

# UK Hotel Dashboard



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Key Hotel trading metrics, quarterly

21<sup>st</sup> August 2025

## LONDON

### Key Performance Indicators (% Change versus 2024)

Q2-2025		Jan-June YTD 2025	
Occupancy			
83.8%	0.9%	78.6%	0.6%
ADR			
£244.5	-3.7%	£223.0	-3.3%
RevPAR			
£205.0	-2.7%	£175.2	-2.5%
TRevPAR			
£264.8	-1.7%	£230.8	-1.8%
GOPPAR			
£110.7	-8.3%	£83.9	-8.9%
GOP %			
41.8%	-3.0%	36.3%	-2.8%

Note: Occupancy and GOP shown as a % Point Change **HOTSTATS**  
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### Glossary

- ADR – Average Daily Rate
- POR / PAR– per occupied / available room
- RevPAR / TRevPAR – Rooms revenue / Total Revenue per available room
- GOP – Gross Operating Profit
- F&B – Food and Beverage
- POM – Property, Operations & Maintenance
- S&M – Sales & Marketing
- NLW – National Living Wage
- NIC – National Insurance Contributions

Note: HotStats benchmarking data comprises a greater number of upscale midscale, upscale, upper-upscale and luxury hotels, with the majority operating under a brand. Far fewer economy hotels are included within the datasets, as such the HotStats data is skewed towards the higher echelons.

### Q2-2025 – GROWTH IN OCCUPANCY BUT A CHALLENGING MARKET BACKDROP

The London hotel market continued to see occupancy growth, rising by almost one percentage point in Q2. This performance was driven by the luxury segment, up by 2.9 percentage points and by the upper-midscale & upscale segment (up 2.0 percentage points). All other hotel segments have recorded only marginal movements in occupancy. For the first six months, occupancy of 78.6% was recorded, a y-o-y rise of just over half a percentage point.

Despite respectable levels of occupancy achieved, the addition of more than 5,300 new rooms added to London’s hotel supply since the start of 2024, has restricted growth in occupancy and ADR.

Indication of far greater rate sensitivity in Q2 was evident from the decline in ADR, with a decline of 3.7% in Q2 and 3.3% as at June YTD. Hotels across all segments have reduced room rates to remain competitive and to support occupancy levels. Shorter booking lead-in times have added further pressure to room rates, as cost-of-living pressures continue to impact discretionary spend and delay travel plans.

London’s luxury hotels recorded the sharpest decline in ADR, declining y-on-y by more than 7% in Q2 and by 5.7% in H1-2025. Whilst international arrivals from Asia and the Middle East to Heathrow Airport are up y-o-y by 2.2%, the number of US arrivals has been held level, with potentially fewer confirmed bookings being made as the weakening dollar becomes more pronounced. The introduction of ETAs for non-visa nationals visiting the UK is a further challenge, and a rising cause of cancellations, particularly for group bookings.

London’s select service Hotels have also come under intense rate pressure with ADR falling by 5.6% in H1 versus H1-2024, partly due to their strategy to maintain occupancy, but with greater pressure on room rates as higher tiered segments have lowered rates to maintain market share. As such, select service hotels have seen the largest fall in RevPAR in H1-2025, declining by 5.3%, compared to an average fall of 2.5% across all London hotels.

### IMPACT OF APRIL’S RISE IN NIC AND MINIMUM WAGE EVIDENT

Across all London hotels, Q2 payroll costs in the Rooms and F&B departments increased y-o-y by 5.7% and 5.3% PAR, respectively. The impact of the rise in the NLW and the NIC was clear, with payroll costs rising at a much quicker pace than compared to Q1. Total departmental costs increased in Q2 by 4.1% PAR, whilst the departmental operating margin declined by two percentage points y-o-y, to 63%.

Total Rooms expenses increased to 24.7% of rooms revenue in Q2, a rise of 1.5 percentage points y-o-y, whilst the rooms income fell by 4.5% PAR. F&B departmental income declined by more than 9.3% over the same period, whilst total F&B expenses averaged 84% of F&B revenue across all London hotels.

Non-departmental payroll costs (A&G, S&M and POM) increased y-o-y by almost 9% PAR in Q2, as pay scales were maintained, but with the pace of growth slowing compared to Q2-2024. Overall, total hotel payroll costs increases y-o-y by 6.6% in Q2, which equated to 27.8% of total revenue, a rise of 2.2 percentage points – but this was partly a function of total revenues declining.

