MARKET BEAT
IRELAND
Hospitality H1 2024

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MARKET SUMMARY & OUTLOOK

	YoY Chg.	12-Mo. Forecast.	
Investment Trends	▲	▲	For H1 2024 a total of €655M was transacted, a near fourfold increase on the approximately €173M traded in H1 2023 – this pushed transaction volumes over the past year to an all-time high of almost €790M. Activity was supported by continued good operational performance across the sector and a couple of large deals including the sales of the Shelbourne Hotel and a majority stake in the Dean Hotel Group.
Prime Yields	▲	▬	Prime yields have moved modestly higher over the past twelve months but looking forward we expect them to stabilise, boosted by gradually looser ECB monetary policy with the first steps in this journey occurring in June with a 25 basis point interest rate cut. With growing appetite among investors and liquidity in the debt markets, we expect to see a gradual yield sharpening for prime assets as we progress into 2025.
Market Performance	▲	▲	Despite ongoing supply growth, the occupancy and ADR in Irish hotels remained healthy in H1 2024, with only minor softening relative to H1 2023. While RevPAR in Ireland declined by 1.2% to €125 in H1 2024, it was the 3rd-highest level in Europe. In Dublin, the occupancy reached 80% in H1 2024, the second highest in Europe, albeit a minor decline from 2023. This, combined with a 4% drop in ADR, resulted in a 5% RevPAR decrease, although 23% above pre-Covid level in 2019.
Supply Outlook	▲	▲	510 new rooms were delivered in Dublin in H1 while Premier Inn also opened their first hotel in Cork in January. We estimate there are currently in excess of 1,700 hotel rooms under construction in Dublin (around 6% of Dublin's room stock) while two hotels in Cork are also due to open later this year. The new supply is welcome to satisfy growing demand, particularly in the Dublin market, albeit the increased competitiveness might constrain occupancy and ADR growth.
Demand Outlook	▲	▲	Ireland's economic outlook continues to support the hotel sector. Employment hit another all-time high of 2.71 million while wages (up 4.7% year on year in Q1) are now growing in real terms as inflation (2.2% in June 2024) eases. Tourist trends also continue to be strong. Overnight trips by foreign visitors (over rolling 12-month periods) gradually rose in the first half of the year as has the average spend.

Sources: Cushman & Wakefield, Oxford Economics

INVESTMENT TRENDS

HIGHLIGHTS - 2024 H1

- **€ 688** million transacted*
- **15** properties comprising **1,647** rooms sold*
- **98%** of capital was deployed by international buyers
- **68%** of volume was invested in Upper Upscale hotels

RECENT TRANSACTION TRENDS*

	Last 6 Months (H1 2024)				Last Year (2023)			
	Properties	Rooms	Volume	% Change**	Properties	Rooms	Volume	% Change**
Ireland	**15**	**1,647**	**688**	**298%**	**24**	**1,937**	**297**	**-31%**
Regional	**4**	**401**	**145**	**62%**	**13**	**1,154**	**128**	**31%**
Dublin	11	1,246	543	554%	10	783	170	-49%
Galway	2	211	69	308%	2	276	17	74%
Cork	1	N/A**	N/A**	N/A**	2	183	30	1092%

Volume transacted in EUR millions

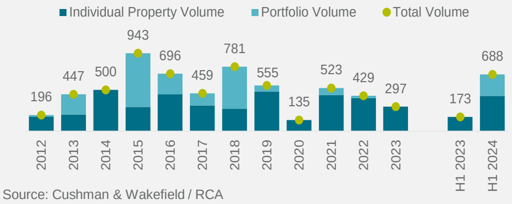
No information displayed when <2 deals

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

**Refers to the % change in transaction volume against the previous period

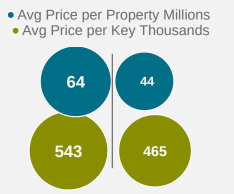
Source: Cushman & Wakefield

ANNUAL TRANSACTION VOLUMES
(2014 - H1 2024, EUR MILLIONS)

