

Hospitality, Tourism & Leisure Market Update

May 2025

In this edition, we present a comprehensive review of the latest performance indicators for Ireland's hotel and leisure sector. Our analysis encompasses key metrics such as hotel performance and KPIs, new hotel supply and transactions, in addition to the latest tourism statistics. We conclude with a summary of notable industry news to ensure you remain well-informed.

National Overview

In the first three months of 2025, national hotel occupancy increased by 1.4 percentage points compared to 2024, to 68%. However, ADR fell by 1.4%. As a result, national RevPAR increased by 0.7% year-on-year.

Despite an increase in occupancy, the market experienced a reported decline in inbound tourism during the first quarter of the year. Domestic travel remained strong, helping to support the local tourism industry.

Hotel Performance

In Dublin, occupancy in Q1 2025 increased by 1.4 percentage points compared with Q1 2024 to 73.0%. ADR fell by 0.6% (to €145) compared to the same period in 2024. Consequently, RevPAR increased by 1.4% year-on-year, reaching €106.

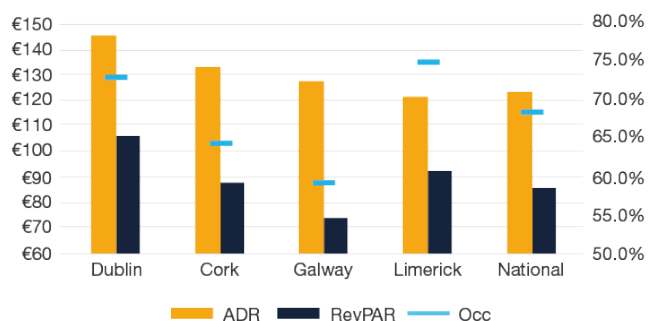
St Patrick's Day is a key driver for tourism activity and is estimated to attract approximately 500,000 attendees to the capital's festival, including around 100,000 international visitors. The event is valued at €122m for Dublin's economy, with an estimated €28m in returns to the Exchequer. In 2024, the festival generated a total of €129m for the Irish economy, of which €110m benefited Dublin, while the remaining €19m was distributed across regional cities such as Cork, Killarney, Limerick, Waterford, Sligo and Kilkenny.

Cork's 2025 Q1 performance saw a decline of 1.7 percentage points in occupancy compared with 2024, and a decline of 2.4% in ADR. RevPAR fell to €87, a 4.8% year-on-year decrease. This decline is partly attributed to the impact of new supply in the Cork city market, which saw the opening of two new hotels in 2024.

Galway saw an increase of 1.8 percentage points in occupancy. However, it also experienced a slight decline of 1.1% in ADR compared to Q1 2024. This led RevPAR to reach €75, a 2% year-on-year increase. The 177-bedroom Radisson Red opened in December, adding to the supply in the market.

Limerick started 2025 with a 0.2 percentage point increase in occupancy in Q1 and a 1.3% increase in ADR. This resulted in an increase in RevPAR up to €91, a 1.6% increase on 2024.

Hotel Performance - Q1 2025



Source: Crowe Research & Trending.ie

Hotel Transactions

Over €230m worth of Irish hotel transactions were reported to have completed in Q1 2025, with Dublin accounting for approximately 85% of total deal volume.

The strong start suggests continued investor confidence in the sector, with core buyers keen to secure prime assets. Several new deals are in the pipeline, with the hotel investment sector poised for continued growth through 2025.

A strong start to the year was signalled by the acquisition of the Grand Hotel in Malahide by FBD Hotels & Resorts in a deal valued at approximately €55m. The acquisition brings FBD Hotels & Resorts' total portfolio to seven properties. Crowe acted on behalf of FBD Hotels & Resorts on the acquisition. In addition to the Grand Hotel, the Ryan family also sold the 48-room, 3-star Marine Hotel in Sutton for a reported €10m to Hotel Properties Ltd.



Another key Q1 deal was the sale of the Fleet Hotel in Dublin 2, acquired by Lanthorn (formerly Davy Real Estate) on behalf of the TMR Hotel Collection. This marks TMR's 16th hotel in Ireland, with Windward Management continuing to oversee operations.

In March, the 272-room Ruby Molly on Arran Street was acquired by the German group Deka Immobilien for a reported €86m, making it the largest hotel transaction on the island of Ireland in 2025 to date. It also signalled renewed interest in a core leased hotel transaction.

In the city centre, the 101-bedroom Temple Bar Inn Hotel is currently on the market, guiding €50m, with the benefit of full planning permission for a 121-bedroom extension.

In Dalkey, Co. Dublin, The Queens pub was acquired by Donegal businessman Paddy Doherty for a reported €3.5m. The Queens currently has full planning permission for the development of 30 hotel rooms. The Eagle pub in the nearby village of Glasthule is owned by the same family and was bought for a reported €4m in April 2024 from the Loyola Group.

