

Unique 183 Bedroom Hotel Opportunity

EAST WHARF

EAST WALL • DUBLIN 3
IRELAND

CBRE

The Opportunity

Acting on behalf of MKN Property Group, CBRE has been instructed to offer to the operator/occupier market the Hotel element of the East Wharf mixed used development.

Located on a landmark site in East Wall, Dublin 3, this mixed-use scheme will comprise a 15-storey 183-bedroom hotel, 87 BTR apartments, 1,400 sq.m office accommodation and a cafe constructed across three blocks over a basement car park. The bedrooms will range in size from 16.5 sqm to 20 sqm.

The scheme will have vehicular and pedestrian access, and a drop-off area to serve the hotel. The site will also include a landscaped urban plaza, riverside walkway along the River Tolka, a play area and ample bicycle spaces located at surface level.

Construction has commenced on site with practical completion due in Q4 2023, and operation in early 2024.



LOCATION

Prominent location within walking distance of Dublin City Centre, North Docklands, East Point Business Park.



CONNECTIVITY

Excellent connectivity with easy access to Dublin City Centre, Dublin Airport, Dublin Port, bus and train stations.



OPPORTUNITY

15 Storey, 183 bedroom hotel under construction ready for fit out in Q4 2023 and due to open in early 2024. Flexible fitout options to incoming operator.



STRUCTURE

Seeking proposals from operators for lease, management agreements or forward purchase/commitment.



ECONOMIC

Strong demand parameters in Dublin Hotel market.

Location



East Wharf is located within easy reach of the Dublin Docklands, East Point Business Park, International Financial Services Centre, Convention Centre, Dublin (CCD), Croke Park and the 3Arena. Dublin's Port Tunnel, located next to the East Wharf development, provides easy access to both Dublin Airport (12.5km/15 minutes) and Ireland's motorway network.

The Dublin Docklands area has transformed into a recognised tech hub, with an international status attracting established global brands who include Salesforce, Yahoo, Verigon, Meta, Google and TikTok. This part of the city extends to an area of approximately 520 ha/1,300 acres with over 40,000 people working and 26,000 people living in the area.

In recent times the North Docks area has also seen an increasing State presence with the NTMA, Revenue Commissioners and the Central Bank all occupying office space. This booming part of the city is experiencing significant expansion and will be a huge boost to the East Wharf Hotel.

Dublin Port Company has developed an extensive Masterplan which aims to transform the Dublin Port area into a key destination by reintegrating the Port with the city and creating business development opportunities. The Masterplan includes a museum and a vibrant artistic campus that will be transformational for the area.

Eastpoint Business Park

The East Wharf hotel development is located next to Eastpoint Business Park which is home to 50+ companies with over 6,000 employees.

EastPoint is a dynamic and thriving business environment set on 18.2ha/40 acres of beautifully landscaped spaces with waterfront walks. It offers many amenities such as cafés, restaurants, a crèche and sports facilities. The enterprises in the park are a vibrant mix of Irish and multinational companies such as British Airways, Cisco, FINEOS, SimulTrans, Oracle, Deutsche Bank, Enterprise Ireland, Verizon, Tribe Digital and Top Oil.

The East Wharf location also enjoys superb amenities and is a short walk from Clontarf promenade which provides a coastal walk and cycleway out to Howth. The area also boasts two world class links golf courses - Royal Dublin and St. Anne's on nearby Bull Island.





Aviva Stadium

JP Morgan

Matheson

Grand Canal Dock

Bord Gais Energy Theatre

State Street

3 Arena

Convention Centre Dublin

Dublin Port

Yahoo!

