



Introduction

As CIS looks at new hotels in the construction pipeline, we need to also take a look at what is affecting these numbers both in planning terms and ultimately getting the works to site. With tourism in Ireland growing, we look at the trends for new hotels with special emphasis on any growth in Q1 2024 against Q1 2023.

Figures released in January 2024 by the DAA show that 31.08 million passengers passed through the terminals of Dublin Airport in 2023. Passenger numbers at Dublin Airport are now 60% higher than they were a decade ago.

However, according to the Irish Tourism Industry Confederation (ITIC) Ireland is facing a number of challenges in the year ahead, which represent a serious risk to competitiveness as a tourist destination choice:

- **Accommodation capacity constraints:** the Government continues to rely heavily on tourism properties to house refugees and International Protection applicants. In addition, the Short-Term Tourism Letting Legislation being introduced is expected to further reduce supply.
- **Dublin Airport's 32m passenger cap:** maintaining the passenger limit will inevitably have, not only short term, but longer-term adverse impact on Ireland's ability to expand visitor traffic, develop new connections to broaden the industry's source market footprint.
- **Cost competitiveness:** higher input and labour costs, together with increased regulatory compliance costs, in an already a high-cost economy for businesses, runs the risk of a further loss of competitiveness at a time when consumers are becoming more price and value conscious.
- **Labour supply:** the sector continues to struggle to recruit, train and retain staff in a tight labour market.

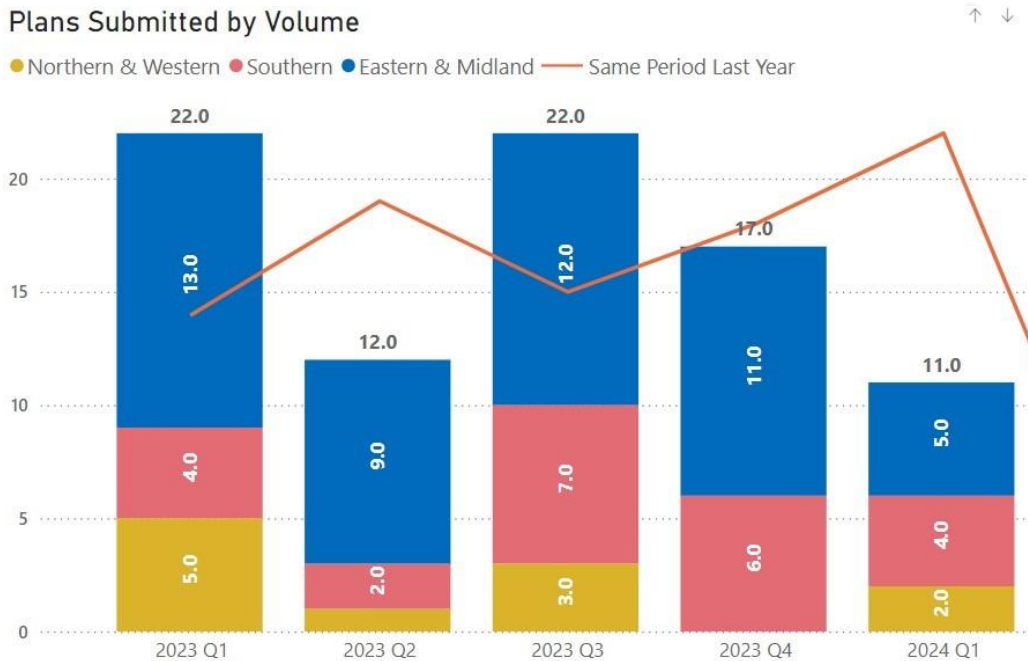
Currently, aside from some activity in Dublin and Cork, there is little appetite for new hotel construction due to high build costs, expensive sites, high cost of capital, and planning delays. A key report by the Irish Tourism Industry Confederation estimates that there is a deficit of 11,500 tourism bedrooms if Ireland is to meet projected demand over the next decade.

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NOTE: All of the figures shown take into account the following build types: New Build, Change of Use, Extension, Refurbishment & Renovation. The category covered is Hotels only.



