



# Hotel, Tourism & Leisure Market Update

September 2022

## Hotel transactions

Aviva Investors recently acquired a Dublin 2 hotel for an undisclosed amount. The property, pre-let to Whitbread, who will operate the hotel under the Premier Inn brand, is located at the junction of Gloucester Street and Prince's Street and is due for completion by the end of the year.

Other Recent Hotel Sales			
Hotel	Rooms	Price	Price Per Room
Staycity Dublin Castle, Dublin 8	51	€11.5m	€225k
Celbridge Manor, Co. Kildare	66	€5.5m	€83k
Highlands Hotel, Co. Donegal	20	€900k	€267k

One Westmoreland Street, located in Dublin 2, has recently come to market with a guide price of €6m. The property has full planning permission for the development of a six-storey, 38-bed hotel.

## Hotel supply

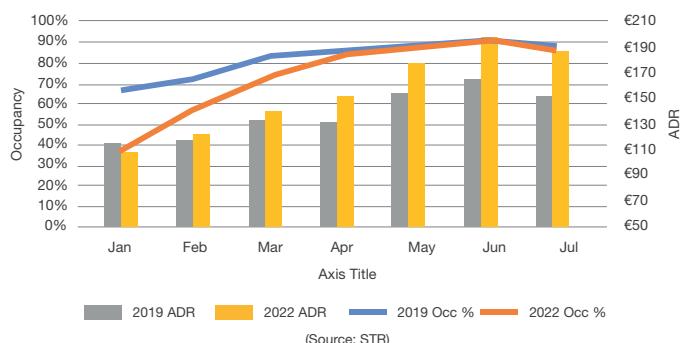
- The JMK Group recently opened their Dublin 7 property branded Hampton by Hilton. JMK also have a new Cork property due for completion in 2023. This will be located on Camden Quay and operated under the Moxy brand.
- American-owned short-term rental operators Sonder have agreed terms to lease a soon-to-be complete development on Leeson Street, Dublin 2. This will bring the total number of properties in Dublin under their management to three, with the other properties located on Mountjoy Square and in Grand Canal Dock.
- City ID have acquired a site on Capel Street, Dublin 1 to develop an aparthotel with 104 units.

## Hotel performance

The Irish hotel market has rebounded from COVID-19 at a faster pace than anticipated. This is due to a full lifting of restrictions, pent-up demand and so-called 'revenge' travel. This is a trend also witnessed across other European countries.

Occupancy YTD July was 73.6%. This is 8.6 percentage points below the same period in 2019. This decline is due to a lower occupancy at the beginning of the year as COVID-19 restrictions continued into early 2022, but occupancy rebounded to 2019 levels in April. ADR has increased 12% on 2019 levels to €155.57 YTD July 2022. ADR has exceeded 2019 levels since February. ADR for May and June was €176.45 and €197.96 respectively, rates that have not been seen in Dublin before.

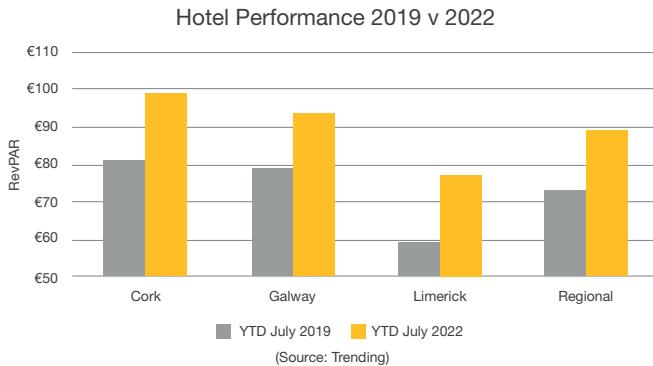
Dublin Hotel Performance January to July 2019 v 2022



The regional market has followed suit with performance YTD July outperforming the same period in 2019.

Occupancy for Cork, Galway and Regional Ireland are behind 2019 levels due to low occupancy in the months of January to March/April. However, occupancy for the summer months has rebounded and in some areas exceeded 2019 levels. Limerick has performed exceptionally well, with YTD July surpassing 2019 levels.

ADR has significantly improved across all four areas. Cork has witnessed growth of 35% to €138 YTD July compared to the same period in 2019, followed by Regional Ireland with an increase of 26% to €119.84, Galway up 23% to €127.05 and Limerick up 22% to €104.16.



After two challenging years, the hotel market is in a better position than expected due to the unprecedented demand it is currently experiencing. However, while revenues may have increased, with the inflationary pressures of increased energy, labour and food costs, profitability continues to be subdued.

## Fáilte Ireland 'Money Matters' webinar series

Hospitality specialist Mairea Doyle Balfe and partner Aiden Murphy delivered their second presentation for the Fáilte Ireland 'Money Matters Series'.

In this hour-long webinar they provided insights on managing cash flow and repairing the balance sheet as hospitality businesses evolve from the COVID-19 pandemic. They outlined the trading environment facing the accommodation sector across the Dublin and regional markets.

The webinar then focused on ways to effectively manage your cash flow and repair your balance sheet to help boost your bottom line. They provided insights into what issues the sector will face over the coming months and strategies to help meet those challenges.

[Read more](#)



## Irish Hotels Federation's Hotel Investment Conference

Crowe partner Aiden Murphy presented at the Irish Hotels Federation's eighth Irish Hotel Investment Conference on Wednesday 1 June 2022.

Addressing the requirement for investment during the current period of unilateral post-pandemic economic recovery and inflationary environment, Aiden underlined the importance of optimising cash flow by reviewing revenue potential and decreasing costs to enhance profitability and asset value.

[Download his presentation](#)

## In Hospitality News.....

### Self-insuring

A recent court ruling has found that hotels which self-insure against accident claims are not required to have public liability insurance in place when an application for a licence to permit dancing on the premises is made.

Such licence applications are made to the District Court and the court has the power to impose or not impose a condition that public liability policy be in place once it has heard evidence as to the financial circumstances of the applicant hotel. [Read more](#)

### Hotel planning within Dublin City Council

The draft Dublin City Council Development Plan 2022-2028 sets out an objective that new hotel, tourist hostel and apartment developments in the city will require an analysis of the supply and demand for tourism-related accommodation that includes hotels, apartment blocks, hostels, bed & breakfast accommodation and other short-term letting in the Dublin City area.

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