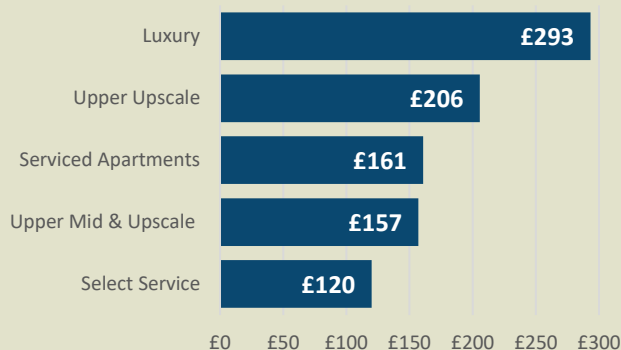
### RISE IN PAYROLL COSTS AND FALLING REVENUES EQUATE TO LOWER PROFITS

The London hotel market suffered declines in its profitability for the second consecutive quarter, with GOPPAR falling by 8.3% in Q2 , but with more severe declines suffered by London’s luxury and upper-upscale hotels, with GOPPAR down 11% and 8%, respectively. Whilst select service hotels saw a Q2 decline of 4.5%, its YTD GOPPAR y-o-y is almost 9% lower.

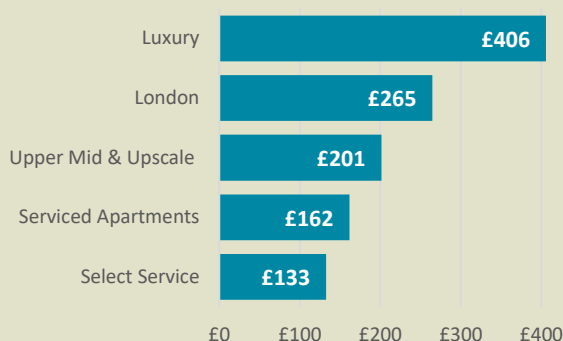
Across all London hotels, profit margins in Q2 fell by three percentage points, to average just under 42%.

