

Ireland & Scotland Hotel Markets



Hotels – June 2026

Scotland and Ireland: two of Europe’s standout hotel markets



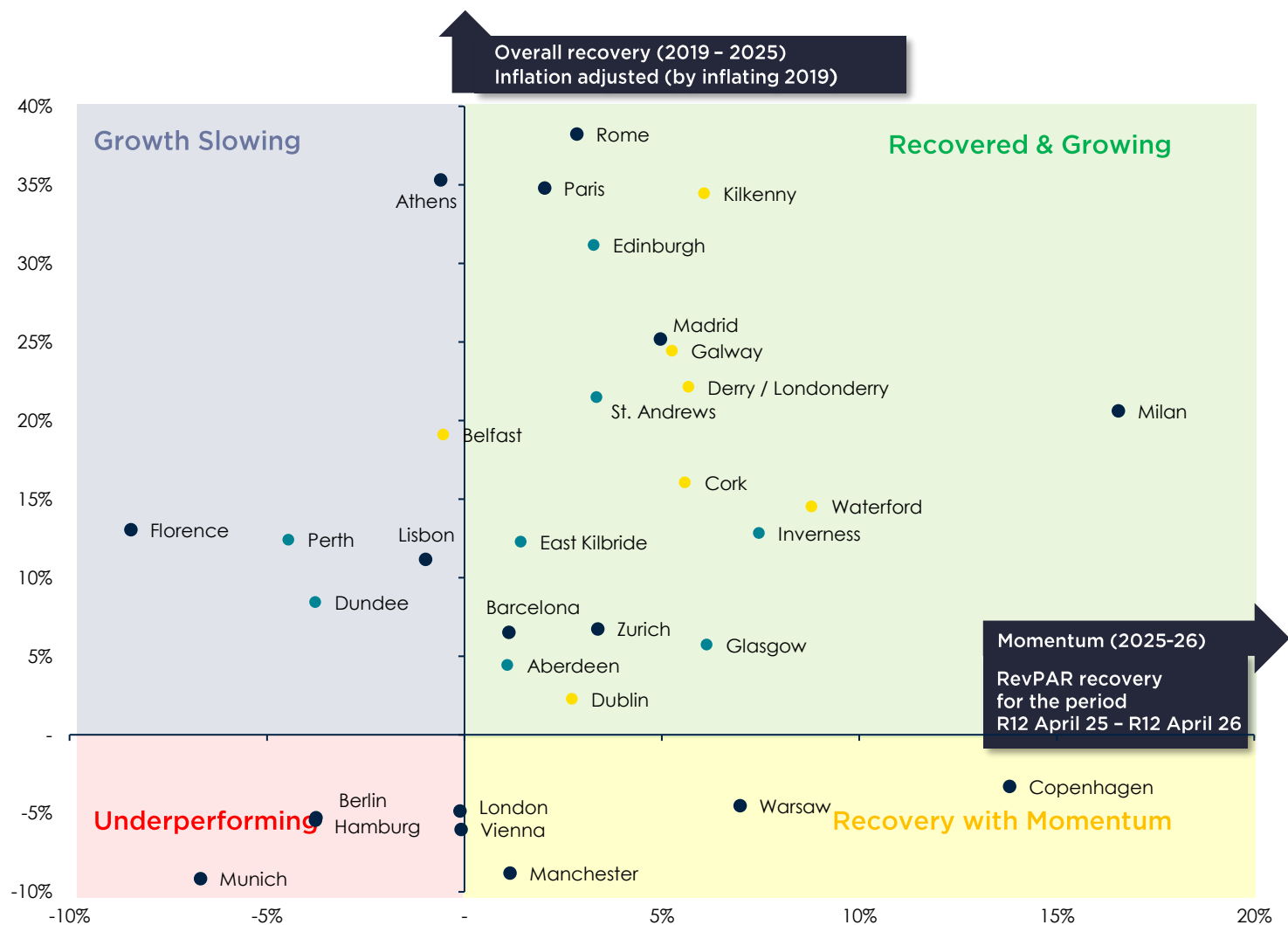
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When looking across the European hotel landscape, very few markets can claim to have been as successful in recent years as Scotland and Ireland.

Operationally, both have been standout performers since the pandemic. In Scotland, RevPAR CAGR has been double the level seen in England, while across the island of Ireland, growth has also comfortably outpaced that seen in Great Britain.

