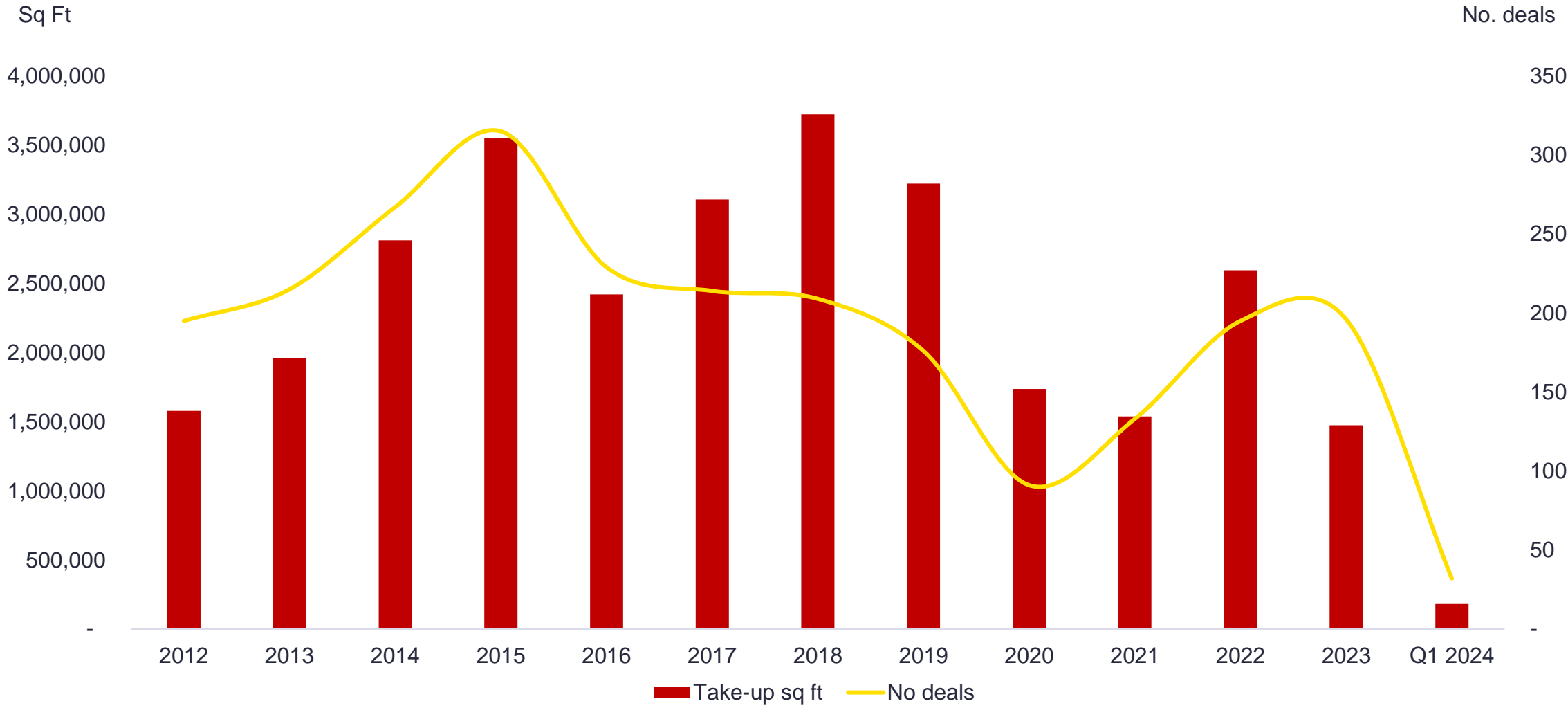


ECB rate implied expectations



Source: Savills Research

# Annual office take-up subdued



MARKET ENVIRONMENT

# Grey Space **Dublin CBD**

Fibonacci Square, Ballsbridge, Dublin 4



**Head Tenant / Meta**  
Sq. Ft. / 366,500 sq ft NIA  
Spec. / Modern, CAT A, BER A3

Two & Three Wilton Park, Dublin 2



**Head Tenant / LinkedIn**  
Sq. Ft. / 270,000 sq ft NIA  
Spec. / Shell and Core, BER A3

Fitzwilliam 28, Dublin 2



**Head Tenant / SMBC**  
Sq. Ft. / 48,878 sq ft NIA  
Spec. / Modern, Shell & Core, BER A3

Building 3, Spencer Place, Dublin 1



**Head Tenant / Salesforce**  
Sq. Ft. / 86,987 sq ft NIA  
Spec. / Modern, CAT A, BER A3

One Sir John Rogerson's Quay, Dublin 2



**Head Tenant / HubSpot**  
Sq. Ft. / 19,936 sq ft NIA  
Spec. / Modern, fitted, BER A3

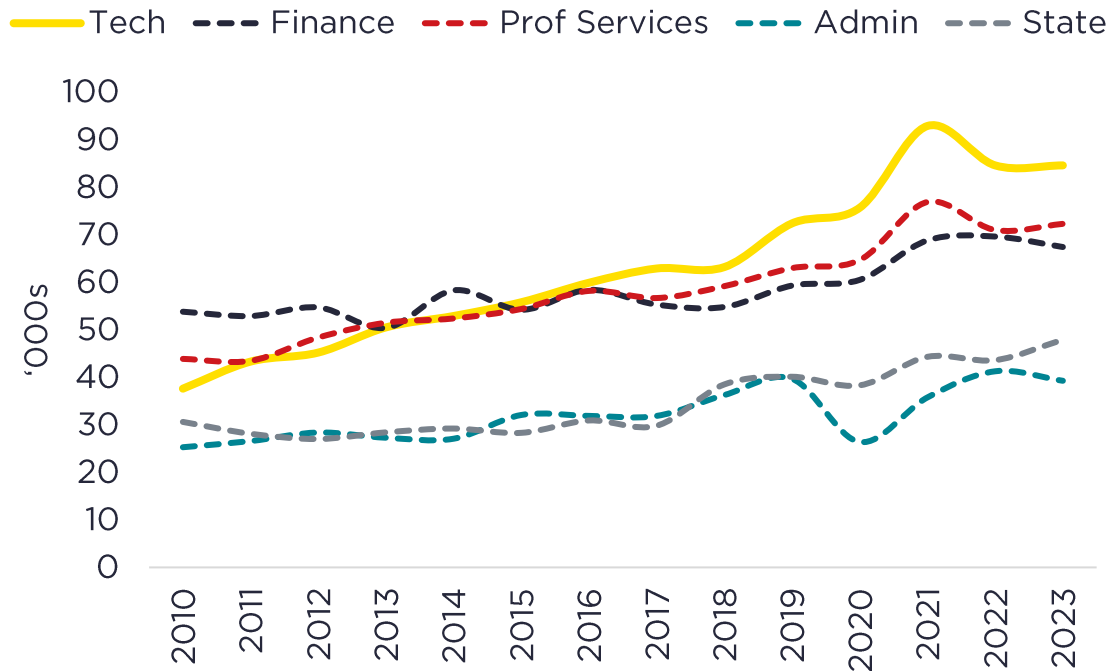
Cadenza, Earlsfort Terrace, Dublin 2



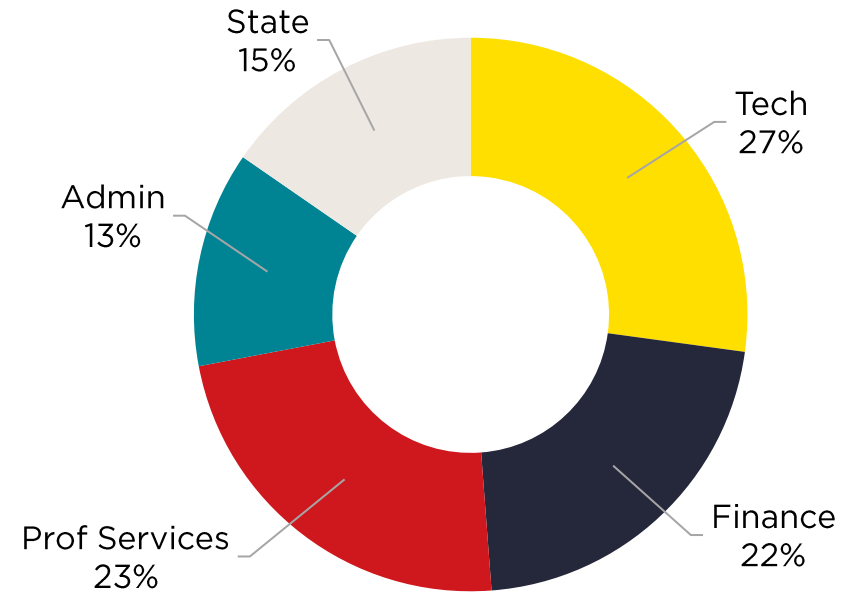
**Head Tenant / Intercom**  
Sq. Ft. / 73,237 sq ft NIA  
Spec. / Modern, Shell & Core, BER A3

