

Hospitality, Tourism & Leisure Market Update

September 2025

Welcome to the latest edition of our HTL market update. In this issue, we provide a comprehensive overview of the summer performance of Ireland's hotel sector. The report highlights key indicators such as hotel performance, supply developments and transaction activity, alongside the latest tourism figures. As always, we include a summary of significant industry news and events to keep you informed.

Hotel Performance

National Overview

In the first eight months of 2025, national hotel occupancy rose by 0.4 percentage points year-on-year, reaching 80.7%. Average Daily Rate (ADR) increased by 3.9% to €150, resulting in a 4.5% year-on-year rise in Revenue per Available Room (RevPAR) to €121.

Despite the increase in occupancy, according to the Central Statistics Office, the market continues to experience a decline in inbound tourism. Nevertheless, strong domestic travel has remained a key pillar in supporting the local tourism industry.

Dublin

Year-to-date occupancy to August 2025 increased by 1.3 percentage points compared to the same period in 2024, reaching 83.5%. ADR declined by 1.0% to €175 compared to the same period last year. Consequently, RevPAR stabilised (+0.5% year-on-year), reaching €146.

Following last year's strong summer, Dublin once again benefited from a busy calendar of major concerts and sporting fixtures. Global headline acts including Lana Del Rey, Dua Lipa, Fontaines D.C., Kendrick Lamar, Robbie Williams, and the long-anticipated Oasis reunion shows drove strong weekend demand across the capital.

In August, the Aer Lingus American College Football Classic again attracted tens of thousands of US visitors, while the All-Ireland GAA finals filled stadiums and hotels alike, delivering sharp revenue spikes. The Pittsburgh Steelers versus Minnesota Vikings fixture at Croke Park at the end of September provided a strong finish to the month as we move into Q4.

Regional Cities

In the three main regional cities, a similar trend is observed: a slight decrease in occupancy (-0.4% on average), but a notable average increase in ADR of 3.8%, leading to average RevPAR growth of 3.2%.

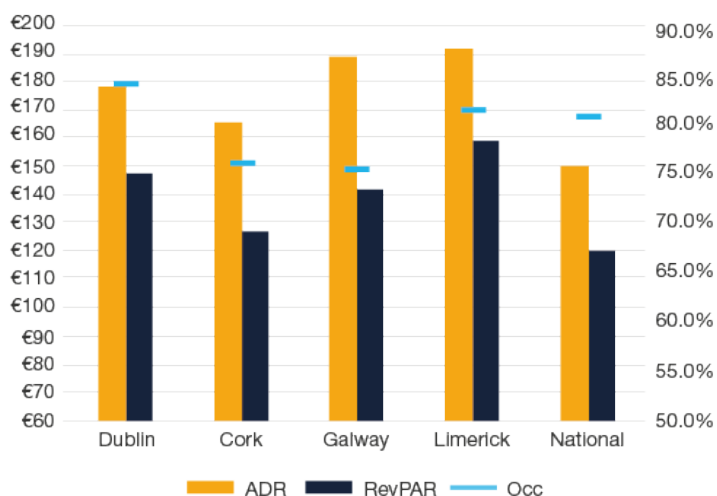
Cork: Performance in the first eight months of 2025 showed a 0.7 percentage point decline in occupancy compared to the same period in 2024, down to 76.2%. However, rates increased by 3.8% to €164, helping RevPAR to rise by 2.9% year-on-year to €125.

Galway: Recorded a 0.3 percentage point decrease in occupancy in the first eight months of 2025, reaching 75.2%. ADR rose to €189, up 3.7%, which led RevPAR to €142, up 3.2% year-on-year.

Limerick: Occupancy decreased by 0.3 percentage points compared to August 2024 YTD, to 81.2%. However, this was offset by an increase in rates, with ADR rising by 3.9% year-on-year to €193. As a result, RevPAR also grew by 3.5% on last year's performance, reaching €157.



Hotel performance – August 2025 YTD



Sources: Crowe; CoStar and Trending.ie

Hotel Transactions

Dalata Hotel Group acquisition

In the biggest deal so far this year, Scandinavian property companies Pandox and Eiendomsspar agreed to acquire Ireland's largest hotel group, Dalata Hotel Group (55 properties), for €1.4 billion in cash. Scandic Hotels Group AB will act as the operating partner, with plans to separate Dalata's real estate and hotel operating businesses. Scandic is ultimately expected to pay €500 million for the Dalata hotel operating business. Pandox, which also owns Leonardo Hotels (formerly Jurys Inn), will retain the real estate component.

The deal is strategically significant and represents an important shift in hotel ownership in Ireland. The new owners are expected to support the continued European expansion of the Dalata platform, backed by Pandox, which already owns 163 hotels across Europe.

While no plans have been announced, the transaction may lead to rebranding some properties where an ADR premium can be achieved. Equally, some regional assets may be deemed non-core to the larger platform, which may lead to further transactional activity.

