

savills

# Northern Irish Hotel Market Overview



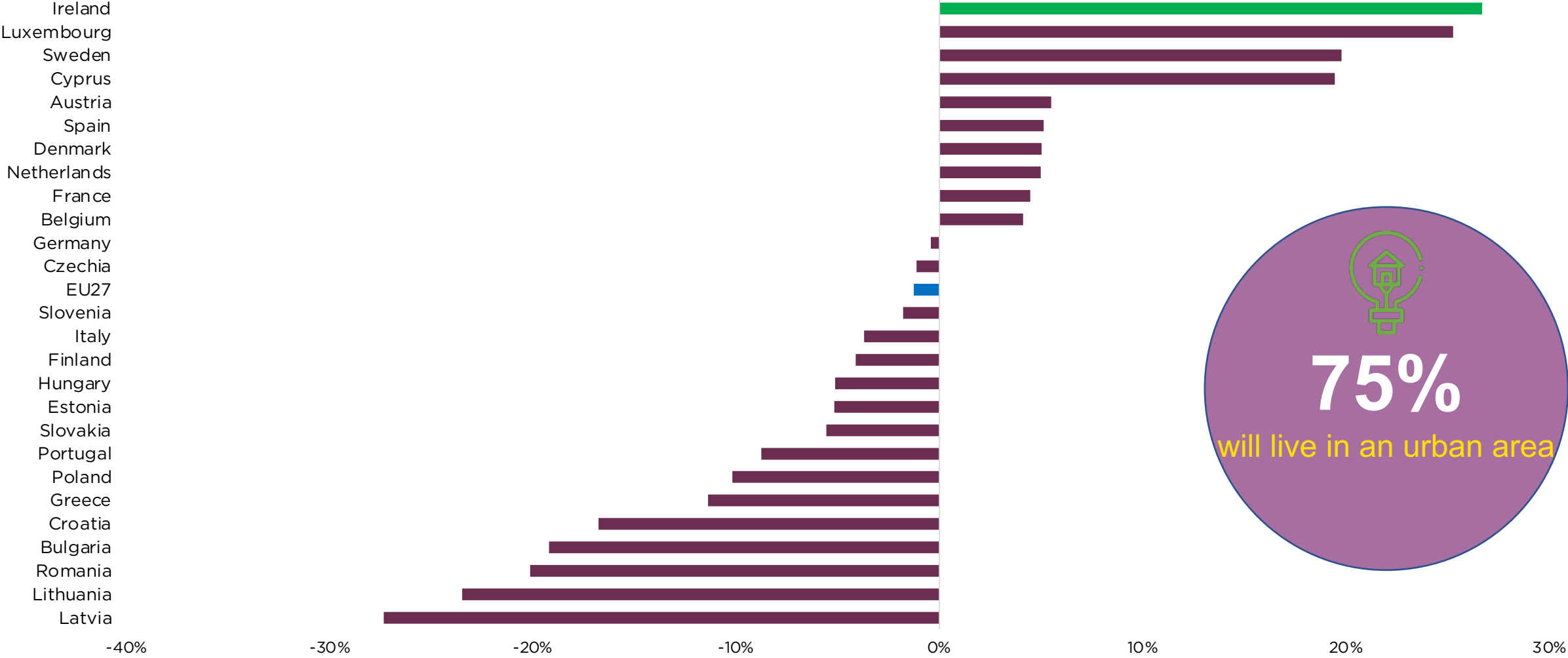
18<sup>th</sup> October 2023



# Market Environment



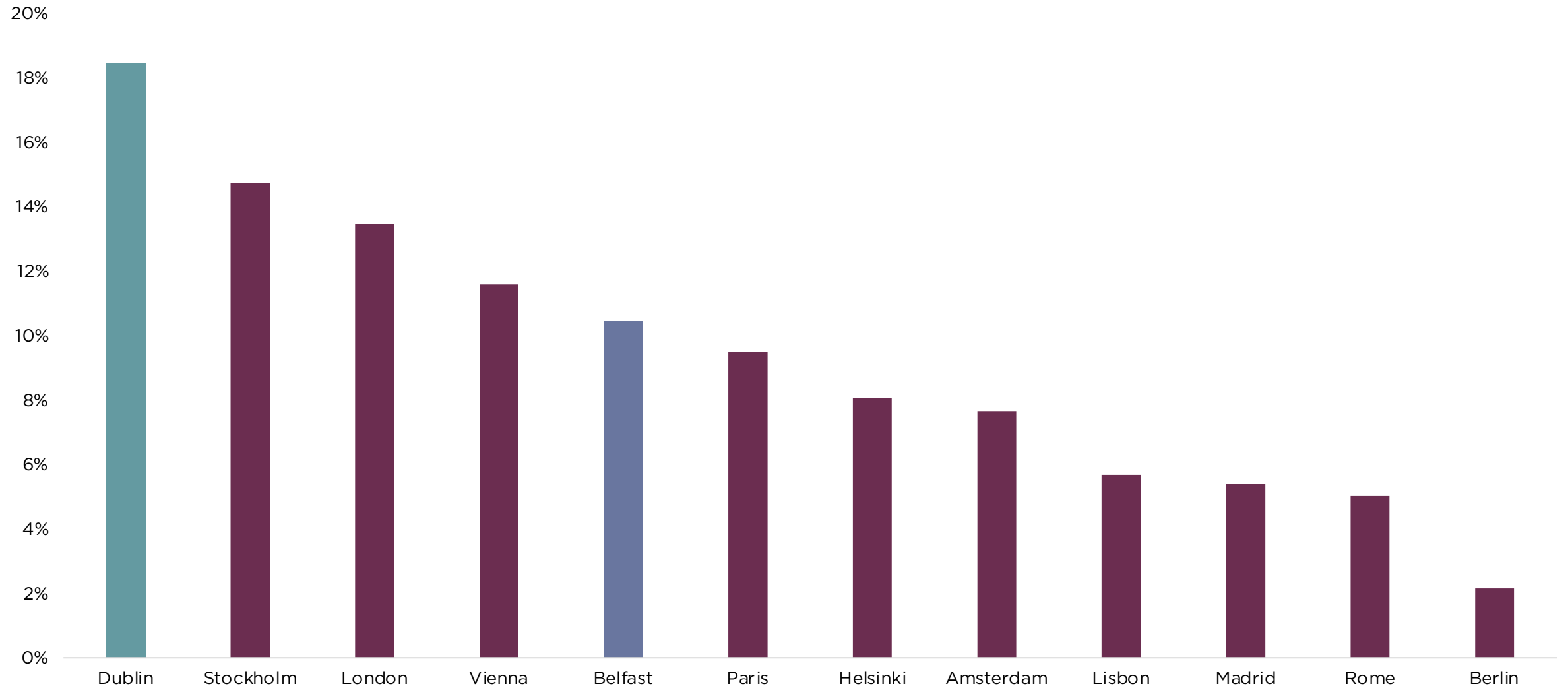
# Ireland fastest growing population to 2050