# Dublin employment base **diverse**

## White collar employment Dublin



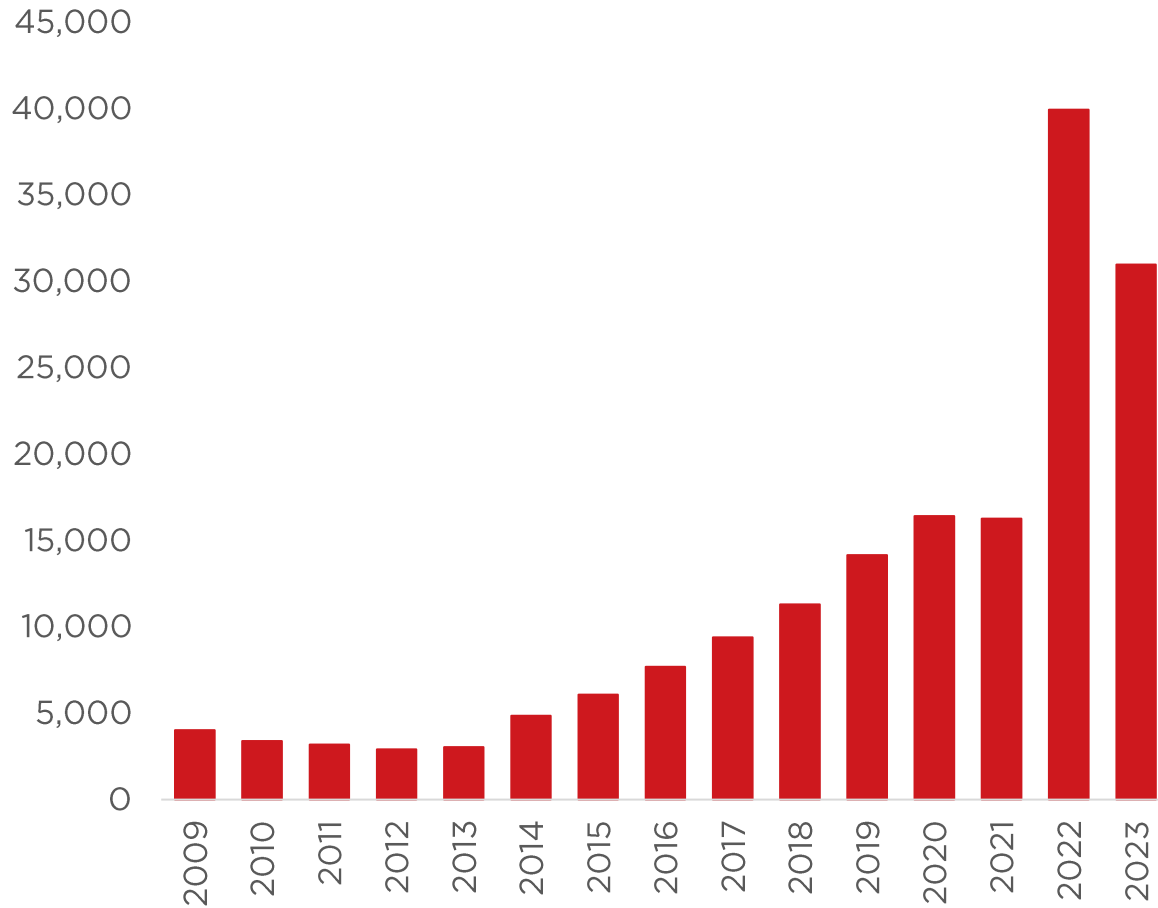
## Share of labour market



# Step-change in work permits being issued

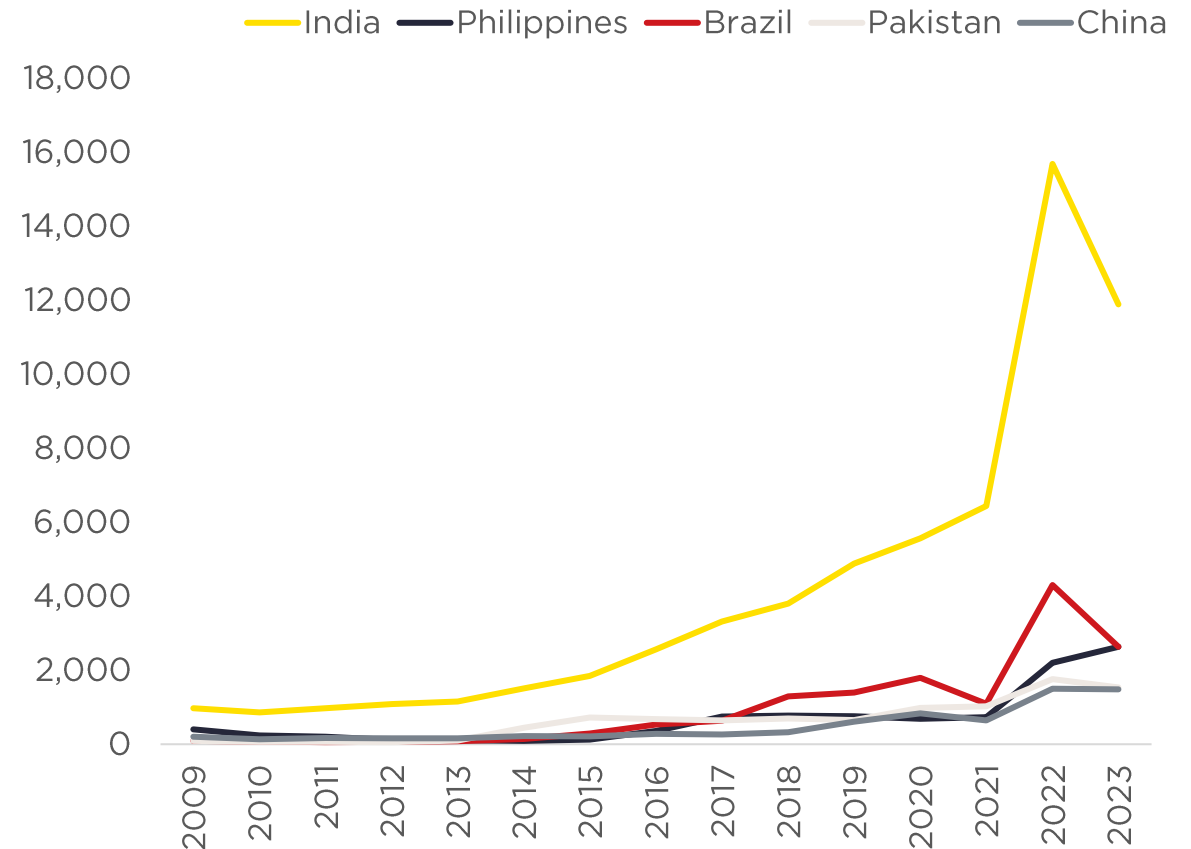


## Strong inward migration from outside EU



Source: DETE

## India accounts for majority





# Ukraine & IPAS Hotel Use Stabilised and Declining

## THE IRISH TIMES

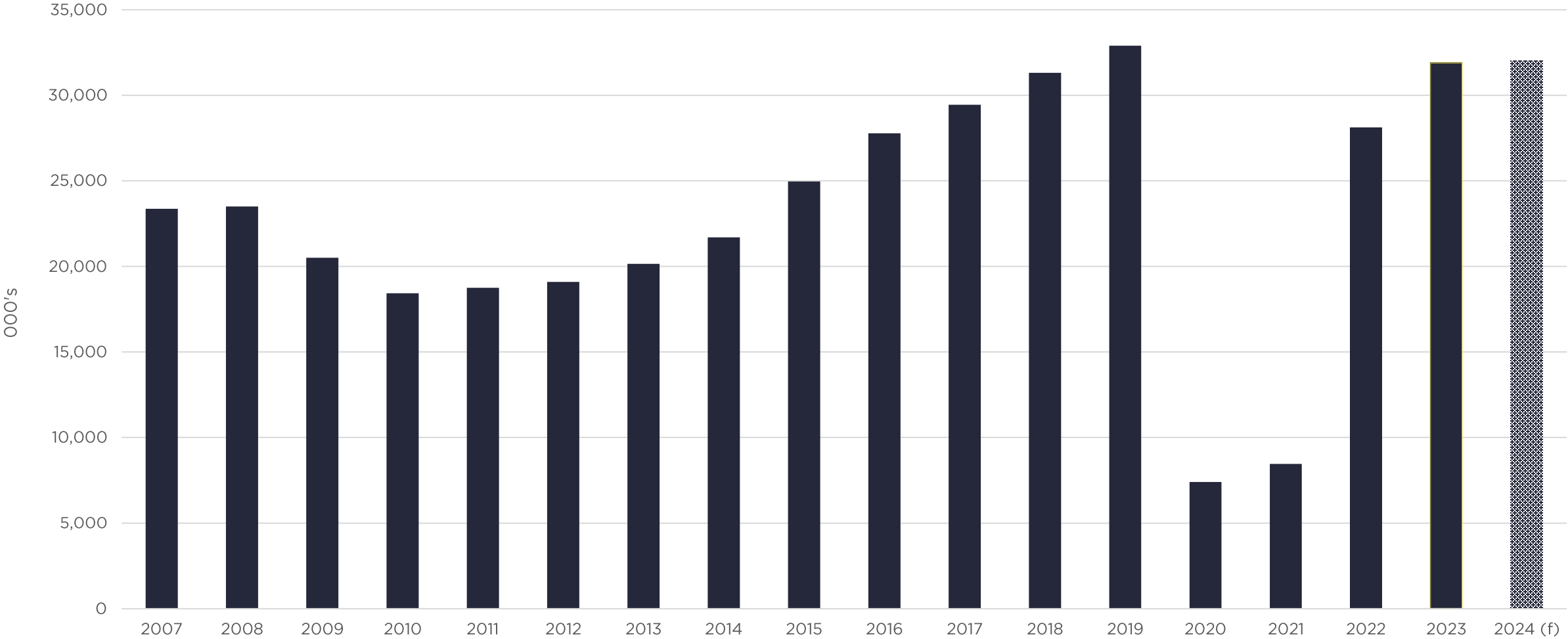
### ‘The rug has been pulled’: Ukrainians in Drumshanbo scramble for accommodation after notice to vacate

Marese McDonagh  
Sun May 26 2024 - 06:00

A short-notice scramble is under way to find alternative accommodation for around 170 [Ukrainians](#) who must vacate the Lough Allen Hotel in Drumshanbo, Co [Leitrim](#) by May 31st.

