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# UK Hotels Dashboard - Trading Performance

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August 2023

Hotel margins kept in check  
by continued strong  
revenue growth.

# London - KPIs

-  OCCUPANCY
-  ADR
-  REVPAR
-  TREVPAR
-  GOPPAR

	June -23	% Change versus June -22	
OCCUPANCY	81.9%	↑	+ 3.2 percentage points
ADR	£267	↑	8.5%
REVPAR	£218	↑	13%
TREVPAR	£275	↑	12%
GOPPAR	£135	↑	8%

	June -YTD	% Change versus YTD-22	
OCCUPANCY	74.3%	↑	+ 16.4 percentage points
ADR	£219	↑	8.9%
REVPAR	£163	↑	40%
TREVPAR	£212	↑	35%
GOPPAR	£82	↑	42%

- A 5.2% month-on month uplift in overseas visitor arrivals was recorded at London's Heathrow Airport, boosted by a 13.5% rise in passengers from Asia/Pacific and up 4.3% from the US. Total passenger arrivals of 6.68 million were just 1.9% below June-19.
- A 10 percentage point uplift in occupancy for London's Select Service hotels (to 87%) cemented London's growth in occupancy versus June-22, narrowing the gap to five percentage points below June 2019 as the market continues its recovery.
- A 10% uplift in discounted leisure rates, has supported robust growth in London's room rates. ADR continues to track ahead of inflation, with a rise of 13% over May-23. ADR growth of 8.5% was recorded versus June-22 and 24% ahead of June-19.
- Other revenues (non-rooms generated) are still recovering, such that TRevPAR achieved YTD growth of 10%, versus YTD RevPAR growth of 17%, in June compared to June-22.
- June witnessed a strong uplift in GOPPAR with a 30% rise versus the previous month. More modest growth of 7.7% was achieved versus June-22.