This deal demonstrates both confidence and liquidity in the market, serving as a positive indicator for the broader hospitality and tourism sector.

It also highlights an active and evolving industry, where consolidation and strategic repositioning continue to create new opportunities. At Crowe, we are seeing sustained market activity, with many owners now considering exit strategies and succession planning. These decisions require significant forward planning, and Crowe is ideally placed to advise on all aspects of hospitality, tourism and leisure.

Other international transactions

Recent international transactions underline a dynamic shift in investor appetite across Europe's hospitality space. Brookfield Asset Management acquired the European arm of Generator Hostels for approximately €776 million, including 15 hostels with around 2,749 rooms in prime gateway cities such as Dublin, London, Paris, Rome, Berlin and Madrid. Under Queensgate's stewardship, Generator's European earnings soared from an estimated €20 million in 2017 to €65 million in 2025, reflecting the allure of design-led, Gen-Z-focused hostel concepts in gateway locations. Brookfield now plans to scale the brand further via strategic acquisitions and third-party management arrangements, underscoring its growing confidence in lifestyle and budget lodging segments.

The stylish hotel chain citizenM was acquired by Marriott International in a \$355 million deal. With 37 properties totalling 8,789 rooms across more than 20 cities globally, the acquisition is set to bolster Marriott's footprint in the select-service and lifestyle segments and is expected to lift its net room growth forecast for 2025 to nearly 5%. As part of the arrangement, franchise agreements will bring citizenM properties into the Marriott fold, and the brand may be eligible for up to an additional \$110 million based on future performance. A new 245-bedroom citizenM opened on Bride Street in Dublin during the summer.

In the budget hotel sector, Tristan Capital Partners agreed to acquire easyHotel in the UK and pan-Europe for approximately €242 million. The acquisition covers nearly 50 hotels, including Dublin, with about 4,900 rooms, of which 32 are owned or leased and 17 franchised. Tristan, whose EPIISO 6 fund now boasts over €1 billion in hotel investments across Europe, views easyHotel as a strong brand asset poised for expansion. Tristan already owns Point A Hotels, which has two properties in Dublin. It anticipates significant economies of scale across both hotel platforms.

Irish hotel transactions

Approximately €340 million worth of Irish hotel sales were reported to have completed in the first half of 2025.

In May, both the Kilkenny Ormonde and Limerick Absolute hotels were put for sale together. The total value of the hotels was put at €50 million (including a 725-space car park in Kilkenny). It is reported that the sale process is at an advanced stage.

In Belfast, the four-star Dukes at Queens (32 rooms) was listed for sale for £3 million.

The Butler Arms Hotel in Waterville, Co. Kerry was also listed for sale in May. The 36-room property is guiding €6 million. The 98-bedroom International Hotel in Killarney is also for sale, guiding €20 million.

The 113-room Hydro Hotel in Lisdoonvarna, Co. Clare is guiding €4.75 million while the four-star Waterfront Hotel (49 rooms) in Dungloe, Co. Donegal is guiding €4.9 million. The property is currently developing 16 additional suites, which will appeal to prospective buyers.

In Northern Ireland, the 21-bedroom Whistledown Hotel in Warrenpoint, Co. Down is for sale and is guiding £3 million. In September, the 51-bedroom Marine Hotel in Ballycastle, Co. Antrim was also launched for sale, guiding €4.95 million.

Hotel pipeline and supply

Following a comprehensive five-year redevelopment, The Mercantile Hotel & Bar on Dame Street in Dublin reopened in June. The fully revamped property now features 105 bedrooms, a restaurant, a bar, and a café.

In July, the stylish citizenM Dublin St Patrick's officially opened its doors, marking the Irish debut for the Dutch lifestyle chain. The nine-storey, 245-room hotel preserves a striking brutalist façade, merging artful repurposing with high-tech, design-minded interiors.

Moxy Dublin Docklands has opened its doors on 30 September, adding 183 rooms to the city's hospitality landscape. In September the 179-bedroom Moxy Belfast opened (converted from a former Park Inn). This brings to four the number of Moxy hotels in Ireland, alongside a second Moxy in Dublin and Moxy Cork which opened in 2024.

CoStar forecasts the delivery of approximately 5,400 new hotel bedrooms in Dublin by 2029, representing a 19% increase over the period. The forecast also suggests that occupancy will stabilise at 81% and ADR at €183 in the same period (€150 RevPAR).

Finally, Newry, Mourne and Down District Council have launched a Hotel Development Grant Scheme. The purpose of the scheme is to support the development of new hotel accommodation across the district. Bids must be for at least 15 new en-suite bedrooms and can be for new hotels or the expansion of an existing one. All completed work must result in the hotel achieving a minimum rating of three stars. The total funding available will be £1 million, with a maximum award per application of £300,000.