# London – Hotel KPIs

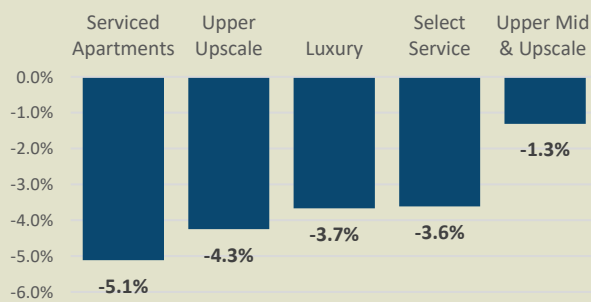
**RevPAR (£)**  
Q2-2025



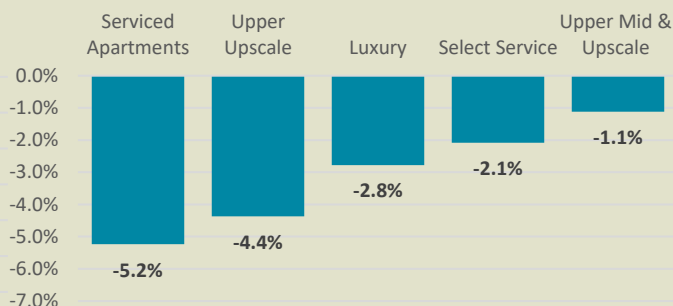
**TRevPAR (£)**  
Q2-2025



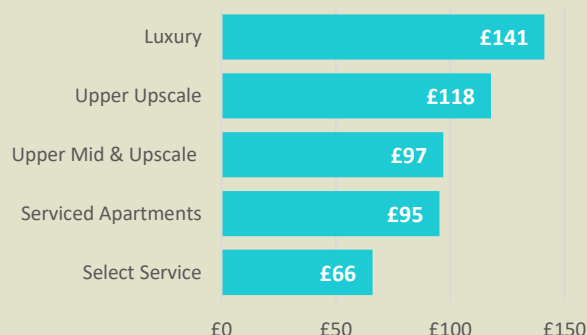
**% Change v Q2 2024**



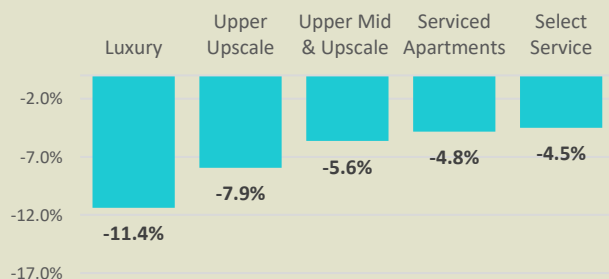
**% Change v Q2 2024**



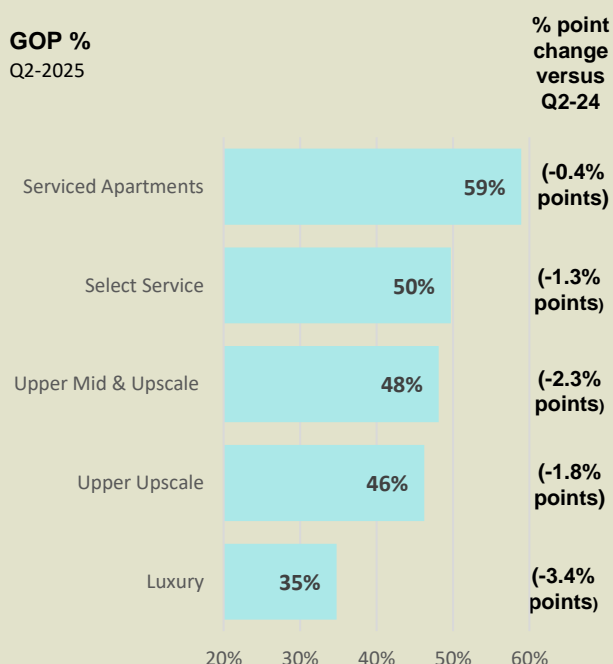
**GOPPAR (£)**  
Q2-2025



**% Change v Q2 2024**



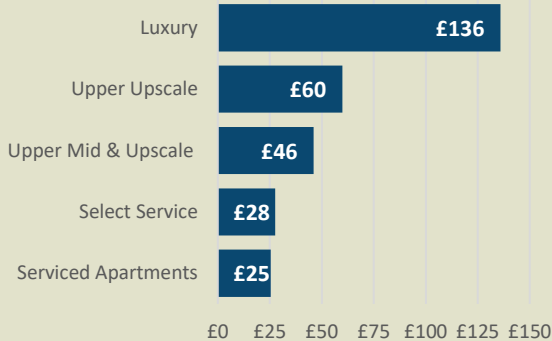
**GOP %**  
Q2-2025



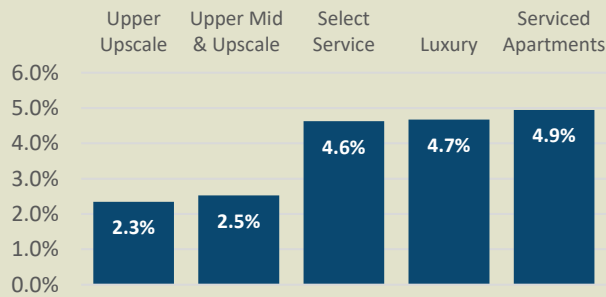
# Departmental Metrics

## LONDON

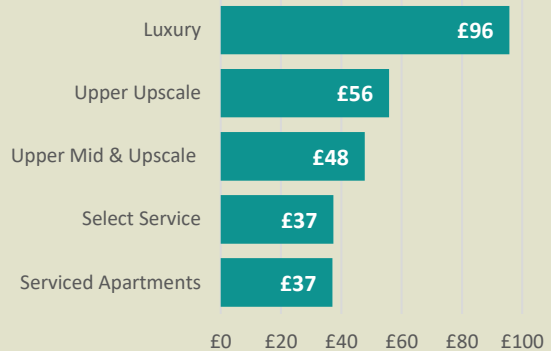
**Total Hotel Payroll PAR (£)**  
Q2-2025