In absolute terms, both markets also look compelling: in the 12 months to April 2026, Ireland’s RevPAR carried a premium over the UK of nearly £22, while Scotland’s RevPAR has nudged up to £100, ahead of the £95 achieved in England. Although performance naturally varies by location, the breadth of outperformance is what makes both markets particularly notable: strength is visible not only in the gateway cities but also across a wide range of secondary and tertiary destinations.

Fig 1. RevPAR Recovery 2019 – 2025 (Inflation Adjusted) & RevPAR % Change 12 Months to April 2026 vs 12 Months to April 2025



Source: CoStar

Our view on both markets is strongly positive. These are no longer recovery stories; they are markets whose outperformance is being driven by strong underlying fundamentals.

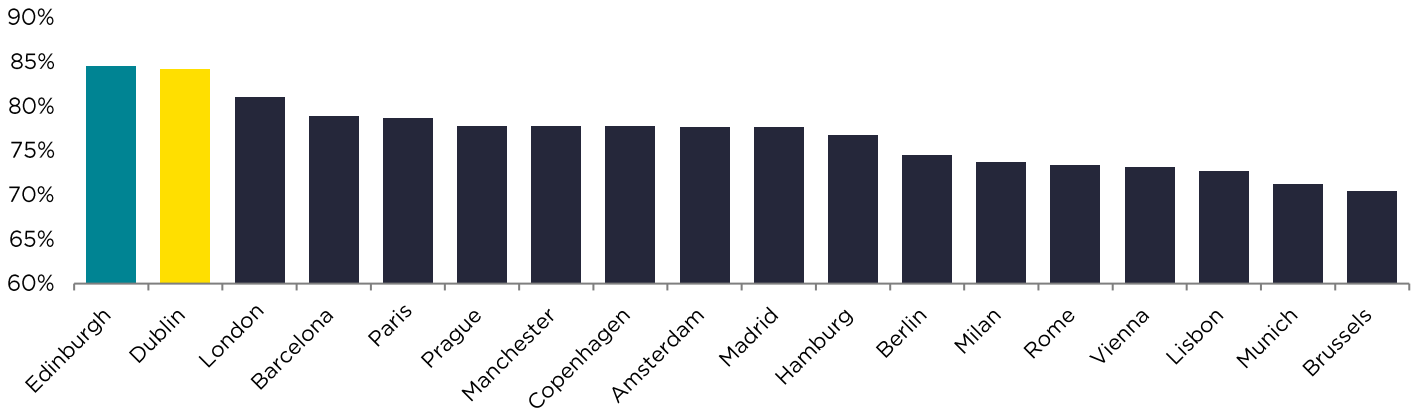
Edinburgh and Dublin lead from the front

Dublin and Edinburgh are the clearest illustrations of this success. Compared with other European gateway markets, both cities perform exceptionally well on RevPAR, at £141 in Edinburgh and €148 in Dublin (R12 April 2026).

That places them ahead of several arguably larger and more high-profile European cities, including Barcelona, Madrid and Amsterdam. While ADR growth has been strong in both markets, occupancy is arguably the more compelling proof point.

Edinburgh enjoys the highest occupancy of the major European gateway markets, at 84.6%, with Dublin only marginally behind at 84.1%. This compares with a European average occupancy of 71.7%.

Fig 2. Occupancy – 12 Months to April 2026



Source: CoStar

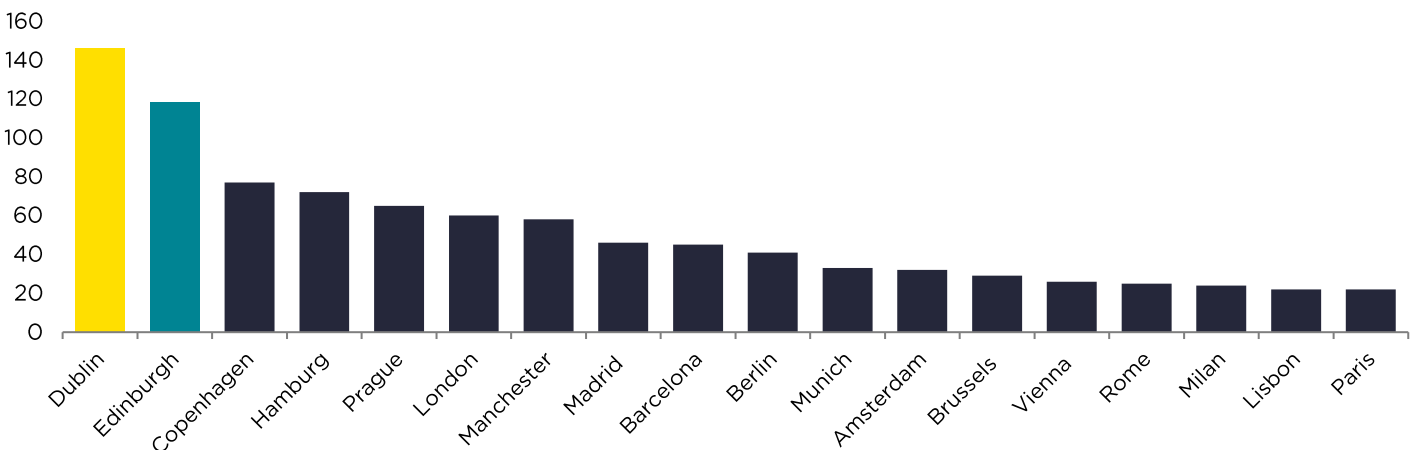
What is particularly striking is that this performance has not been achieved in supply-constrained conditions. From 2016 to 2025, supply CAGR was 2.5% in Dublin and 2.0% in Edinburgh. While both figures are above the European average, they are not outliers when viewed alongside a number of other continental cities, including Munich, Copenhagen, Lisbon and Hamburg, all of which have seen greater supply growth over the same period. Yet Edinburgh and Dublin have continued to post premium occupancy and RevPAR levels, demonstrating a strong ability to absorb new supply while still driving rate and occupancy.