NTMA

Salesforce

Beauchamps

PWC

International Financial Services Centre

LUAS THE POINT

North Wall

Credit Suisse

Spencer Dock

Docklands Train Station

LUAS SPENCER DOCK

Docklands Innovation Park

Facebook

East Wall

Top Oil

Verizon

Datalex

EAST WHARF

Gateway Buildings

CROKE PARK

Oracle

Eastpoint Business Park

Glantus

Majorel

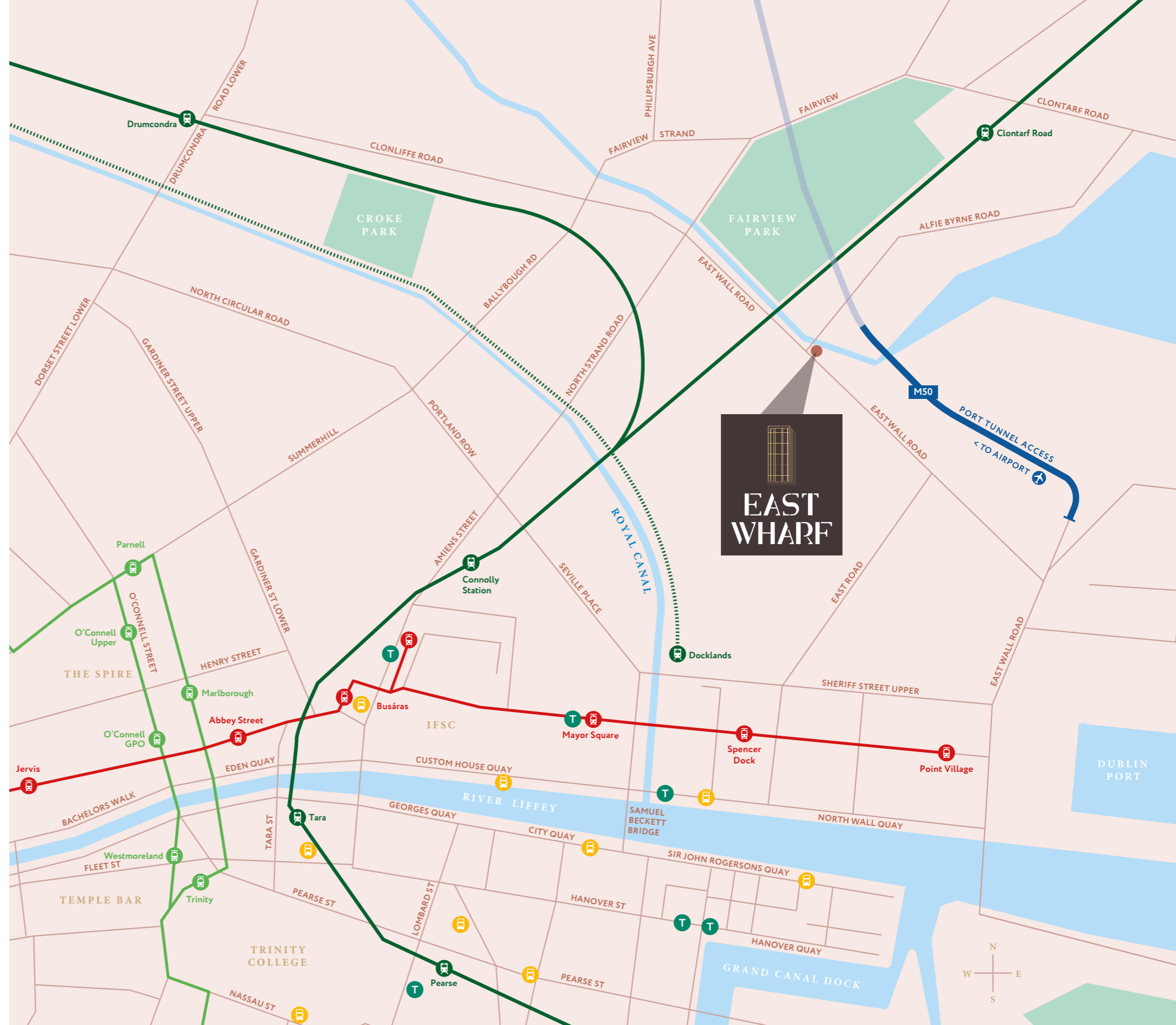
Port Tunnel Access

DART CLONTARF ROAD STATION

Connectivity

East Wharf is well located and served by a host of public transport links which are within short walking distance of the property. It is easily accessible from all parts of Dublin, with the DART, Luas and Dublin Bus within close proximity.

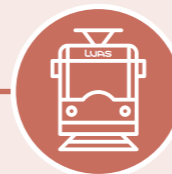
Dublin Airport is situated just 15 minutes north of the hotel via Dublin Port Tunnel. There is an excellent road network with the M1/M50 easily accessible through the Dublin Port Tunnel while the Samuel Beckett Bridge and East Link Toll Bridge provides instant access to the south of Dublin City Centre and South County Dublin.



Bus
East Wall Road
2 mins walk



DART
Clontarf Road
850 meters



Luas
Spencer Dock
1.4km



Docklands
Station
1.3km



National Rail
Connolly Station: 1.8km
Heuston Station: 4.8km



Airport
Dublin Airport
12.5km



The Proposed Hotel Development

The proposed scheme has received full planning permission for a 15 storey over basement hotel with 183 bedrooms and ground floor reception and restaurant space. The entire extends to approximately 6,250 sqm.