75%  
will live in an urban area

Source: Eurostat

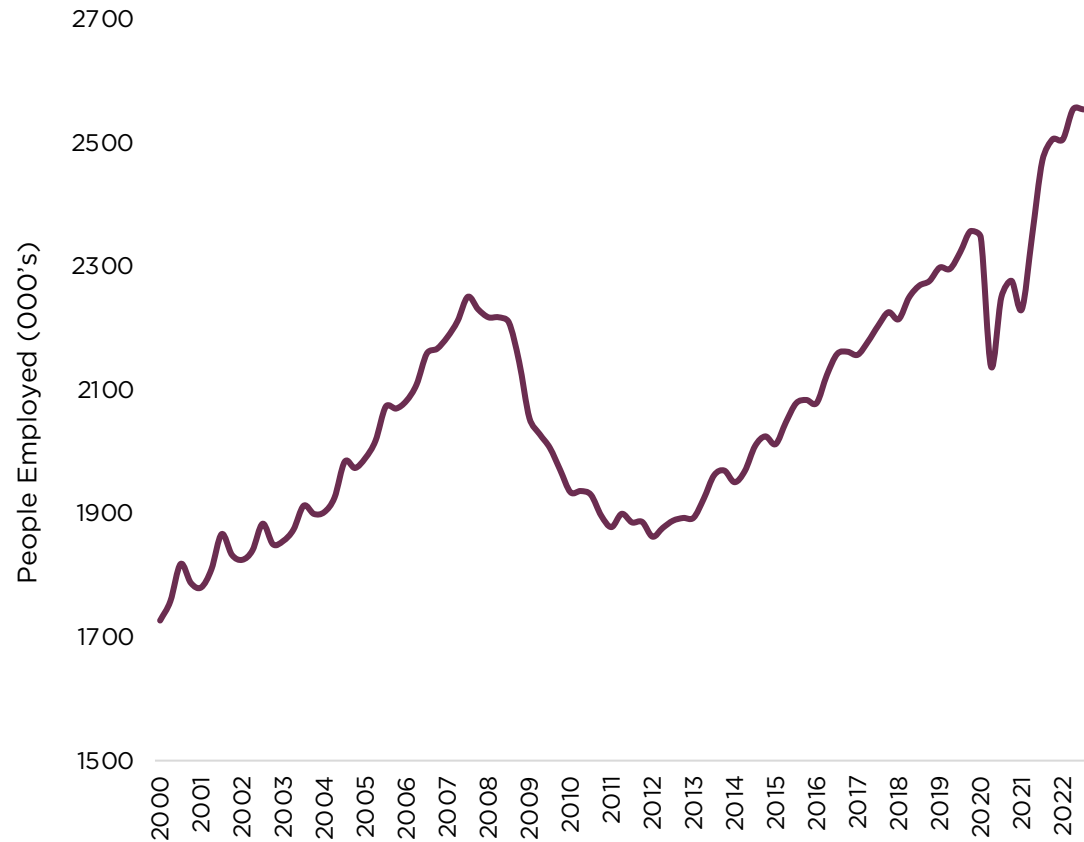
# Dublin & Belfast among fastest growing cities in Europe to 2035



Source: UN

# Irish Employment & Dublin Office Market

The expanding economy is reflected in strong labour market conditions, with employment at an all-time high of 2.6 million. While a slowdown is expected the CBoI forecast employment growth of 1.1% in 2023 and 1.7% in 2024.



