

Analysis of Visitor  
Accommodation  
in Dublin  
2015-20

Update 2  
July 2017

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## Executive Summary

### Introduction

In late 2015 Fáilte Ireland commissioned Fitzpatrick Associates Economic Consultants to examine the future supply of visitor accommodation in Dublin, and to assess any potential shortfall in supply in the context of growing tourist and visitor numbers and anticipated further growth up to 2020. The subsequent report was published in June 2016. On foot of this report, the consultants were again commissioned in late 2016 to present further updates of the analysis, beginning with a first update in December 2016, and with a second update in June/July 2017. This report presents the second (July 2017) updated analysis.

### Accommodation Demand Projection

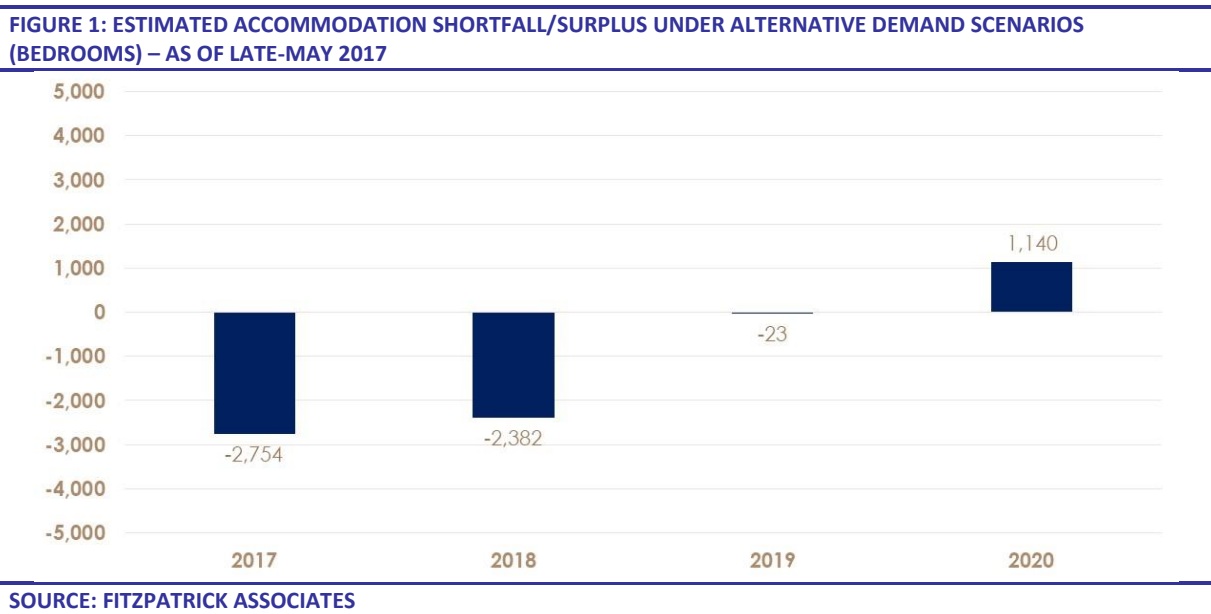
For the present update, Fáilte Ireland has provided updated 2015 baseline data for overseas and domestic visitors to Dublin, along with its own current projections to 2020. Given the passage of time since the initial report, and the shortening horizon to 2020, these projections are adopted as a single central demand scenario for the present analysis. The projection suggests visitor numbers will increase to 7.4m people by 2020, or by 13.2% cumulatively over the period 2015-2020.

### Update of Supply-Side Analysis

Fitzpatrick Associates’ up-to-date projections (as of late-May 2017) of additional hotel capacity anticipated to come on-stream in Dublin up to 2020 amounts to some 5,382 rooms, of which 3,444 (64%) is accounted for by new hotels, and 1,938 (36%) in existing hotel extensions. A further 802 additional serviced accommodation suites are also anticipated to come into operation over the period. These figures do not diverge significantly from projections made in our previous analyses.

### Sufficiency of Supply

Figure 1 presents the updated calculation of the accommodation shortfall/surplus as of late-May 2017. It continues to suggest a shortfall in visitor accommodation in Dublin in the years 2017 and 2018, but a declining one that moves into surplus in 2020.



# 1. Introduction

## 1.1 Introduction

In late 2015 Fáilte Ireland commissioned Fitzpatrick Associates Economic Consultants to examine the future supply of visitor accommodation in Dublin, and to assess any potential shortfall in supply in the context of growing tourist and visitor numbers and anticipated further growth up to 2020. The subsequent report was published in June 2016. On foot of this report, the consultants were again commissioned in late 2016 to present further updates of the analysis, beginning with a first update in December 2016, and with a second update in June/July 2017. This report presents the second (July 2017) update of the analysis.

