

# FUTURE SUPPLY OF: Tourist Accommodation in Cork, Galway & Kilkenny

## MARKET OVERVIEW

Nationally tourism is growing year on year. 2017 saw 3% growth in overseas tourists, and Fáilte Ireland predicts 7% growth in 2018 and 4% in 2019.

While more trips originate in Great Britain than in any other single market, the US has surpassed GB as the market generating the largest revenue for Ireland. Combined with France and Germany, these four markets account for seven in ten (68%) of Ireland's overseas tourists.

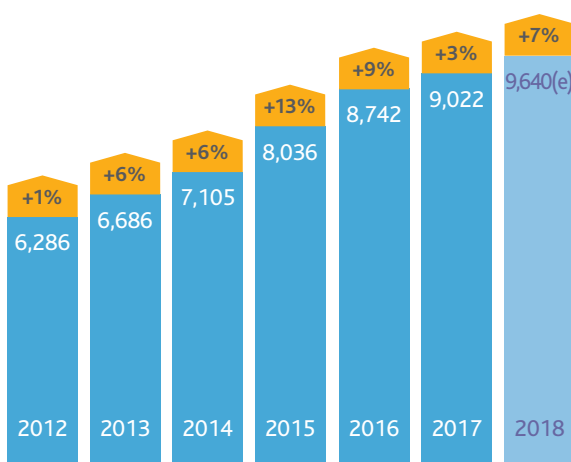


## GROWTH TRAJECTORY

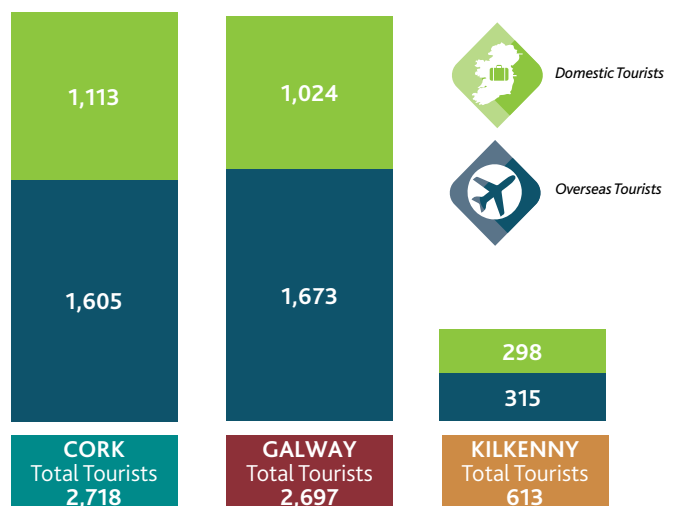
Recent data demonstrates strong tourism demand at a national level. If this sustained growth continues tourist numbers will be up more than 20% over the next five years, which will put pressure on current accommodation stock levels. Urban areas historically perform above average, amplifying any accommodation squeeze.

## IRELAND

### OVERSEAS TOURISTS TO IRELAND 2012-2018 (000)



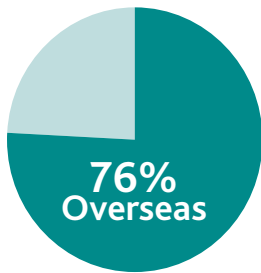
### OVERSEAS AND DOMESTIC TOURISTS TO CORK, GALWAY & KILKENNY COUNTIES 2017 (000)



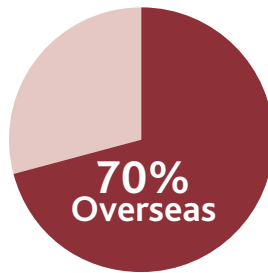
\*Tourist numbers are not available at a city level. Overseas tourist figures are based on 3 year rolling county averages and therefore year on year comparison is not available



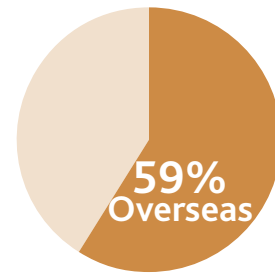
## TOURIST REVENUE TO CORK, GALWAY & KILKENNY 2017 (€MN)



€833m  
**CORK**



€836m  
**GALWAY**



€94m  
**KILKENNY**

## BED STOCK

### FÁILTE IRELAND REGISTERED ACCOMMODATION STOCK BEDSPACES BY CITY (JUNE 2018)

The number of Fáilte Ireland registered bedspaces reflects the size of the tourism accommodation sector across the three cities. In all three, hotels dominate tourist accommodation, accounting for nearly four out of every five bedspaces.