Regionally, Dalata Hotel Group plc disposed of the Clayton in Wexford, while the nearby Loftus Hall in Co. Wexford is on the market for approximately €4m, including 68 acres and overlooking Hook Peninsula and the landmark Hook Lighthouse.

The Nuremore Hotel and Golf Club in Carrickmacross, Co. Monaghan was sold for a reported €6m (€86k a key) to an investor consortium led by the McGettigan family. The hotel and golf course includes 160 acres and is set to undergo a major refurbishment, with plans to create over 100 jobs.

In Northern Ireland, the Tifco Hotel Group disposed of the 90-bedroom Travelodge Belfast on Brunswick Street to Andras House for a reported £8.75m. The McKeever Hotel Group acquired the 103-bedroom City of Armagh Hotel for just under £9m, bringing its portfolio to seven hotels.

Dalata Hotel Group plc's purchase of the 229-key Radisson Dublin Airport is still awaiting approval from the Competition and Consumer Protection Commission, which is to carry out a Phase 2 investigation. Dalata's ongoing strategic review could see further changes in the sector.

Hotel Pipeline and Supply

In Dublin, The Mercantile Hotel & Bar, a Dublin landmark since 1835, is due to reopen in May after five years of renovations. The refurbishment increases the hotel room count to 105 with the addition of a new floor and restaurant.

The Paramount Hotel recently secured approval to expand the hotel from 66 to 108 rooms. An Bord Pleanála overturned a Dublin City Council refusal, allowing the integration of two adjoining properties.

Sea Strand Properties is also seeking permission to replace the petrol station on Amiens Street, Dublin 1, with a 246-bed student accommodation complex featuring a gym, cinema and games room. The six-to nine-storey development follows a previous 2019 approval for a €32m, 172-bed hotel on the same site.

Wexford County Council is gauging investor interest through a preliminary market consultation for the Trinity Wharf Development in Wexford town. The approved planning permission for the mixed-use site includes a 120-room hotel in addition to office buildings, residential apartments, a multi-storey car park and a cultural centre.



The Grace Hotel on Westport Estate is due to open in spring 2026 with 129 bedrooms as part of a 430-acre estate regeneration, offering new attractions and sustainable employment.

Harcourt Developments has also secured approval for a €200m mixed-use redevelopment of Waterford's North Quays to include a 160-bedroom hotel and 163-bedroom aparthotel.

Plans have been approved in Belfast for a former police station to be converted into the new 74-bedroom Queen's Street Hotel. Whitbread plc also announced a £6m investment to open a new 81-bedroom Premier Inn at Belfast International Airport in mid-2026.

High Court Suspends Dublin Airport's Passenger Cap



The High Court has suspended the enforcement of a 32m annual passenger cap at Dublin Airport pending the outcome of a legal challenge by several airlines. The passenger cap was originally imposed by An Bord Pleanála in 2007 to address traffic concerns on roads leading to the airport.

The cap remains a planning condition, but the Irish Aviation Authority won't enforce it when allocating take-off and landing slots until the case is resolved. The Court of Justice of the European Union will need to rule on related EU law issues before the High Court can proceed with the airlines' case.

In the short term, this augurs well for inbound passenger arrival numbers as continued global uncertainty threatens to impact tourism.

Tourism & Hospitality News

Ireland is the only European country where hotel occupancy over the past year surpassed pre-pandemic levels. As of February 2025, the 12-month running occupancy rate was 102% of February 2019 levels as reported by CoStar.

The average daily room rate in Ireland has reached €169, which is 30% higher than the pre-pandemic February 2019 rate of €131.

However, cost inflation over the same period has eroded most of these gains, resulting in broadly similar profitability margins, which are vital to ensure continued investment in the sector.

Cheyne Capital has rebranded the Press Up group to Eclective Hospitality Group. The group now operates 24 venues, including Elephant & Castle, Wowburger and Bison. The name reflects the diversity of its offerings. New executives have been appointed, with plans to enhance customer experiences and grow the business. The rebranding follows Cheyne's debt-for-equity deal, taking a majority stake.

Four councils in Dublin are reported to be planning a tax on hotel rooms, with suggestions that it could be in place by September. The county's four local authorities have planned for legislation that would clear the way for tourists to be charged an extra fee as part of their bill. Given the softness in the market and uncertainty hanging over the short-term future of tourism, the proposal is already facing strong opposition from the industry.

