

2026 HOTEL LANDSCAPE



NORTHERN
IRELAND
HOTELS
FEDERATION

A report from the Northern Ireland Hotels Federation on hotel investment, growth and trends.



April 2026 Snapshot

THE HOTEL LANDSCAPE

In 2026 the hotel industry is defined by the convergence of technology, personalisation, sustainability and experience-led demand. This is set against ongoing operational pressures including labour shortages and rising costs.

There is a clear polarisation of the market into luxury versus budget - mid-market hotels are now struggling to find an identity and a means of attracting customers who understand their accommodation proposition. This is also evident in the trend of new hotels being either brand or boutique. It is increasingly difficult for a large non-branded hotel to break into the market.

In Northern Ireland the accommodation sector continues to diversify and expand with hotels remaining the largest and most dominant component of the market. Apartments, lodges, pods and glamping sites are contributing to broader visitor choice and regional spread. Serviced aparthotels are due to come to market in 2026 with further development due in the coming years. The majority of these will be branded and are based in Belfast. The budget market will also face the challenge of the higher-end branded hostel product. In addition, purpose built student accommodation is continuing to enter the market trading outside of term times.

Investment is strong with £150m estimated in the 2026-27 timeframe. There is still interest from investors in coming to Northern Ireland but sales have remained sluggish over the last twelve months. However, off-market sales may still result in a significant change of ownership in the hotel sector. Hotel ownership and management is ever evolving with the option of franchising, branding and engaging a management company becoming more popular.

In Belfast, 334 rooms are new to the market in 2026. 24 at The Malone Hotel, 82 at The Bedford and 228 at Aloft & Residence Inn. Looking to 2027, a number of projects have already broken ground including Adagio and Yotel. Rising construction costs, interest rates and a possible softening of the market due to supply and geopolitical factors has led some developers to pause their plans and review proposed schemes.

FRONT COVER: THE BEDFORD, BELFAST

HOTELS NEED TO CREATE A SMALLER, MORE SKILLED, WORKFORCE WITH TECHNOLOGY HANDLING REPETITIVE TASKS AND PEOPLE FOCUSED ON HIGH-VALUE SERVICE



NORTH VS SOUTH

The accommodation sector in the Republic of Ireland is significantly larger than in Northern Ireland across every comparable measure. The Republic has over 800 hotels and 65,000+ hotel rooms, compared to 144 hotels and around 10,000 rooms in Northern Ireland. When looking at total accommodation stock, the gap widens further, with over 200,000 rooms in the Republic versus around 24,000 in Northern Ireland. Demand reflects this difference in scale: the Republic records approximately 17–19 million overnight trips annually (domestic and international combined), compared to around 5.4 million in Northern Ireland, with tourism revenues of roughly €9–10 billion versus £1.2 billion respectively.

The Northern Ireland industry has fantastic potential - with appropriate investment in marketing and product development, tourism can become an even greater contributor to employment and the economy.

TYPE	NI PREMISES	NI ROOMS	ROI PREMISES	ROI ROOMS
Hotels	144	9842	829	65654
Guest House	67	633	94	1354
Bed & Breakfast	421	1449	351	1485
TOTAL	632	11924	1274	68493

TABLE 1: NORTHERN IRELAND VS REPUBLIC OF IRELAND ACCOMMODATION BY TYPE, TNI & FAILTÉ IRELAND

TOURIST ORIGINS

Tourism in Northern Ireland continues to be dominated by the big three markets - domestic, GB and Republic of Ireland. Trips and spend from the US increased by 25% in 2024 but still remain far below the market share enjoyed by ROI. We are still waiting for the NISRA 2025 figures to be published to see how the splits have changed in the last year.

Developments in the Middle East could prove offputting to US travellers in 2026 - both in terms of perceived risk and the increasing costs of air travel. On the flip side, airfares, extreme heat and political risks outside of western Europe could persuade more people to holiday at home.

The Open presents an opportunity to build on golf tourism. The annual value of this segment has

more than doubled in the last decade bringing an economic benefit of £33.2m in 2014 and £86.2m in 2024. The Open in 2025 and associated activities generated an estimated £213m of economic impact. Between 2019 and 2025, over 700 rooms opened in the North Coast area with five new hotels now trading. Interest remains high in this area with three major projects and plans for expansion at existing hotels in the region.

Traditionally, golf has been seen as a North American market but there has been growing interest from Australia and the rest of the world with an opportunity to promote to the Asian market.



GRADING IS BECOMING LESS AND LESS RELEVANT IN THE BRANDED HOTEL MARKET BUT ARGUABLY MORE IMPORTANT FOR INDEPENDENTS AND LUXURY PROPERTIES.