Even so, both cities have repeatedly shown an ability to absorb new rooms without undermining headline performance. That is an important distinction. These are not markets benefitting simply from a lack of competition, but markets where demand depth has consistently outweighed the impact of new product.

The under-construction pipeline is meaningful, with 12.6% of Edinburgh’s existing supply and 13.5% of Dublin’s currently under construction.

Compression nights, or nights where occupancy exceeds 90%, are a useful way to illustrate this trend. In 2025, Dublin recorded 146 compression nights, equivalent to 40% of all nights, while Edinburgh recorded 118, or 32%. Among the other European gateway cities sampled, the next highest number of compression nights was Copenhagen at 77, underlining the strength of both Dublin and Edinburgh. This data clearly demonstrates how both markets have been able to absorb new supply.

Fig 3. Number of Compression Nights (>90% Occupancy) - 2025



Source: CoStar

We retain high conviction in both gateway cities. Dublin and Edinburgh are no longer simply strong UK and Irish performers - they are among Europe’s most proven urban hotel markets.

Why these markets continue to outperform

So, what is driving such strong performance in these two markets?

There are clear similarities in the underlying demand profile. Corporate demand is a major support, particularly in Dublin, where the presence of global technology and multinational occupiers has created a deep and defensible weekday base. Dublin is the European headquarters for several US technology giants, including Google, Meta, Amazon, X and Microsoft.

Leisure demand is equally compelling, but importantly, it is not one-dimensional. Scotland and Ireland each combine globally recognisable urban destinations with highly differentiated regional leisure propositions. Visitors can access some of Europe's best golf courses, internationally recognised heritage and culture, dramatic natural scenery, and established food and drink tourism.

Scotland has more than 150 whiskey distilleries, while Ireland has more than 50.

For many international visitors, travel is also rooted in ancestry and identity. A meaningful proportion of leisure demand is therefore personal as well as touristic, travellers are not simply visiting for a city break but for culture, heritage and connection. That emotional pull gives both destinations a resilience that many purely discretionary leisure markets lack.

This is one of the strongest demand stories in Europe because it is diversified. Both markets benefit from a blend of corporate, leisure, cultural and heritage demand that reduces reliance on any single segment.



Voco Royal Terrace, Edinburgh



Knightsbrook Hotel, Trim

US inbound demand: a significant benefit

For both markets, the largest international source market is the United States. Data from the Irish Central Statistics Office shows that 20% of all overnight visitors are from the US, while in Scotland the figure is slightly higher at 22%, using data from Tourism Scotland.

More importantly, American visitors are among the highest spenders once they arrive. In Scotland, 37% of tourism spend comes from US visitors, while in Ireland that figure stands at 41%.

With so many Americans drawn to both markets for a wide range of reasons, the result is a powerful driver of hotel performance.

That matters because affluent long-haul demand is exactly the kind of demand that supports premium ADRs, luxury product and shoulder season resilience. It is one of the clearest reasons why performance in Scotland and Ireland has looked so robust relative to many other European markets.