**LinkedIn**



**Meta**



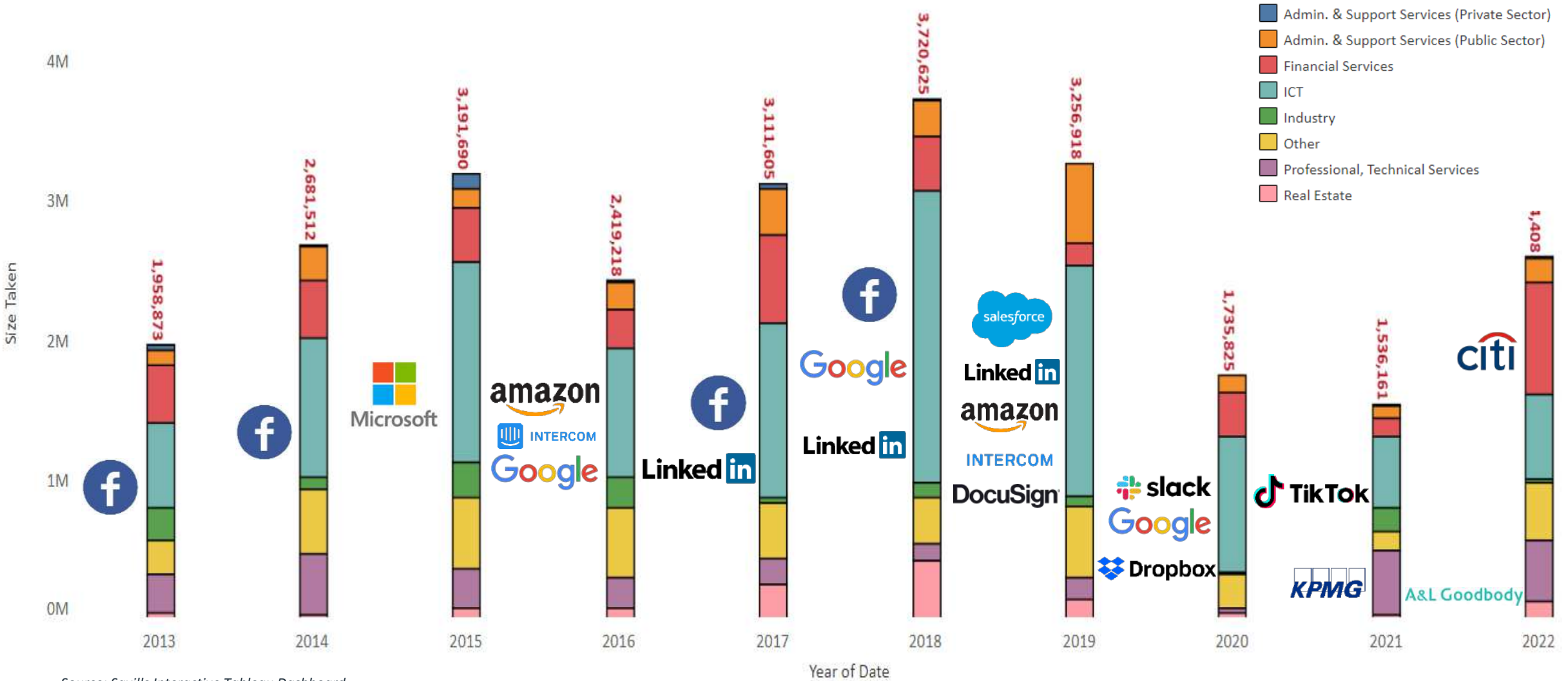
**Citi**



**A&L Goodbody**



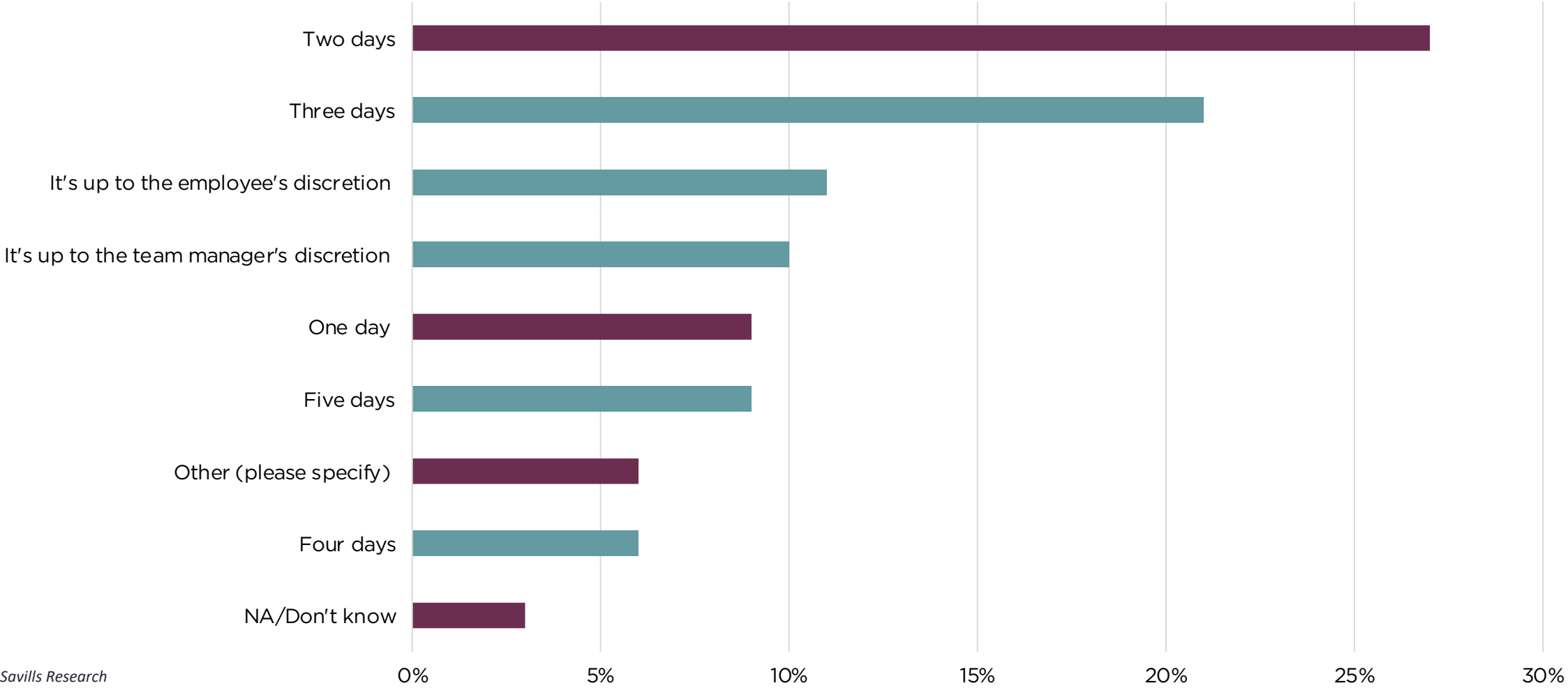
# Dublin Office Take Up / By Sector Yearly