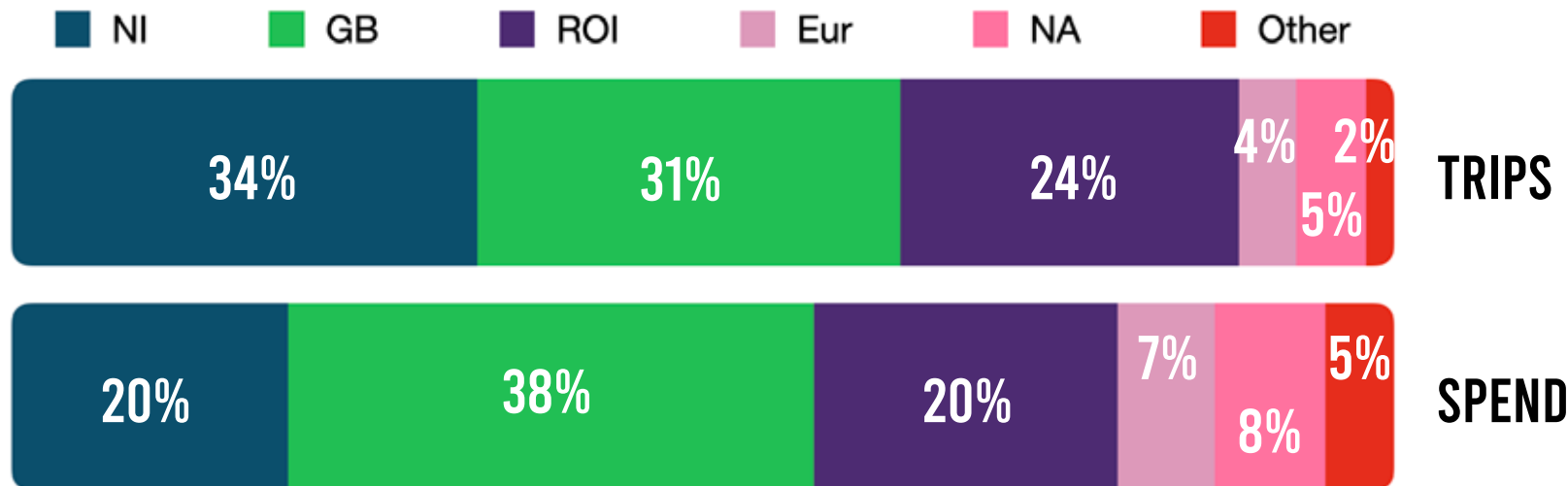


CHART: NORTHERN IRELAND TOURISM TRIPS AND SPEND 2024, NISRA

BRAND/BOUTIQUE

The hotel sector continues to be dominated by 4-Star properties but this grade is now outnumbered if you combine Budget Branded with those that choose to be ungraded. In fact, ungraded room stock has nearly quadrupled over the last ten years as more and more hotels rely on branding and online reviews.

New entrants to the market are choosing to go with either a major brand (Aloft, Moxy), boutique (Dunluce Lodge, The Bedford) or a bit of both (The Marcus). It can be challenging for larger hotels to compete outside of the island without a brand partnership.

HOTELS BY GRADE	2016 ROOMS	2026 ROOMS	% CHG
Five Star	226	401	77%
Four Star	3334	3832	15%
Three Star	2350	2017	-14%
One/Two Star	197	0	-100%
Budget Brand	1156	1297	12%
Awaiting Grading	66	287	335%
Ungraded	531	2008	278%
TOTAL	7860	9842	25%

TABLE 3: NORTHERN IRELAND HOTELS BY GRADE 2016 VS 2026, NIHF & TNI



PERFORMANCE & FORECAST

As we move into the peak seasons of 2026, an analysis of the STR figures for the 1st Quarter show a small increase in occupancy on a Northern Ireland basis. Rate has dropped in Belfast and SW Ulster with Derry-Londonderry and Regional Northern Ireland growing ADR. RevPAR is marginally ahead of 2025 but showing signs of stress.

Businesses are experiencing very strong weekend business with week day trade proving challenging. Corporate business was strong in March but remains a concern for the rest of the

year with financial pressures and geopolitical factors affecting confidence.

Looking back to last year, performance in 2025 saw Occupancy fall overall, ADR grow and RevPAR remain similar. Derry-Londonderry has seen a growth in rate but a fall in occupancy. ADR has grown everywhere except Belfast.

The Open greatly helped with the overall rate in 2025 and it is unlikely that any event in 2026 will drive this type of business. The Fleadh Cheoil will undoubtedly create a buzz in Belfast and perhaps

drive F&B sales but the dial is not expected to move for accommodation.