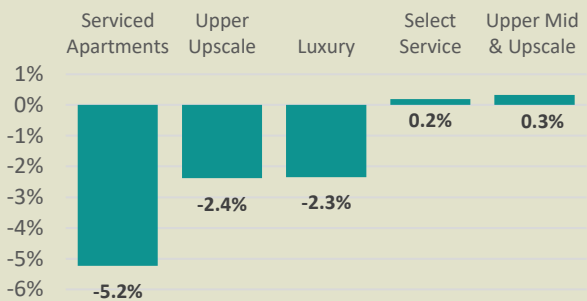
**% Change v Q2 2024**



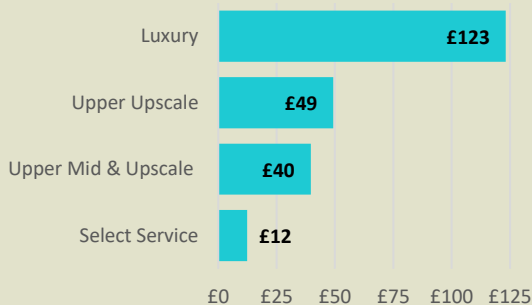
**Rooms Cost POR (£)**  
Q2-2025



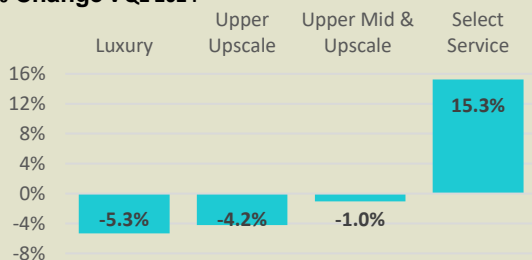
**% Change v Q2 2024**



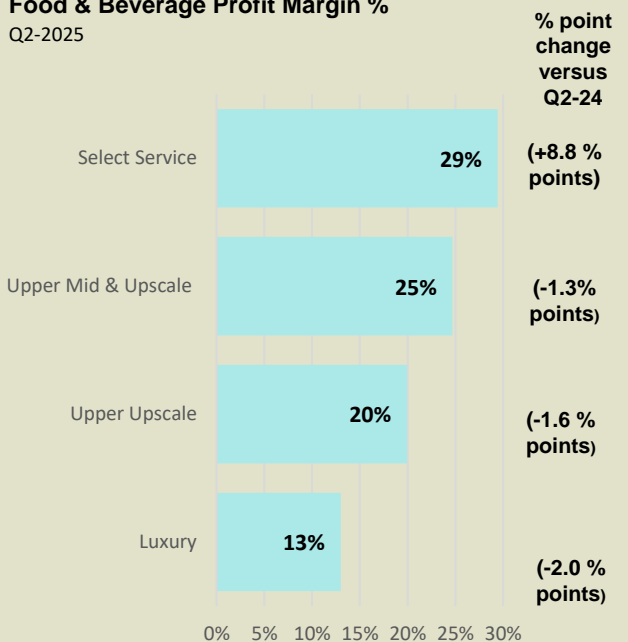
**Food & Beverage Revenue POR (£)**  
Q2-2025



**% Change v Q2 2024**



**Food & Beverage Profit Margin %**  
Q2-2025



# Regional UK

## Key Performance Indicators (% Change versus 2024)

Q2-2025		Jan-June YTD 2025	
Occupancy			
77.2%	-0.1%	72.3%	0.1%
ADR			
£109.0	-1.2%	£100.5	-0.7%
RevPAR			
£84.2	-1.3%	£72.7	-0.5%
TRevPAR			
£128.6	-0.4%	£113.2	0.2%
GOPPAR			
£41.5	-4.2%	£30.2	-4.5%
GOP %			
32.2%	-1.3%	26.7%	-1.3%

Note: Occupancy and GOP shown as a % Point Change

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### Glossary

ADR – Average Daily Rate  
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### MIXED MESSAGES

Whilst the headline number for Regional UK shows y-o-y occupancy flat, across most segments there was a downward turn. Regional upscale and upper-upscale hotels suffered the biggest declines, with occupancy down by more than two and 3 percentage points, respectively. Yet, with continued inflationary pressures and the recent hikes in staff costs, a rate-driven strategy has led to modest growth in their ADR, which helped counter the fall in occupancy.

Meanwhile, Regional UK's top 12 city centres recorded a surprise uplift in Q2 occupancy, rising by 1.5 percentage points y-o-y to 78%. But with intense competition and relatively robust group travel, this has put pressure on the ADR, which fell y-o-y by 5%.

The seemingly subdued performance of the regional UK hotel market appears to follow the trajectory of the wider UK economy, with marginal GDP growth and a softening of the labour market. Yet, the domestic leisure market remains relatively robust, with sporting fixtures and music events continuing to support trading. So long as operators continue to diversify their target markets and define a strong value proposition, the resilience of regional UK hotels is expected to hold, despite a challenging macro-economic climate.

### THE ONGOING DRIVE OF GOLF & SPA HOTELS

Whilst growth rates for Golf & Spa hotels have slowed significantly, this was the only sub-market not to see RevPAR contract in Q2. And whilst room rates stagnated in Q2, continued strong growth in leisure revenues (rising by 8% PAR) and F&B revenues (up 2.8% PAR), led to a respectable TRevPAR performance, up y-o-y by 3%. Cost pressures, however, have led to a 1.7% decline in Q2 GOPPAR.

