



2025 Irish Hotel Market Briefing

23 January 2025

Speakers



Shane Casserly
Deputy CEO,
Dalata Hotel
Group



Aiden Murphy
Partner,
Crowe



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Head of Hotels &
Living,
JLL Ireland



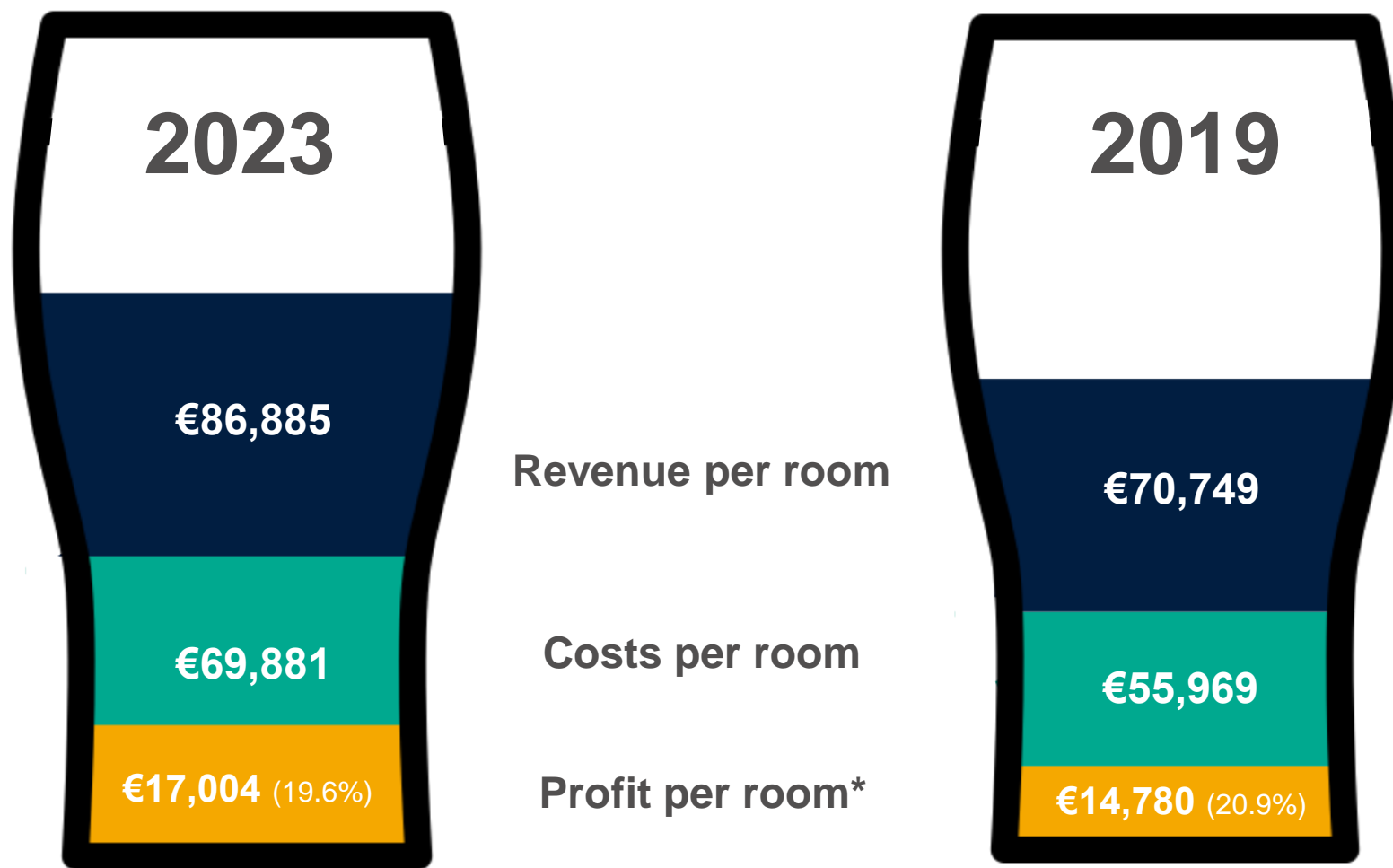
Weldon Mather
Director,
Hotel, Tourism &
Leisure,
Crowe

Key Issues for Hotels in Navigating the Current Marketplace

Audit / Tax / Advisory



Recovery Since Pandemic & Sentiment

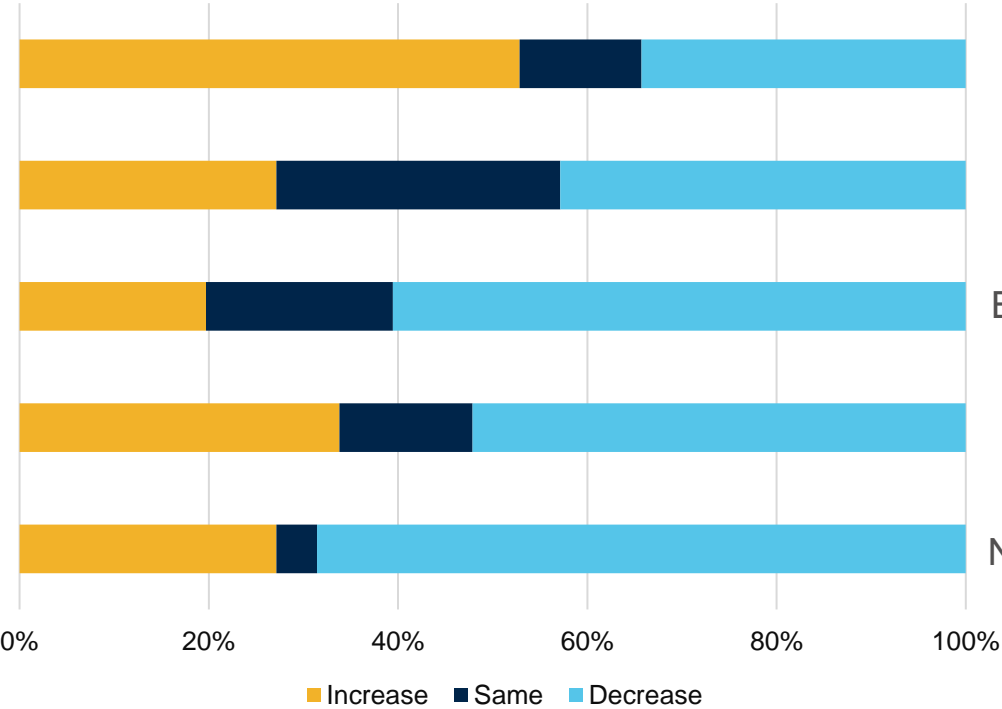


*EBITDAR Profit Per Room
(Earnings Before Interest Tax
Depreciation Amortisation
and Rent – per room)