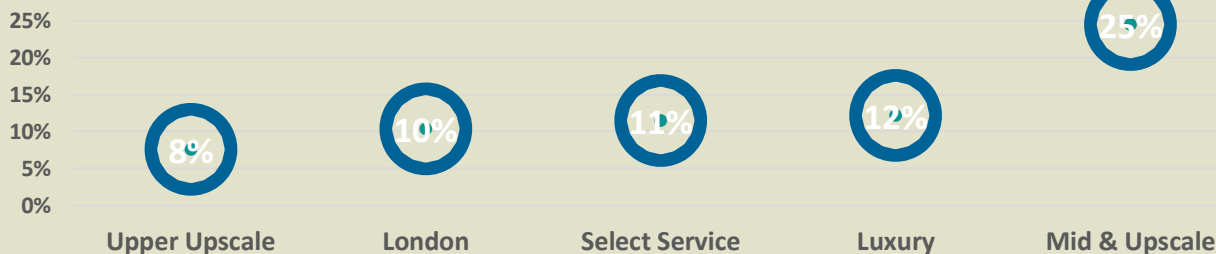
# London – Expenses

## June, 2023 v 2022 (Annual % Change)

### Total Rooms Costs % Change POR



### Total Payroll Costs % Change POR



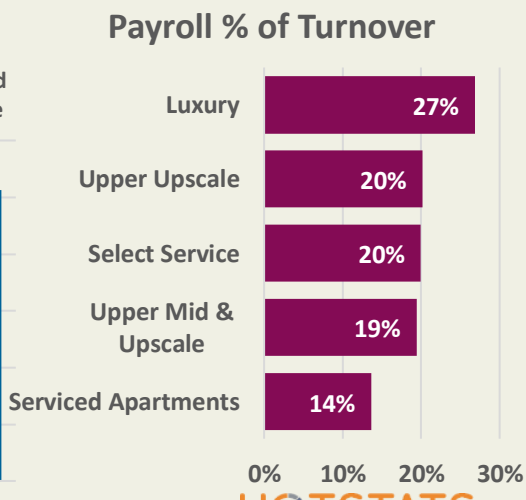
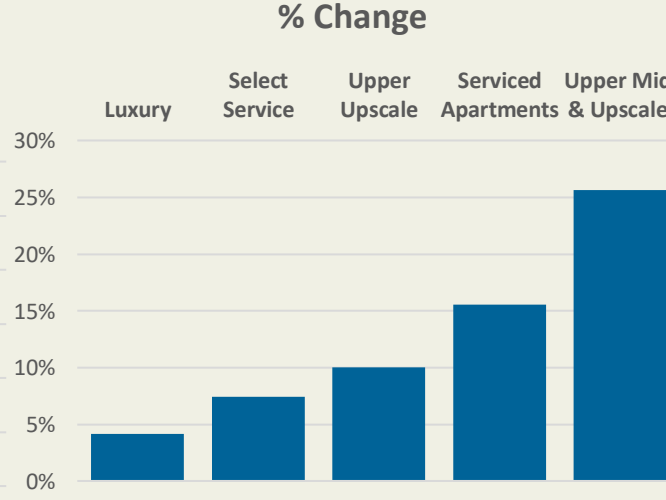
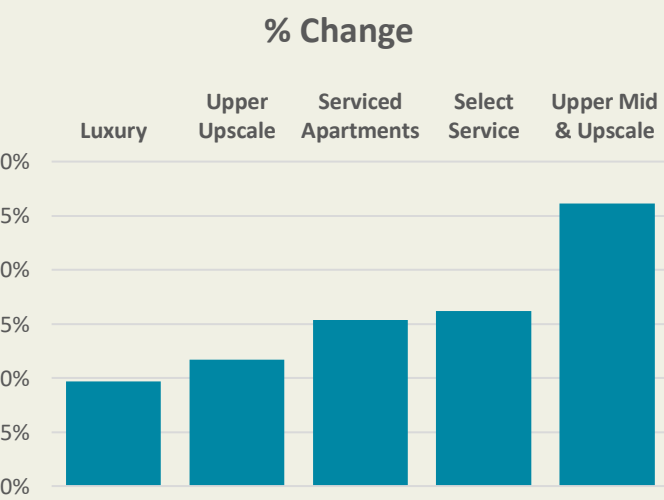
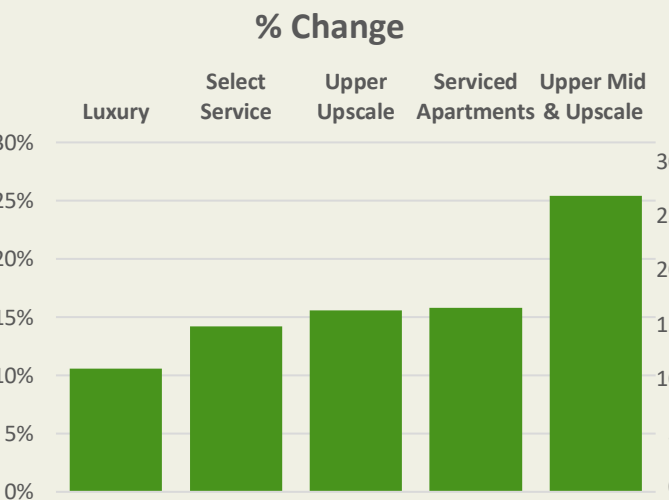
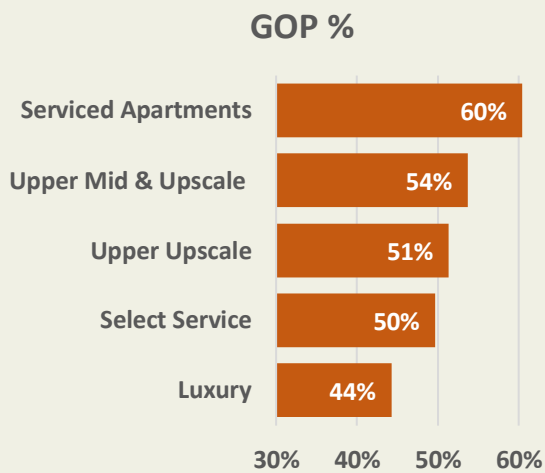
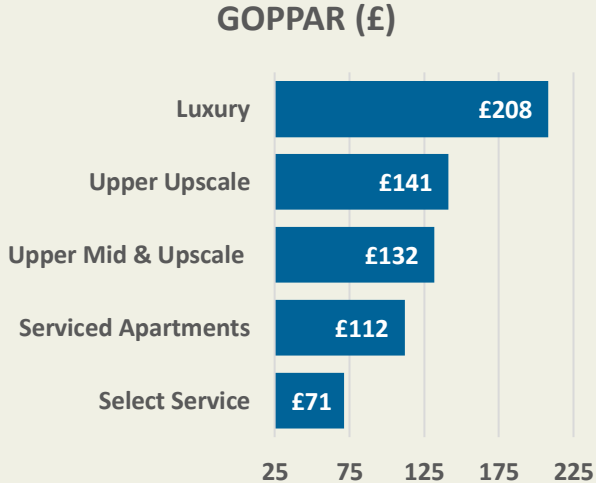
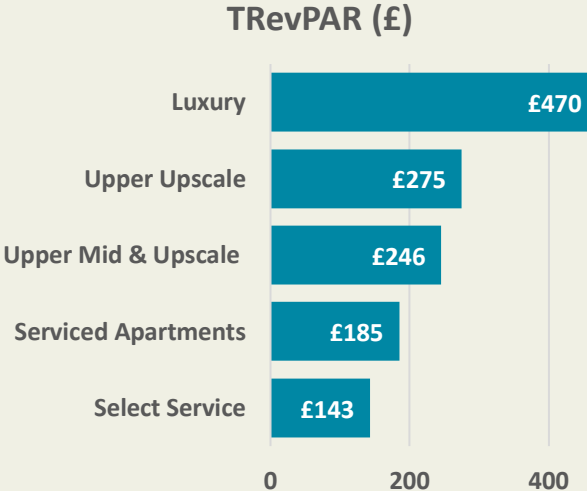
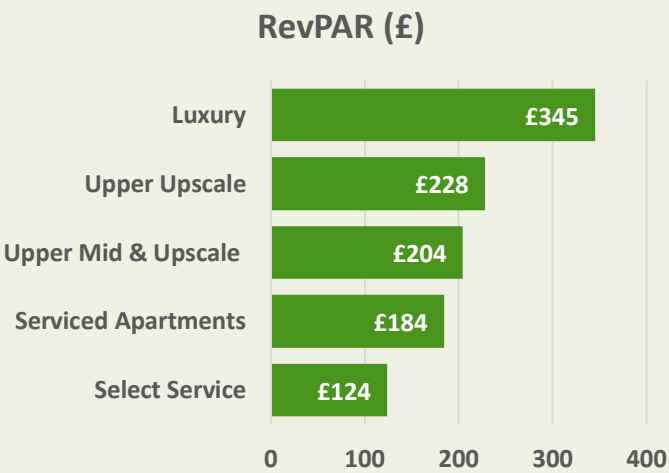
### Utility Costs % Change PAR