## 1.2 Terms of Reference

The overall aims of the initial research assignment were to:

- identify the scale (if any) of the additional tourist accommodation stock required to meet anticipated levels of demand in Dublin between now and 2020;
- in the event of identifying the need for additional tourist accommodation, develop policy and related solutions to address the challenge.

For the updated analyses, the Terms of Reference have been as follows:

1. Quantify, to the fullest possible extent, the paid accommodation stock (by location and type) likely to come on-stream in Dublin city and county by 2020;
2. Provide interpretative commentary as appropriate.

## 1.3 Method

### 1.3.1 Overall Method

The methodology has comprised:

- a review of relevant documents and literature;
- a desk-based review and analysis of secondary data sources;
- collation and examination of planning data on new visitor accommodation capacity from Dublin local authorities;
- a programme of consultations with key stakeholders and informants; and
- maintenance of an evolving database of new and anticipated hotel and non-hotel accommodation.

### 1.3.2 Scope and Definitions

In relation to the scope and definitions used in the analysis, it should be noted that:

- the report and analysis deals with visitor accommodation approved by Fáilte Ireland, which includes hotels, guest houses, youth and holiday hostels, Irish Home B&Bs, self-catering, Fáilte Ireland's Welcome Standard, and caravan and camping. It does not include accommodation informally provided through web-based tools enabling listing, sharing, renting and letting of lodging for short or longer-term durations (the sector of activity in which Airbnb is perhaps the best known name);
- "Dublin" is taken to mean the city and wider county, together comprising the areas of Dublin City Council as well as Fingal, South Dublin and Dun Laoghaire Rathdown County Councils;
- the report uses the terms tourist and visitor interchangeably;
- the analysis focuses on "paid" bednights and bed capacity, and non-paid capacity (e.g. home swapping or staying with friends/relatives) is not considered.

## 1.4 Report Structure

The report is structured as follows:

- Section 2 presents an up-to-date Fáilte Ireland projection of visitor numbers to Dublin up to 2020;
- Section 3 presents an update of the anticipated supply pipeline to 2020;
- Section 4 updates the analysis of the supply/demand balance, and the resulting expected accommodation shortfall or surplus;
- Annex 1 presents details of projects on-site or granted planning permission, that form a major part of the supply projections, and hence the overall accommodation balance and sufficiency analysis.

## 2. Demand Scenarios

### 2.1 Overview of Scenarios

The initial (July 2016) report outlined four demand scenarios for growth in overseas, domestic and total visitors and bednights in Dublin by the year 2020. The scenarios relate to demand for approved visitor accommodation in Dublin by 2020, as the demand for unapproved accommodation is not possible to estimate or measure, and the observable trends in approved accommodation occupancy and ADR suggests that any shortfall in approved accommodation in Dublin was not being substituted by unapproved supply.

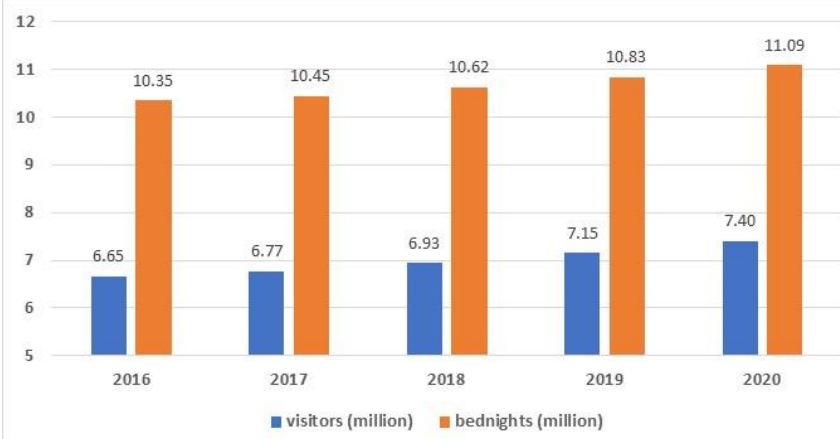
The demand scenarios and their bases were as follows:

- under Scenario 1, the lowest of the four scenarios presented, growth over the 2016-20 period was projected at 2.2% per annum. This projection, while low in comparison to recent years, was in line with World Tourism Organisation (UNWTO) forecasts for visitor growth in Northern Europe and Western Europe over the 2010-20 period, and was consistent with the “do nothing” scenario (re-based to 2015) outlined in *Destination Dublin: A Collective Strategy for Growth to 2020*, the report of the GDTF;
- under Scenario 2, growth over the 2016-20 period was projected at 2.5% per annum. This scenario was effectively the annual average growth rate implicit in *People, Policy & Place: Growing Tourism to 2025*;
- under Scenario 3, growth over the 2016-20 period was projected at 4.7% per annum. This scenario was based on the “mid” growth scenario (re-based to 2015) outlined in *Destination Dublin: A Collective Strategy for Growth to 2020*;
- finally, under Scenario 4, growth over the 2016-20 period was projected at 6.8% per annum. This scenario was based on the “high” growth scenario (re-based to 2015) outlined in *Destination Dublin: A Collective Strategy for Growth to 2020*.

### 2.2 Updated Demand Projection

For the present update, Fáilte Ireland has provided updated 2015 baseline data for overseas and domestic visitors to Dublin to 2020, along with its own current projections to 2020. Given the passage of time since the initial report, and the shortening horizon to 2020, these projections are adopted as a single central demand scenario for the present analysis. The projection is shown in Figure 2.1.

**FIGURE 2.1: VISITOR DEMAND PROJECTION 2016-2020**



SOURCE: FÁILTE IRELAND

### 3. Supply Pipeline – Update

#### 3.1 Hotels

Fitzpatrick Associates’ up-to-date projections (as of late-May 2017) of additional hotel capacity anticipated to come on-stream in Dublin up to 2020 amounts to some 5,382 rooms, of which 3,444 (64%) is accounted for in new hotels, and 1,938 (36%) in existing hotel extensions.

The breakdown, according to the stages of development of different projects, is shown in Table 3.1.

<b>TABLE 3.1 ANTICIPATED NEW HOTEL CAPACITY TO 2020 BY DEVELOPMENT STAGE (BEDROOMS)</b>			
	<u>New</u>	<u>Extension</u>	<u>Total</u>
Hotels on Site Q1 and Q2 2017	1,360	598	1,958
Hotels Granted, Not on-Site May 2017	1,381	838	2,219
Hotels "In Planning", May 2017	653	443	1,096
Hotels "Pre-Planning", May 2017	50	59	109
<b>Total Additional Capacity Expected 2017-2020</b>	<b>3,444</b>	<b>1,938</b>	<b>5,382</b>
<b>SOURCE: FITZPATRICK ASSOCIATES</b>			

Annex 1 provides the breakdown of the first two categories above, by individual project.

The location of the additional hotel capacity is shown in Figure 3.1, with Dublin 2 and 4 dominant but with sizeable volumes likely to materialise in other city locations.