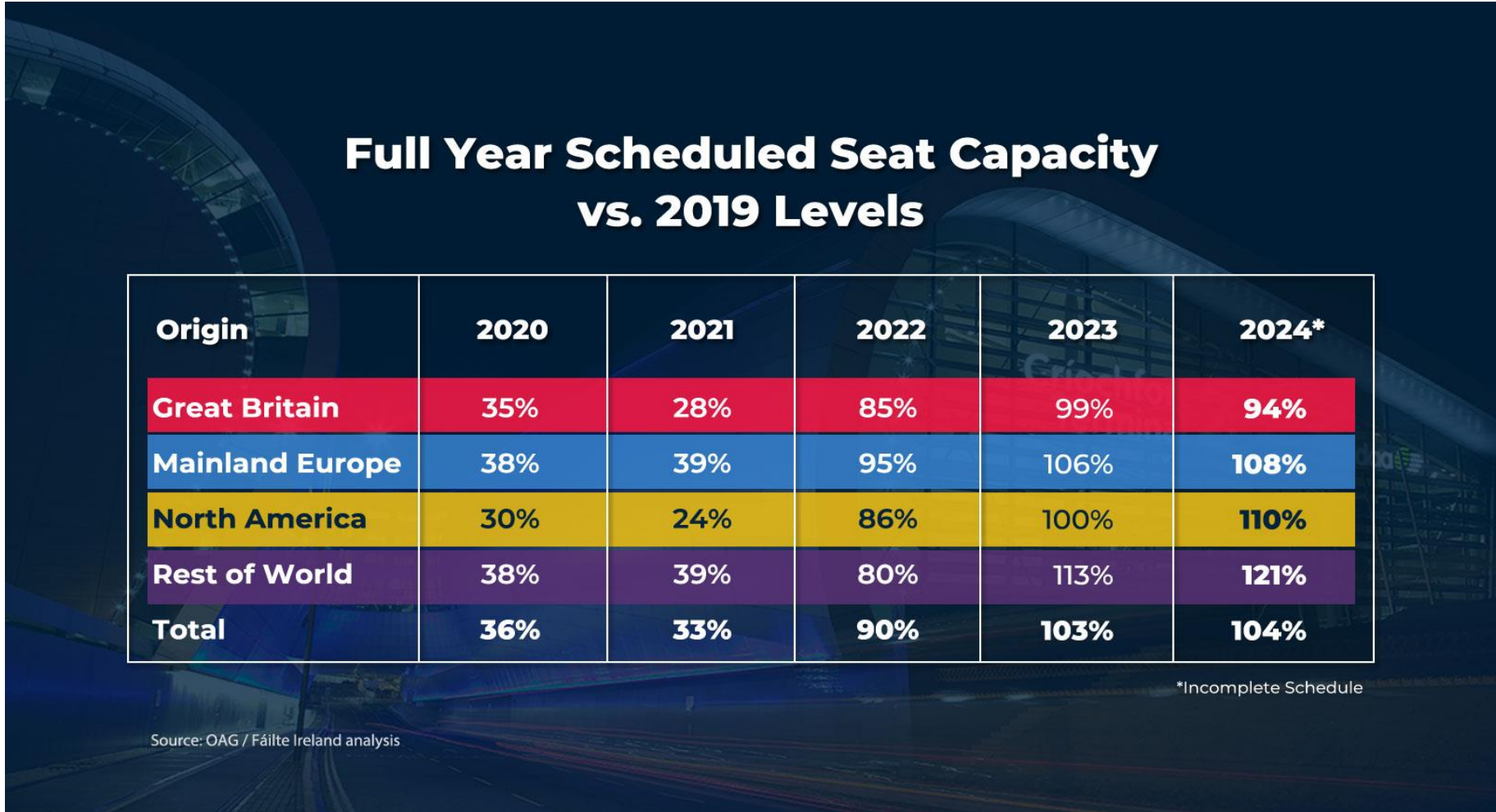


# Dublin Airport Passenger Numbers at Capacity Again



2023 reached the capacity limit of 32m passengers, with 2024 almost certain to hit this number again

# Full Year **Seat Capacity** vs. 2019 Levels



Source: ITIC / OAG / Fáilte Ireland

# Revenge Travel Down & **First-Class Leisure** Flights Up

- The **normalisation** in Dublin trade is replicated across the US in 2024 with Covid savings spent and corporate travel returning to some degree.



- **Leisure travellers** now occupy more seats at the front of the plane.
- “They want more time in the lounge, enjoy the full dining experience, watch a movie and really take it in”
- “Corporate travellers value speed and convenience over luxury and experience - your dream customers: their employer pays stupid money for flexible tickets, and they get straight into their seat, put the seatbelt on, a duvet over their head, refuse all food and drink and sleep”