The Hotel is under construction and is due to complete in Q4 2023.

The proposed Hotel will form part of a mixed use scheme comprising three blocks;

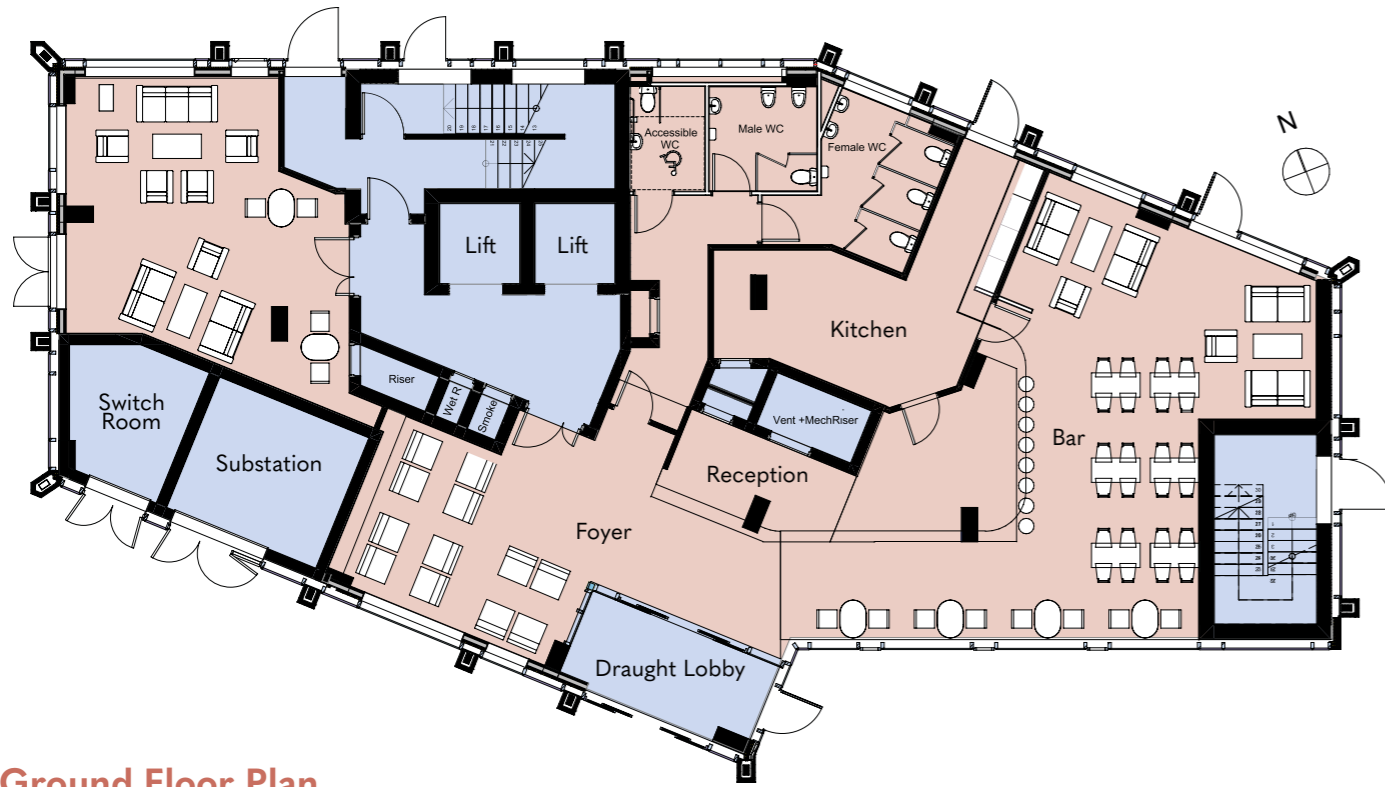
Block A	Block B	Block C
183 bedroom hotel with typical room size 16.5 sqm to 20 sqm	Cafe/Retail unit 1,400 sq m Offices 29 Apartments	58 Apartments

