Premier Inn sets sights on becoming Irish number one

Chain secures first site in Dublin city centre and plans to open 10 to 15 in city before rolling out across Republic

BY HELEN CRANE AND MIA HUNT

Budget hotel chain Premier Inn has secured its first site in Dublin city centre as it kicks off a major expansion in the Republic of Ireland.

The Whitbread-owned company has signed a leasehold agreement with developer Greenleaf Group on a site at 41-46 South Great George's Street, where it plans to open a 97-bed hotel.

The scheme has been granted planning permission, subject to the expiration of the appeal window on 3 September. Premier Inn intends to invest around €16m (£14.3m) in the scheme, which is expected to open by summer 2021.

Prompted by the undersupply of branded budget hotels in Ireland compared with mainland UK, the company plans to open 10 to 15 hotels in Dublin city centre before rolling out to other cities such as Limerick, Galway and Cork.

It intends to open hotels with between 100 and 250 beds in Dublin, comprising up to 2,000 rooms in total, and is seeking sites of between 45,000 sq ft and 150,000 sq ft.

Its target locations include the Docklands business district, the shopping quarter around O'Connell Street and other parts of the city centre.

Speaking about its plans, Kevin Murray, head of acquisitions, north and Ireland, at Whitbread Group, said: "Our ultimate goal is for Premier Inn to be as big, comparatively, in Ireland as it is in the UK and the number-one branded chain in the country."

The brand already operates seven hotels in Northern Ireland but has just one in the Republic of Ireland, at Dublin Airport. That hotel was acquired in 2007 as part of a portfolio and now trades at more than 90% occupancy.

The move is part of Premier Inn's wider international expansion. It launched its first hotels in Germany in 2015 and agreed a deal to acquire 19 hotels there earlier this year.

»For more on Premier Inn's Irish expansion, see enclosed Ireland supplement

Dublin office construction hits new high

Office construction in Dublin has reached levels not seen since before the financial crisis, according to HWBC's Dublin Office Market Review for the first half of 2018.

The Dublin market was hit hard by the crash in 2007-08, which left it with a lot of surplus space, but HWBC said there was little evidence of oversupply this time around.

More than 4m sq ft of office space is under construction in Dublin, the research found. The agency said strong demand for prime office space, particularly from the tech sector and co-working providers, would allay any fears of oversupply.

"The fact that construction is at boom-time levels might ring alarm bells if the occupier demand in the Dublin office market wasn't so strong," said Tony Waters, managing director of HWBC. "More than 70% of the space due for completion this year is already pre-committed to tenants. With robust demand and well-targeted development locations, this cycle is very different from the previous boom."

Grade-A office rents in the CBD were steady at €65/sq ft in the first half of the year and grade-A suburban rents were also steady at €30/sq ft.

Squarestone swoops down on Eagle Court

Squarestone Growth has bought two office buildings near Solihull from Aviva Investors for £21.58m. The acquisition was the regional fund's first in the area and represented a net initial yield of 8.73%.

On a 6.4-acre site close to Birmingham Airport, the Eagle Two and Eagle Three buildings cover 138,074 sq ft and tenants include Virgin Media and Rexel. Of 19,880 sq ft of vacant space, 13,300 sq ft is currently under offer.

"Eagle Court is an established business park that meets the needs of occupiers looking for affordable and well-connected space in Birmingham's out-of-town market," said Charlie Arden, acquisitions manager at Squarestone Growth. "This is a significant addition to our high-yielding regional portfolio, complementing our growth strategy towards £400m."

Squarestone Growth was represented by JLL, while CBRE acted on behalf of Aviva Investors.

Reuben Brothers checks in to Curtain Hotel in Shoreditch

Reuben Brothers has acquired a luxury hotel and members' club in Shoreditch, east London, from hotelier Michael Achenbaum.

Simon and David Reuben have bought the freehold interest in The Curtain hotel and members' club and have signed a long-term lease with Achenbaum allowing him to continue to operate it.

The lease agreement allows the Reuben Brothers to receive a share of the hotel's operating income.

Achenbaum opened the Shoreditch site in 2017 in partnership with Jeffrey Levine. It comprises more than 115,000 sq ft of space over six storeys and has 120 luxury bedrooms and suites. It also has a private members' club, rooftop pool, wellness centre, live performance room and co-working space.

Home to chef Marcus Samuelsson's Red Rooster restaurant and the Green Room cocktail bar, the hotel is located close to Amazon's new UK HQ at Principal Place.

Reuben Brothers has been on an acquisition spree this year and bought the Burlington Arcade in Piccadilly in May.

FairValue Capital advised Reuben Brothers and Cushman & Wakefield represented the vendor.

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