	CORK		GALWAY		KILKENNY	
	PREMISES	BED SPACES	PREMISES	BED SPACES	PREMISES	BED SPACES
<b>HOTELS</b>						
★★★★★	2	525	2	304	1	432
★★★★	17	4,975	13	3,867	7	1,471
★★★	10	1,289	12	2,973	5	634
★★	2	144	4	144	1	61
<b>TOTAL</b>	<b>31</b>	<b>6,933</b>	<b>33</b>	<b>7,333</b>	<b>14</b>	<b>2,598</b>
SHARE OF TOTAL BEDSPACES		79%		82%		83%



	CORK	GALWAY	KILKENNY
PREMISES	37	38	20
BED SPACES	594	434	337



	CORK	GALWAY	KILKENNY
PREMISES	5	8	3
BED SPACES	642	103	25



	CORK	GALWAY	KILKENNY
PREMISES	1	4	3
BED SPACES	1	91	78



	CORK	GALWAY	KILKENNY
PREMISES	1	1	1
BED SPACES	200	280	60



	CORK	GALWAY	KILKENNY
PREMISES	4	5	1
BED SPACES	431	725	29

Outside of Fáilte Ireland registered accommodation Cork and Galway have additional seasonal stock with the addition of a significant amount of student accommodation between June and September.

TOTAL	CORK		GALWAY		KILKENNY	
	PREMISES	BED SPACES	PREMISES	BED SPACES	PREMISES	BED SPACES
	<b>79</b>	<b>8,801</b>	<b>89</b>	<b>8,966</b>	<b>42</b>	<b>3,127</b>

## HOTEL MARKET

Tourism in all three cities has grown steadily over the last five years. Occupancy rates are at an all time high.

HOTEL PERFORMANCE FOR CORK, GALWAY AND KILKENNY – YEAR TO SEPTEMBER 2018			
	CORK	GALWAY	KILKENNY*
<b>OCCUPANCY</b>	82%	80%	78%
<b>AVERAGE ROOM RATE</b>	€103	€108	€105**
<b>REVPAR</b> (Revenue Per Available Room)	€84	€86	€76**
<b>REVPAR GROWTH 2013-18</b>	+64%	+64%	NA

\*Data for Kilkenny hotels is not as readily available, however feedback from hoteliers and some limited data from STR suggest a similar pattern to Cork and Galway.

\*\* Kilkenny room rate data is year to date to August 2018.

## NEW HOTEL ACCOMMODATION SUPPLY

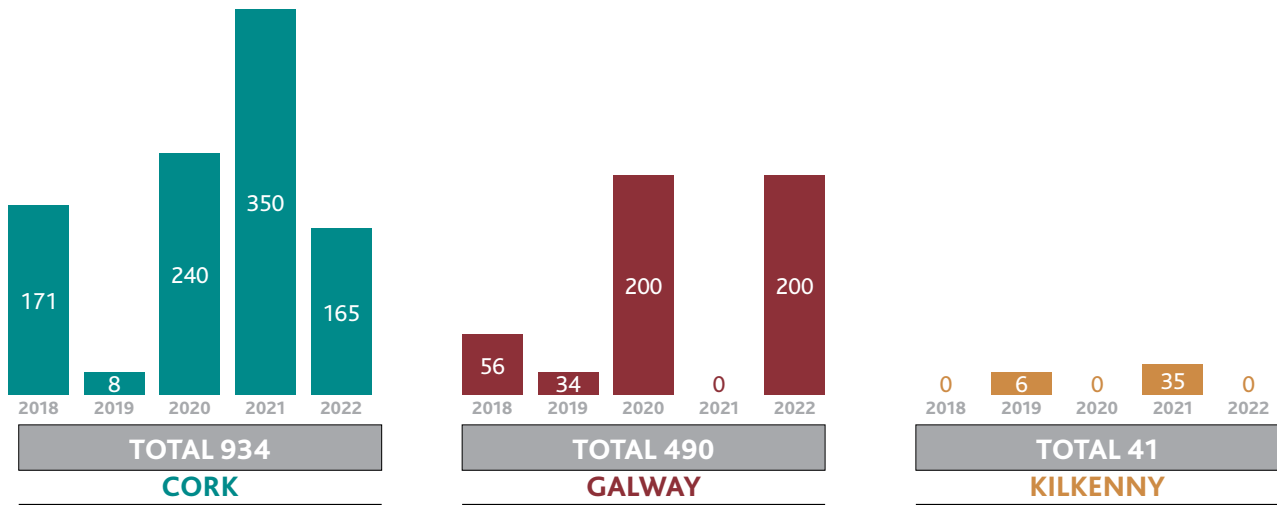
The following new supply is forecast.