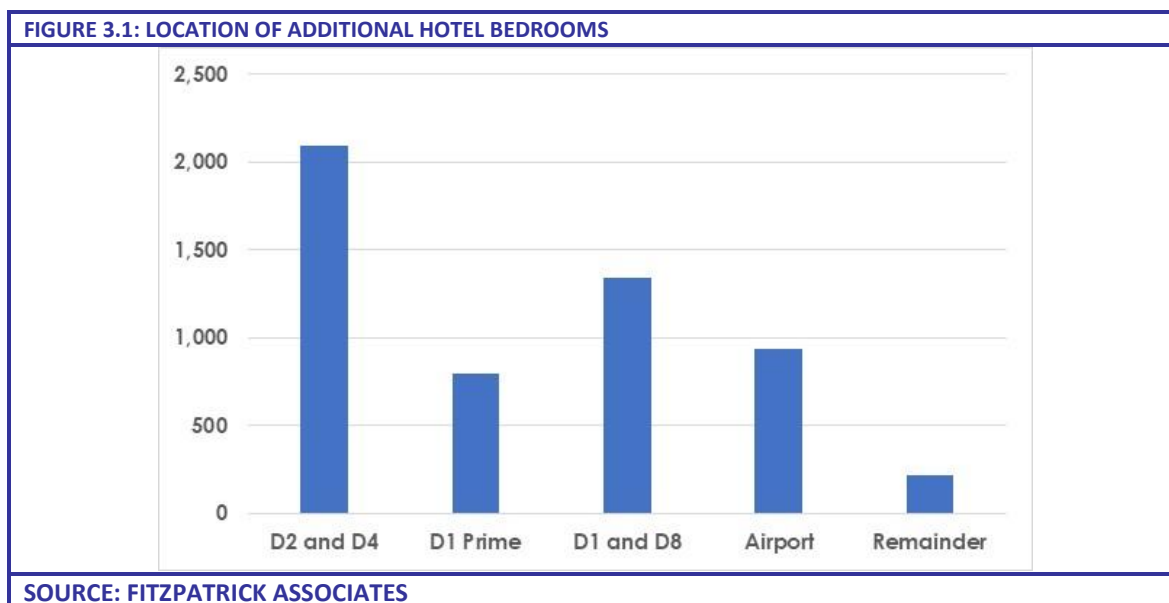
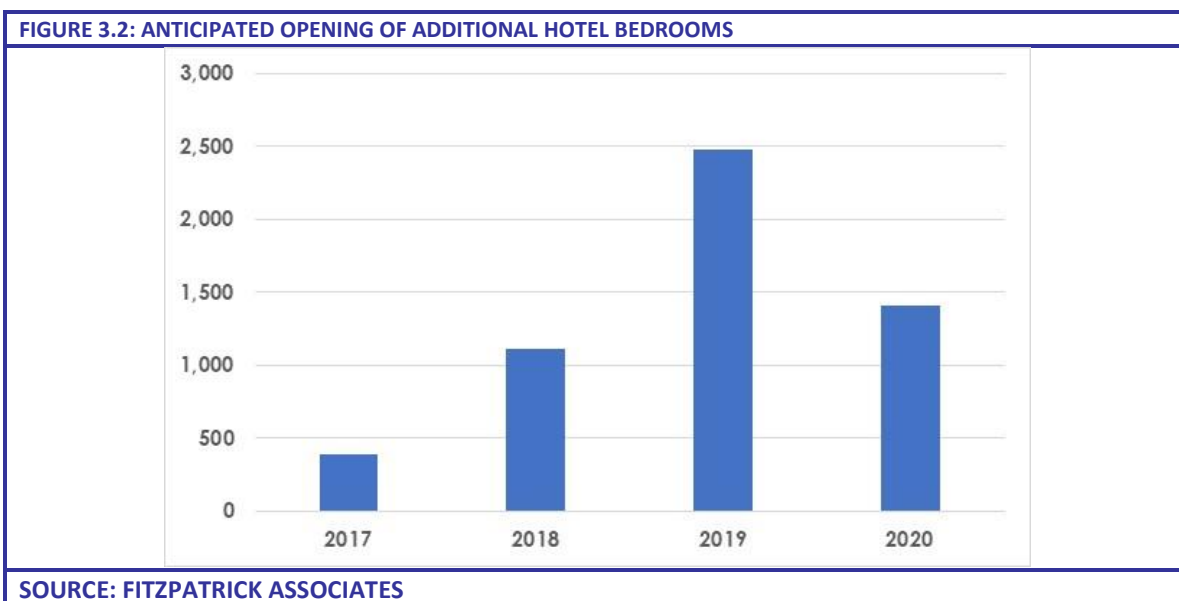




Figure 3.2 shows the anticipated timing of the new hotel capacity coming into operation, with 2019 and 2020 the years when most is expected to open.



### 3.2 Serviced Accommodation Suites

A total of 802 additional serviced accommodation suites are currently anticipated to come into operation in the city between 2017 and 2020. Table 3.2 presents a breakdown according to their anticipated timing and current stage of development.

**TABLE 3.2 ANTICIPATED NEW SERVICED ACCOMMODATION CAPACITY TO 2020 (SUITES)**

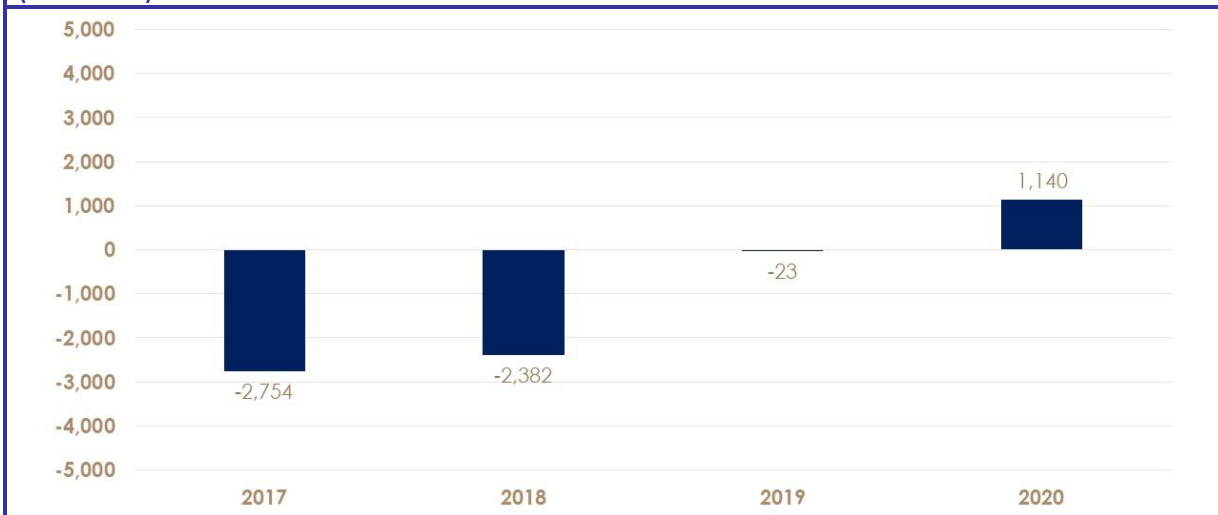
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
On-Site	0	43	51	0
Planning Granted, not yet on-site	0	0	41	49
In Planning	0	0	303	315
Total	0	43	395	364