Schedule of Hotel Accommodation

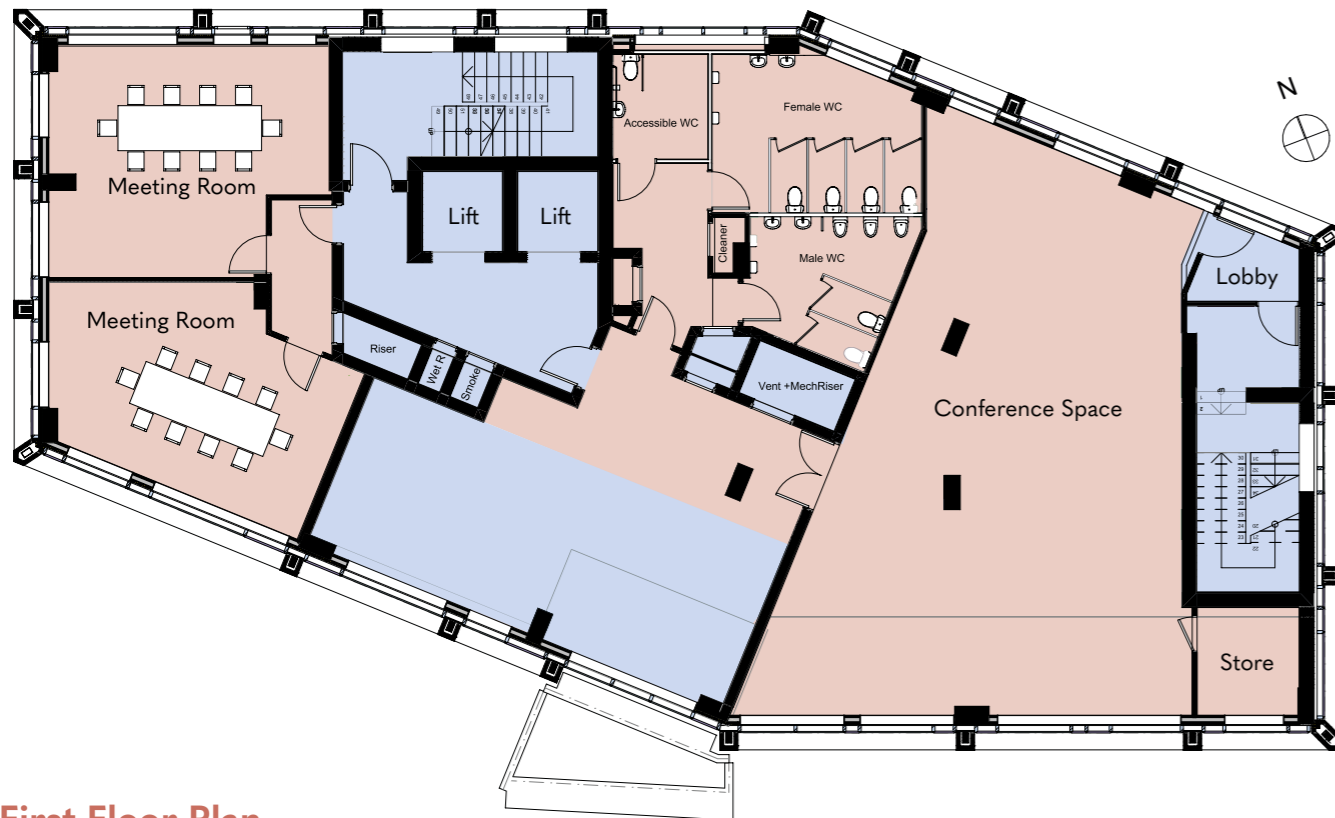
Floor	Facilities	Approx. GFA (Sq M)
Ground	Hotel reception, bar & restaurant, lounge area, kitchen and sanitary areas	260
First	Conference & meeting space	200
Second to Fifteenth	15 bedrooms per floor (typically)	17 per bedroom (14 sqm bedroom + 3 sqm ensuite)
Basement	Back of house hotel space (incl. store food preparation, changing rooms, store, cleaner, sanitary)	106

We anticipate that the internal layout of the Hotel will be relatively flexible to allow for a specific brand standard or concept, although delivery will be subject to compliance with the existing planning consent. Construction is ongoing and the Hotel shell will be completed by Q4 2023. It would then be ready for fitout by the operator with the entire scheme to be completed by early 2024.