Source: Savills Interactive Tableau Dashboard

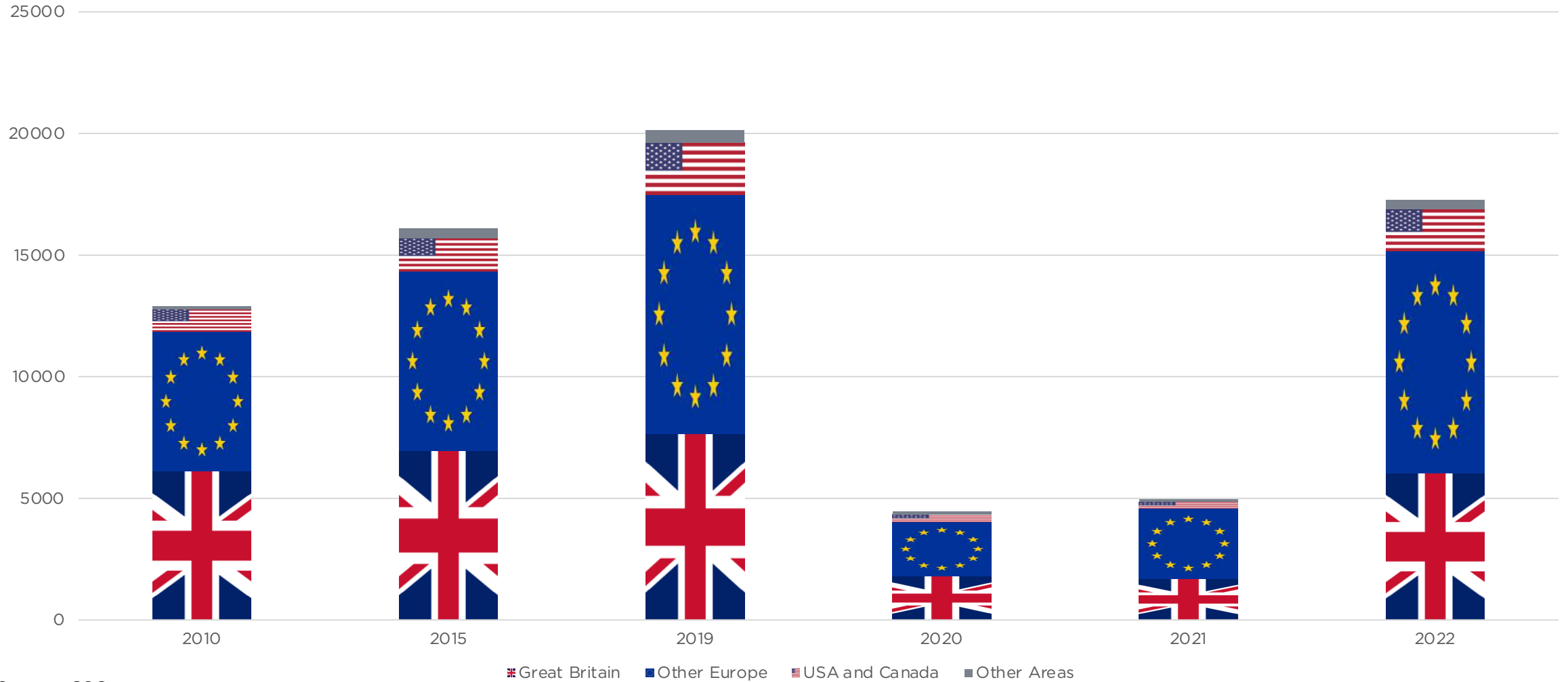
H1 2023 office take-up was 666,000 sq ft

# Remote working here to stay



Source: Savills Research

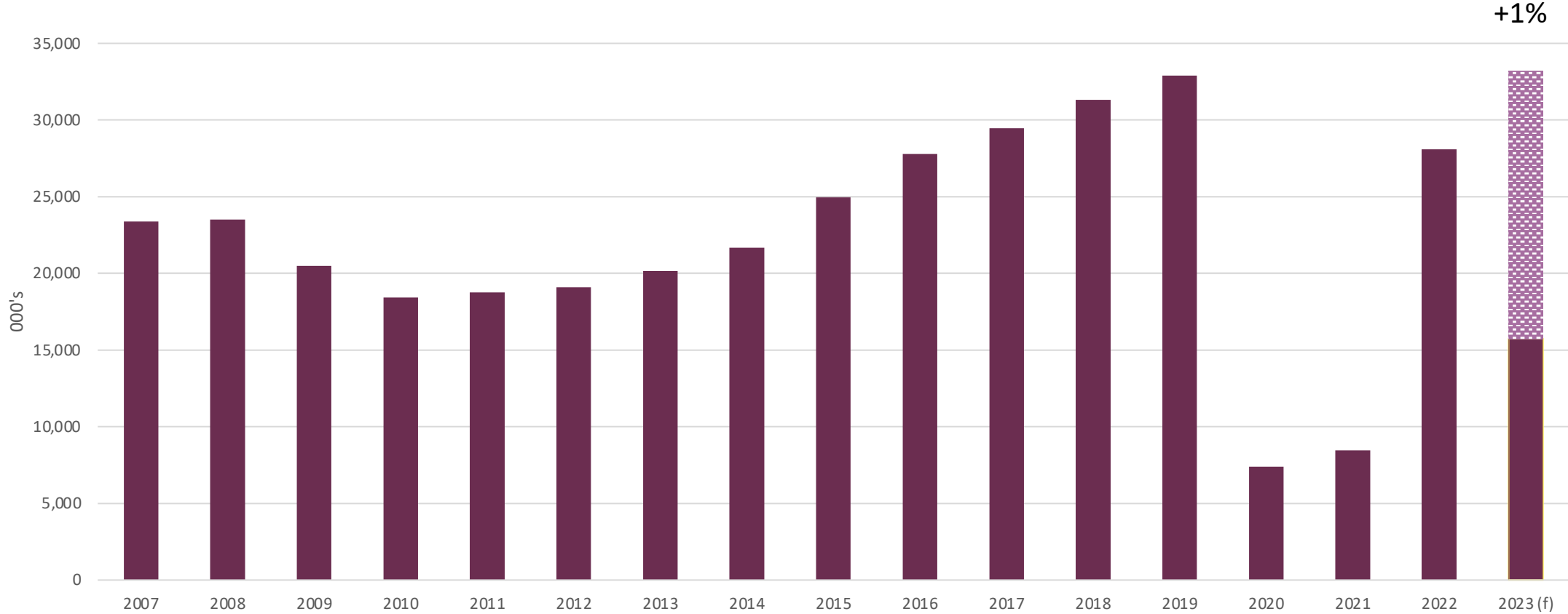
# Overseas Trips to Ireland / By Area of Residence



