ANNUAL

2022 Irish Hotel Market Briefing

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JLL & Crowe: Breakfast Briefing 2022

2022 Irish Hotel Market Briefing

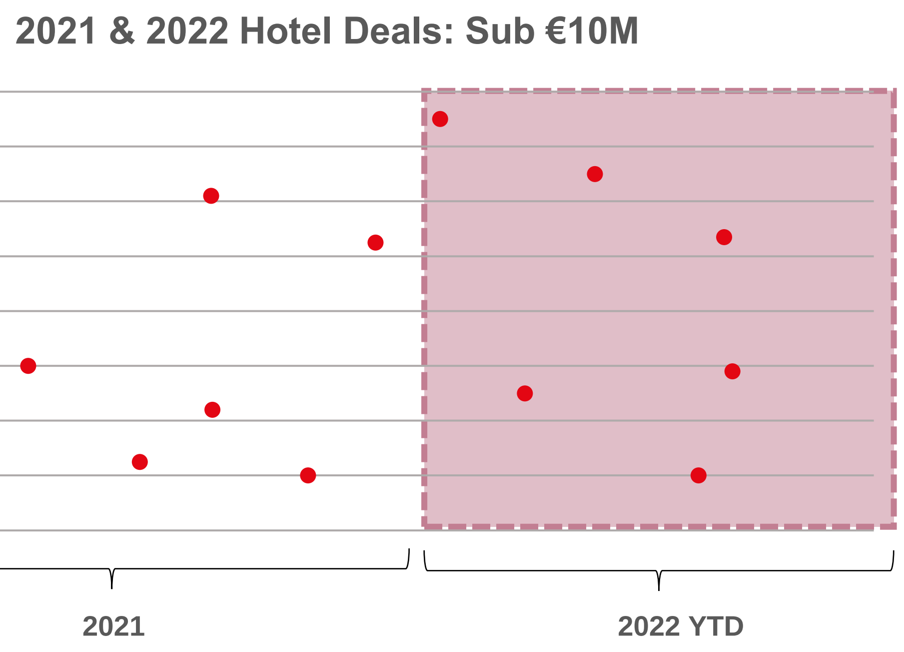
Hotel Transactions Overview 2022

Dan O'Connor
Executive Vice President
JLL Ireland

Deal Flow

Deals: Sub €10M

- Total volume in this segment of approx. €50M in last 2 years
- All Irish buyers and sellers in the sub €10M space
- Per key values between €30K and €180K p/key
- Clear trend of aggregators building scale
- Family businesses/independent owners exiting the market