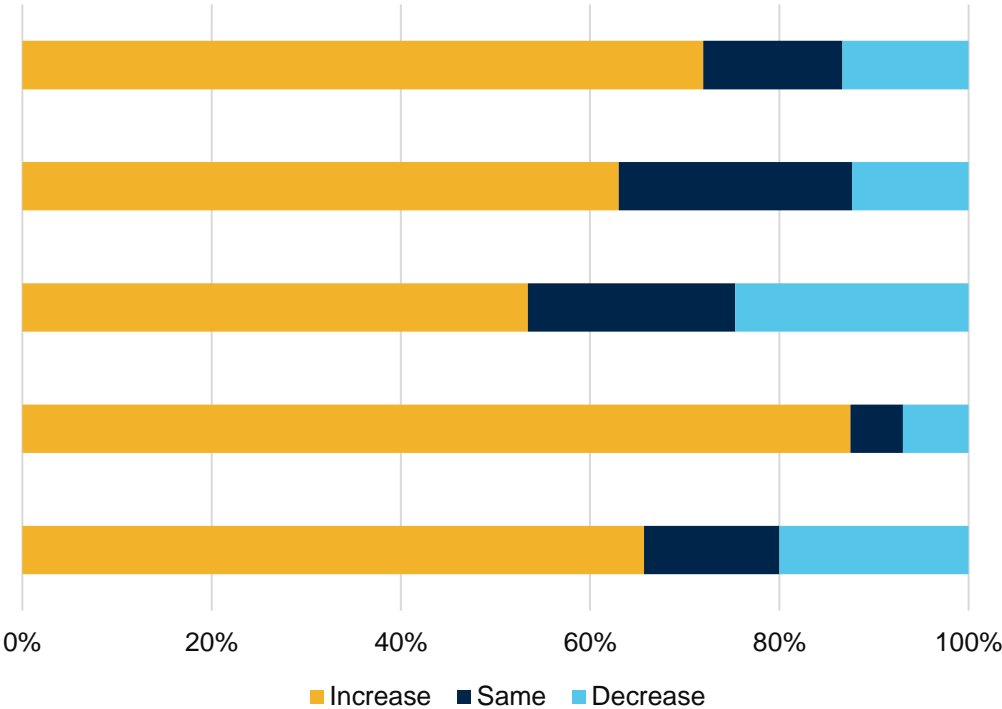
Glass half full or half empty?

Industry Outlook

2024 Industry Sentiment



2023 Industry Sentiment



For 2025, will revenue growth cover your hotels increase in costs?

Occupancy Analysis

	2023 ▲	2022 ▼	2019
Dublin	83%	79%	83%
Regional Ireland	74%	70%	70%
London	80%	74%	84%
Edinburgh	83%	76%	82%
Barcelona	78%	71%	79%
Amsterdam	75%	64%	82%

Limited scope for occupancy growth

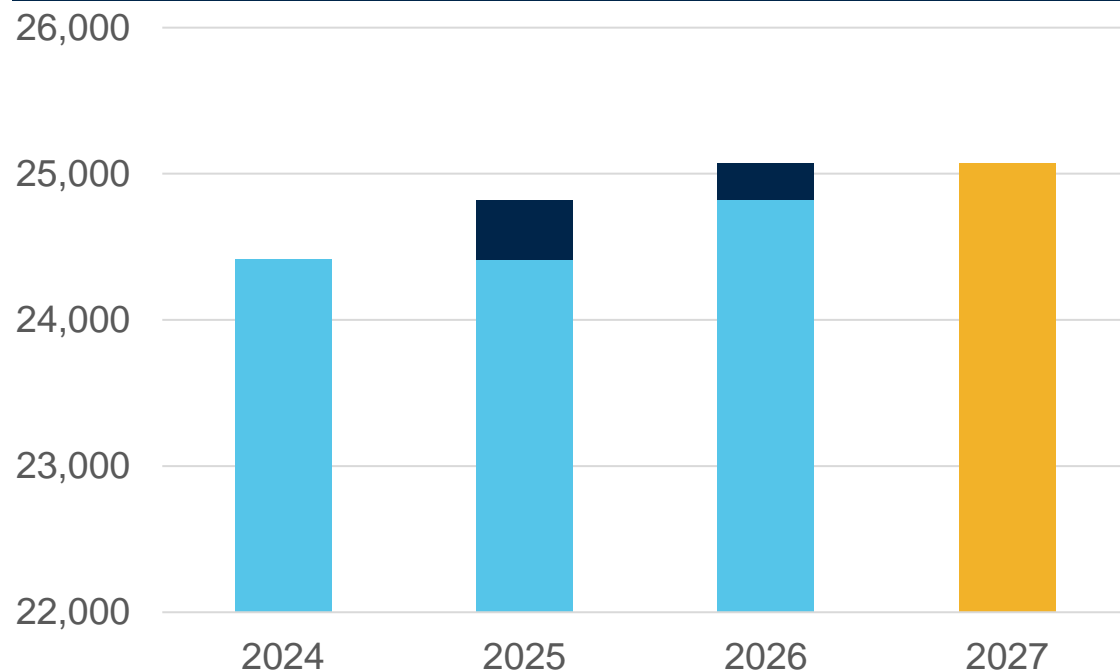
Average Room Rate Analysis

	2023▲	2022▲	2019
Dublin	€180	€170	€142
Regional Ireland	€144	€133	€101
London	€225	€213	€176
Edinburgh	€169	€148	€116
Barcelona	€173	€153	€146
Amsterdam	€180	€163	€148