The 2026–27 outlook suggests modest growth with performance stabilising but still constrained by uneven demand and ongoing cost pressures across the market. The addition of approximately 700 new bedrooms could create further pressure if demand does not keep pace, while rising energy costs and continued geopolitical instability present clear downside risks to trading performance and investor confidence.

REGION	OCCUPANCY %		ADR £		REVPAR £		% DIFFERENCE		
	2025	2024	2025	2024	2025	2024	OCC	ADR	REV
Northern Ireland	71.9	73.2	116.18	114.02	83.48	83.46	-1.8	1.9	0
Belfast	76.1	77.7	113.15	114.79	86.15	89.22	-2	-1.4	-3.4
Derry-Londonderry	63.1	67.3	113.62	99.90	71.67	67.22	-6.3	13.7	6.6
SW Ulster	58.3	58.3	114.00	111.64	66.52	65.13	0	2.1	2.1
Regional NI	67.6	66.8	127.85	119.16	86.83	79.56	1.2	7.3	8.6

TABLE 4: NORTHERN IRELAND HOTEL PERFORMANCE BY REGION, 2025 VS 2024, STR

REGION	OCC %		ADR £		REVPAR £	
	2026	2025	2026	2025	2026	2025
Northern Ireland	64.5	63.4	100.60	101.26	64.93	64.17
Belfast	68.4	66.3	95.66	98.32	65.42	65.19
Derry-Londonderry	51.4	53.9	101.22	95.36	52.00	51.39
SW Ulster	52.6	53.4	102.66	103.22	53.98	55.17
Regional NI	62.8	62.8	115.76	112.54	72.69	70.68

TABLE 6: HOTEL PERFORMANCE BY REGION, YTD MARCH 2026 VS 2025, STR

YEAR	2025	2024	2023	2022	2021	2020	2019
Occupancy (%)	71.9	73.2%	74.4%	71.5%	49.7%	33.2%	70.9%
Average Daily Rate	£116.18	£114.02	£108.08	£100.15	£93.66	£72.22	£78.26
RevPAR	£83.48	£83.46	£80.45	£71.63	£46.59	£24.00	£55.54

TABLE 5: NORTHERN IRELAND HOTEL PERFORMANCE BY YEAR, STR

6 HOTEL TRENDS

1 AI ACROSS GUEST JOURNEY

AI is now becoming embedded in many hotel operations rather than being experimental. Hotels are using AI for dynamic pricing, demand forecasting, automated messaging and personalised guest recommendations.

AI-driven travel discovery and booking is increasing where travellers increasingly use AI assistants or large language models to research and even book hotels directly.

2 COSTS

For most operators, the biggest trend is not demand - it's cost escalation. Labour shortages and rising wages remain one of the biggest challenges globally. Hotels are responding by increasing automation and using digital tools, simplifying service models and upskilling staff into higher-value guest-facing roles. Meanwhile, food, energy and insurance costs are pushing prices up while squeezing margins.

3 POLARISATION

A clear structural shift is occurring. Luxury and lifestyle hotels are growing quickly. Budget and value hotels are also expanding rapidly. Mid-market hotels are under the most pressure.

This "two-speed market" is widely observed across Europe and is expected to continue. Large chains are expanding budget brands while high-end hotels are competing on experience and design.

At the top end, luxury is shifting away from conspicuous opulence toward privacy, comfort, and space.

4 EXPERIENCE-LED

Travellers, especially younger guests, are prioritising experiences over traditional luxury. Guests are increasingly choosing hotels that offer unique experiences rather than just accommodation.

5 LIFESTYLE BRANDS

Large hotel groups continue launching collection brands and lifestyle concepts, allowing independent or boutique hotels to plug into global distribution systems while maintaining unique identities.

6 HYBRID HOSPITALITY

Hotels are increasingly blending accommodation with other living, working and social uses including co-working spaces, serviced apartments and branded residences.

This is leading to longer-stay packages, work-friendly rooms and communal workspaces. The "bleisure" traveller is now a market segment combining business and leisure activities in one stay.

AND THE RISKS

1 GEOPOLITICAL

The situation in the Middle East and the continuing conflict in Ukraine pose risks for international travel.

2 PROFIT

Increased costs, volatile inflation and a possible energy crisis may impact on profit, making it difficult to invest and posing longer-term challenges.

3 PEOPLE

Staffing and skills shortages are still impacting on business. A limited labour pool and a restrictive immigration policy pose a challenge for a sector that is expanding.



THE NEXT DECADE IS ABOUT BUILDING HOTEL BUSINESSES THAT ARE MORE DIVERSIFIED, MORE DIGITAL, LESS LABOUR-FRAGILE, MORE SUSTAINABLE, AND MORE FLEXIBLE IN HOW THEY ARE FINANCED AND OPERATED.



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