This outlook is shown by a drop in the number of planning applications submitted in Q1 2023 v Q1 2024. By comparison though, Q3 2023 saw an increase back to Q1 2023 levels.



Hotel Development, Dublin.

One of the major plans on the drawing board at the minute is the development of the [Vicar Street Hotel in Dublin](#). This new 8-storey building will offer up 182 No. bedrooms. Planning approval is sought.



Applicant: Vicar Street Hotel Limited

Architect: Grafton Architects

Planning Consultant: William Doran Planning & Project Management

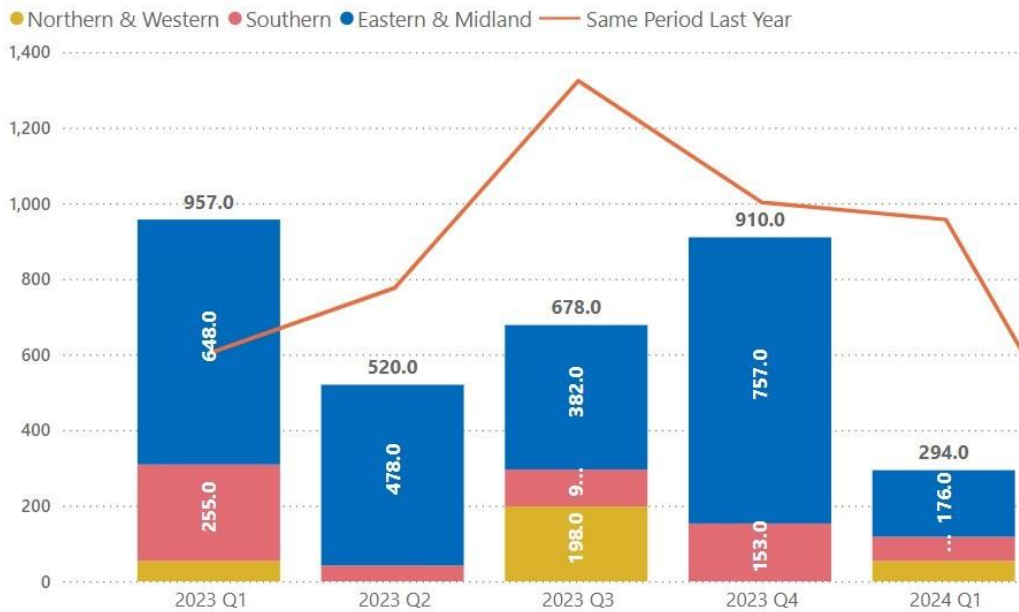
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The number of hotel bedrooms being proposed also fell considerably Q1 2023 v Q1 2024 – 957 rooms v 294 rooms. This highlights the Irish Tourism Industry Confederation’s worry that the number of rooms being built will not meet the projected demand going forward.

Plans Submitted by Hotel Beds



Hotel Development, Galway.

Plans have recently been approved for a new [hotel development in Galway](#). A former pub site will be developed as a 182-bedroom hotel to include 158 No. standard rooms and 24 No. family/accessible suites, as well as a lounge and breakfast area.



Applicant: Carra Shore Limited
Architect: John Fleming Architects
Planning Consultant: HW Planning