Source: CSO



# Dublin Airport Passenger Numbers / Forecast 2023 % v 2019



H1 2023 was 1% ahead of H1 2019, therefore 2023 could equal or exceed 2019

# Regional Airport Passenger Numbers / 2022 % v 2019



2023 figures are not conclusive but there are strong indications that 2023 passenger numbers for all regional airports will surpass 2019 levels

Source: CSO

# European Aviation / Average Daily Flights

## Top 10 aircraft operators

Week 18-24 Sep 2023 (avg daily flights)

No.	Aircraft operator	Average daily flights	% prev week	% prev year		% 2019	
1.	 Ryanair Group	3,272	+1%	↑	+9%	↑	+26%
2.	 easyJet Group	1,773	+0%	↑	+8%	↓	-6%
3.	 Turkish Airlines	1,539	-3%	↑	+12%	↑	+9%
4.	 Lufthansa Airlines	1,273	-2%	↑	+8%	↓	-21%
5.	 Air France Group	1,063	-1%	↓	-0%	↓	-17%
6.	 KLM Group	897	-2%	↑	+18%	↓	-6%
7.	 Wizz Air Group	875	-1%	↑	+9%	↑	+32%
8.	 British Airways Group	821	-3%	↑	+18%	↓	-16%
9.	 SAS Group	728	+0%	↑	+12%	↓	-23%
10.	 Vueling	641	-1%	↓	-2%	↓	-9%



Source: Eurocontrol

# Government Reliance on Hotel Beds / June 2023



Nationally, 13% of all registered tourism bed stock is under contract



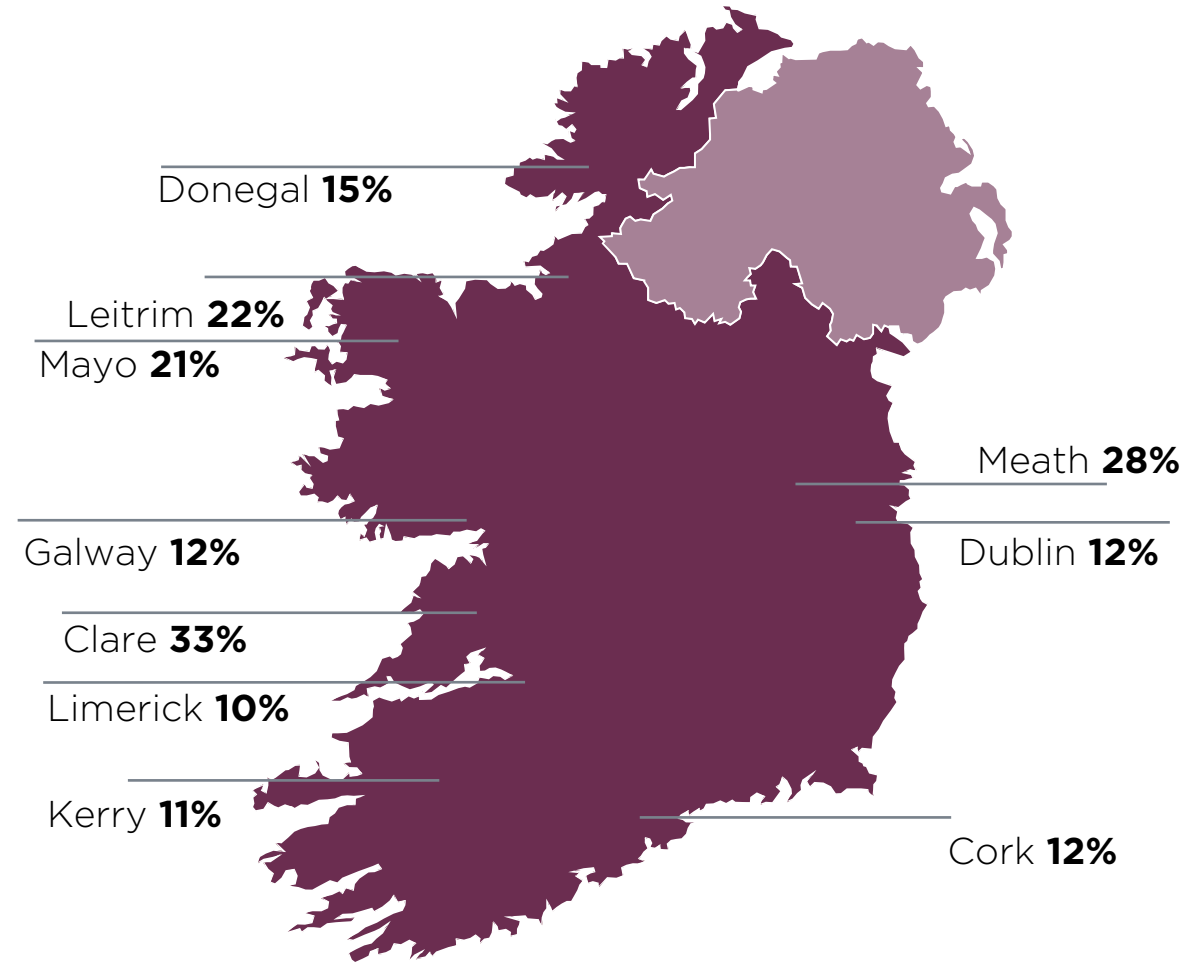
30,000 hospitality beds withdrawn from market