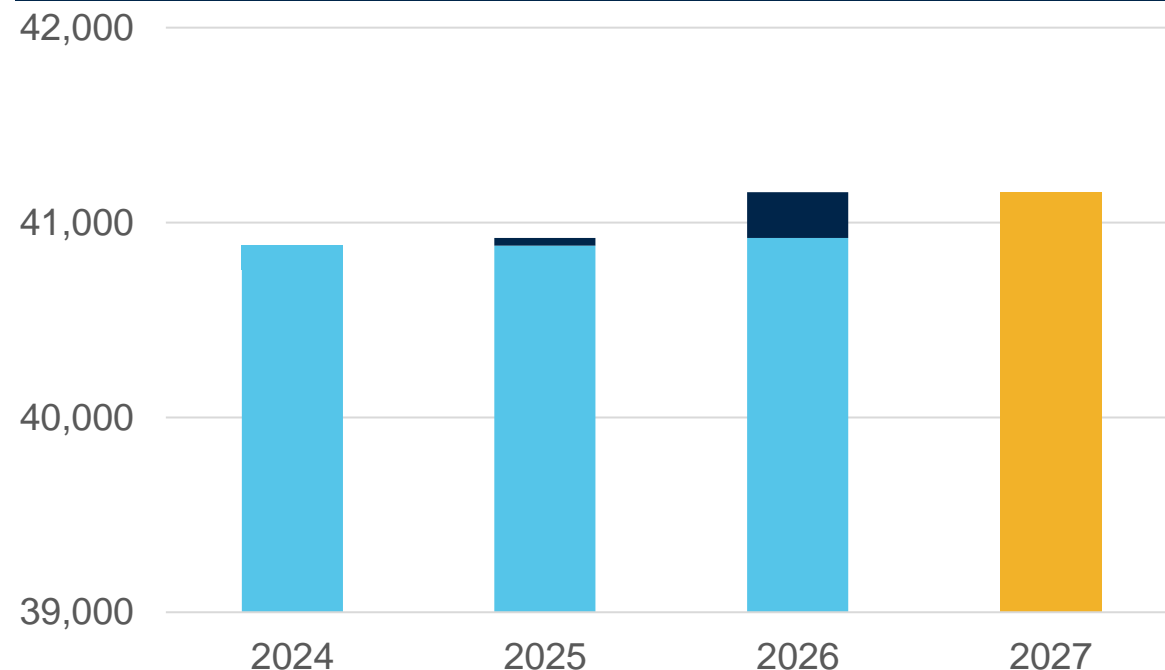
Limited opportunity for average rate growth

Dublin & Regional Ireland Pipeline - Forecast

Dublin Supply



Regional Ireland Supply



Hoxton (2025)



Citizen M (2025)



Moxy (2025)



Radisson Red (2024)



Ravensport (2025)



Asset Management

Optimising Cash Flow

ESG (Environmental,
Social & Governance)