Floor Plans

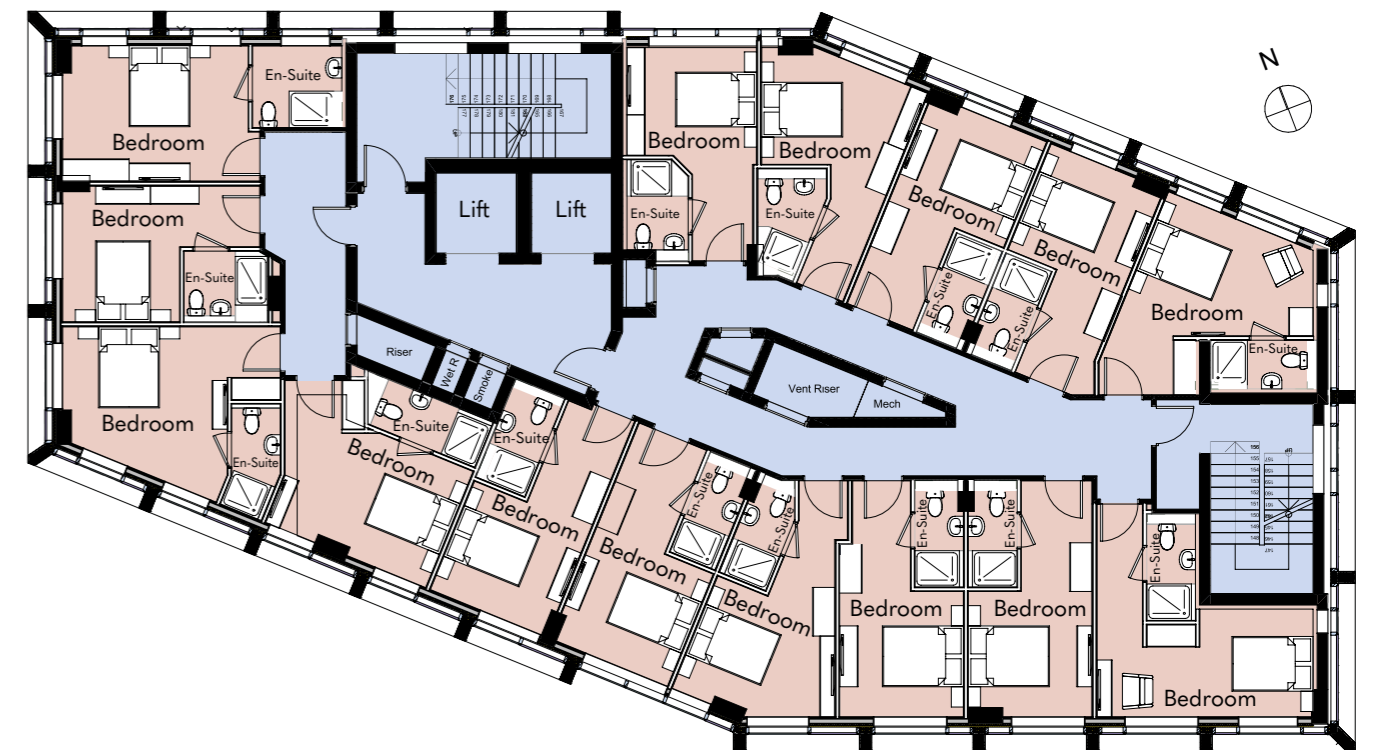


Ground Floor Plan



First Floor Plan

(alternative uses possible, subject to planning permission)



Typical Bedroom Floor Plan

Plans represent indicative internal layouts only. Developer shall be providing shell only pending bespoke layout and specification in line with chosen operator's brand standards.



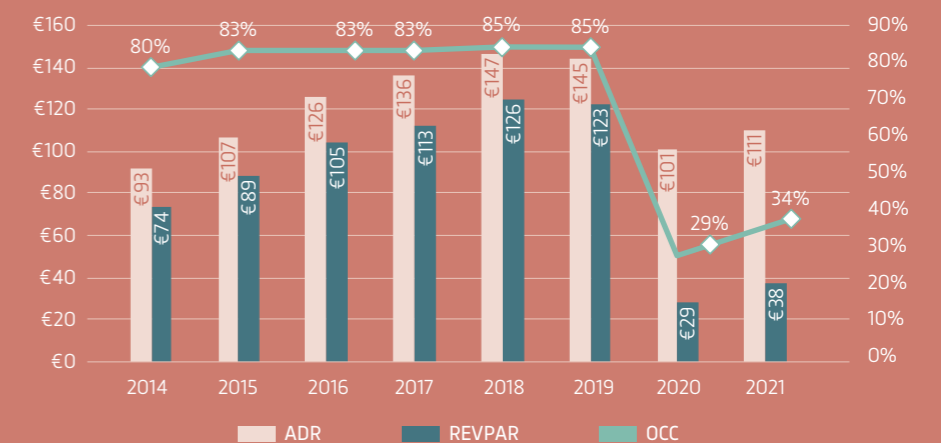
Competitive Set

Once developed, we believe the East Wharf Hotel will compete mainly with upscale and upper-upscale hotels situated in Dublin City Centre as well as some hotels located on the outskirts of the city centre. The Hotel's location close to business demand generators will significantly assist in the Hotel's performance and rank against its competitive set, which historically have all traded exceptionally well in the Dublin market.