20%

There are five counties with over 20% of available capacity out of use for tourism. They are Offaly, Mayo, Leitrim, Meath & Clare.



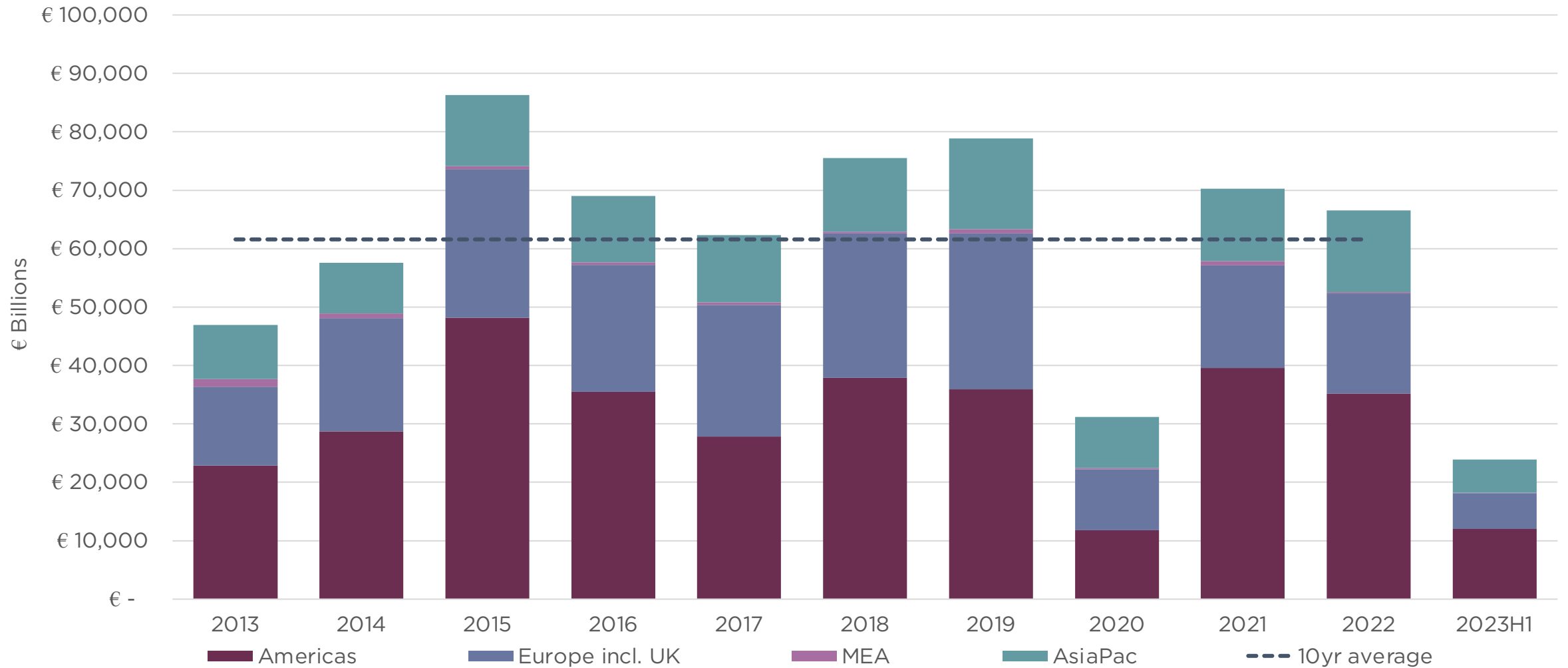
Heavy concentration of Ukrainian guests in the West of Ireland where up to 33% of tourist accommodation was withdrawn from the market