Cost Reduction

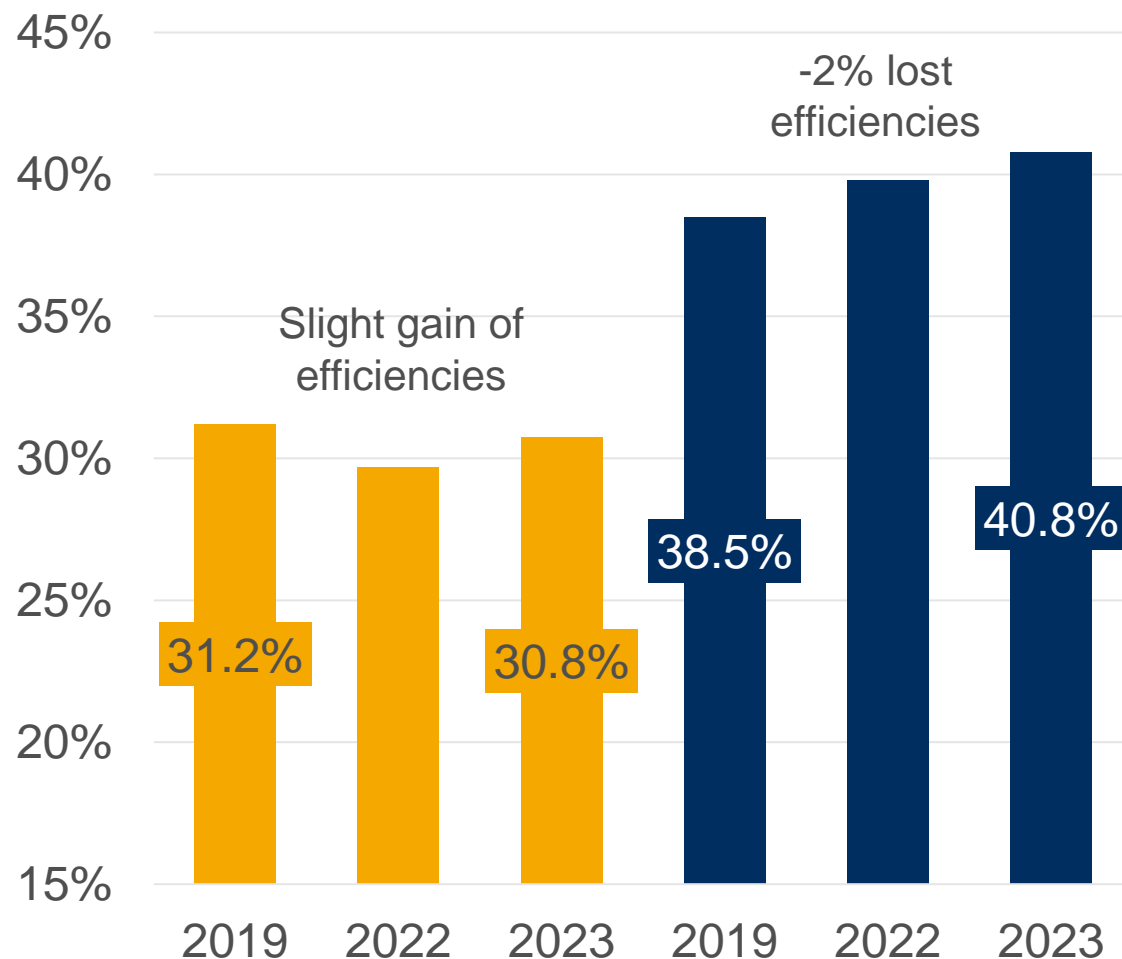
Consolidation

Non room sales

Innovation & Technology

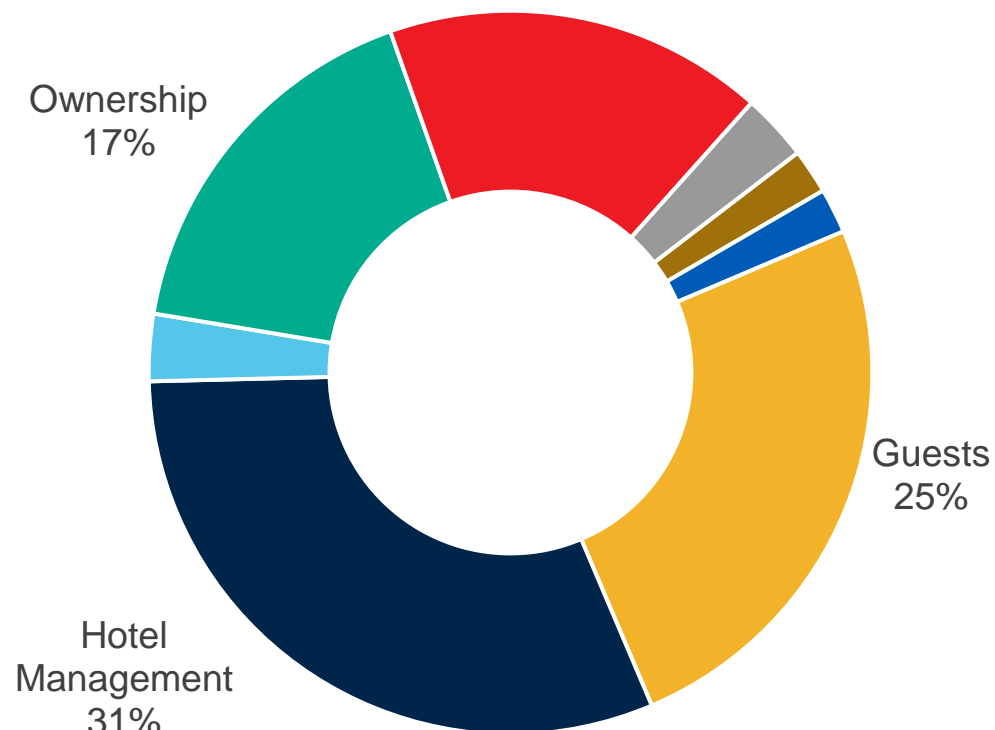


Overall Payroll (as % of Total Revenue)



Hotels in Dublin gained payroll efficiencies (+0.5%), whereas hotels in Regional Ireland lost efficiencies (-2%)

ESG: Sustainability Drivers



The main areas for ESG projects under consideration were as follows:

- Energy Efficiency and Renewables
- Waste Reduction and Recycling
- Reduction of Single-Use Plastics
- Biodiversity and Green Spaces
- Water Conservation
- Local and Sustainable Sourcing

Management and ownership driving sustainability projects

Ireland Hotel Market Outlook 2025

VAT Rate
on Food
Reduced to
9% (2026)

Continued
pressure on
cost base

Regional
hotels
impacted by
reliance on
F&B

Further hotel
ownership
consolidation

Limited
incoming
supply

Diminishing
potential for
rate
appreciation

Focus on
Asset
Management

Focus on
disposals

Profit growth will be harder to achieve due to ongoing cost pressures



The Irish hotel M&A landscape

2024 review & 2025 outlook

Dan O'Connor

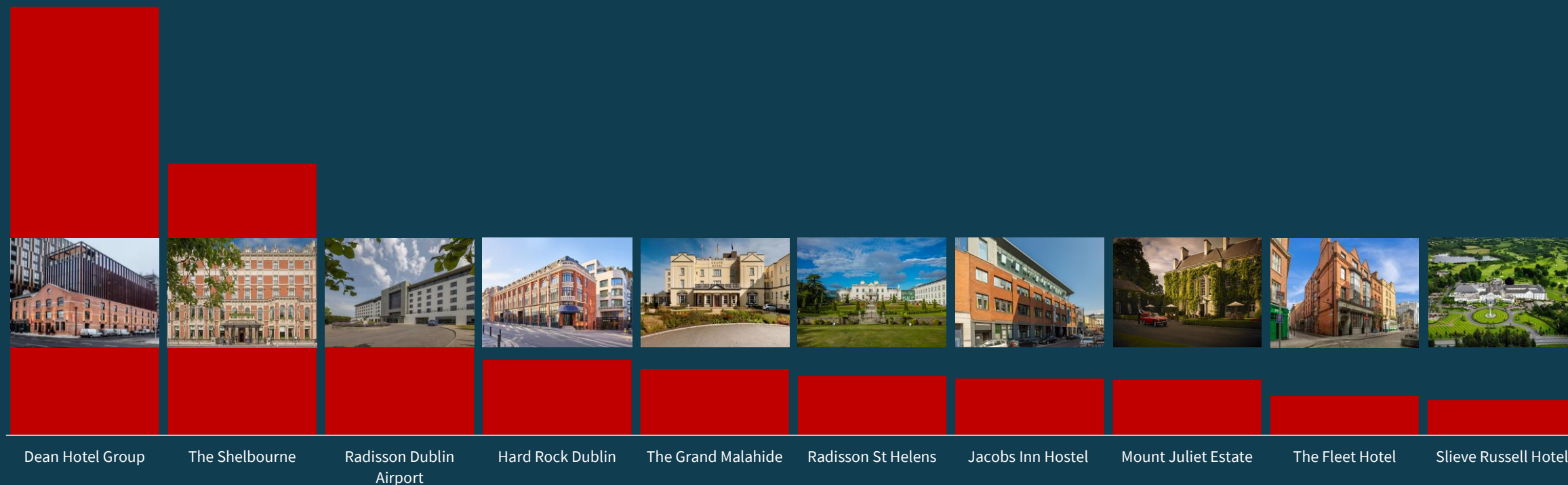
Head of Hotels & Living

JLL Ireland

2024: A Year Of Major Hospitality Deals



The Dublin market dominated in terms of deal flow



Source: JLL Research

“The top 10 Irish hotel deals depicted above represent approx. €985M of hotel deal volume in the past 12 months. Most of this transaction volume is derived from Dublin hotel assets”.