### PAYROLL COSTS RISE 4.2% PAR YEAR-ON-YEAR

For Q2-2025, total payroll costs increased year-on-year by 4.2% PAR across all regional hotels, with Rooms payroll increasing y-o-y by 5.1% PAR and F&B payroll rising by 3.8%. Yet, despite the pressure from increases in the NLW and NIC, the annual pace at which payroll costs have increased has slowed. This indicates that at a time of weak revenue growth, operators are being forced to take action, potentially reducing head counts and hours.

Total payroll costs equated to 30.9% of total revenue in Q2, a rise of 1.3 percentage points.

### INCOME UPLIFT FROM 'OTHER' OPERATING DEPARTMENTS

Elevated payroll costs from the Rooms and F&B departments have led to an increase in total departmental costs in Q2, rising by 2.4% PAR y-o-y, whilst the departmental profit margin declined by one percentage point to 55.8%.

Across all regional hotels, the Rooms departmental income fell by 3% PAR in Q2, whilst the Rooms profit margin declined to 67%. F&B departmental income declined by more than 6% PAR, with expenses rising to 75% of F&B revenue (up by two percentage points).

Whilst the challenges of the Rooms and F&B departments are pronounced, less evident has been the growing contribution of 'other' operating departments, which despite costs increasing, have recorded strong uplifts in income as revenues have increased. For Q2, y-o-y, with golf, leisure and parking income soared by almost 9%, golf income by 15% and parking was up by 13% across all regional hotels.

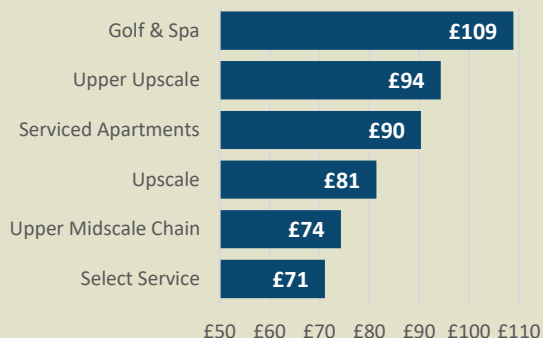
### GOPPAR DOWN BUT UNDISTRIBUTED COSTS KEPT UNDER CONTROL

At a time of low revenue growth, limiting the decline in GOPPAR has been critical. The rise in payroll costs at or below inflation in the cost centres of A&G and S&M, together with lower utility costs and the increased contribution from 'Other' revenue streams, have all contributed towards the safeguarding of profits.

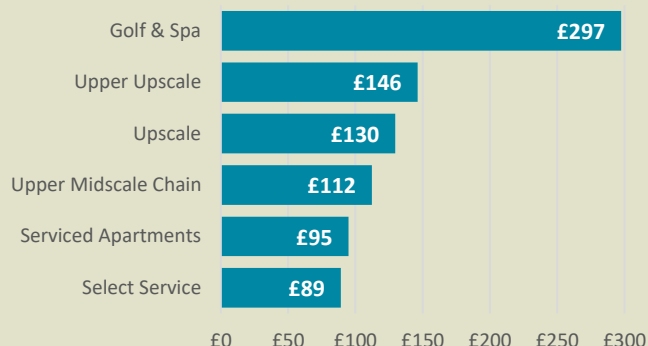
Whilst certain sectors have seen a more severe decline in profitability, on average, Q2 GOPPAR declined by 4.2%, but this performance does show resilience during a challenging operating environment. Across the whole of regional UK, hotel profit margins in Q2 fell by 1.3 percentage points, to average just over 32%.