The Government has published a proposed new law, the Short Term Letting and Tourism (STLT) Bill, which will provide the statutory basis for the establishment of a register for short-term lets in Ireland and for the implementation of the new EU Short-Term Rental (STR) Regulation, which was adopted by the EU on 11 April 2024 and is applicable from 20 May 2026. A register to be managed by Fáilte Ireland will provide a full picture of the stock of registered tourist accommodation across the State. Accommodation offered for periods up to and including 21 nights will be obliged to register and to hold a valid registration number that must be displayed when advertising the property.



The Bill also provides for the introduction of a sanction procedure for infringements by online short-term rental platforms of their obligations under the EU Regulation. This will enable the State to impose large financial penalties, up to a maximum of 2% of turnover, to enforce compliance where necessary. There will also be restrictions on short-term lettings in towns with a population of more than 10,000.

However, people would still be able to rent out their primary residence for up to 90 days each year. The move effectively bans planning permission for commercial short-term lettings in cities and many towns around the country.

Central Statistics Office Update (ALOS: Average Length of Stay)

Year	2023	2024	2025
Visitors	1.2m	1.4m	1.1m
Bednights	9.3m	9.6m	7.5m
ALOS	8.0	6.8	6.9

The latest figures from the CSO report a decline in Inbound Tourism activity for Q1 2025 compared to the same period in 2024:

- Foreign visitors: 1.1m, down 22.9% from 1.4m
- Nights stayed: 7.5m, down 22.0% from 9.5m
- Spending: €735m, down 26.3% from €998m

The CSO also provided insights on the primary source markets for foreign visitors with Great Britain (44.5%), United States (13.9%), Germany (5.8%) and France (5.8%) accounting for the majority of inbound trips in Ireland.

Tourism stakeholders have queried the CSO data showing a decline in visitors from abroad.

The Irish Hotels Federation states that the published CSO figures for overseas visitors continue to be out of kilter with industry data on the ground, including figures from hotels which are reporting a strong performance for room bookings year to date. The latest industry figures show that hotels achieved average room occupancies in March on a par with the same month last year, while bookings for the first quarter were up 2% year-on-year.



The IHF suggests that overall tourism activity is holding up so far in 2025, which is at odds with what the CSO figures would appear to be indicating.

Capacity - Air & Sea Access:

Fáilte Ireland recently released the 2025 air & sea access data.

- Air access to the Republic of Ireland in 2025 is expected to grow by +2% year-on-year, as of OAG's April update.
- This equates to a 5% growth since 2023. Note that this is subject to change as airlines add/remove capacity, particularly towards the end of the season.
- ROI air capacity for the summer months is expected to be +6.5% above Summer 2024 levels.
- All key source markets have planned increased capacity, except for France (-3%).
- Increase in seat capacity from North America is set to be over +10% (10.5% from US and 9.5% from Canada).
- All Irish airports are due to see an increase in capacity, ranging from 1% to 28%, with Dublin standing at +5% above its Summer 2024 levels.
- Sea access to ROI this summer is to be lower (-17%) than in previous years as some vessels have either ceased operating or have been downsized.

Hospitality Events

Northern Ireland Hotels Federation (NIHF)

Crowe was delighted to attend the Northern Ireland Hotels Federation Business Outlook seminar. As an associate member of the NIHF, Crowe met with industry stakeholders, owners and operators in this important market at the Clondeboy Hotel, East Belfast.



International Hospitality Investment Forum (IHIF)

Crowe attended the International Hospitality Investment Forum (IHIF) in Berlin, where nearly 3,000 industry stakeholders and colleagues gathered.

This key industry event brings together the world's leading hospitality investors, operators, and consultants to exchange insights and network over three days.

Key industry takeaways from the event:

- Dublin, Cork, Galway and Belfast remain key targets for hotel investors, with several assets currently in play. Notably, Dalata Hotel Group is undergoing a strategic review, generating significant interest.
- Ireland's minimum wage increase in January, along with the imminent pension auto-enrolment, continues to impact the hospitality sector. As a result, the industry is preparing for some turbulence in the year ahead, but Ireland's hospitality and tourism sector remains resilient and prepared.

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We were delighted to participate in the event programme, which included the relaunch of the impressive Radisson Collection Hotel Berlin and various investor and stakeholder receptions across the city.



Irish Hotels Federation Annual Conference 2025

Crowe was also delighted to attend the Irish Hotels Federation Annual Conference 2025, themed "Strategic Ability in a Digital Age", at the Gleneagle in Killarney in March. Over three-quarters (77%) of Irish hoteliers plan to increase investment in refurbishment projects, environmental sustainability, training and people development, and the adoption of new technologies such as AI.

In addition, a significant portion of hotels (61%) indicated plans to increase investment in sustainability initiatives in 2025 to include renewable energy solutions, energy efficiency measures, food waste reduction and water conservation. This focus on sustainability is part of a broader effort to respond to evolving guest expectations and environmental challenges.