- Despite total room costs rising by 7.6% POR since June-22, continued robust RevPAR performance allowed room profit margins to remain in check with pre-pandemic levels – at 79% for the month of June.
- Total rooms costs averaged £46 PAR in June, an increase of 23% PAR since 2019, but with London’s occupancy still lower than its pre-pandemic performance, on a POR basis, total rooms costs have increased by 31% to £57 POR since 2019.
- Total hotel payroll costs for June averaged 22% of turnover, with this metric improving month-on-month as occupancy levels improve. Yet, total payroll costs were 15% higher than compared to June-2022, at £61 PAR, but remained static versus the previous month.
- Utility Costs of £10 PAR across London equated to a 1% reduction for the month, but this represented a 41% increase in utility costs versus June-22. Utility costs averaged 3.6% of total revenue in June, down from 4.2% the previous month. As at June YTD, utility costs averaged 5% of turnover, up from 4.6% as at YTD-19.
- GOP as a percentage of Total Revenue surged by 5.9 basis points to 49.1% in June, following a similar uplift the previous month. The GOP% was only 1.5 basis points below the margin achieved in June-19.

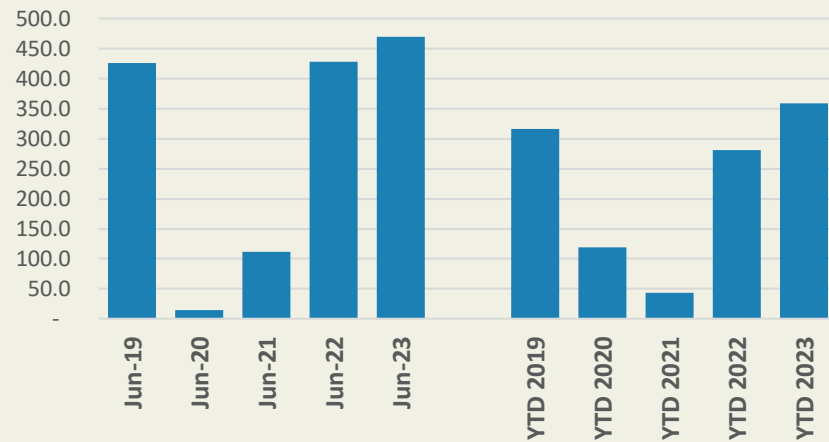
# London, KPIs

June 2023, (% Change v June 2022)