Source: FT

# The Importance of Events

## Dublin



UEFA Final Dublin 2024



Bruce Springsteen concert  
Dublin May 2024



Taylor Swift concert Dublin  
June 2024



Coldplay concert Dublin  
August 2024

## Cork



Supervalu Pairc ui Chaoimh, Cork  
Munster Rugby

## Galway



Galway Races, Galway Racecourse,  
Ballybrit, Galway

## Kerry



Ring of Kerry Charity Cycle

# IHIF Berlin – Middle Eastern & Saudi Investment



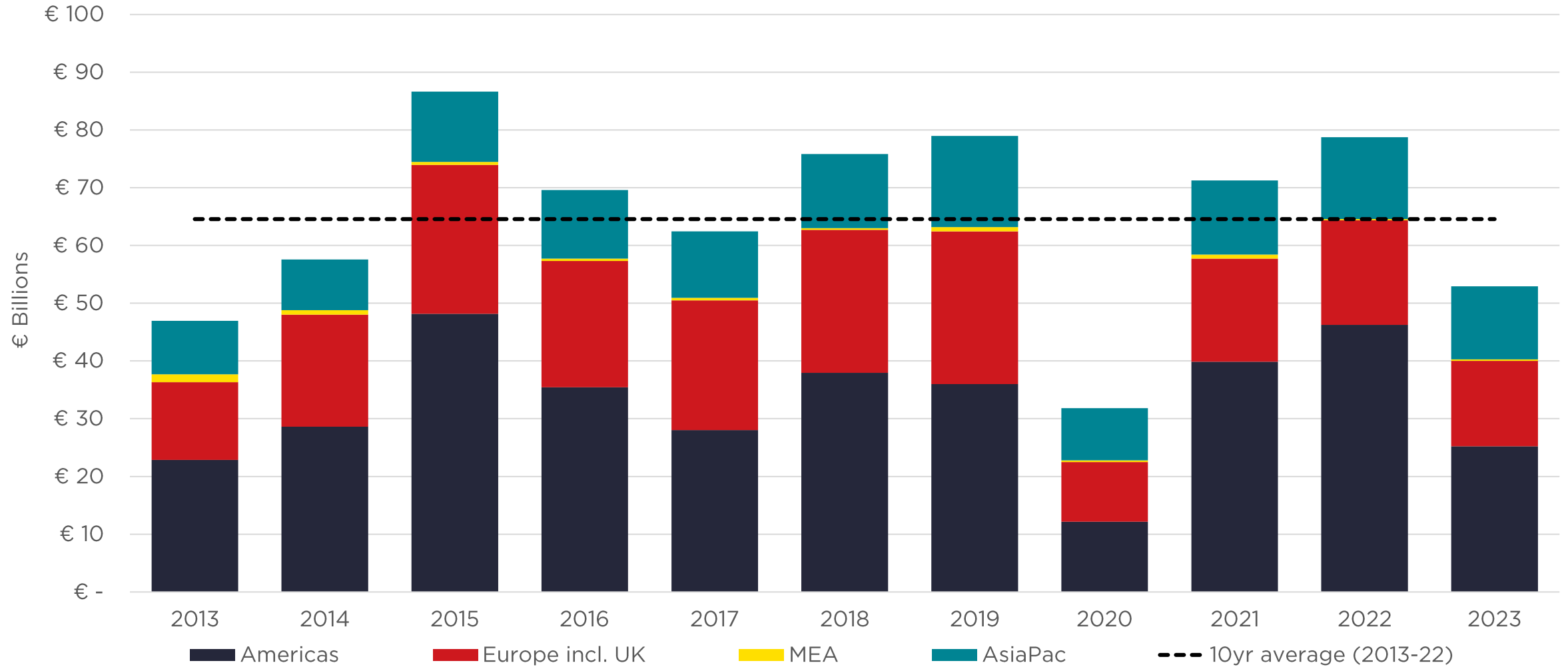
- PIF bought a 49 per cent stake in the luxury hotel group last year, which valued Rocco Forte's 14 hotels at £1.2 billion.
- Savills advised Saudi Private Equity Firm, Olayan Group, on the acquisition of the Mandarin Oriental, Barcelona for €200m in 2023.
- Middle Eastern money has not inverted in Irish hotels, yet.

# 03

## Market Values

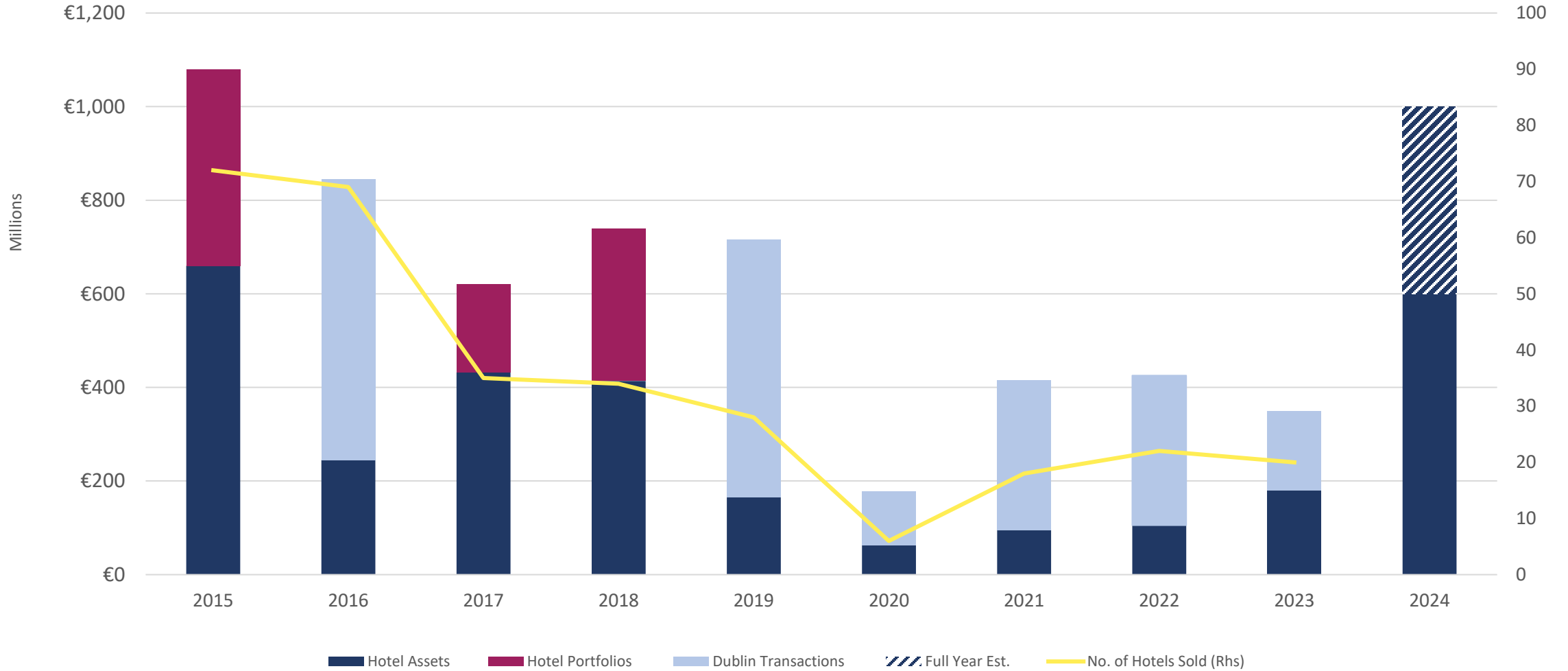
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# Global Transaction Volumes 2013 - 2023





# Irish Hotel Transactions by Value & Volume



MARKET VALUES

# The **Shelbourne** Hotel, Dublin 2



## Shelbourne Hotel

- 265 Bedrooms
- c.€0.25bn
- c.€900k per bedroom
- Vendor: Kennedy Wilson (purchased in 2014)
- Purchaser: Archer Capital (acquired Conrad Dublin in 2019)