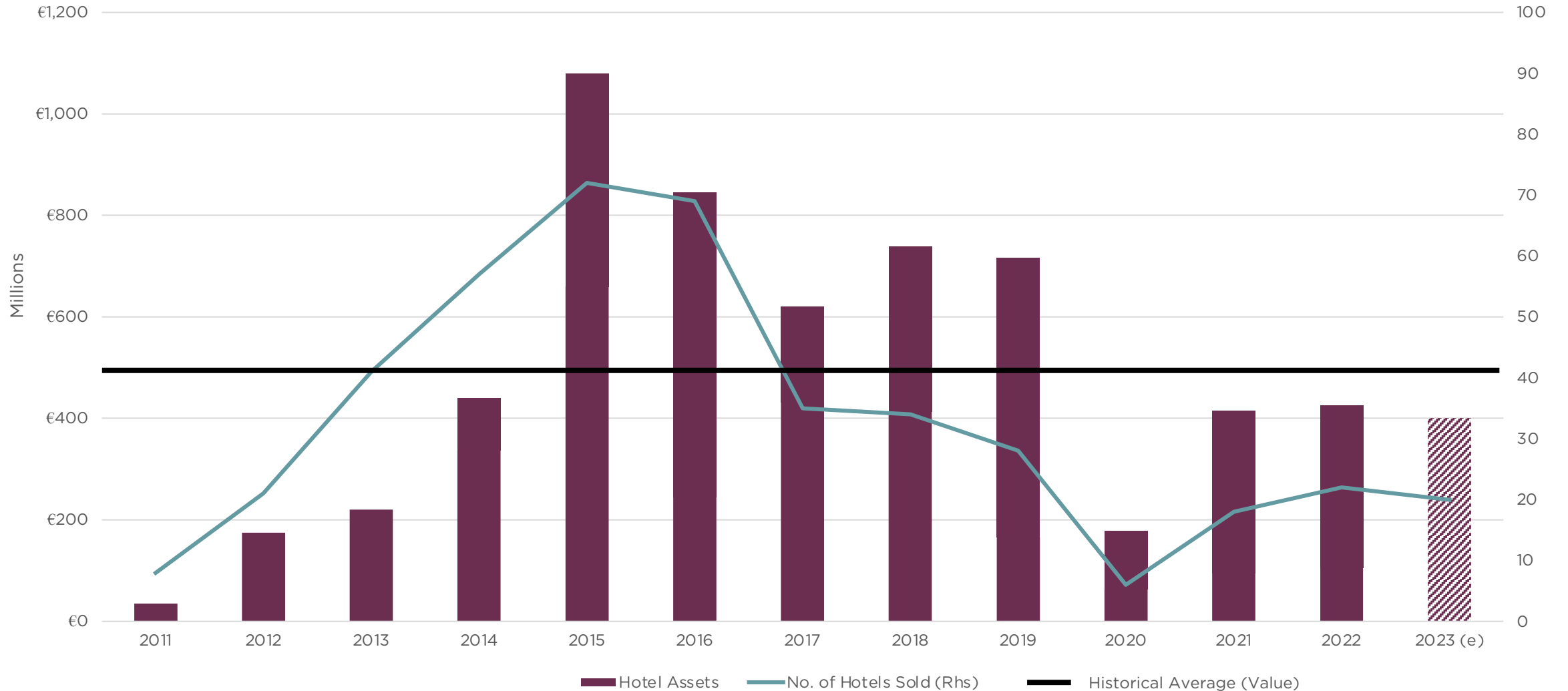
# Market Values



# Global Transaction Volume / 2011 - 2022



# Irish Hotel Transactions / By Value & Volume



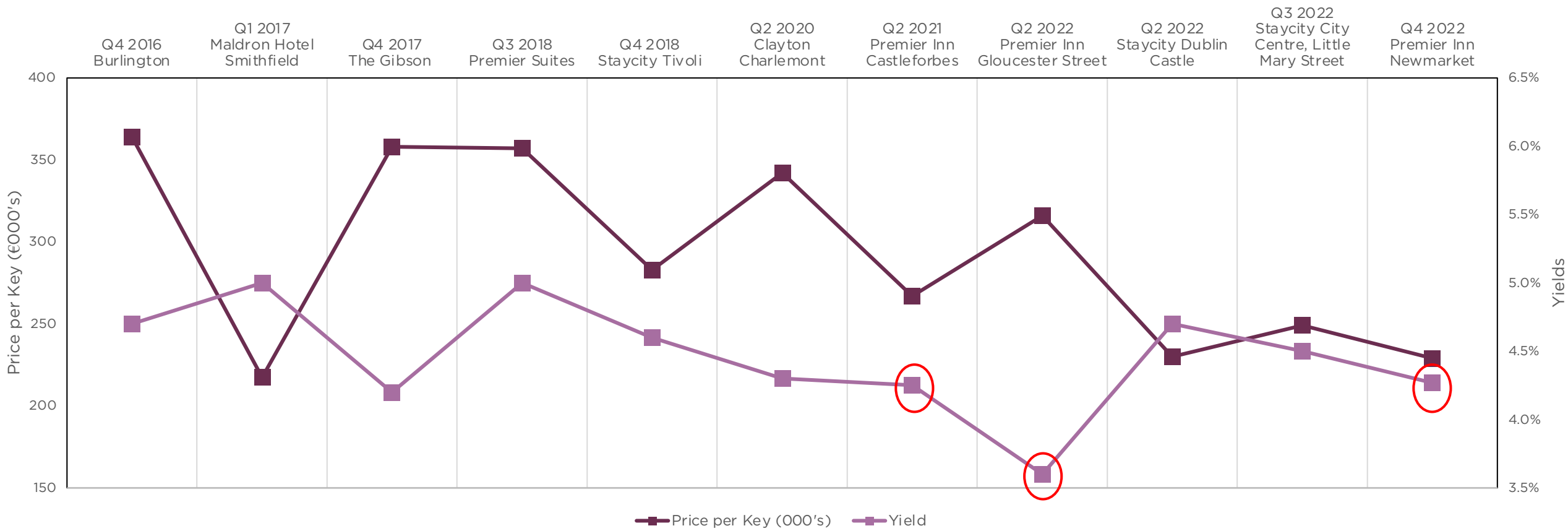
# Dublin Hotel Values / Hypothetical Example

DUBLIN HOTEL	2012	2015	2017	2019	2021	2023
Sales	€8m	€10m	€13m	€14.3m	€4m	€16.3m
NOI	€1.8m	€3.0m	€4.5m	€5.2m	€0.5m	€5.6m
Value Multiple	x 13	x 14	x 14	x15	x130	x14
Value	€22m	€40m	€60m	€78m	€65m	€78m
Per bedroom	€150k	€270k	€400k	€520k	€430k	€520k

*These figures are not intended as a formal valuation and should not be relied upon as such. They are given in the course of our property advisory role and do not come within the scope of the valuation and Appraisal Manual issued by the Society of Chartered Surveyors.*