HOTEL ACCOMMODATION PROJECTS WITH PLANNING			
PLANNING 2014-2018	CORK	GALWAY	KILKENNY
<b>NEW HOTELS</b>	7	7	
<b>HOTEL EXTENSIONS</b>	7	8	1
<b>NO. OF HOTEL ROOMS</b>	1,381	713	6
<b>OTHER BEDSPACES</b> (eg., Guesthouses/Hostels) *Camping Pods	218	50	20*

HOTEL ACCOMMODATION PROJECTS IN PRE-PLANNING			
	CORK	GALWAY	KILKENNY
<b>HOTELS</b>	6	4	3
<b>PROJECTED HOTEL ROOMS IF PLANNING IS GRANTED</b>	700	550	200

Not all of these projects, even those that have gone through planning, will come to fruition. The following projections are made for room stock to the end of 2022, and take into account rooms that may not progress (for differing reasons).

## PROJECTED HOTEL BEDROOMS 2018-2022



## CORK HOTEL ACCOMMODATION PROJECTS WITH PLANNING – CORK CITY (NOVEMBER 2018)



- It is anticipated that new rooms will be predominantly in 4-star hotels (72%). Of the remainder, some 11% of rooms are anticipated to be in 3-star hotels, with 18% in budget hotels
- Two of the three hotels currently on-site are expected to be completed before the end of 2018, adding 170 rooms to the stock, and the first major addition in five years
- Almost 1,800 additional bedspaces in student accommodation that are also on-site in and around Cork city, and a further 500 are going through the planning process

**GALWAY HOTEL ACCOMMODATION PROJECTS WITH PLANNING – GALWAY CITY (NOVEMBER 2018)**



- An additional 350 rooms across ten different hotel projects to be added to Galway’s stock by end 2020 – this represents net addition of 290 (considering the redevelopment of the Westwood hotel (58 rooms) into 394-bed student accommodation)
- The bulk of additional rooms (77%) are expected to be in 4-star hotels, with another 4% in 5-star hotels, 4% in 3-star hotels and 15% in 2-star or budget hotels

**KILKENNY HOTEL ACCOMMODATION PROJECTS WITH PLANNING – KILKENNY CITY (NOVEMBER 2018)**



- Evidence from planning permissions, press releases and other media reports suggest that there has been considerable investment in Kilkenny hotels in the last year, but almost all of this has been in food and beverage facilities or in refurbishing existing bedroom stock.

## ACCOMMODATION SUPPLY/ DEMAND OUTLOOK

The adequacy of the accommodation supply for future growth is considered against future demand, i.e. annual visitors to Cork, Galway and Kilkenny and the bednights they require.

In the context of demand growth expectations

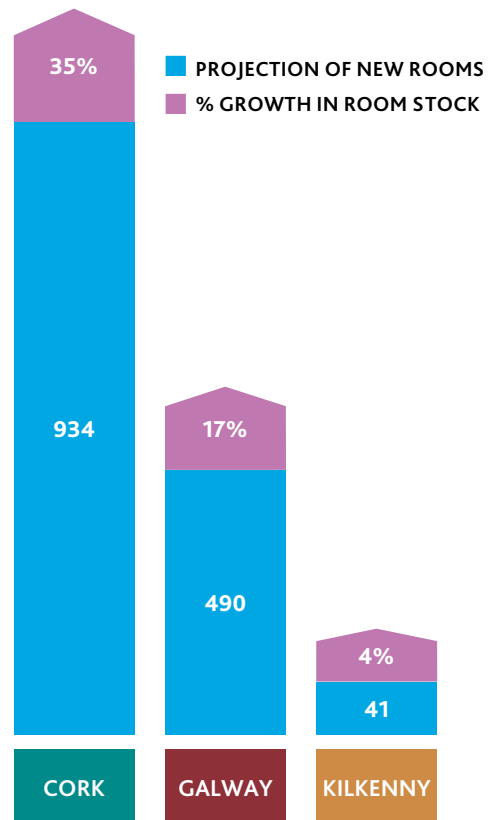
- For 2019, 4% growth in overseas tourist numbers and 2.0% growth domestically is projected
- For 2020-22, 3.5% growth in overseas numbers and 2.0% growth domestically is projected
- Allowing for the strong growth experienced in 2018 and the forecast that overseas tourist numbers will grow at an annual average rate of 3.5% per annum out to 2022, then overseas demand will be up more than 20% over the next five years.

While these reflect national projections, experience shows that urban tourism grows at a faster rate given the choice and supply of tourist related accommodation and experiences.

Given that hotel occupancy rates are at an all-time high...

- 35% projected hotel room growth positions Cork well to take full advantage of all future growth opportunities
- There are clear opportunities for Galway to further unlock growth with additional room supply
- There are significant opportunities in Kilkenny for additional bed capacity to accommodate future growth

## PROJECTED HOTEL ROOMS IN CORK, GALWAY AND KILKENNY BY END 2022



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[www.failteireland.ie/Research](http://www.failteireland.ie/Research)