# The Dean Hotel Group



**The Dean, Dublin 2**  
100 Bedrooms



**The Dean, Cork**  
112 Bedrooms



**The Dean, Galway**  
100 Bedrooms



**The Devlin, Dublin 6**  
40 Bedrooms



**The Mayson, Dublin 1**  
94 Bedrooms



**Glasson Lakehouse, Co. Westmeath**  
69 Bedrooms

# Tifco Portfolio Transactions?



**Crowne Plaza, Dundalk**

129 Bedrooms  
€11m  
Sold Q3 2023



**Hard Rock Hotel, Temple Bar, Dublin 8**

120 Bedrooms  
€80m guide was reduced



**Crowne Plaza, Blanchardstown**

188 Bedrooms



**Crowne Plaza, Dublin Airport**

209 Bedrooms



**Travelodge, Dublin Airport**

130 Bedrooms



**Travelodge, Galway City**

76 Bedrooms

# 2023/24 Transactions **Dublin**



## **Dawson Hotel, Dublin 2**

36 Bedrooms  
€15m  
Sold Q4 2023



## **Wellington Hotel, Dublin 2**

38 Bedrooms  
€14m  
Sold Q1 2024



## **Radisson Blu St. Helen's, Co. Dublin**

151 Bedrooms  
€45m  
Sale Agreed Q1 2024



## **Hampton Hotel, Dublin 4**

35 Bedrooms  
c.€12.5m guide  
Sale Agreed Q4 2023



## **Morrison, Dublin 1**

145 Bedrooms  
€100m guide  
On the Market Q2 2024



# 2023/24 Transactions **Regional**



**G Hotel, Galway**  
26 Bedrooms  
Guide €25m  
Sale Agreed Q2 2023



**Lansdowne, Kenmare**  
26 Bedrooms  
€3.5m  
Sold Q1 2024



**Park Inn, Belfast**  
145 Bedrooms  
Off Market  
Sold Q1 2024



**ETAP, Belfast**  
146 Bedrooms  
£7.35m (€8.6m)  
Sold Q1 2024



**Slieve Russel Hotel, Co. Cavan**  
224 Bedrooms  
€35m guide  
On the Market Q2 2024



**Mount Juliet, Co. Kilkenny**  
125 Bedrooms  
€45m guide  
On the Market Q2 2024

# 2023/24 Transactions **Site Sales**



**71 South Mall, Cork**  
58 Bedrooms  
€3.25m  
Sold Q2 2023



**Premier Inn, Usher's Quay, Dublin**  
100 Bedrooms  
€5m  
Sold Q3 2023



**Premier Inn, Sandyford, Dublin**  
150 Bedrooms  
€3.5m  
Sold Q4 2023

## Other Sites – some Sale Agreed

## 04

# Development Pipeline

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- ■ ■ ■
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# Planning Permission – DCC



## Don't blame hotels for Dublin's housing shortage – build more instead

Dublin City Council has refused planning permission for central hotel developments on the grounds that they're not needed in the areas, missing the point that failure to build hotel rooms puts renewed pressure on existing housing stocks.



### Capel Street, Dublin 1

April 2023	Applied amendment DCC
May 2023	DCC Refused
June 2023	Appealed to ABP
May 2024	DCC Granted

**14 MONTHS**



### Clayton Edinburgh

17 January 2024	Applied
13 March 2024	Full Approval

**2 MONTHS**

# ESG Impact on Hotels

## Energy Performance

- **Minimum E Rating by 2027 and D Rating by 2030**
- **Zero Fossil Fuels in heating systems in all buildings by 2040**

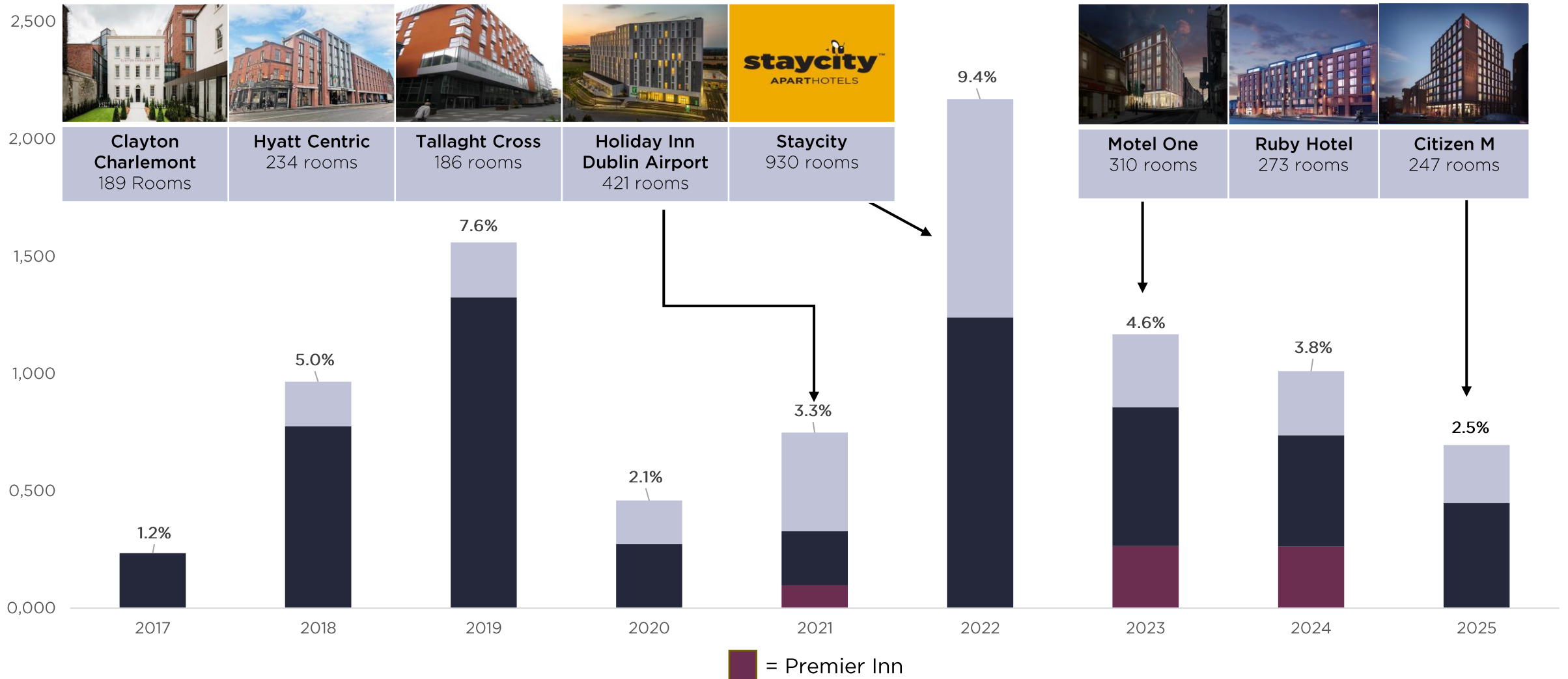
## Taxonomy

- **Dark Green Products → Higher ESG credentials means lower risk investments**
- **Higher Demand → Higher Value**

## Reporting

- **Large & Listed companies must report carbon, energy and fossil fuel use**
- **Will impact Funds, Investors and Developers**