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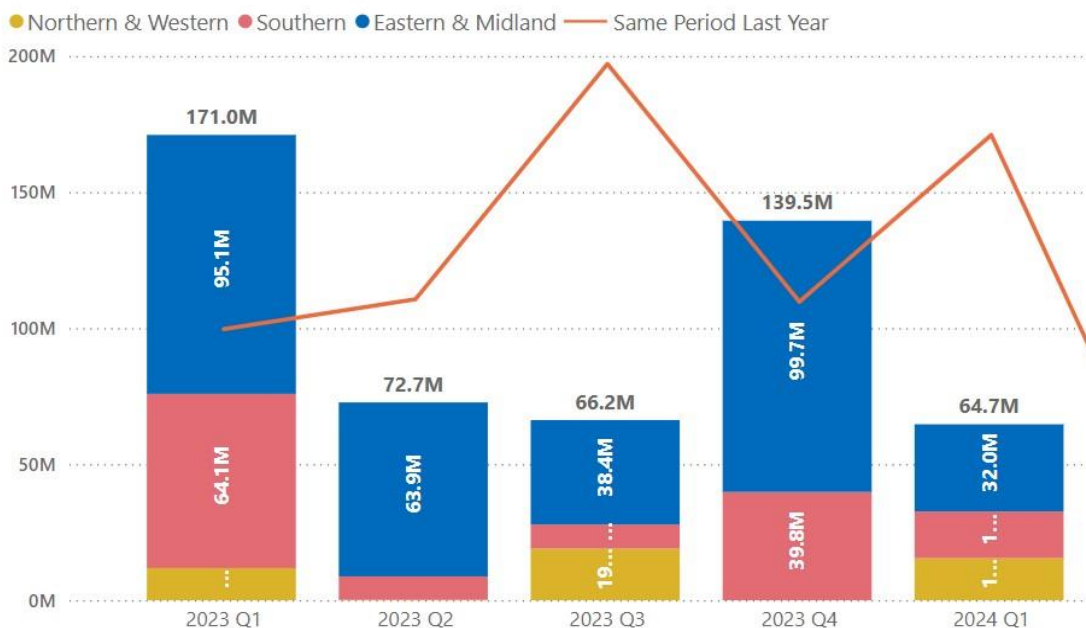


Hotel Construction Analysis Q1 2024

Republic of Ireland

The value of hotel works being proposed has fallen to €64.7 million in Q1 2024, a significant drop on the comparative period in Q1 2023 (€171 million).

Plans Submitted by Value



Aparthotel, Dundalk

Planning approval has been issued for an [Aparthotel development in Dundalk](#). These €6.4m plans allow for a new build 6-storey over basement building bringing 20 No. one and two-bedroom aparthotel units.



