

# UK Hotel Dashboard



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Key Hotel trading metrics, quarterly

11<sup>th</sup> May 2026

## LONDON

Key Performance Indicators (% Change versus 2025)

Q1-2026		March 2026	
<b>Occupancy</b>			
71.4%	-0.9%	75.1%	-2.0%
<b>ADR</b>			
£214.1	3.2%	£221.3	5.6%
<b>RevPAR</b>			
£152.9	1.9%	£166.1	2.9%
<b>TRevPAR</b>			
£207.4	2.2%	£225.7	2.6%
<b>GOPPAR</b>			
£57.5	0.5%	£74.9	1.2%
<b>GOP %</b>			
27.7%	-0.5%	33.2%	-0.5%

Note: Occupancy and GOP shown as a % Point Change



### Glossary

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

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.

### ENCOURAGING START TO THE YEAR AMIDST A BACKDROP OF GEOPOLITICAL VOLATILITY AND UNCERTAINTY

Overall, performance of the London hotel market was positive for Q1-26, with RevPAR up 1.9% year-on-year, with the month of March delivering far stronger rate growth than the previous two months. The impact of war in the Middle East (ME), has resulted in cancellations amidst disrupted flight schedules, leading to reduced outbound movement from the ME of high-spending visitors. As such, year-on-year occupancy for the month of March has fallen across London’s Upper-Upscale hotels by 3.2%, whilst London’s Luxury hotels has seen occupancy held at the same level.

In Q1, reduced demand from the ME was largely replaced by actively pivoting more towards domestic, USA and European markets. Yet, the high dependence on Middle Eastern markets and uncertainty around international travel caused by the conflict, is likely to become more prevalent in the data in the months ahead, with the disruption to air connectivity to/from the ME continuing.

Encouragingly, however, London’s hotels achieved respectable revenue growth during the quietest quarter of the year, supported by a 3.2% uplift in ADR year-on-year, achieved through a strong corporate performance and resilience in domestic leisure demand, thereby mitigating the softening of demand from international markets.

Out-performing the market in Q1, were London’s upper-mid and upscale hotels, which recorded RevPAR growth of 2.3% and TRevPAR growth of 2.8%. This was the only segment to achieve meaningful occupancy growth, up 1.3 percentage points year-on-year, alongside a modest uplift in ADR and solid growth in F&B revenue. All segments, with the exception of Luxury hotels delivered F&B revenue growth of more than 3% PAR. Combined with higher leisure revenues, this supported stronger growth in TRevPAR relative to RevPAR performance.

### PAYROLL COSTS RISE AT SLOWER PACE THAN COMPARED TO Q1-2025

The elevated wage costs in Q1-2026 are compared to the pre-2025 NLW rate and the subsequent employers’ NIC increase. Total payroll costs increased y-o-y by 4.1% PAR across all London hotels In Q1-2026, which was far lower than the 7.1% rise in Q1-25. The increase in non-departmental payroll costs (A&G, S&M and POM) increased y-o-y by 5.4%, rising at a faster pace than operational costs, which increased y-o-y by 3.6%. As a percentage of total revenue, total payroll costs equated to 35.8%, a rise of 0.7 percentage points versus Q1-2025.