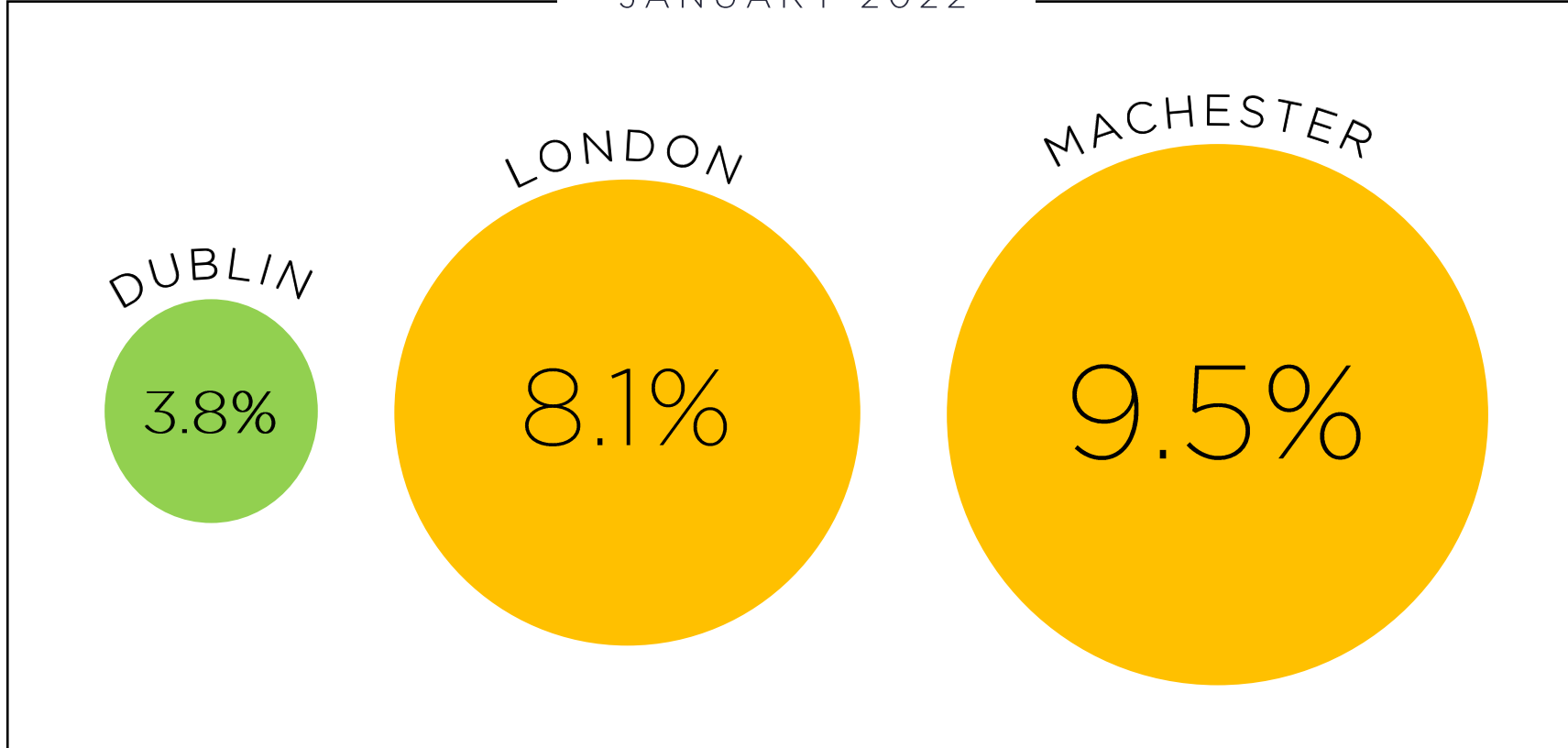
# 2017 - 2025 Dublin Development Pipeline



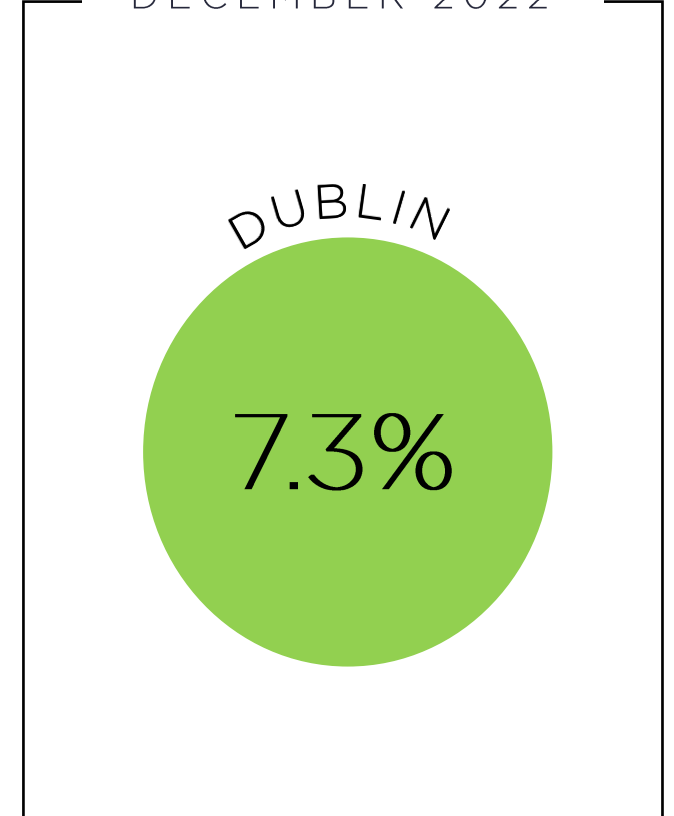
# 2022 - The Year of the Aparthotel - BUT no openings since!



