

YOY %
Change

€307m

Turnover Recorded*



24

Hospitality Assets Sold



1400 Rooms

to be added in Dublin in 2024

Annual %
Change

	2022 (A)	2023 F	2024 F
GDP	9.4	2.0	4.5
Personal Consumption	9.4	3.3	3.2
Modified Domestic Demand	9.5	2.2	2.2
Unemployment Rate	4.4	4.1	4.2
HICP	8.2	5.3	2.9

Source: CSO, Department of Finance Forecasts for 2023 and 2024

* A contingency of 5% is assumed for transactions in the last 12 months, as some deals are revealed with delays.

OVERVIEW:

2023 was very much the year where Irish hotels left the COVID pandemic era behind. The domestic economy was a strong support for trading conditions in the sector although the sharp increases in interest rates and general market repricing kept investment volumes at a lower ebb in a historical context.

TRANSACTION ACTIVITY:

In 2023 the total hotel transaction volumes amounted to approximately €307 million*. Some notable transactions include the sale of Telephone House which sold for €28 million to John Kajani and the €50m sale of Brooks Hotel to the MHL Collection. There was a number of sales in the €10 - €20 million range including the Crowne Plaza Dundalk, Tulfarris Hotel & Golf Resort and Park Hotel Kenmare. Looking forward, we expect transaction levels in 2024 to show good growth compared to 2023.

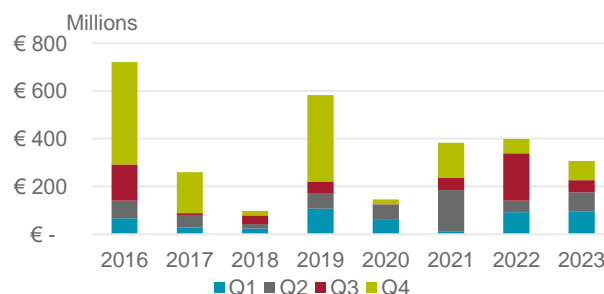
DEVELOPMENT ACTIVITY:

In 2023 approximately 1,400 rooms were delivered in Dublin. Premier Inn continued their expansion in Ireland by opening 3 new hotels in Dublin and reaching completion on their first hotel in Cork. Some other brands that opened in Dublin for the first time were easyHotel, Motel One, and Clink Hostels. Approximately 1,400 rooms are due for completion in 2024 and these include The Leinster, a 55 bedroom hotel by Press Up, Ruby Molly Dublin, a 273 bedroom hotel in Dublin 7 and CitizenM's 247 bed hotel on Bride Street, Dublin 8. According to STR, there are currently 18 projects under construction outside of Dublin due to complete in 2024. Some notable openings includes the new 50 bed hotel at Goffs in Kildare and Premier Inn's 187 bed hotel opening in Cork.

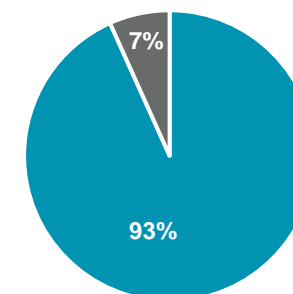
OUTLOOK:

From an economic perspective the outlook for the hotel sector remains positive – the latest Irish labour market data show all-time high employment of 2.71 million across the economy while average weekly earnings grew by 4.6% compared to the same period in 2022, both of which supports the leisure spending outlook. In terms of tourism trends, we estimate that on a twelve-month rolling basis inbound arrivals surpassed pre-COVID levels in the final quarter of 2023. Furthermore, Oxford Economics' latest forecasts for international visits into Ireland continue to point to sustained growth with increases of 5% and 7% respectively expected for 2024 and 2025 respectively.

Occupancy and RevPAR data for the hotel sector edged higher in the second half of 2023, reflecting the positive macro and tourism picture. Furthermore, the latest occupancy data also suggest that we haven't seen any significant fallout as a result of the restoration of the 13.5% VAT rate last September. The sector still faces cost challenges however energy cost pressures began to ease somewhat in the second half of 2023 and we expect this to continue in 2024 which should provide the sector with some cost respite.

Total Capital Flows by Quarter, Hospitality Assets, 2016 - 2023**Rooms Under Construction Q4 2023 - Nationwide**

■ New Build
■ Extension



TOP TRANSACTIONS, 2023

PROPERTY	ASSET TYPE	STAR RATING	PURCHASER	PRICE Approx. €
Brooks Hotel	Hotel	4	MHL	€50m
Imperial Hotel	Hotel	4	Louis Fitzgerald	€25m
Hatch Hall	Development	N/A	Private Irish	€23m
Tulfarris Hotel & Golf Resort	Hotel	4	Stanley Quek	€15m
Park Hotel Kenmare	Hotel		Private Irish	€15m

NEW HOTELS DELIVERED IN 2023

PROPERTY	CLASS	NUMBER OF ROOMS	OPENED
Travelodge Plus Dublin City Centre	Economy	393	Q2 2023
Motel One Dublin	Midscale	310	Q3 2023
Premier Inn Dublin City Centre	Economy	262	Q4 2023
NYX Hotel Dublin	Upscale	178	Q4 2023
easyHotel Dublin City Centre	Budget	269	Q1 2023

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