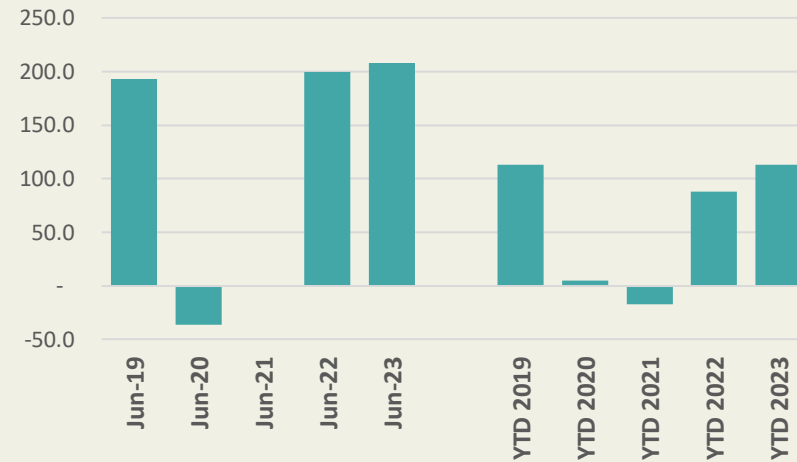


# London – Luxury Hotels

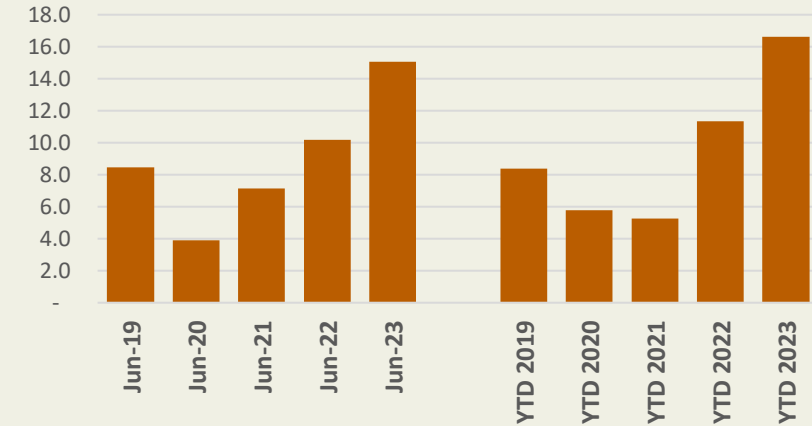
### TRevPAR



### GOPPAR



### Utility Costs PAR



- London’s luxury hotels successfully employ a strategy of rate maximisation in lieu of full occupancy recovery and are the strongest positioned as a hedge against inflation, with YTD ADR recording 10% real growth versus 2019.
- YTD RevPAR is up 21% and TRevPAR up 13% versus 2019. F&B revenues PAR remain on par with 2019 levels.
- As at June YTD, occupancy lags its 2019 performance by 9%. Meanwhile, ADR is 38% higher, with real growth of almost 10% versus 2019. Full rate and discounted segments account for 64% of the business mix (55% in 2019), with a 60% and 30% hike in their respective ADRs.
- Negotiated corporate room nights are fewer, but with strong ADR growth and replaced with high-yielding leisure business.

- Total rooms departmental costs have increased by 26% PAR as at June-YTD versus 2019, whilst rooms payroll costs have increased by 31% PAR.
- As at June YTD, total departmental costs increased by 20% PAR since 2019, whilst undistributed costs (excluding utilities) have increased 13% PAR.
- Total departmental operating income has increased by 9% PAR as at June YTD versus 2019, equating to 57% of total revenue (59% in 2019).
- GOP margin of 44% achieved in June and GOPPAR of £208, a 40% uplift versus previous month. On a YTD basis GOPPAR remains on par with 2019 and 29% uplift versus 2022.

- Utility costs as at June YTD are 57% higher than the average London hotel, at over £16 PAR.
- Utility costs at £15 PAR in June-23 increased by 48% since June-22. As at June YTD, utility costs have surged by almost 100% since YTD-19.
- Utility costs accounted for 3.2% of revenue in June, compared to 2.0% in 2019. As at June YTD, utility costs equated to 4.6% of total revenue (2.7% in 2019).