2024: Looking At Provincial Ireland



The average provincial deal size was €17M in 2024



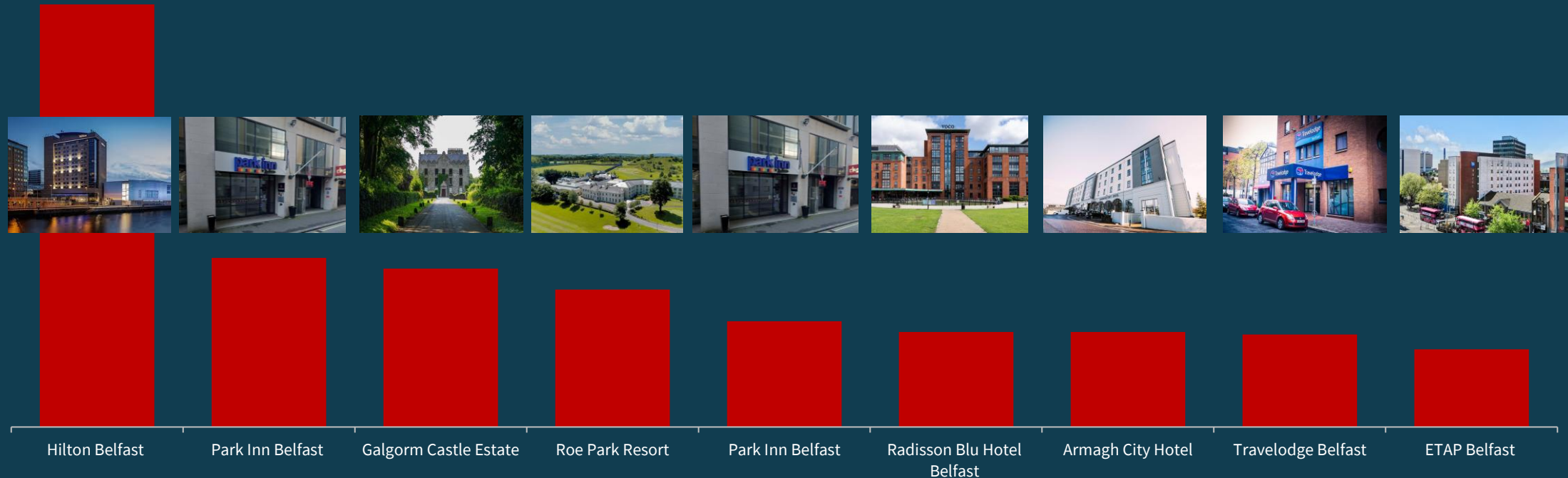
Source: JLL Research

“There has been approx. €170M of hotel deal flow over the past 12 months in provincial Ireland. However, Mount Juliet Estate represents 27% of the provincial deal volume and only 5 deals were over €10M in lot size”.

2024: Looking At Northern Ireland



Markets like Belfast are seeing increasing investor interest



Source: JLL Research

“With RevPAR growing by 5.4% in 2024, the Belfast hotel market has been attracting more investor interest of late, including from ROI investors”.

Transaction Deep Dive

Let's Get Under The Bonnet Of....

Major Irish Hospitality Deals



Source: JLL Research

“A typical Irish hotel transaction can take 5-6 months to complete, and it represents a significant body of work for the seller and their advisory team. We have broken the sale process down into 6 stages, in order to discuss key hotel M&A trends, using real transaction data points, from the top 10 hotel deals in 2024.”

Stage 1:

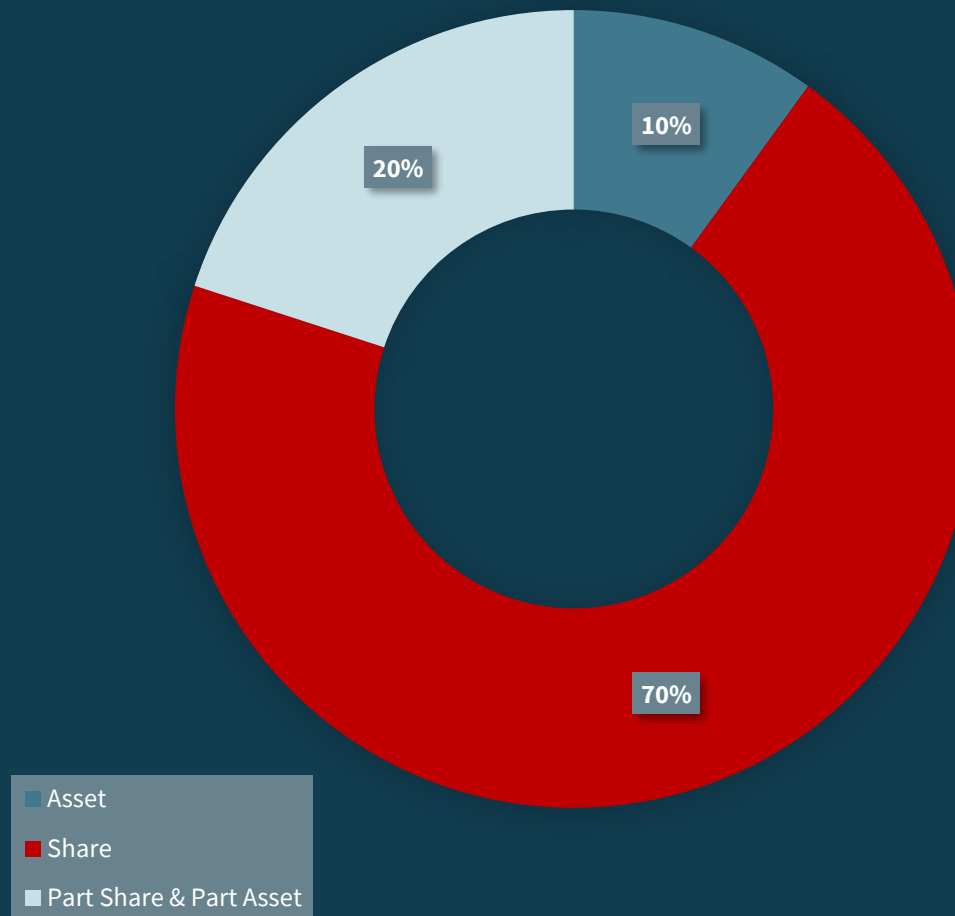
Pre-Sale Preparation / Pre-Launch



Share or Asset Deal?

Of the top 10 Irish hotel deals analysed, 7 were share deals, 2 were part share deals (e.g. op-co) and only 1 was an asset deal. Given the trend towards share deals, vendor due diligence on tax and finance can be key to avoiding pitfalls, improving timing and placing W&I insurance.

Top 10 Hotel Deals 2024: Transaction Structure



Source: JLL Research

Stage 2:

