

IRISH HOTEL MARKET

REVIEW 2016, OUTLOOK 2017



OVERVIEW

2016 was a record year for the Irish hotel market. Over €720 million worth of hotels transacted in the twelve-month period, across 51 hotels.

- The year finished with a robust final quarter, boosted by some well-known, big ticket transactions. Activity totalled €429 million in the three months to December and accounted for 60% of total activity in the year.
- The most significant sale of the year was the 4 star DoubleTree by Hilton (formerly the Burlington Hotel), in Dublin 4, purchased by German asset manager, DekaBank, for approximately €182 million.
- Hotel investment continues to be focussed on well-located 3 and 4 star hotels, which combined amounted to €684 million, or 95% of total investment turnover in 2016, across 42 hotels.
- Demand for Irish hotels from domestic buyers remains strong, accounting for over two-thirds of the volume of hotels sold in the twelve-month period. However, in terms of value, foreign spend outweighed domestic.
- 2016 also proved to be an outstanding year for Irish tourism, with both domestic and overseas visitors at record high levels.
- Dublin continues to witness a shortage of hotel rooms available to accommodate the growing demand, with hotel trading activity in the capital now outperforming many of its European counterparts.
- Hotel development remains short of required demand, however, 2017 is anticipated to see construction activity gain momentum as the year progresses, with a large number of schemes in the development pipeline.

€720 million

TOTAL TURNOVER IN THE IRISH HOTEL MARKET IN 2016 REACHED OVER €720 MILLION.



60%

THE FINAL QUARTER ALONE ACCOUNTED FOR 60% OF THE TOTAL SPEND, TOTALLING €429 MILLION.



74%

TRANSACTION ACTIVITY IN DUBLIN ACCOUNTED FOR 74% OF THE TOTAL SPEND IN THE MARKET IN 2016.



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