Dunkeld House Hotel

Events: a recurring urban advantage

Events are also a major driver of demand, particularly in Edinburgh. The city's annual events calendar creates repeated periods of compression that very few European markets can replicate. Edinburgh is, of course, synonymous with the Fringe Festival and the Royal Military Tattoo each August, and last August occupancy peaked at 90.9% with an ADR of £261. This is not a one-off phenomenon, but a repeatable annual demand driver.

The significance of events goes beyond a few peak trading weeks. They strengthen rate confidence, help widen international visibility, and reinforce the perception of Edinburgh as a premium, high-demand market. In that respect, the city benefits from an events infrastructure that supports both operational performance and investor conviction.

Dublin also enjoys significant demand from events. As in Edinburgh, rugby fixtures are a draw, along with St Patrick's Day and American Football fixtures, but in recent years, it is concerts that have had the greatest impact.

In 2025, the city hosted both Oasis and Robbie Williams on successive weekends, with the latter driving occupancy to 98.7% on 23 August. This summer, Lewis Capaldi and Metallica are among the artists expected to drive performance and contribute to those impressive compression night figures.



Edinburgh Fringe Festival



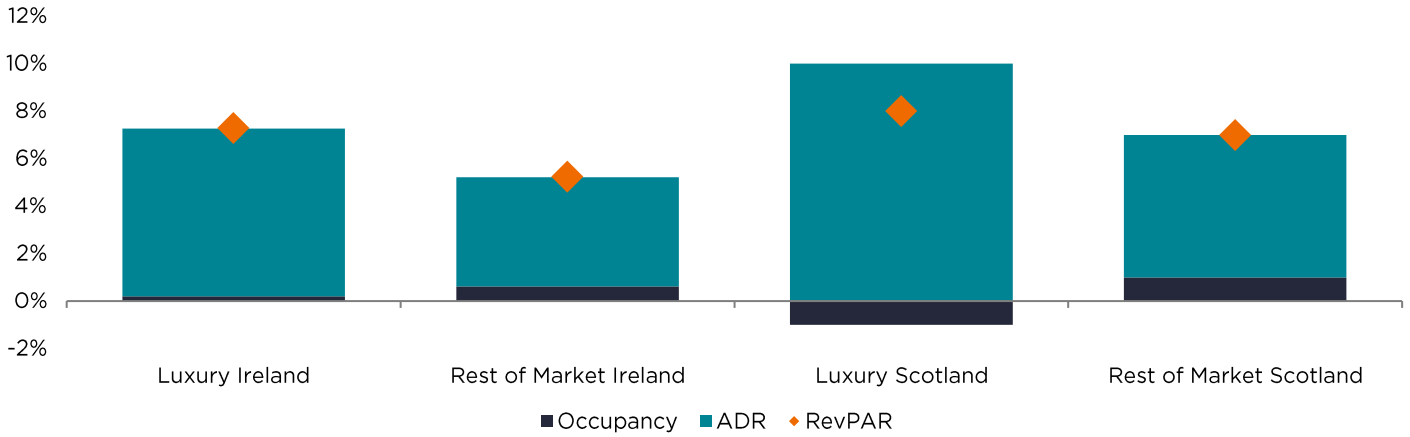
St Patrick's Day Parade, Dublin

The clearest opportunity

Bifurcation is clearly present across both markets, as it is across much of Europe. Between 2019 and 2025, RevPAR CAGR was consistently ahead for luxury hotels relative to the rest of the market.

That creates a particularly interesting opportunity in both Scotland and Ireland, because outside Edinburgh and Dublin, there remains limited luxury supply.

Fig 4. KPI CAGRs 2019 - 2025



Source: CoStar

The Republic of Ireland has 54 luxury hotels outside its capital, and Scotland has 79 outside Edinburgh. That matters because many of the experiences that international travellers value most in both markets are often found outside the major cities - golf, coastline, scenery, distillery tourism, country house experiences and ancestry-led stays. In other words, demand already exists, but in many locations the product offer does not match that demand.

That supports a clear investment conclusion: selective, authentic luxury product in regional Scotland and Ireland looks undersupplied relative to the quality of demand. This is where the most compelling opportunity lies, not in a generic upscale product, but in distinctive luxury assets tied to location, heritage and experience.

Conclusion

Scotland and Ireland have emerged as two of Europe's most compelling hotel markets, and their performance is not being driven by a single short-term factor.

Instead, it is underpinned by a rare combination of strong gateway cities, deep and diversified demand, affluent US inbound tourism, globally recognised leisure appeal, and a growing premiumisation story beyond the capitals.

Looking ahead, we expect both markets to remain among Europe's strongest hospitality performers, supported by durable demand drivers and continued investor appeal.



Ruby Molly, Dublin



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