# Regional UK - KPIs

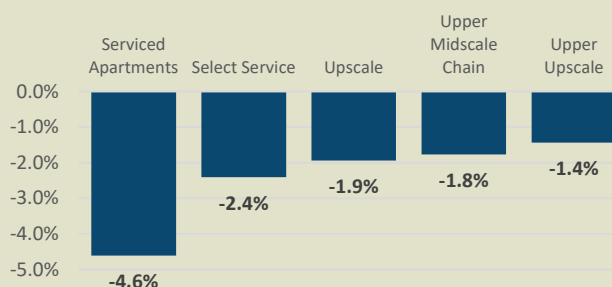
**RevPAR (£)**  
Q2-2025



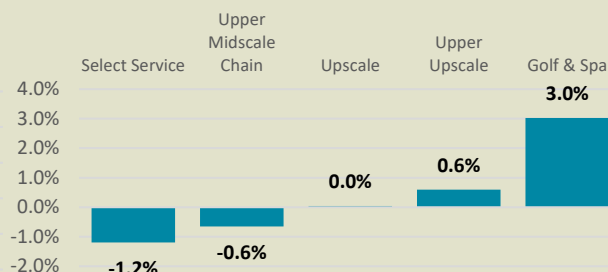
**TRevPAR (£)**  
Q2-2025



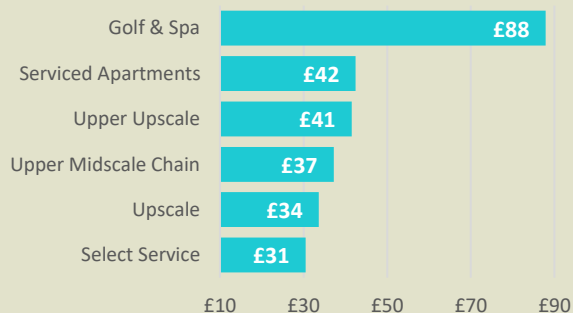
**% Change v Q2 2024**



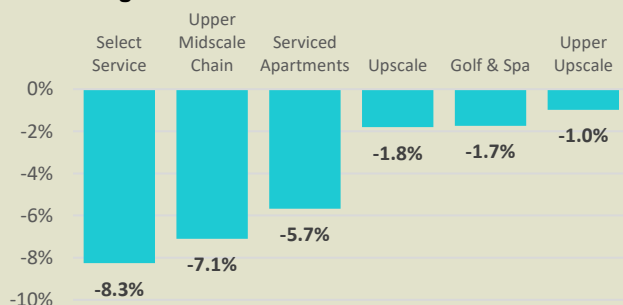
**% Change v Q2 2024**



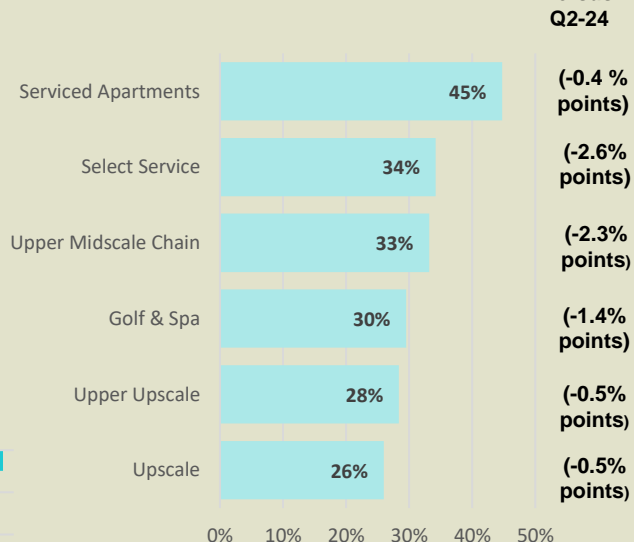
**GOPPAR (£)**  
Q2-2025



**% Change v Q2 2024**



**GOP %**  
Q2-2025



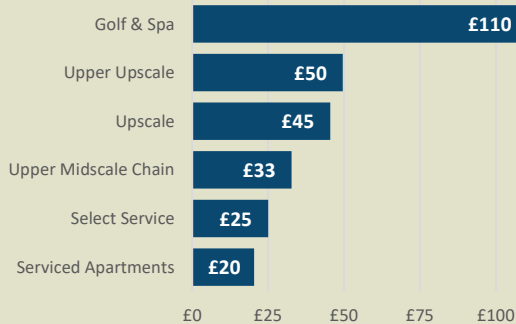
**% point change versus Q2-24**

(-0.4 % points)  
(-2.6% points)  
(-2.3% points)  
(-1.4% points)  
(-0.5% points)  
(-0.5% points)

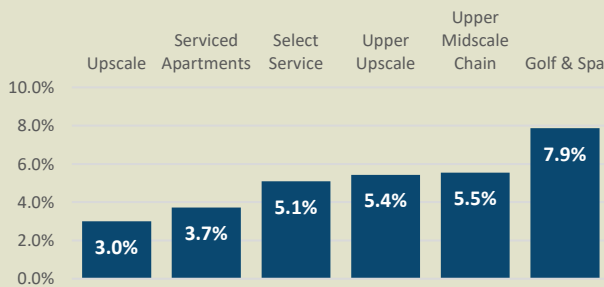
# Departmental Metrics

## Regional UK

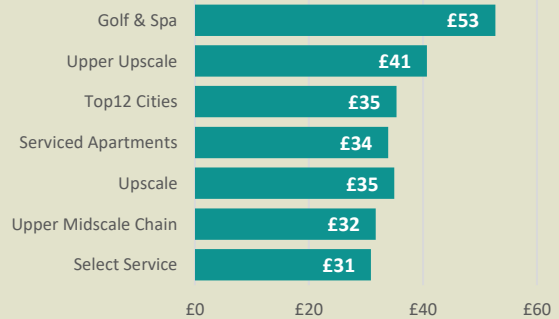
**Total Hotel Payroll POR (£)**  
Q2-2025