JANUARY 2022



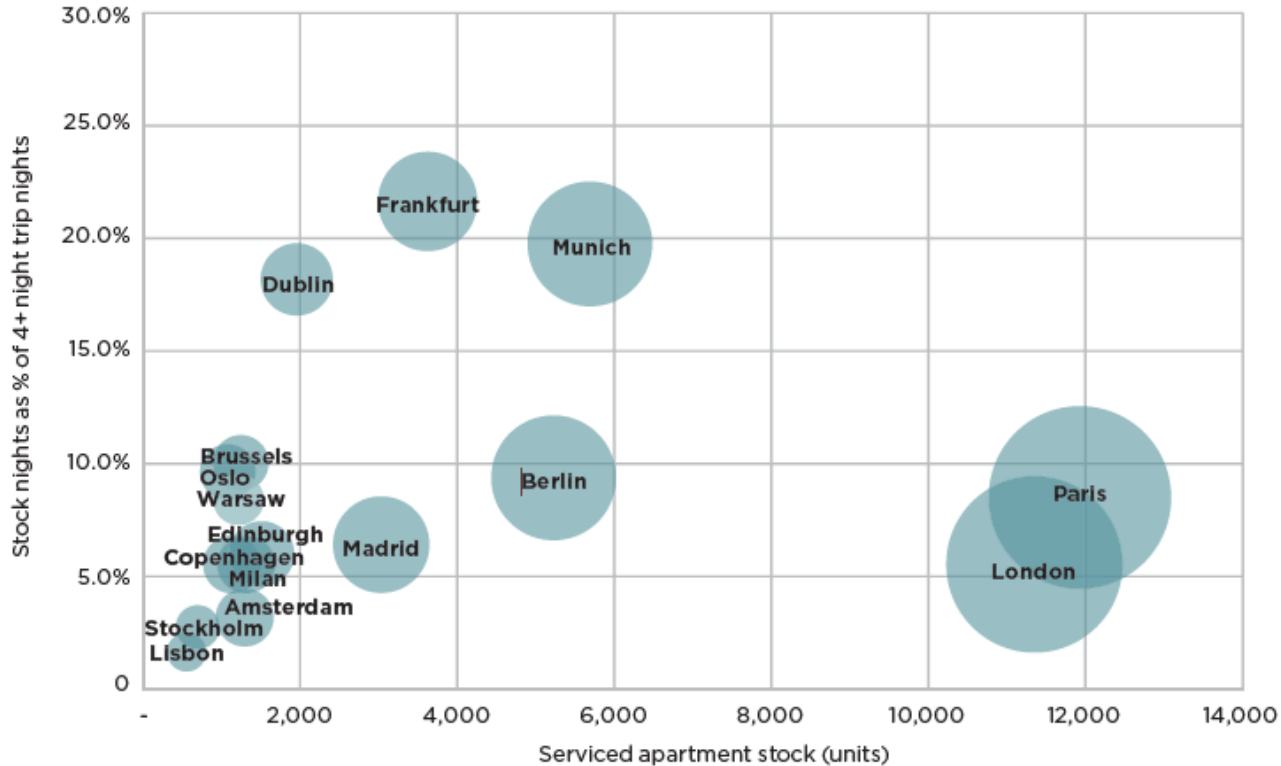
DECEMBER 2022



DEVELOPMENT PIPELINE



# Serviced Apartment Nights as % of total nights (trips of 4+ nights)



- Lisbon and Stockholm are only 1.6% and 2.8% of total nights
- Frankfurt, Dublin & Munich are at the other end of the spectrum
- Dublin is still relatively undersupplied in number of units per total hotel & leisure stock
- With strong corporate and leisure demand, we expect further aparthotel expansion



# 2023 Openings **Dublin**



**easyHotel Benburb Street, D7**  
**(January 2023)**  
Bedrooms: 160



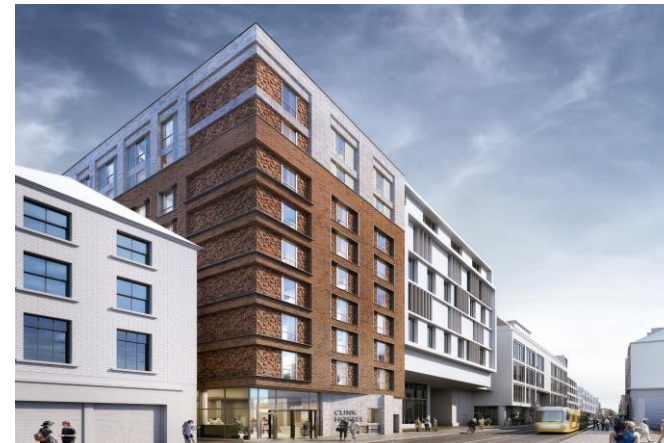
**Premier Inn Gloucester Street, D2**  
**(March 2023)**  
Bedrooms: 113



**Motel One Abbey Street, D1**  
**(August 2023)**  
Bedrooms: 310



**Premier Inn City Centre (The Liberties), D8**  
**(October 2023)**  
Bedrooms: 151



**Clink Hostels, D1**  
**(November 2023)**  
Bedrooms: 151



**Nyx Hotel, D8**  
**(December 2023)**  
Bedrooms: 175

# 2024 Openings **Dublin**



**Premier Inn Castleforbes, D1  
(January 2024)**  
Bedrooms: 262



**The Chancery, Ship Street, D8  
(March 2024)**  
Bedrooms: 152



**The Leinster, D2  
(March 2024)**  
Bedrooms: 52



**Ruby Hotel, D7  
(May 2024)**  
Bedrooms: 273



**Hoxton  
(Opening Q4 2024)**  
Bedrooms: 129 (Ext.)



**The Mercantile  
(Opening Q4 2024)**  
Bedrooms: 109 (Ext.)

# 2025+ Openings **Dublin**



**Moxy, East Wall Road, Dublin 1**  
183 Bedrooms Planned  
Opening 2025



**Citizen M, Bride Street, Dublin 8**  
247 Bedrooms Planned  
Opening 2025



**Premier Inn, Jervis Street, Dublin 1**  
219 Bedrooms  
Opening 2026



**Courtyard by Marriott, Abbey St., Dublin 1**  
252 Bedrooms  
Opening 2026



**Residence Inn by Marriott, Great Strand Street, Dublin 1**  
222 Bedrooms  
Opening 2026



**Maldron, Croke Park, Dublin 1**  
200 Bedrooms  
Opening 2026



# Office to Hotel Conversion Sales



**33 College Green (Ulster Bank), D2**  
**(Sold Q1 2024)**  
Bedrooms: 147?



**5-9 South Frederick Street, D2**  
**(Sale Agreed Q4 2023)**  
Bedrooms: 87-137?



**One Westmoreland Street, D2**  
**(On the market)**  
Bedrooms: 38?

# Office Conversions A Perfect Conversion

## Telephone House

- Sold SPP for €28m in Q2 2022 (planning granted 26/01/23)
- Conversion of a 135,000 sq ft, eight-storey office building to a 290 bed aparthotel with completion estimated in Q1 2026



**Office**



**Hotel**



# Regional Development New + Opening



**Premier Inn, Cork  
(January 2024)**  
Bedrooms: 187



**Ravensport, Curracloe, Co. Wexford  
(May 2024)**  
Bedrooms: 50 and golf course 2026



**Moxy and Residence Inn, Cork  
(Opening September 2024)**  
Bedrooms: 201



**Radisson Red, Galway  
(Opening 2025)**  
Bedrooms: 177



**Aloft & Residence Inn, Belfast  
(Opening 2026)**  
Bedrooms: 228



**Premier Inn, Cork  
(Opening 2026)**  
Bedrooms: 168

# Thank You

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