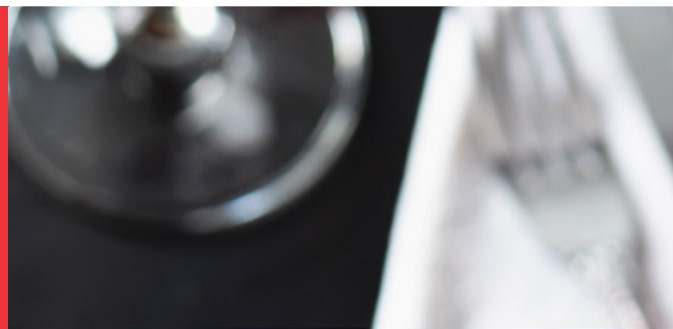


LICENSED &  
LEISURE

H1  
2023



# H1 2023

The licensed premises trade continued to recover in the first half of 2023. Suburban premises benefited from locals spending more time at home and the recovery in tourism aided trade in the city centre. However, challenges such as staff retention and high operational costs continue to persist. Upcoming licensing legislation reform aims to modernise alcohol-related laws and the nighttime economy will benefit. Property sales remained strong in Dublin and regional cities, driven by publicans and investors.

▼ 6

No of Deals

▼ €15.25m

Annual Change

Turnover

▲ 15

June 2023

Sale Agreed Deals

▲ 83%

Publicans

Most Active  
Purchaser Class

▼ 17%

of Turnover

Sold Off-Market

▲ 21

Sales

Available

Arrows represent bi-annual trends unless otherwise stated.





ABOVE:  
Mulligans of Sandymount,  
Sandymount, Dublin 4

## Trade Stabilised, Aided By Tourism

The licensed trade returned to relative stability last year following almost two years of COVID related disruption. Initially coming out of the pandemic, the market became more polarised in terms of city centre and suburban trading locations.

Licensed premises in well-populated suburban areas, particularly those that serve food, continued to benefit from consumers spending more time in their local areas as they hybrid work. Conversely, city centre premises continued to deal with the partial absence of customers, especially the post-work Friday trade.

However, over the first half of 2023 this polarisation lessened with tourism playing an important role in filling the gap for many central pubs – overseas travel into Ireland increased by 91% in the year to May 2023 with visitors from the US up by 168%. Encouragingly, most operators of both city centre and suburban premises are reporting sustained levels of trade greater than pre-pandemic levels, which bodes well for the second half of 2023.





ABOVE:  
Mc Closkeys,  
Donnybrook, Dublin 4

## Obstacles Remain

While previous trade levels have returned, operators continued to face obstacles within the first six months of the year.

The economy-wide challenge of recruiting and retaining staff remains a problem, although it has eased slightly in recent months. Wage growth and the transition to a national living wage is a feature, as are high utility costs. Product price increases by Diageo and Heineken have impacted businesses differently, depending on the nature of trade.

Some businesses were able to pass the cost to the customer (mainly those catering to non-recurring customers) and retain their levels of profit while others had to absorb the increases and reduced profitability.

## Reform of Licensing Legislation

Pre-legislative scrutiny of the general scheme of the Sale of Alcohol Bill began in early 2023 with the Bill due in the Autumn.

Once enacted, it will repeal the Licensing Acts 1833 to 2011, as well as the Registration of Clubs Acts 1904 to 2008. The aim is to update and streamline the archaic laws relating to the sale and consumption of alcohol, by replacing existing provisions with those more suited to modern society and behaviour. Ultimately, the nighttime economy will benefit

the most with nightclubs and late bars expected to secure an extension of opening hours as well as the abolition of exemption orders.



# Property Sales Strong

Demand for licensed premises in H1 2023 remained strong in Dublin and in most of the larger regional cities.

Over the six-month period, six licensed premises were sold in Dublin with combined sales prices in excess of €15.25m. Encouragingly, a further 12 premises in Dublin reached sale agreed stage with a combined value in the order of €27.25m. Similar to other market sectors, off-market transactions remained a feature of the market in H1 2023, accounting for 17% of sales completed and 33% of those sale agreed.

BELOW:  
Temple Bar Dublin



Large suburban premises in well-established and densely populated areas will be in greatest demand.



## Outlook

Vendor and purchaser price expectation realigned in recent months, mainly due to the consistent volume of sales last year, which should assist in the completion of further deals this year. Successful property transactions in the months ahead will be rooted in existing owners' appetite to engage and continued funding from pillar banks as well as non-traditional lenders will be required.

Large suburban premises in well-established and densely populated areas will be in greatest demand as they possess the scale and capacity to sustain high volumes of food and beverage sales.

In Dublin, publicans were the dominant buyer type in 2022, followed by investors, developers for alternative use and then private equity (PE). Based on transactions in the first six months of the year, this is the likely profile hierarchy again in 2023 as publican and investor confidence continues to improve.

PE buyers had an exceptionally strong involvement in the market in 2021, which lessened considerably in 2022 and was non-existent in H1 2023. This is not due to a lack of demand but rather availability of top tier premises. If suitable opportunities (high profile premises that meet all the requirement criteria) become available either on or off-market over the year, PE purchasers will feature strongly in the market. To date, most PE purchases have focused on the Dublin market, but demand will move to the other cities.

Activity outside of the larger regional cities within more rural areas will remain more subdued (with the exception of established tourism regions) and will continue to be characterised by the closure of non-viable businesses. Demand for premises will generally remain limited to those from the local area. The closure of some pubs will improve the supply of publican licences as they are discharged when the property closes. While closures are unfortunate for the immediate area initially, they do offer an opportunity for alternatives uses and many grants and planning exemptions are now available for conversion to residential.

# Meet The Team

## THE LISNEY LICENSED & LEISURE TEAM



**Tony Morrissey**

**Director**



**Rory Browne**

**Divisional Director**



**Shane Markey**

**Divisional Director**



**Nially Kelly**

**Surveyor**

## THE LISNEY RESEARCH TEAM



**Aoife Brennan**

**Senior Director**



**Ausra Marcelyte**

**Senior Research Analyst**

## OUR OFFICES

### DUBLIN

St. Stephen's Green House,  
Earlsfort Terrace, Dublin 2,  
D02 PH42

t: +353 (0) 1 638 2700

e: [dublin@lisney.com](mailto:dublin@lisney.com)

### CORK

1 South Mall,  
Cork, T12 CCN3

t: +353 (0) 21 427 5079

e: [cork@lisney.com](mailto:cork@lisney.com)

### BELFAST

Montgomery House,  
29-33 Montgomery Street,  
Belfast, BT1 4NX

t: +44 2890 501501

e: [belfast@lisney.com](mailto:belfast@lisney.com)