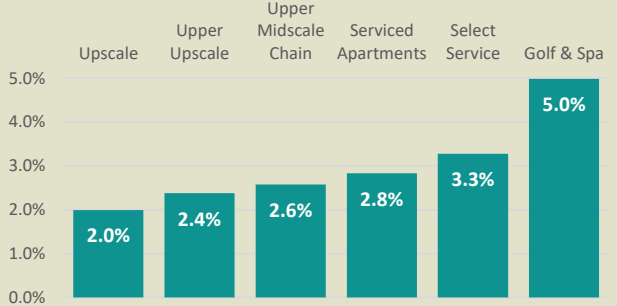
**% Change v Q2 2024**



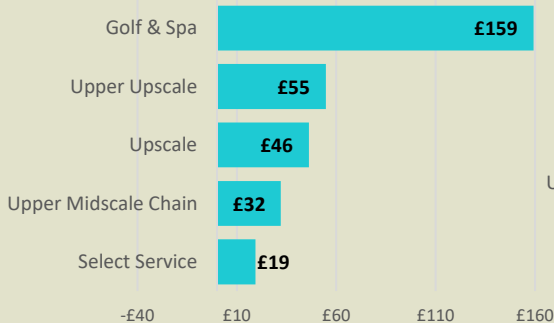
**Rooms Cost POR (£)**  
Q2-2025



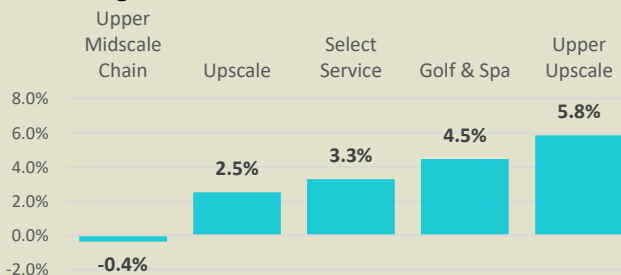
**% Change v Q2 2024**



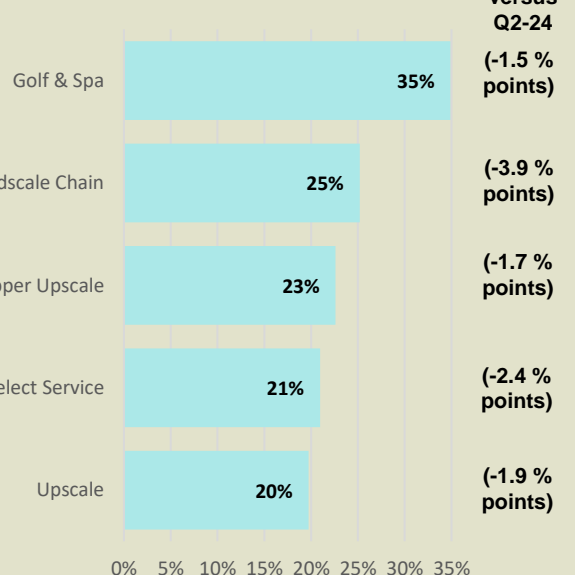
**Food & Beverage Revenue POR (£)**  
Q2-2025



**% Change v Q2 2024**



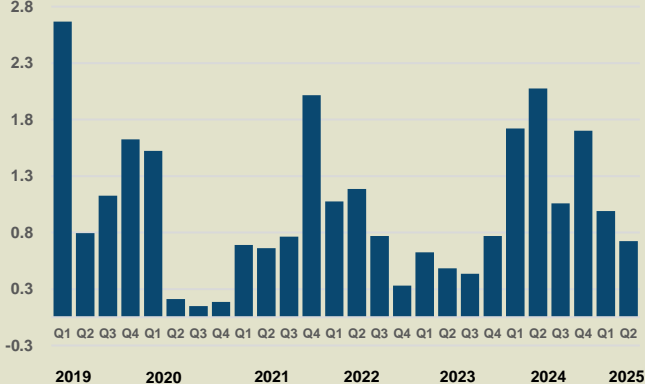
**Food & Beverage Profit Margin %**  
Q2-2025