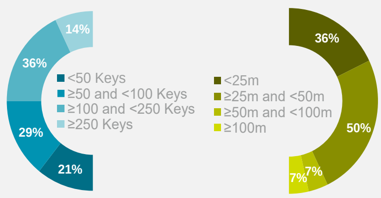


Source: Cushman & Wakefield / RCA

AVERAGE TRANSACTION PRICE
(H1 2024, EUR)



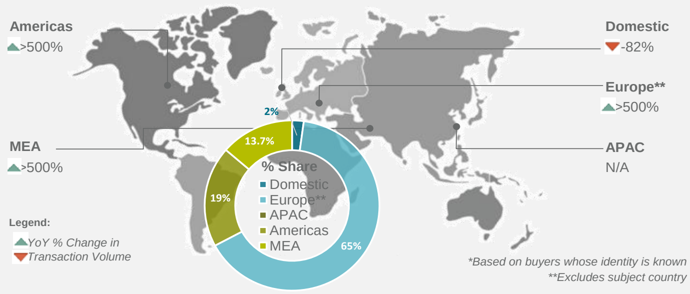
BREAKDOWN BY NO. OF ROOMS SOLD & DEAL SIZE
(H1 2024, % SHARE OF DEALS)



Source: Cushman & Wakefield

NATURE OF INVESTMENTS

TRANSACTION VOLUME* BY SOURCE OF CAPITAL
(% CHANGE, H1 2024 vs H1 2023)



*Based on buyers whose identity is known

**Excludes subject country

Source: Cushman & Wakefield

TRANSACTION VOLUME PER HOTEL CLASS
(% CHANGE, H1 2024 vs H1 2023)

HOTEL CLASS	% OF TOTAL VOLUME	% CHANGE	HOTEL CLASS	% OF ROOMS SOLD	% CHANGE
Luxury	17%	▲ 134%	Luxury	18%	▲ 201%
Upper Upscale	68%	▲ >500%	Upper Upscale	46%	▲ >500%
Upscale	7%	▼ -28%	Upscale	10%	▼ -62%
Upper Midscale	0%	▬ 0%	Upper Midscale	0%	▬ 0%
Midscale	0%	▼ -100%	Midscale	0%	▼ -100%
Economy	7%	▲ >500%	Economy	26%	▲ >500%

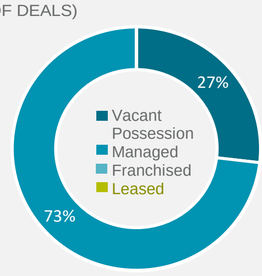
Source: Cushman & Wakefield

TRANSACTED VOLUME BY TYPE OF INVESTOR
(H1 2024, % SHARE OF TOTAL VOLUME)

	BUYERS (% Share) H1 2024	% Change	SELLERS (% Share) H1 2024	% Change
Institutional	19%	>500% ▲	50%	>500% ▲
Private	59%	270% ▲	50%	218% ▲
Public	0%	0% ▬	0%	0% ▬
User/Other	22%	>500% ▲	0%	0% ▬

Source: Cushman & Wakefield, RCA

TRANSACTED VOLUME BY OPERATING STRUCTURE
(H1 2024, % SHARE OF DEALS)