Hospitality news

Government buys Citywest Hotel for €148.2m to house migrants

In June 2025, the Irish Government confirmed the €148.2 million purchase of the Citywest Hotel and Convention Centre in Dublin, currently housing around 2,000 international protection applicants and Ukrainian refugees. The acquisition forms part of a broader plan to secure 14,000 accommodation units nationwide for migrants. The purchase is expected to yield operational savings of up to 50%, with full cost recovery anticipated within four years.

Dalata will give up the lease on the DAA-owned Maldron Hotel at Dublin Airport

As part of the conditions attached to Dalata's acquisition of the Radisson Blu Dublin Airport Hotel, which completed in June 2025, Dalata has confirmed it will surrender its lease on the nearby Maldron Hotel, due to expire in January 2026.

VAT cut for hospitality will eat into workers' tax relief

Budget 2026 is almost upon us and it is reported that the Government is reconsidering a cut in VAT from 13.5% to 9% on food for restaurants, bars and cafés. US tariffs and economic uncertainty could force a rethink and the reduction could be delayed to mid-2026. [Register for Crowe's Budget 2026 webinar here.](#)

Dublin ranks among world's busiest airports for international passengers

Dublin Airport has climbed to become the 20th busiest airport globally for international passengers in 2024, welcoming over 34 million travellers, a steady increase of 4.1% from last year and 5.7% above pre-pandemic levels. This places it alongside major hubs like New York JFK (#19) and Rome Fiumicino (#17). Notably, Dubai retains the #1 spot by a wide margin, while Istanbul saw the most dramatic growth compared to 2019 (+59.1%). Overall, Dublin's performance underscores its continued importance as a key European gateway.

Inbound Tourism

At August YTD	2023	2024	2025
Visitors	4.21m	4.67m	4.25m
Bed nights	34.93m	34.38m	31.93m
Spending	€3.58bn	€4.17bn	€3.60bn

Despite improvements in the summer months, the latest figures from the CSO report a significant decline in inbound tourism activity for the first eight months of 2025 compared to the same period in 2024:

- Foreign visitors: down 9%
- Nights stayed: down 7%
- Spending: down 14%

The CSO also provided insights on the primary source markets for foreign visitors with Great Britain (39.0%), United States (19.8%), Germany (6.7%) and France (5.9%) accounting for the majority of inbound trips in Ireland.

Dublin Airport issued enforcement notice over passenger cap breach

In June 2025, Fingal County Council issued an enforcement notice to the Dublin Airport Authority, operators of Dublin Airport, for breaching the 32 million annual passenger cap, set under 2008 planning conditions for Terminals 1 and 2. The Council granted a two-year period for the DAA to comply or secure revised planning approval. The total number of passenger arrivals in 2025 is expected to be around 36 million.

Hospitality Events

Crowe was delighted to attend the opening of The Reserve, a fantastic luxury addition to Killashee Hotel in Naas, Co. Kildare, which is part of FBD Hotels & Resorts.



We were pleased to attend the official launch of the Crown Square development in Galway, where An Taoiseach, Micheál Martin TD, laid the ceremonial foundation stone. This landmark €550 million urban regeneration project includes Ireland's first Radisson RED Hotel, 345 cost-rental homes in partnership with the Land Development Agency, and over 120,000 sq. ft of premium office space.



Pictured at the launch are Micheál Martin TD and the team at the Radisson Red.

Crowe was also delighted to attend the Ulster Bank Northern Ireland Hospitality & Tourism briefing in Belfast, which is seeing considerable growth.



Bank of Ireland hosted their annual Tourism & Hospitality briefing at the Radisson RED in Galway, which Crowe was delighted to attend.



Annual Hospitality Conference

Crowe's Hospitality, Tourism & Leisure division is attending the Annual Hospitality Conference as a sponsor in Manchester, focusing on the UK&I hospitality market. This is a leading event for hospitality investment, operations and asset management, focusing on the theme of "Reset. Rebuild. Rise." to address emerging trends, challenges and opportunities in the sector. The focus is on driving growth, innovation and resilience for hotels, hybrid concepts, pubs and alternative living sectors



Crowe's HTL division is also attending the annual Irish Tourism Industry Conference at the Lyrath Estate, in Kilkenny. Speakers including Tourism Minister Peter Burke TD, hospitality expert Francis Brennan, Dalata CEO Dermot Crowley, Tourism Ireland's Alice Mansergh, Irish Heritage Trust CEO Anne O'Donoghue, Fáilte Ireland Chair Ruth Andrews, former Ambassador to the US Dan Mulhall, and economist Jim Power will consider what is in store for Irish tourism in 2026 and beyond.



Get in touch

If you would like to discuss any of the topics covered in this update, or if you require tailored advice for your hospitality, tourism or leisure business, please contact the Crowe HTL team. We are here to support you with expert guidance and practical solutions.

Save the date - HTL Breakfast Market Update 2026 - Thursday 29 January 2026 (details to follow)

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