# Regional UK - KPIs



-  OCCUPANCY
-  ADR
-  REVPAR
-  TREVPAR
-  GOPPAR

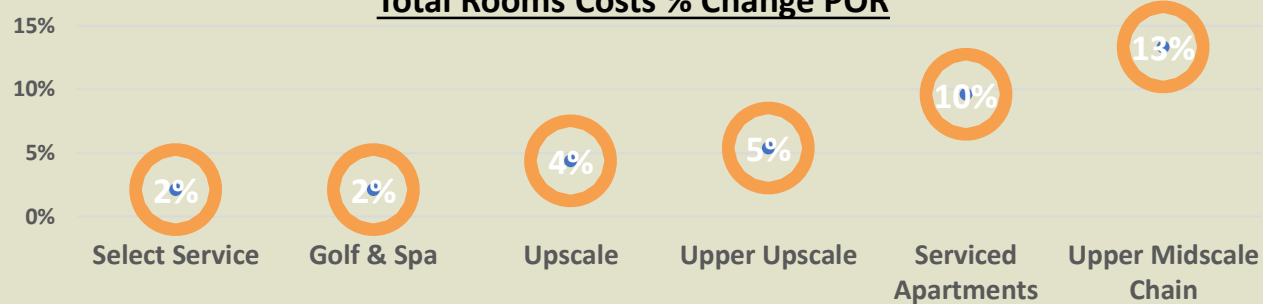
	June-23	% Change versus June-22		June -YTD	% Change versus YTD-22	
OCCUPANCY	80.8%	↑	+4.0 Percentage points	71.7%	↑	+ 8.3 Percentage points
ADR	£112	↑	7.6%	£98	↑	5.5%
REVPAR	£90	↑	13%	£70	↑	19%
TREVPAR	£140	↑	12%	£112	↑	17%
GOPPAR	£50	↑	13%	£29	↑	16%

- RevPAR growth of 13% achieved in June, over the previous month and compared to June-22. This was achieved off the back of improving demand and inflationary pressures driving ADR growth.
- Occupancy continued to lag 2019 performance, but with the margin narrowing to 2.8 basis points in June. ADR was 25% ahead versus June 2019 and in real terms on par with its 2019 performance.
- With inflation forecast to fall, a slow down in ADR growth is anticipated, with future rate growth more likely to be impacted by demand, than by inflationary pressures.
- In June, the retail segment (seasonal/best available) yielded significantly more revenue than compared to June-19, boosted by 33% ADR growth and 27% share of occupied room nights (21% in 2019).
- For the second consecutive month, a strong uplift in GOPPAR was recorded with a 30% rise versus the previous month. An impressive 13% growth in GOPPAR was achieved versus June-22 and 8% ahead of June-19. As at June YTD, GOPPAR was 3% ahead of its 2019 performance.