Applicant: Nera Investments Limited

Architect: Plus Architecture

Planning Consultant: MKO

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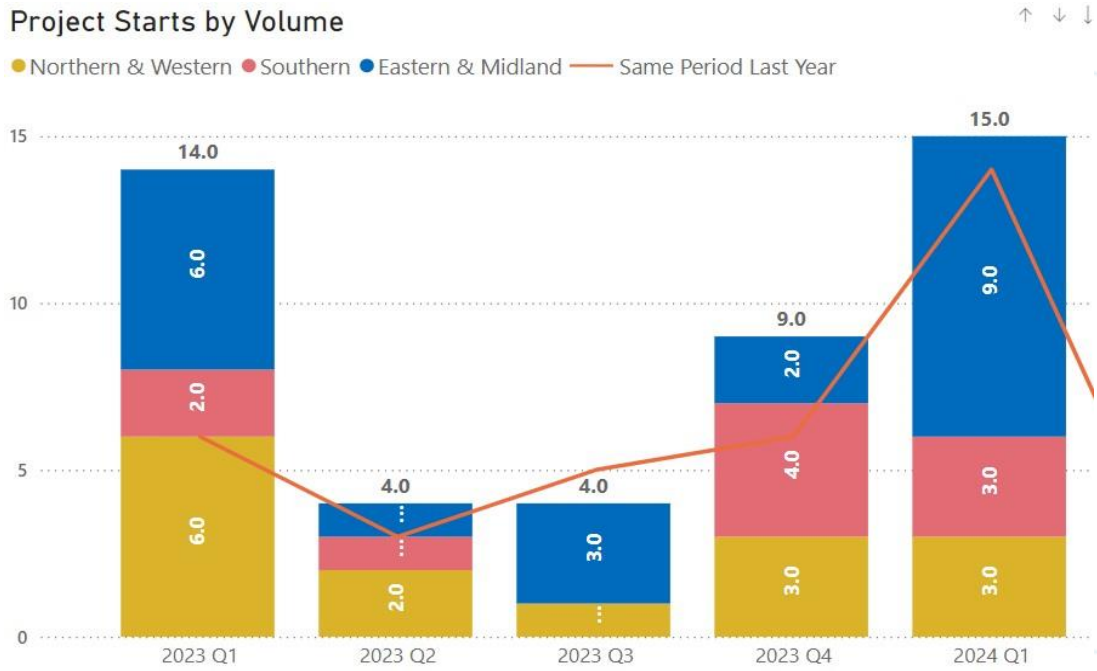
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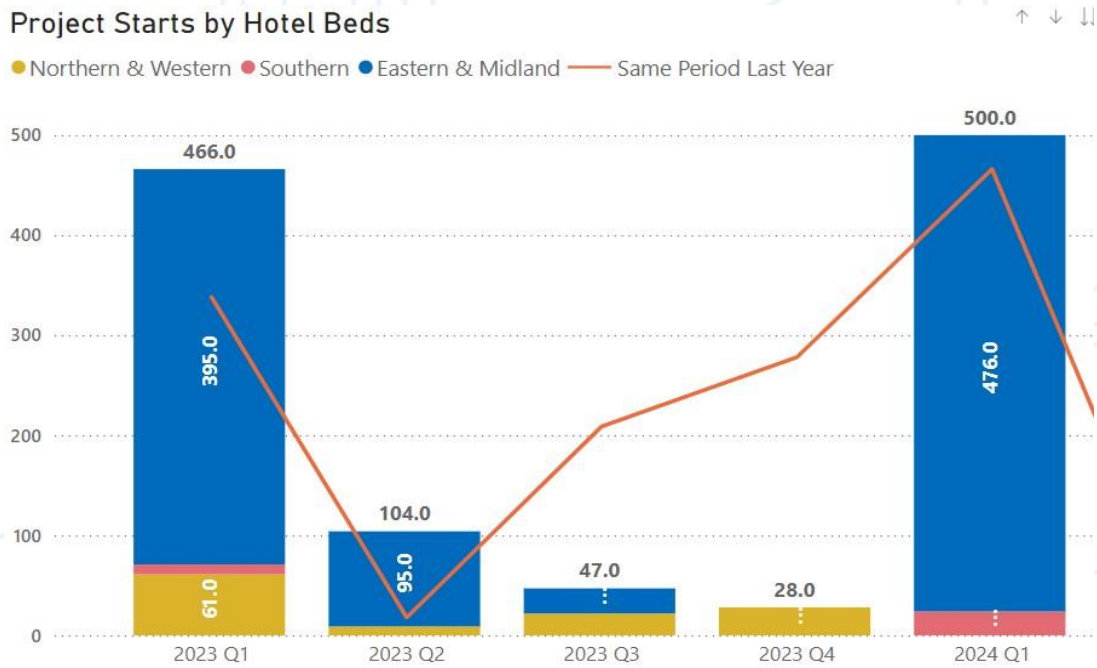
Hotel Construction Analysis Q1 2024

Republic of Ireland

If we now take a look at project starts they were highest in Q1 2024, but comparable with Q1 2023, so plenty of positivity with these figures.



CIS can look at how many hotel bedrooms these new start contracts equate to. A slight rise is shown in the number of bedrooms being created when comparing Q1 2023 v Q1 2024.



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Hotel Development, Navan

Work has recently commenced on the reinstatement and change of use of the derelict Bective House and ancillary structures to create a 92-bedroom hotel.



Applicant: Bective Stud Limited

Architect: John Fleming Architects

Main Contractor: CCSR Construction Limited

Conclusion

In this report CIS has specifically looked at the Hotel sector in ROI. In terms of the overall hospitality sector including pubs, clubs and guest houses etc, we can see that there is also a decline in the number and value of plans submitted and approved when comparing Q1 2023 and Q1 2024. There has been a drop in value from €115.9m (Q1 2023) to €67.9m (Q1 2024). The Covid pandemic years had an obvious impact on Irish hospitality venues, however there are now other factors very much hindering the sector to move forward – lack of hospitality staff, increase in minimum wage, increase in food costs, increase in utility/energy bills/rents.

The hospitality sector must now respond to tourists changing needs and preferences with emphasis on luxury hotel accommodation and facilities. According to CBRE from 2030 onwards, the best hotels will offer highly personalised guest experiences, smart room features, sustainable travel options and attractive employee opportunities.

If you would like a free demo of our lead generation platform or to learn more about the depth of our data, please arrange a demo by calling **+353 1 2999 200**, email sales@cisireland.com or [click here](#)

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