# UK Hotel Investment

## UK hotel Investment Volumes

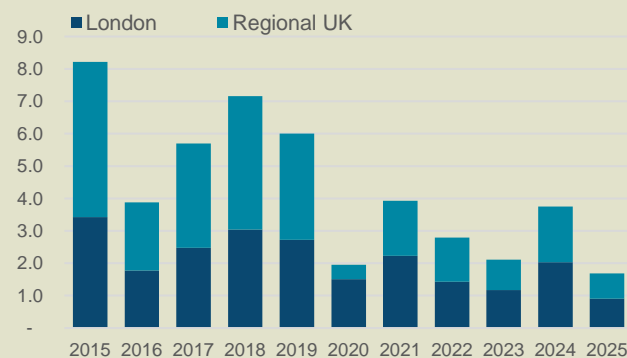
By Quarter, £bn, 2019-2025



Source: CoStar Group, MSCI, Knight Frank Research

## Investment Volumes, London v Regional UK

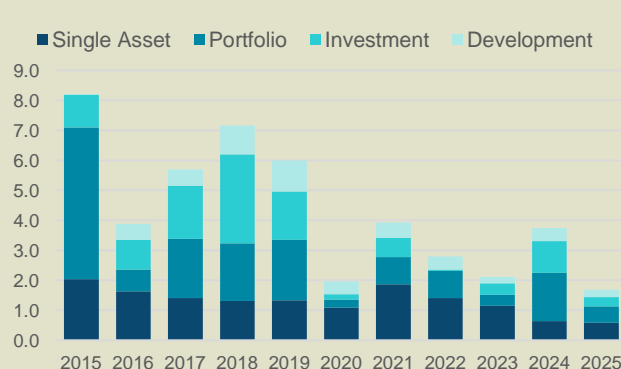
£bn



Source: CoStar Group, MSCI, Knight Frank Research

## Investment Volume Breakdown

£bn



Source: CoStar Group, MSCI, Knight Frank Research

## H1-2025

**Volume: £1.4 billion (excl. development)**

**Hotels transacted: 100+**

**Rooms: 10,500**

**Market Share:**

**> London: 48%**

**Hotel Class:**

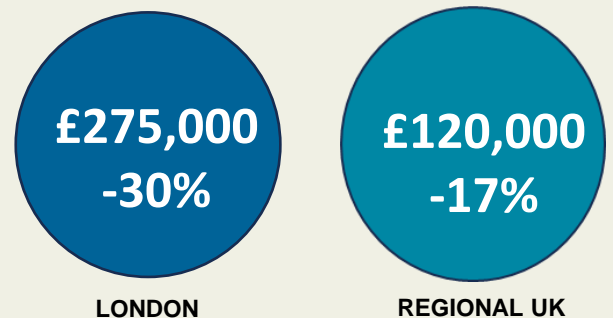
**> Luxury 35%**

**> Upscale & Upper-Upscale 33%**

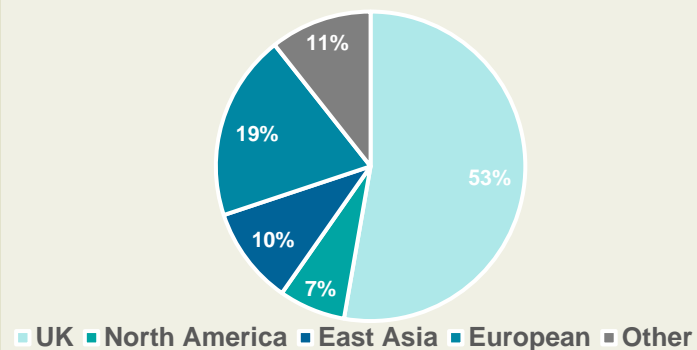
**> Upper Midscale & Economy 32%**

## Going Concern Hotel Transactions, June YTD 2025 v 2024

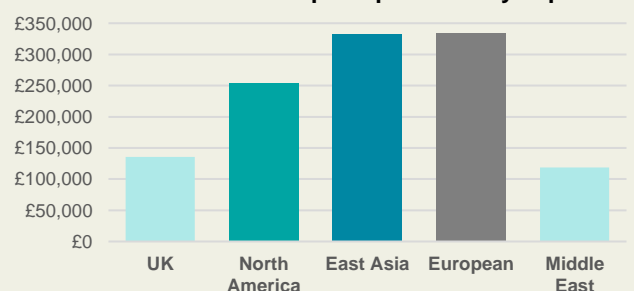
Average Price per Key (£)



## Geographical capital flows June YTD 2025



## YTD-2025 – Av. transaction price per room by capital flow (£)



## HOTSTATS

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Email [enquiries@hotstats.com](mailto:enquiries@hotstats.com) for more information.

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