Pre pandemic, the Dublin hotel market enjoyed very strong trading conditions. For the full year of 2019, Dublin ranked 3rd in occupancy out of 35 European cities covered by STR at 82.1%. It is noteworthy that 46% of Dublin's STR sample is outside of the city centre.

In light of the strong historical performance of upscale and upper-upscale hotels in similar areas, a clear opportunity exists to introduce a new contemporary business hotel in this growing location and target both corporate and leisure business. Dublin has already experienced a strong market recovery as international visitors return and with the increasing number of corporates either opening or expanding their offices across the city.

The below graph outlines trading performance for a sample of hotels with similar characteristics in terms of location, facilities, target market segments, quality, performance and style of operation to what is anticipated for the East Wharf hotel. Occupancy and ADR for the competitive set remain relatively stable over the years, demonstrating the strong fundamentals and booming hotel demand in the Dublin market.



Source: STR Global
 Competitive Set Includes: Talbot Hotel Stillorgan (150 rooms), Maldron Hotel Parnell Square (182 rooms), Hilton Garden Inn Dublin City Centre (324 rooms), The Gibson Hotel (252 rooms), The Spencer (209 rooms), Doyle Collection Croke Park Hotel (232 rooms), Clontarf Castle Hotel (111 rooms) and the Sandymount Hotel Dublin (187 rooms)

East Wharf Projections

Set out across the page is CBRE's five-year projections for the hotel once developed based on our extensive knowledge of the local market, the identified Comp Set and reflecting the expected quality of the subject hotel once finished. Inflation rate is assumed at 2% per annum and applied to reflect the future value of money.



CBRE PROJECTIONS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
No of Rooms	183	183	183	183	183
Occupancy	65%	72%	78%	78%	78%
ADR	117	128	135	138	141
RevPAR	76	92	105	108	110
OPERATING REVENUES					
Rooms	5,080	6,132	7,047	7,188	7,331
Food	635	766	881	898	916
Beverage	444	537	617	629	641
Total F&B	1,079	1,303	1,497	1,527	1,558
Total MOD	190	230	264	270	275
TOTAL OPERATING REVENUE	6,350	7,665	8,808	8,984	9,164
DEPARTMENTAL EXPENSES					
Rooms	1,422	1,594	1,832	1,869	1,906
Total F&B Expenses	864	1,016	1,168	1,191	1,215
TOTAL DEPARTMENTAL EXPENSES	2,286	2,611	3,000	3,060	3,121
TOTAL DEPARTMENTAL PROFIT	4,064	5,054	5,808	5,924	6,043
UNDISTRIBUTED OP EXPENSES					
Administrative & General	680	724	832	849	866
Sales & Marketing	200	235	260	265	271
Property Operations & Maintenance	160	184	208	212	216
Utility Costs	282	319	352	359	367
TOTAL UNDISTRIBUTED EXPENSES	1,322	1,461	1,653	1,686	1,720
GROSS OPERATING PROFIT	2,742	3,593	4,155	4,238	4,323
TOTAL MANAGEMENT FEES	190	230	264	270	275
INCOME BEFORE FIXED CHARGES	2,551	3,363	3,891	3,969	4,048
NON-OPERATING EXPENSES					
Property & Other Taxes	201	205	209	214	218
Insurance	100	102	104	106	108
TOTAL NON-OPERATING EXPENSES	301	307	313	320	326
NOI	2,250	3,056	3,578	3,649	3,722
Reserve for Renewals	63	153	264	270	275
EBITDA	2,186	2,902	3,313	3,380	3,447
EBITDA %	34.40%	37.90%	37.60%	37.60%	37.60%

Figures expressed in '€000 in Future Values

*The above projections have been prepared by CBRE and are for guidance purposes only