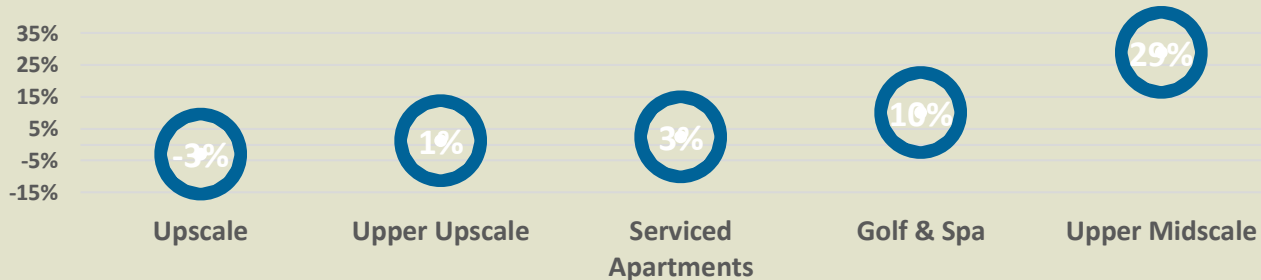
# Regional UK - Expenses

## June, 2023 v 2022 (Annual % Change)

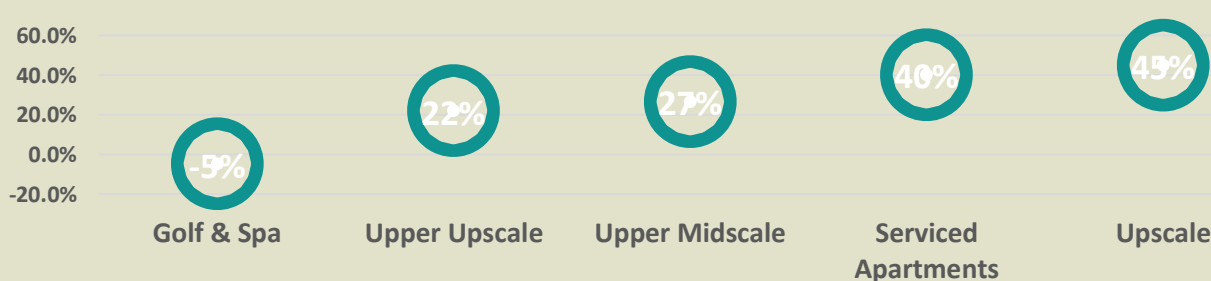
### Total Rooms Costs % Change POR



### Total Payroll Costs % Change POR



### Utility Costs PAR % Change



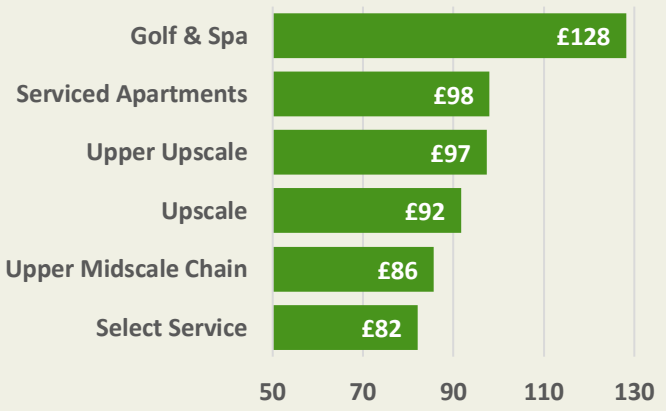
- Strong RevPAR performance in June, resulted in the month-on-month Rooms profit margin increasing by 2 percentage points, to 70%, equalling the level of profitability achieved in June-19.
- Total rooms costs averaged £33.50 POR in June, an increase of 29% POR since June-19. But, with occupancy still lagging its 2019 performance, on a PAR basis the differential is lower, with total rooms costs having increased by 25% to £27 PAR since 2019.
- Total hotel payroll costs were 10% higher than compared to June-22, at £39 PAR, and almost 5% higher than the previous month. Strong revenue growth, however, has resulted in the metric of total payroll costs as a percentage of turnover improving, averaging 28% in June (30% in May), and on par with June-19.
- Energy usage and the cost of energy continued to fall in June, with an 8% monthly reduction in utility costs PAR. At £7.40 PAR, this represented a 25% increase in utility costs versus June-22. Utility costs averaged 4.8% of total revenue in June, down from 5.8% the previous month.
- A monthly rise in the GOP margin of 4.7 basis points was achieved in June to 35.6%, the highest level of profit conversion since July-22. The GOP margin was just at 1.8 basis points below June-19.

# Regional UK, KPIs

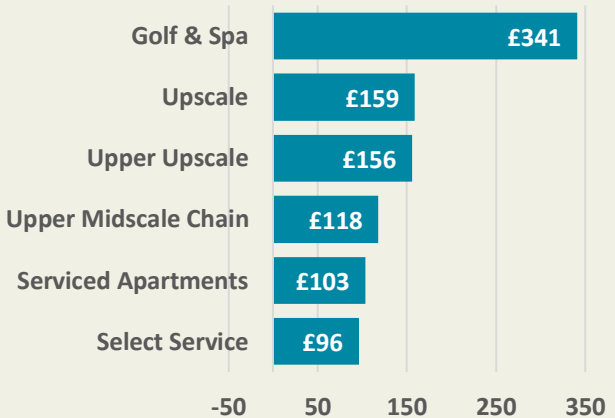
June 2023, (% Change v June 2022)



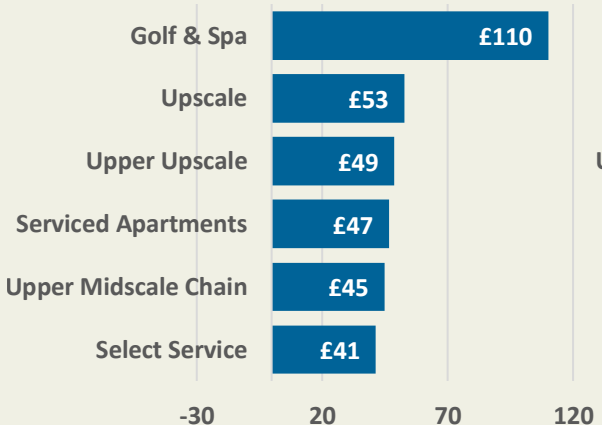
RevPAR (£)



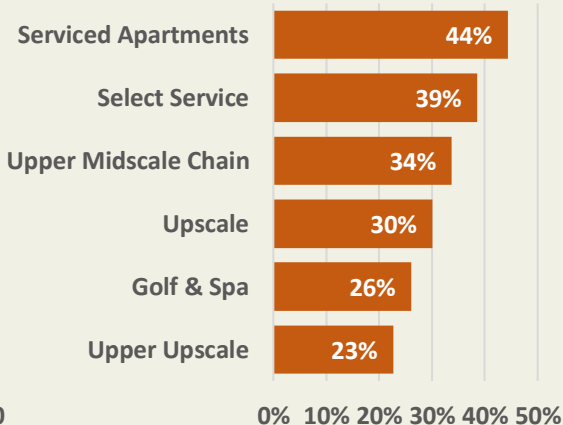
TRevPAR (£)