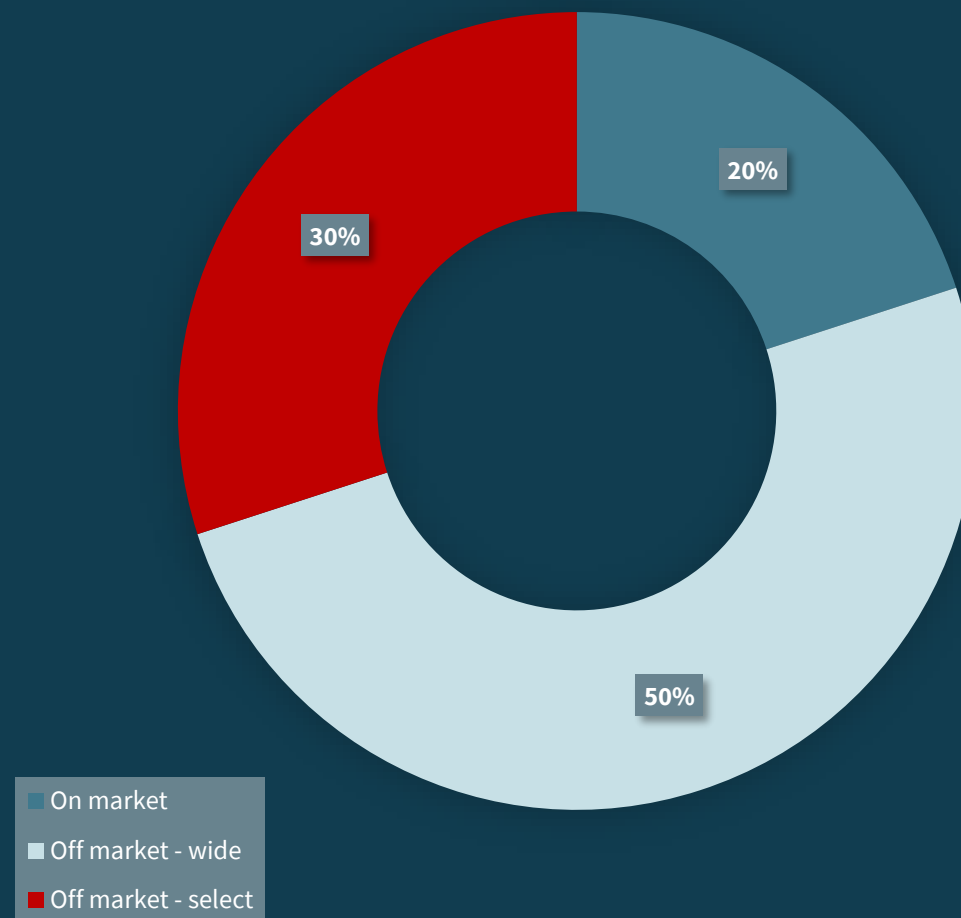
Marketing Your Hotel



On- Or Off-Market?

The trend of larger hotel deals in 2024 has been to “keep it out of the press”. However, it's important to note that this is difficult to achieve in Ireland and in our view, only approx. 30% of the major deals in 2024 were fully off-market (i.e. less than 10 buyer names approached).

Top 10 Hotel Deals 2024: Loud or Quiet



Source: JLL Research

Stage 3:

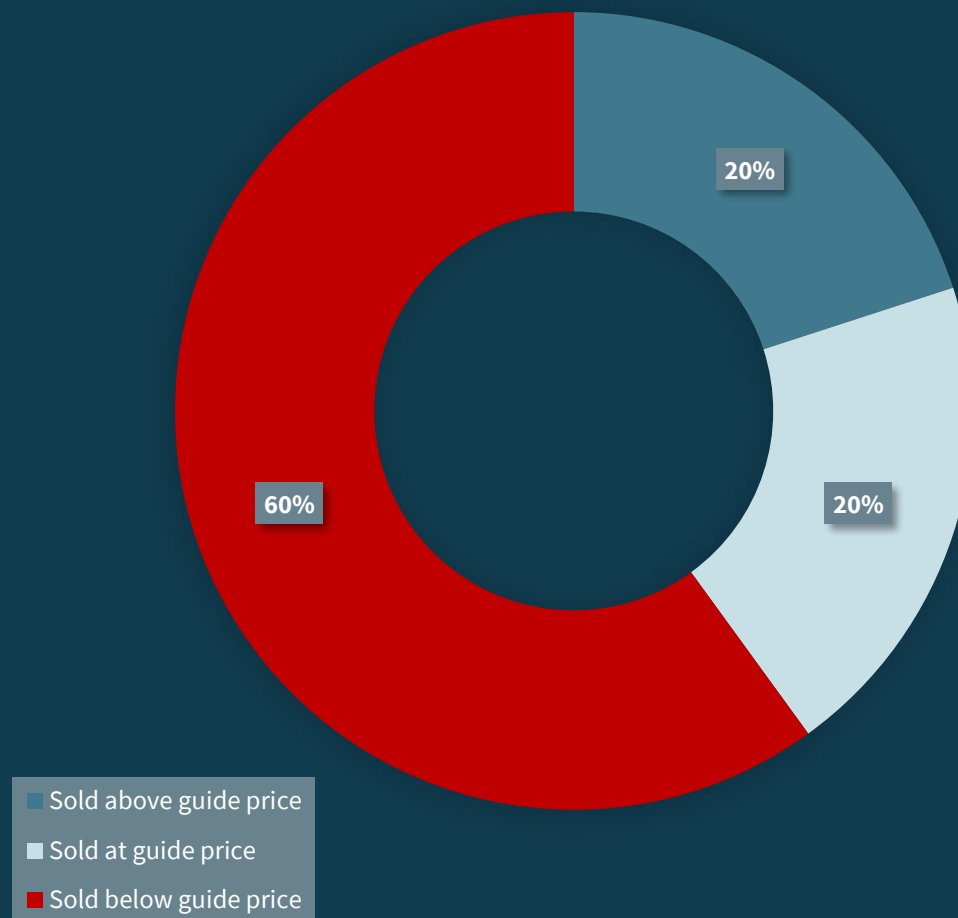
Bidding Stage



Over Or Under Guide Price?

Despite strong investor activity, our research shows that only 40% of the major Irish deals analysed transacted at or above guide price in 2024. Typically, it is the “special” properties that meet or exceed guide price (i.e. rare or strategic hotels). Furthermore, only 20% of the deals analysed closed “all cash”.

Top 10 Hotel Deals 2024: Over Or Under Guide Price



Source: JLL Research

Stage 4:

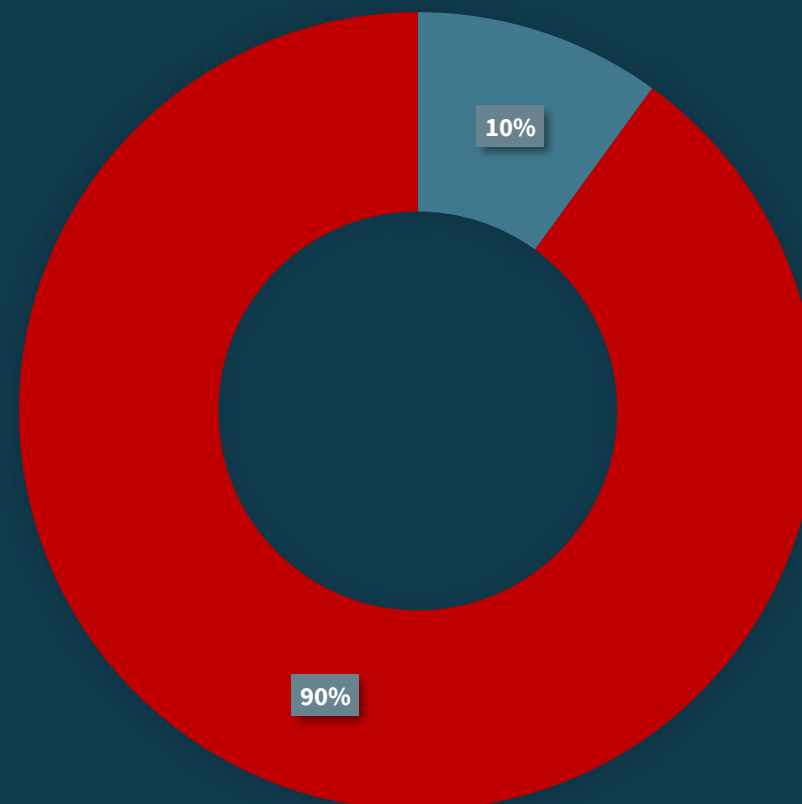
HOTs / Exclusivity



LCGT Discount Or Not?