Source: Cushman & Wakefield

MARKET BEAT
IRELAND
Hospitality H1 2024

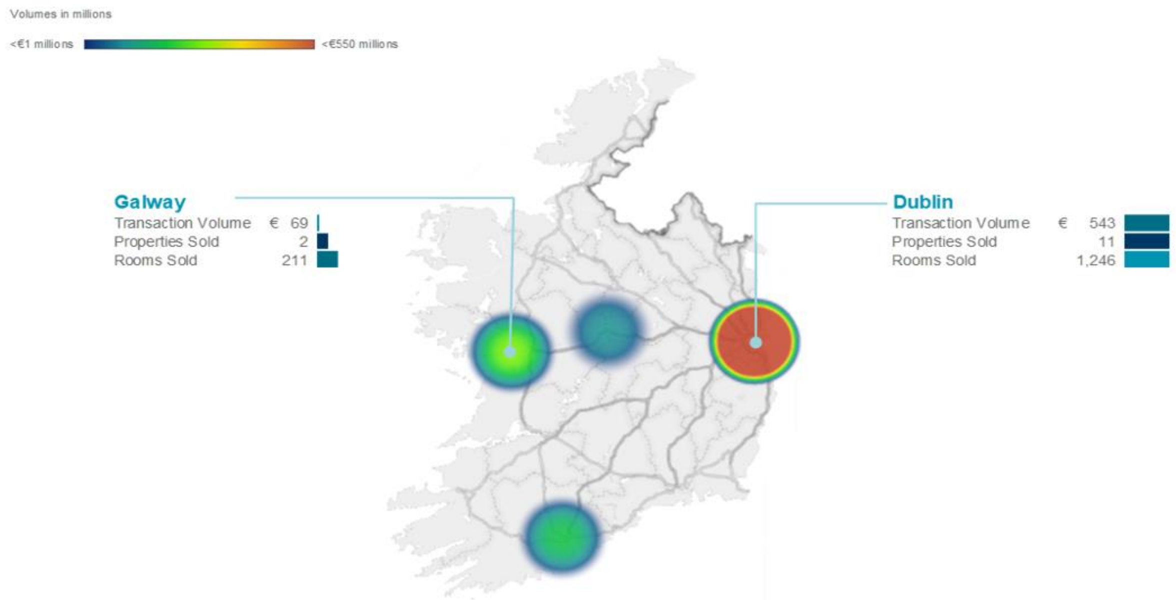
MAJOR DEALS OF H1 2024

SELECTED RECENT MAJOR HOTEL TRANSACTIONS (2024-2023)

Year	Property	Market	Keys	Buyer	Buyer Origin	Seller	Seller Origin
2024	The Shelbourne	Dublin	265	Archer Hotel Capital	NLD	Kennedy Wilson Europe	GBR
2024	Dean Hotel Group Portfolio (8 hotels)	Various	621	Elliott Management / LHC Investment Advisory	USA / GBR	Dean Hotel Group	IRL
2024	Hard Rock Dublin	Dublin	120	Fattal Hotels	ISR	Tifco Hotel Group	IRL
2023	Brooks Hotel	Dublin	98	MHL Hotels	IRL	Sinnott Hotels	IRL
2024	Jacobs Inn Hostel Dublin	Dublin	412	Azora Capital	ESP	BlackRock	USA
2023	Telephone House	Dublin	296	JMK Group	GBR	Confidential	N/A
2023	Imperial Hotel	Cork	125	Louis Fitzgerald	IRL	Flynn Group	IRL
2024	The G Hotel & Spa	Galway	101	Fattal Hotels	ISR	Alanis Capital	IRL
2023	Clarence Hotel	Dublin	58	The Dean Group	IRL	Bono & The Edge	IRL
2023	Hatch Hall	Dublin	60	Rosado Developments	IRL	Red Carnation Hotels	GBR
2022	Tulfarris Hotel & Golf Resort	Blessington Lakes	67	Dr Stanley Quek & Peng Loh	SGP	PREM Group	IRL
2023	Dawson Hotel	Dublin	36	Confidential	IRL	Tetrarch Capital	IRL
2023	Park Hotel Kenmare	Kenmare	41	Bryan Meehan	IRL	John & Francis Brennan	IRL
2024	The Wellington Hotel	Dublin	38	Hotels Properties	IRL	Kroll Corporate Advisory and Restructuring Group	GBR
2023	Maldron Hotel Galway	Galway	113	Confidential	IRL	Confidential	IRL
2023	Crowne Plaza Dundalk	Dundalk	129	East Coast Catering Ireland	IRL	Tifco Hotel Group	IRL
2023	Trim Castle Hotel	Trim	68	Confidential	N/A	Confidential	N/A
2023	The D Hotel	Drogheda	111	McDermott Hospitality Group	IRL	Gleann Hospitality	IRL
2023	My Place Hotel	Dublin	37	Confidential	IRL	Confidential	IRL
2023	Springfield Hotel	Leixlip	58	iNua Hospitality	IRL	Hannigan family	IRL

Note: Selection based on deal relevance and ordered by date of transaction

IRELAND TRANSACTIONS - MAP VIEW H1 2024



Source: Cushman & Wakefield

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