Recent Deal

Butlers Arms Hotel, Waterville, Kerry

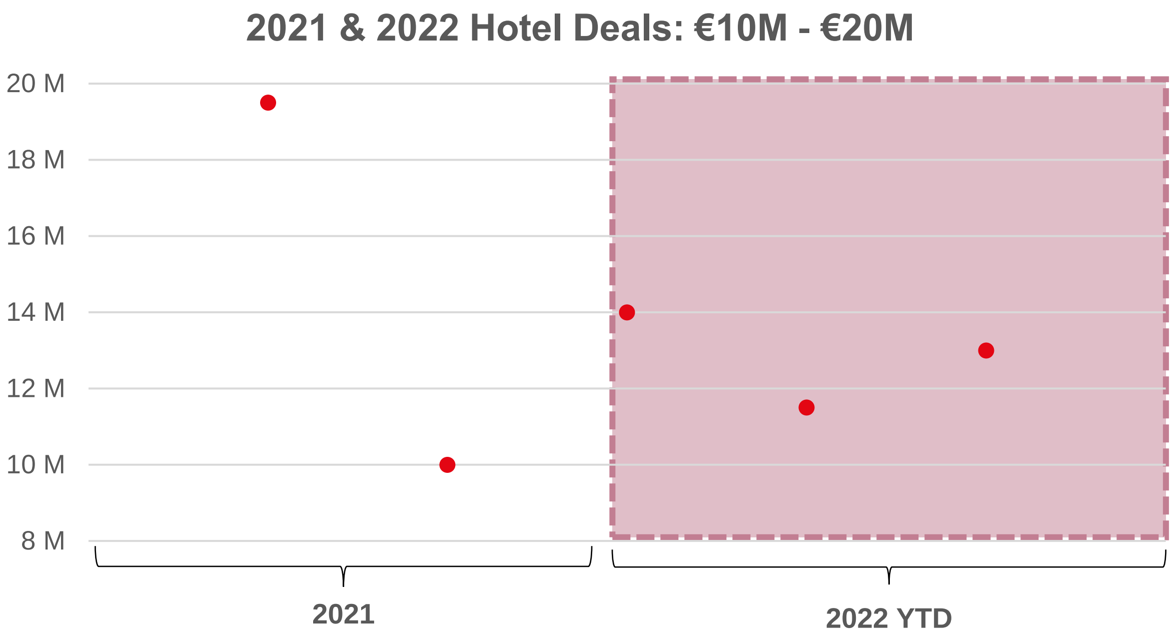
Buyer: Press Up

Seller: Huggard Family

JLL Role: Selling Agent

Deals: €10M - €20M

- Total volume in this segment of approx. €80M in last 2 years
- Dominated by international buyers: 73% of volume
- Per key values between €90K and €315K p/key
- Numerous HNWI buyers (e.g., TMR & Unlisted Collection)
- Majority of deals completing with bank/fund financing



Recent Deal

Temple Bar Lane, Dublin 2

Buyer: Cleary Family

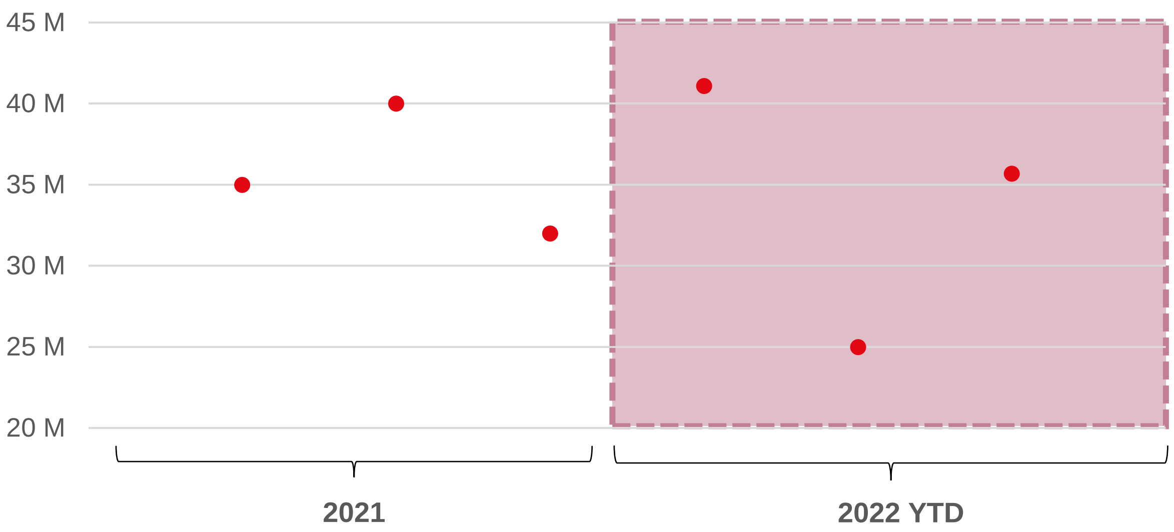
Seller: Mm Capital

JLL Role: Selling Agent

Deals: €20M - €50M

- Total volume in this segment of approx. €150M in last 2 years
- Dominated by international buyers: 82% of volume
- Per key values between €100K and €320K p/key
- Key focus for institutional and private equity buyers
- Also approx. €100M of “corporate/M&A” deals in this space