There are numerous areas JLL aim to derisk as part of heads of terms / exclusivity agreement. These span all the DD streams, including legal, technical, finance and tax etc. For example, in 2024, our research shows explicit price discounts for LCGT were not the 'market'.

Top 10 Hotel Deals 2024: LCGT Discount



■ Not Applicable ■ None

Stage 5:

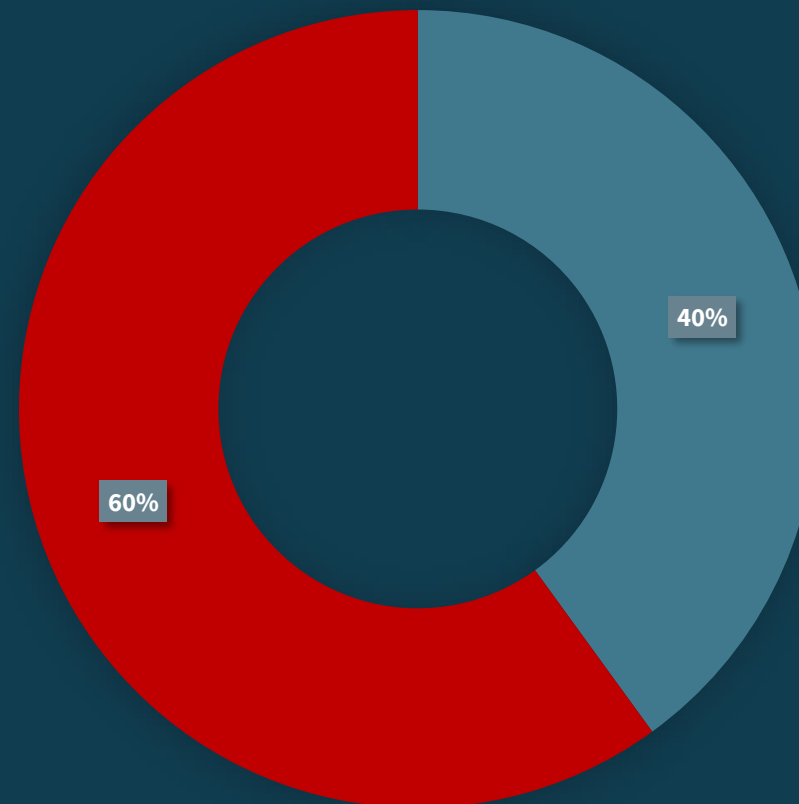
Contract Exchange



Are There CPs To Closing?

Of the deals analysed, 60% where “split deals” where a deposit was paid and completion occurred later. The balance were “simultaneous deals”. In split deals, condition precedents (CPs) to closing can include Competition Authority approval (CCPC) for example.

Top 10 Hotel Deals 2024: Simultaneous or Split Deal



■ Simultaneous Sign/Close ■ Split Sign/Close

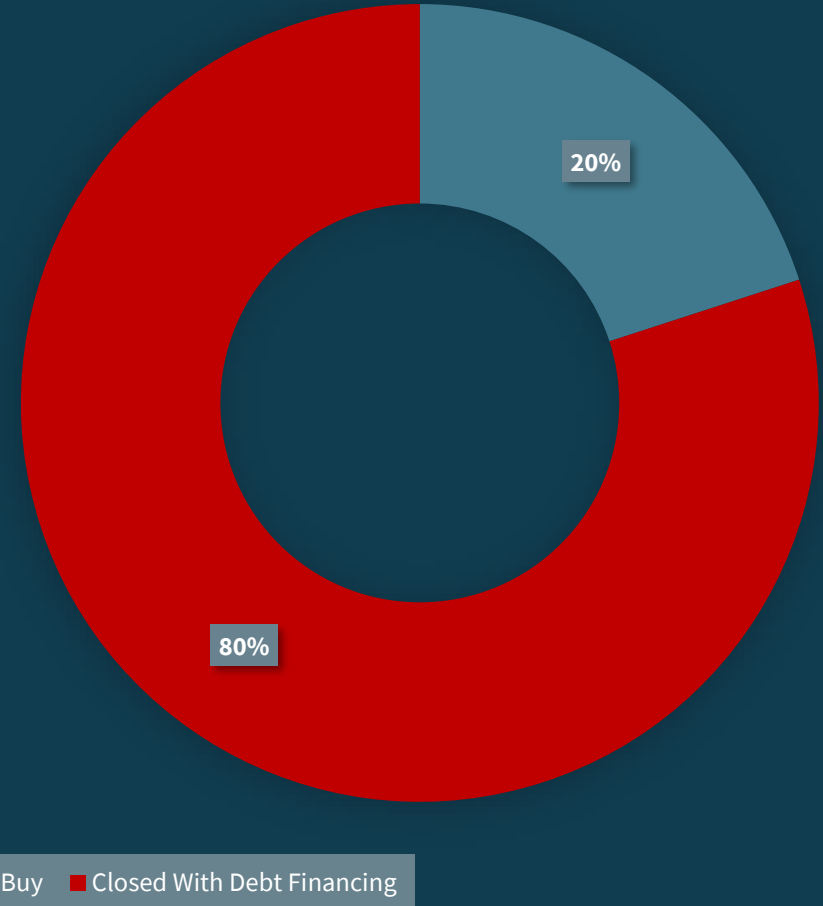
Stage 6: Completion



What Type Of Completion?

With 80% of deals closing with the support of debt financing, sale completions and funds flows can be complex. Other important considerations include working capital analysis, whether W&I insurance is being used and the type of completion account mechanism.