**SOURCE: FITZPATRICK ASSOCIATES**

## 4. Accommodation Supply/Demand Outlook

Taking the 2014 demand/supply balance as the appropriate benchmark, our previous analyses identified an ongoing accommodation shortfall between 2016 and 2018, but one moving into surplus thereafter in most demand scenarios. Figure 4.1 presents the updated calculation of the accommodation shortfall/surplus as of late-May 2017, adopting the same benchmark but comparing the updated Fáilte Ireland demand projection against our updated projection of overall accommodation supply.

**FIGURE 4.1: ESTIMATED ACCOMMODATION SHORTFALL/SURPLUS UNDER ALTERNATIVE DEMAND SCENARIOS (BEDROOMS) – AS OF LATE-MAY 2017**



SOURCE: FITZPATRICK ASSOCIATES

The updated analysis continues to see a shortfall in visitor accommodation in Dublin in the years 2017 and 2018, but a declining one that moves into surplus in 2020.

## Annexes

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## Annex 1 New Hotel Capacity - Project Details

TABLE A1 : HOTELS "ON SITE" DURING Q1 AND Q2 2017 (BEDROOMS)							
	New	Extension	D2 and D4	D1 Prime	D1 and D8	Airport	Remainder
Bow Lane/Aungier Street	311		311				
Castleknock Hotel		46					46
Clarion Liffey Valley		61					61
Clayton, Charlemont Street	178		178				
Clayton, Dublin Airport		141				141	
Coombe Hotel (Hodson Bay)	234				234		
Devlin, Ranelagh	41						41
Dylan		38	38				
Gardiner Row	45				45		
Harcourt Street, Pinewood House	152		152				
Hilton Garden Inn		85		85			
Maldron, New Street South	139				139		
Maldron Pearse St		14	14				
Maple Hotel, Phase 1		11			11		
ALoft Blackpitts/Mill Street	202				202		
North Star, Amien Street		72		72			
North Wall Quay	58			58			
Premier Inn, Dublin Airport		58				58	
St George, Parnell Square		6		6			
Trinity Capital		66	66				
<b>Total</b>	<b>1,360</b>	<b>598</b>	<b>759</b>	<b>221</b>	<b>631</b>	<b>199</b>	<b>148</b>

TABLE A2: HOTELS GRANTED AND LIKELY TO PROCEED BUT NOT "ON SITE", LATE MAY 2017							
	New	Extension	D2 and D4	D1 Prime	D1 and D8	Airport	Remainder
Bolton Street	63				63		
Camden Court		120	120				
Weatherspoons - Camden Hall	98		98				
Clayton Ballsbridge (former Bewleys)		37	37				
Clery's Hotel	176			176			
Dublin Airport T2	402					402	
Eliza Lodge, Wellington Quay	40		40				
Fleet Hotel		11	11				
Grafton Capital (Break for the Border)		48	48				
Gresham		18		18			
Hendrick Street	175				175		
Herbert Park Extension		32	32				
Hilton Charlemount		107	107				
Howl at the Moon	53		53				
InterContinental Hotel, Ballsbridge		10	10				
Maple 2 Star, 76 Lower Gardiner St/4 Mabbot Lane		40			40		
Morgan Hotel		39	39				
Ormond Quay	120				120		
Parliament Hotel		77	77				
Radisson Blu, Airport		131				131	
Ripley Court		128		128			
Russell Court		21	21				
Sackville House	158				158		
Sandymount Hotel		10	10				
Smithfield, Benburb Street	96				96		
Travelodge Rathmines		9					9
<b>Total</b>	<b>1381</b>	<b>838</b>	<b>703</b>	<b>322</b>	<b>652</b>	<b>533</b>	<b>9</b>