2021 & 2022 Hotel Deals: €20M - €50M



Recent Deal

Premier Inn Gloucester Street South, Dublin 2

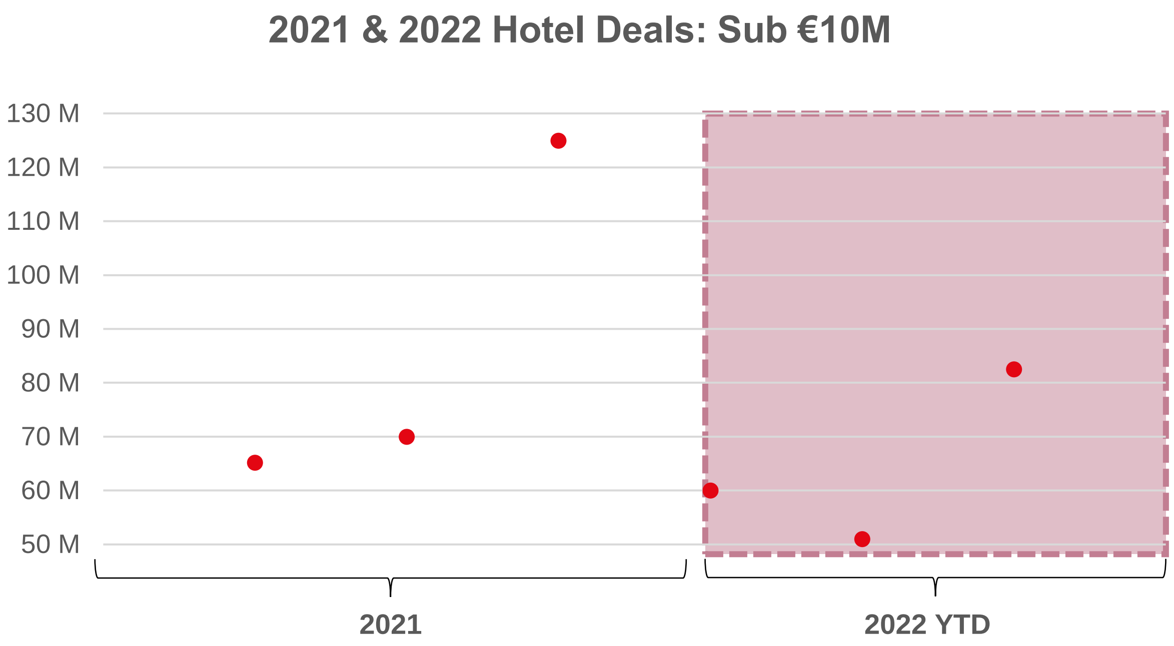
Buyer: Aviva

Seller: Red Rock Developments

JLL Role: Acquisition Agent (pre-let and subsequent purchase)

Deals: €50M+

- Total volume in this segment of approx. €450M in last 2 years
- All of the deals were acquired by international buyers
- Per key values between €240K and €450K p/key
- Buyers include Blackstone, Zetland, Union & Henderson Park
- >85% of the deal volume closed with bank/fund financing



Recent Deal

Staycity Little Mary Street, Dublin 7

Buyer: Song Capital

Seller: Bain Capital

JLL Role: Selling Agent

Hotel Development

Development: Pipeline

- Approx. 26,000 hotel keys in Dublin, with a further 6% of the stock under construction to open over the next 18-24 months
- Only 1 major hostel scheme under construction in Dublin (Clink), which is an interesting gap in the market
- The Dublin hotel development pipeline is certainly slowing as COVID-19 and funding challenges impact

Approx. 1,500 Dublin Hotel Rooms On Site

Approx. 4,500 Rooms Pipeline for Next 3-5 Years

Significant IPS / Ukraine Rooms Out Of The System

Financing Challenges

Build Cost Inflation

Planning Risk

Recent Deal

Premier Inn Clery’s O'Connell Street

Buyer: Whitbread PLC

Seller: Core / Europa

JLL Role: Acquisition Agent

What's
Coming Next?

Outlook: More Deals But Uncertain Times

*The **GOOD** News...*

- COVID-19….What COVID-19?
- Air Travel is Back, with 3M Dub PAX in August 2022!
- Still pent up demand for 'face-to-face' in general
- Hotel owners have finally woken up to ESG!

*...and the **NOT** so good..*

- Macro uncertainty is impacting investor decision making
- Rising hotel operating & capital expenditure costs
- Consumer & business budget squeeze
- PE buyers impacted most by debt costs

> *"Knowing what exit price is realistic and what is the right capital / buyer to target over the next 12 months, will be key to keeping the deals going into 2023!"*

Still Plenty Of Deals To Do!

JLL

Contact Details

Daniel O'Connor
Executive Vice President
Hotels & Hospitality
JLL | Ireland

T: +353 86 028 8753
E: daniel.oconnor@eu.jll.com

Isobel Horan
Senior Vice President
Hotels & Hospitality
JLL | Ireland

T: +353 86 031 6190
E: isobel.horan@jll.com

Thank You