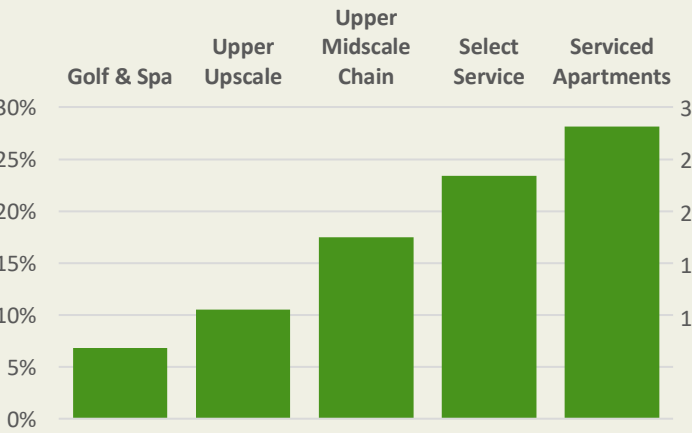
GOPPAR (£)



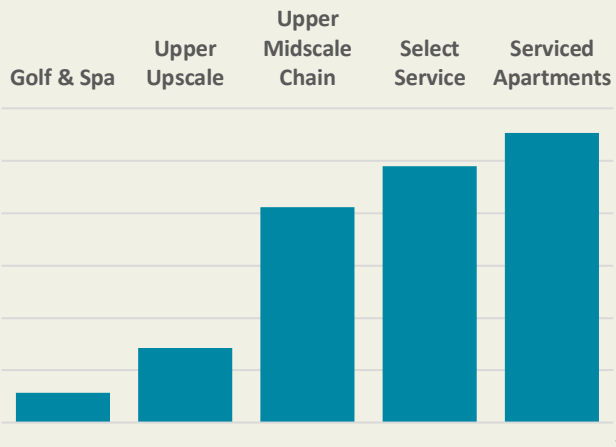
GOP %



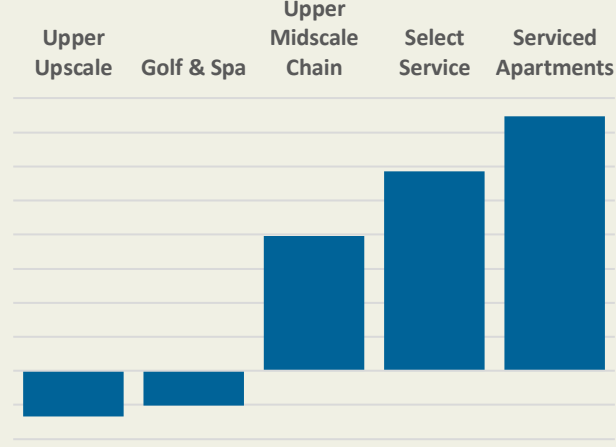
% Change



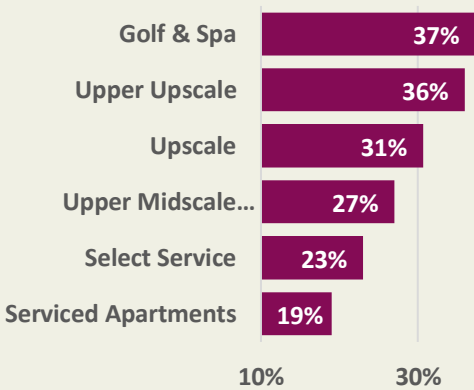
% Change



% Change



Payroll % of Turnover

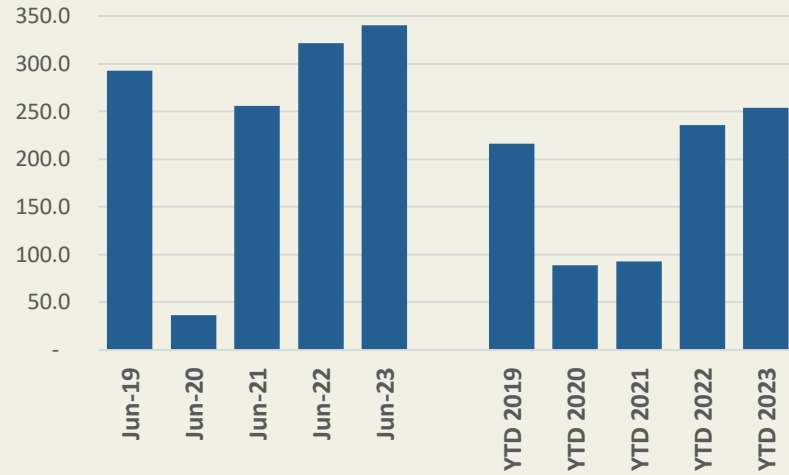




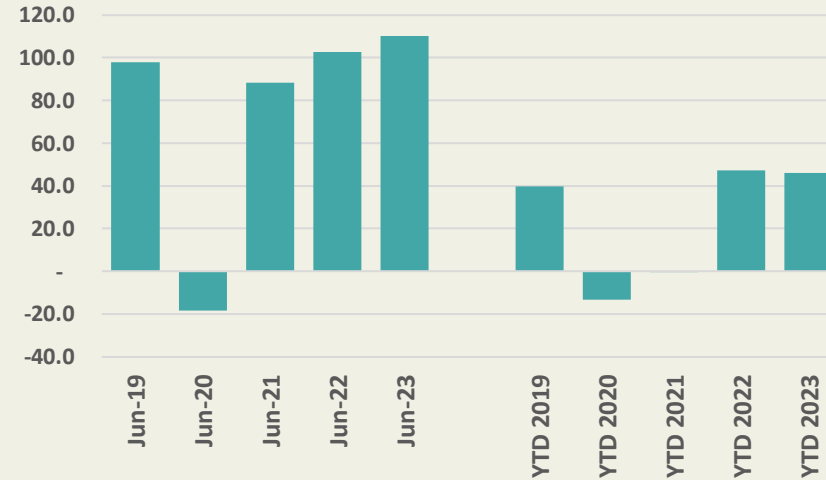
# Regional UK – Golf & Spa Hotels



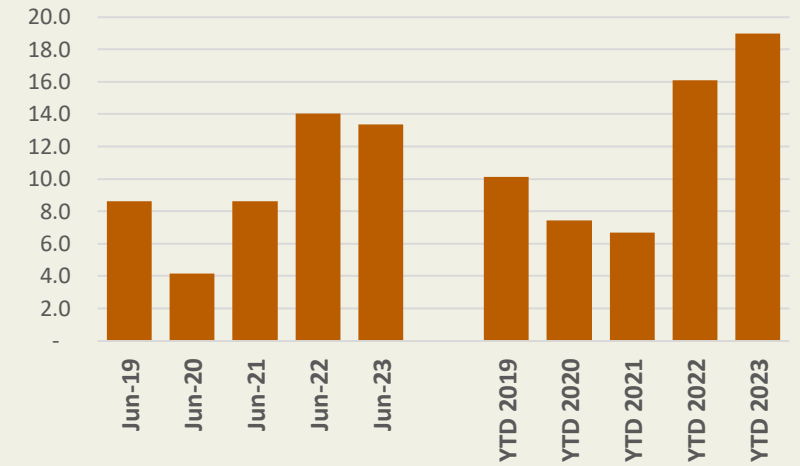
## TRevPAR



## GOPPAR



## Utility Costs PAR



- At 65% YTD occupancy, the four percentage point uplift versus 2022, has stemmed from a stronger Q1, whilst Q2 performance has been slightly weaker.
- YTD ADR is up just 2% on the same period in 2022, but whereas Q1-23 recorded ADR 3% lower than in Q1-22, ADR growth in Q2 has been stronger at over 5%.
- As at June YTD, full rate and discounted market segments account for 61% of the business mix (52% in 2019), with a 50% uplift in their respective ADRs.
- The metrics of RevPAR and TRevPAR have both increased by approximately 8% YTD versus 2022, with F&B revenues showing a 7% uplift PAR.

- As at June YTD, total departmental costs increased by almost 9% PAR year-on-year and by 17% compared to 2019 (F&B +16% and Golf +22% since 2019).
- Undistributed costs (excluding utilities) have increased less than 6% PAR since 2019, but with costs rising by 12% as at June YTD versus 2022.
- GOP margin of 32% achieved in June, on par with the previous year, however, GOPPAR achieved an uplift of 7% to £110.
- June YTD, GOPPAR is down 3% on YTD-22, but 16% ahead of June-19. GOP margin is down two percentage points on 2022.

- Utility costs as at June YTD equated to £19 PAR, representing an 18% increase since June YTD-22 and a surge of 87% since 2019.
- As at June YTD, utility costs have accounted for 7.5% of revenue, compared to 4.7% in 2019. Utility costs equated to 3.9% of total revenue for the month of June (2.9% in 2019).

## HOTSTATS

Is a global data benchmarking company that provides specialized performance analysis and a benchmarking platform that services hotels around the world. HotStats collect financial and operational data from a diverse range of hotels globally to provide hotel owners, operators, and investors with valuable insights into the financial performance of their properties against their competition – an invaluable resource for evaluating investment opportunities and weighing options for prospective investors. email [enquiries@hotstats.com](mailto:enquiries@hotstats.com) for more information.

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