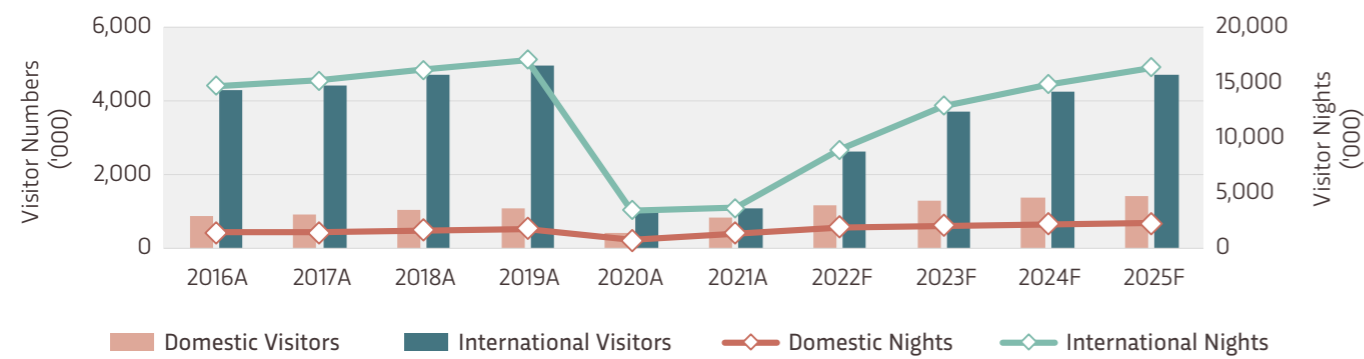
Dublin Hotel Performance



Visitors to Dublin – Historic & Forecast

The graph sets out visitor number forecasts as prepared by Oxford Economics. Visitor numbers to Dublin grew year-on-year from 2015 to 2019 reaching over 4.9 million international visitors and 1.08 million domestic visitors in 2019. There was an 80% decline in international visitors and a 61% decline in domestic visitors during 2020.

Figures improved in 2021 with an increase in domestic visitors of 92.8% while international visitors only increased by 7% versus 2020 as a result of Covid. The forecasts show strong growth in international visitors for 2022 to almost 53% of 2019 while projections show year-on-year growth reaching over 5m visitors by 2025.



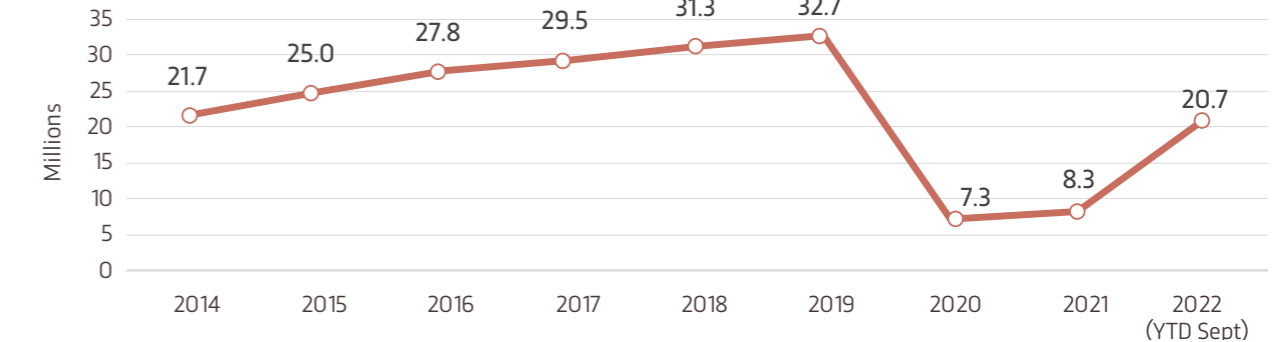
Source: OECD

Passenger Arrivals – Dublin Airport

In the period up to 2019 Dublin Airport enjoyed impressive year on year growth. In 2020 numbers reduced significantly although 8.3m passengers travelled through Dublin Airport in 2021, corresponding to a 14% increase compared to 2020. Passenger numbers and visitors have been positively growing in 2022, demonstrated by a significant rebound to approximately 20.7m YTD September 2022.

The recently constructed North Runway at Dublin Airport commenced operations in August 2022 with the aim of developing Dublin Airport as an international hub for leading airlines and enhance the connectivity of Ireland's island economy to benefit consumers, tourism and Foreign Direct Investment.

Furthermore the Dublin Airport Authority has exciting plans with a proposed CAPEX spend of €200m in the coming years with the ambition to get to 40 million passengers between 2027 and 2031.