Top 10 Hotel Deals 2024: Cash or Debt Funded



Conclusion & 2025 Outlook

Conclusion & Our 2025 Outlook



1 *2024 was a record year for Irish hotel transactions, dominated by big Dublin deals. This was despite a softer underlying hotel trading performance environment versus 2023.*

2 *Hotel trading performance is expected to recover in 2025, with a return to growth in Dublin, supported by a lower new hotel supply pipeline going forward.*

3 *The vast majority of the hotel deal structures are now corporate / share deals, presenting additional benefits, but also introducing M&A complexities.*

4 *We expect hotel transaction levels to fall somewhat from €1BN in 2024, to €750M in 2025. This is still a healthy level, but below the 2024 peak. This month, the JLL team is launching 4 Irish hotel sales, so activity is still high.*

5 *There is power in data and JLL's "capital markets quants" team are at the forefront of this technology. By logging investor interactions, requirements, bids and other data, we are now using technology & AI to predict things like who will sell in 2025, who will buy in 2025, and who will finance.*

Brokers Tech "Tool Kit"

Yesterday



Today



Tomorrow



Track Record

Our Wider Hotel Track Record

Our 2024 JLL Deals



Park Inn
Belfast
Sell Side Advisor



Bellinter House Hotel
Co. Meath
Sell Side Advisor



Premier Inn Cork
Leisureplex
Sell Side Advisor



Sackville Place Hostel
Dublin 1
Sell Side Advisor



The Fleet Hotel
Temple Bar
Sell Side Advisor



Hard Rock Hotel
Temple Bar
Sell Side Advisor



Mount Juliet Estate
Co. Kilkenny
Sell Side Advisor



Jacobs Inn Hostel
Dublin
Sell Side Advisor



Radisson Blu Dublin
Airport
Sell Side Advisor



The Keadeen Hotel
Newbridge
Sell Side Advisor



Radisson St. Helens
Dublin
Sell Side Advisor

Our Wider Hotel Track Record

Our 2023 JLL Deals



The Kilkenny Inn
Kilkenny
Sell Side Advisor



Tulfarris Resort
Wicklow
Sell Side Advisor



Trim Castle Hotel
Meath
Sell Side Advisor



Brooks Hotel
Dublin 2
Sell Side Advisor



Springfield Hotel
Leixlip
Buy Side Advisor



Radisson Blu
Belfast
Buy Side Advisor



Premier Inn
Newmarket Yards
Sell Side Advisor



71 South Mall
Cork
Sell Side Advisor



144 Bohermore
Galway
Sell Side Advisor



Hilton Belfast
Belfast
Sell Side Advisor



Premier Inn
Ushers Quay
Buy Side Advisor



Premier Inn
Sandyford
Buy Side Advisor

Thank you

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Thank you

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Director

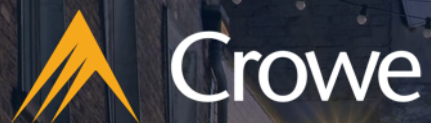
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A high-quality photograph of a modern hotel room. The room features a large bed with white and grey linens, a patterned rug, a desk with a chair, and large windows with sheer curtains. The lighting is warm and ambient.

Welcome to the **2025** Irish Hotel Market Briefing



Today's agenda

- 08.00 – 08.15** Introduction and welcome by Weldon Mather, Director of Hotel, Tourism & Leisure, Crowe.
- 08.15 – 08.30** An update on current trade dynamics and buyer interest in the Irish hotel market by Aiden Murphy, Partner, Crowe.
- 08.30 – 08.45** The latest insights on industry transaction activity and trends for the year ahead by Daniel O'Connor, Head of Hotels & Living at JLL Ireland.
- 08.45 – 09.00** A fireside chat with Shane Casserly, Deputy CEO of Dalata Hotel Group plc on the hotel market and wider trends.

Tomorrow's success starts today

In a rapidly changing business environment, do you have the right team to harness the opportunities?

Through a blend of global insight and local expertise, we empower Irish businesses to anticipate change and spot opportunities. By providing strategic guidance we help clients make smart decisions today that delivers lasting value for the future.

Talk to us, today:

Weldon Mather, Director, HTL

E: weldon.mather@crowe.ie

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140+

COUNTRIES

800+

OFFICES

40,000+

PROFESSIONALS

\$5.3B

(USD) REVENUE

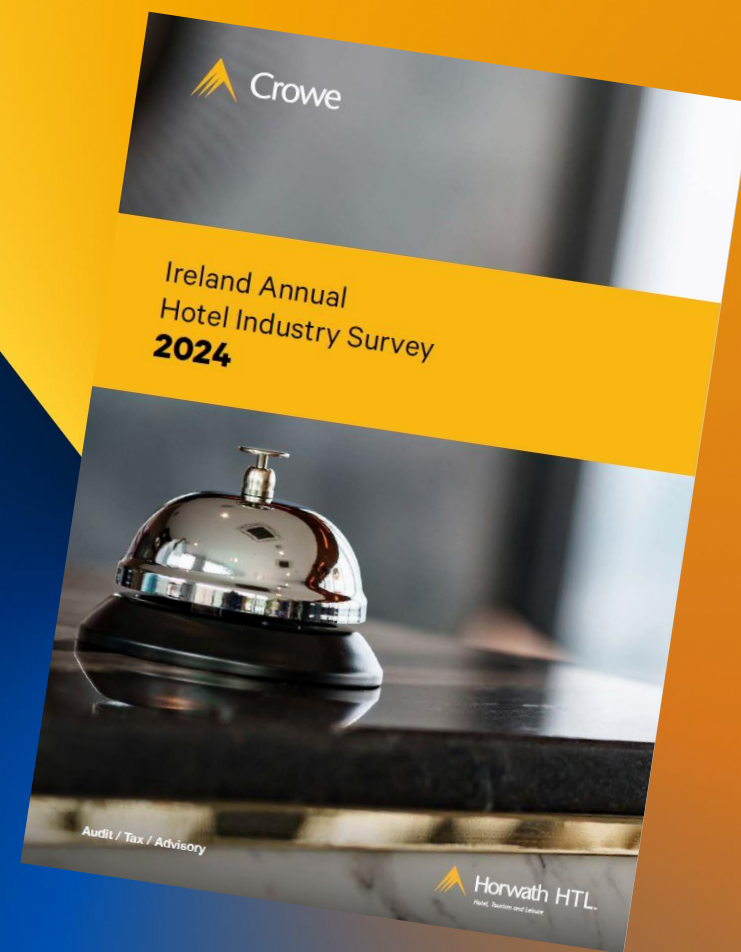


Crowe is committed to giving back to the community we work and live in. Through staff-led initiatives we support a number of local charities each year.



Ireland Annual Hotel Industry Survey 2024

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Helping the Irish hospitality industry since 1940

Crowe help ambitious clients who are looking to invest and develop the hotel, tourism and leisure industry and achieve extraordinary outcomes.

We have built a strong reputation for impartial advice that makes the difference between success and failure. For over 80 years, we have delivered unique, tailored consulting solutions that drive success and innovation across the sector.



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