# Dublin Hotel Investment Sales



# 2023 Transactions / Dublin



**Brooks Hotel, D2**  
98 Bedrooms  
Sold Q2 2023



**Temple Bar Hotel, D2**  
136 Bedrooms  
Sold Q3 2023



**Wellington Hotel, D2**  
38 Bedrooms  
Sale Agreed Q3 2023



**Dawson Hotel, D2**  
36 Bedrooms  
Sale Agreed Q3 2023

# Regional Hotel Values / Hypothetical Example

REGIONAL HOTEL	2012	2015	2017	2019	2021	2023
Sales	€3.8m	€4.5m	€5.0m	€5.5m	€2.5m	€6.6m
NOI	€0.4m	€0.8m	€1.1m	€1.2m	€0.6m	€1.3m
Value Multiple	x 9	x 10	x 10	x10	x16	x9
Value	€4m	€8m	€11m	€12m	€10m	€12m
Per bedroom	€35k	€80k	€110k	€120k	€95k	€120k

*These figures are not intended as a formal valuation and should not be relied upon as such. They are given in the course of our property advisory role and do not come within the scope of the valuation and Appraisal Manual issued by the Society of Chartered Surveyors.*

# Regional Transactions / 2022/23



**Killashee Hotel & Spa, Kildare - 2022**

141 Bedrooms  
c. €25m



**Dunboyne Castle, Meath - 2022**

145 Bedrooms  
c. €25m



**Tulfarris Hotel, Wicklow - 2023**

Bedrooms: 93  
c. €15m



**Ballymascanlon, Louth - 2022**

97 Bedrooms  
c. €14m



**Maldron Oranmore, Galway - 2023**

113 Bedrooms  
c. €13m



**Park Hotel Kenmare, Kerry - 2023**

46 Bedrooms  
€17m guide

# Regional Transactions / 2023



**Hilton Belfast**  
Bedrooms: 202  
c. £40m



**Imperial Hotel Cork**  
125 Bedrooms  
c. €25m



**Crowne Plaza Dundalk, Louth**  
129 Bedrooms  
c. €11m



**G Galway**  
101 Bedrooms  
**€25m guide**  
Sale Agreed Q3 2023



**Radisson Belfast**  
120 Bedrooms  
£8m guide  
Sale Agreed Q3 2023



**D Hotel, Louth**  
111 Bedrooms  
€10m guide  
Sale Agreed Q3 2023

# Development Pipeline



# Dublin Development Pipeline / 2017 - 2025



# ESG

Environmental, Social, and Governance (ESG)	
Why is this important?	<p>Real estate reflects brand, culture, green values, goals, pledges and targets.</p> <p>Best performing, sustainable asset.</p> <p>Help attract customers and retain quality staff.</p>
EU Directive	<p>Energy Performance of Buildings Directive (goal of climate neutrality in 2050). Public Authority Buildings: Must be Zero Emission Buildings from 1 January 2026 and new leases must be for NZEBs.</p> <p>State Owned Buildings: Must retrofit 3% total floor area of stock to NZEB annually.</p> <p>Non-Residential Buildings: Must be Zero Emission Buildings from 1 January 2028 Must be E rating by 2027 and D rating by 2030.</p> <p>Public/Commercial Buildings: Minimum performance of E by 2027 and D by 2030.</p> <p>BER System Change in 2025: Worst-performing 15% being G rated. Fossil Fuels in heating systems phased out by 2035 for new buildings and fully phased out (for all buildings) by 2040.</p>
EU Taxonomy	<p>Real Estate/ Construction Perspective: Main economic activities include Construction of new buildings, Renovation of existing buildings, Ownership including the acquisition of buildings.</p>
Framework for Environmentally Sustainable Investment	<p>Dark Green Products: Lower-risk investments, less exposed to regulatory changes/ naturally more resilient, lower yields. Know as Green Premium as they have higher ESG accreditations, driving higher demand and achieving higher values.</p>
The Corporate Sustainability Reporting Directive (January 2023)	<p>Firms must report Carbon/Energy Use/dependence on fossil fuels.</p> <p>Investors, prospective staff, customers and other stakeholders will have full visibility to assess companies and investments on risks arising from climate change/ sustainability issues.</p>





# Office Conversions / How many will happen?

*Telephone House - conversion of an 80,000 sq ft, eight-storey office building to a 290 bed aparthotel with completion estimated in 2025*



**Office**



**Hotel**

# Dublin Pipeline / What is Coming?



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



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



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



**Nyx Hotel, D8 (2024)**  
Bedrooms: 175



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



**Citizen M, Bride Street, D8 (2025)**  
Bedrooms: 247

# Belfast Pipeline / What is Coming?



**room2, Queen Street, Belfast**  
Bedrooms: 175



**Scottish Mutual Building, Belfast**  
Bedrooms: 63



**The Dean Hotel, Bedford Way, Belfast**  
Bedrooms: 91



**Aparthotel, Wellington Place, Belfast**  
Bedrooms: 113



**Aloft Hotel, Hamilton Place, Belfast**  
Bedrooms: 162



**Bedford Yard Aparthotel, Belfast**  
Bedrooms: 154

# Cork & Galway Pipeline / What is Coming?



**Crown Square Hotel, Galway**  
Bedrooms: 175



**Augustine Hill Hotel, Galway**  
Bedrooms: 189



**Bonham Quay Hotel, Galway**  
Bedrooms: 150



**Coal Yard Hotel, Galway**  
Bedrooms: 174



**Premier inn, Cork (Q4 2023)**  
Bedrooms: 187



**Residence Inn & Moxy, Cork (2024)**  
Bedrooms: 201

The Savills logo, consisting of the word "savills" in a lowercase, sans-serif font, is positioned within a white square on a dark red background.

Tom Barrett  
Director, Hotels & Leisure

- T: +353 1 618 1415
- M: +353 86 989 9808
- E: [tom.barrett@savills.ie](mailto:tom.barrett@savills.ie)