Source: DAA



Ireland Market Highlights

Ireland has been the fastest growing economy in Europe over the last cycle. Despite the very severe impact that Covid-19 had on growth in 2020, the economy's performance was exceptional in 2021. Irish GDP grew by 13.5% last year, confirming Ireland as the fastest growing economy in the developed world.

Fundamentals of the Irish economy provide a solid foundation for continued growth. The expectation is that Ireland's economy will continue to perform well and even outperform the rest of the Euro area in 2022 and beyond.

IRELAND'S POPULATION

is 5.1 million people, representing an impressive 7.6% increase since 2016. Dublin's city centre has a population of 588,000 people and a wider urban population of 1.45m. It is also worth noting that Ireland has one of the youngest populations in Europe which means it has one of the lowest Old Age Dependency ratios relative to that of its European counterparts - and this will remain the case until at least 2045.



STRONG DOMESTIC MARKET

The pandemic impacted domestic demand and consumption in 2020 but both rebounded strongly in 2021. Ireland's consumption level will continue to grow at a robust pace over the next two years with +7% and +3% growth expected in 2022 and 2023 respectively

MULTINATIONAL IN THE CITY

Dublin benefits from numerous multinational headquartering in the city including:



Recent job announcements in Dublin include Workday (1,000 employees), Tik Tok (1,000 employees), Citibank (300 employees) and IBM (200 employees). These international occupiers have a proportionally greater requirement for hotel accommodation given the global nature of their businesses.

LOW CORPORATE TAX RATE OF 12.5%

DOUBLE TAXATION TREATIES WITH 72 COUNTRIES

STRONG PERFORMING ECONOMY

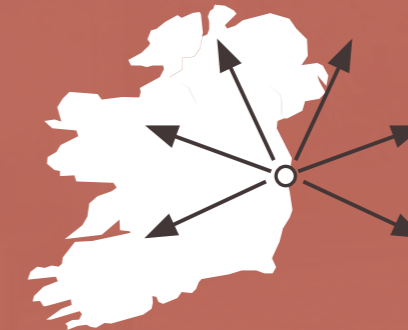
which experienced headline economic growth in 2020 despite the pandemic and associated lockdowns. Ireland's headline GDP has considerably outperformed Europe and the US over the last cycle.

UNEMPLOYMENT RATE

trending back at close to 4% in July with a record of 2.5 million people in employment in Ireland. FDI job creation achieved a record level in H1 2022 despite headwinds which will continue to drive the Dublin employment and office market.

A GATEWAY CITY

Dublin benefits from accommodating tourists in transit and is a gateway to other major Irish destinations - Cork, Limerick and Galway; The city is also growing as a hub location due to its superb connectivity to the US, UK and Mainland Europe.



BREXIT RELOCATION

The Dublin office and employment market has also benefited from the Brexit driven relocation of UK financial and legal firms. JP Morgan, Barclays and Bank of America are among those that have already relocated part of their operations to Dublin.



LEADING EUROPEAN DESTINATION

Dublin is one of Europe's leading cities for both business and leisure tourism. Its open and diverse environment, geographical position and the use of English as the global business language attracts investment from all over the world.



Proposal

Proposals are invited as follows;

- To operate the Hotel under an occupational lease with an identified operator or concept;
- To operate the Hotel under a Hotel Management Agreement with an identified operator or concept; or
- A purchase of the long leasehold interest of the Hotel, with an identified operator or concept on a forward purchase/commit basis.

Process

Inspections and meetings will be arranged upon request. Call for Proposals will be announced to interested parties in due course.

Viewing

Site visits strictly by appointment with sole agents.

Tenure

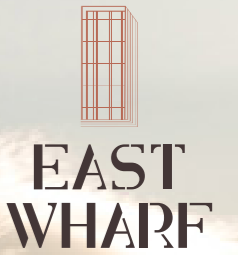
We are advised the property is held Long Leasehold.

Data Room Access

Further information on this opportunity is available in the confidential Data Room. Access to the Data Room will be made available upon request.

Website

There is a dedicated website and the link is <https://eastwharf.ie>



Key Contacts

Paul Collins
E: paul.collins@cbrehotels.com
T: +353 87 259 1508

Giordano Nicoletti
E: giordano.nicoletti@cbrehotels.com
T: +44 (0) 7748 760 408

Lisa Keogh
E: lisa.keogh@cbrehotels.com
T: +353 87 963 0396



Julie Gauthey
E: julie.gauthey@cbre.com
T: + 353 87 606 1079

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