### ROOMS & F&B IMPROVE PROFIT CONTRIBUTIONS DESPITE COST PRESSURES

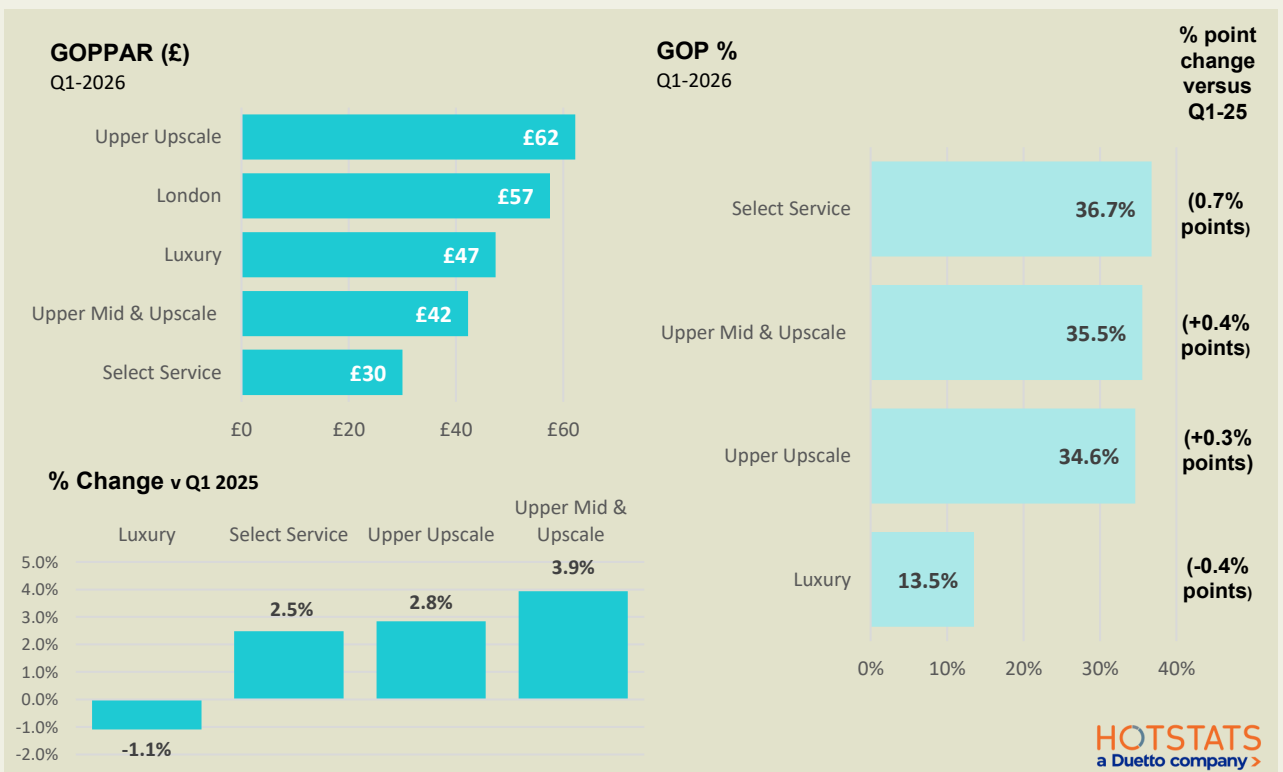
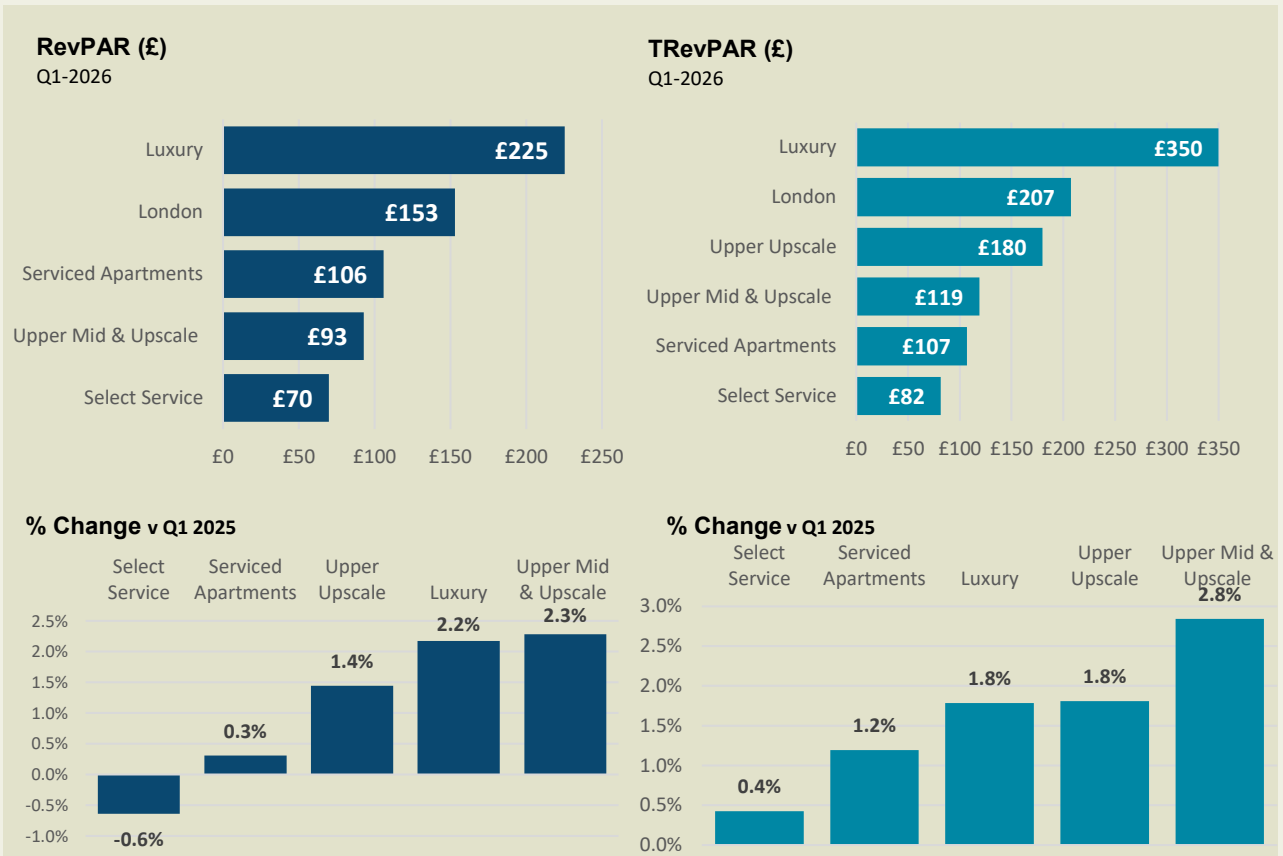
Cost pressures continued to weigh on operations in Q1, with rooms departmental costs increasing by 2.2% y-o-y PAR, and F&B costs rising by 3.3% PAR. Overall, cost growth remained broadly in line with inflation, with total departmental costs up by an average of 2.9% PAR. Despite this, revenue growth and ongoing cost efficiencies drove improved contributions from both the Rooms and F&B departments, resulting in a 1.7% PAR increase in total operating income y-o-y, whilst the operating margin was maintained at 56%. Meanwhile, a 4% decline in utility costs helped contain growth in undistributed expenses (excluding payroll), rising by just 1.3% PAR y-o-y.

### Q1 GOPPAR GROWTH DOWN ON AGGREGATE Y-O-Y, BUT CERTAIN MARKETS RECORDING POSITIVE GROWTH

Whilst the overall aggregated GOPPAR performance in Q1 for London showed a marginal increase y-o-y of 0.5%, encouragingly certain segments achieved a much stronger performance, with upper-midscale and upscale hotels outperforming the market with Q1 GOPPAR growth of 3.9%. By contrast, London’s Luxury hotels endured a more challenging operating environment, with GOPPAR falling y-o-y in Q1 by 1.1%.

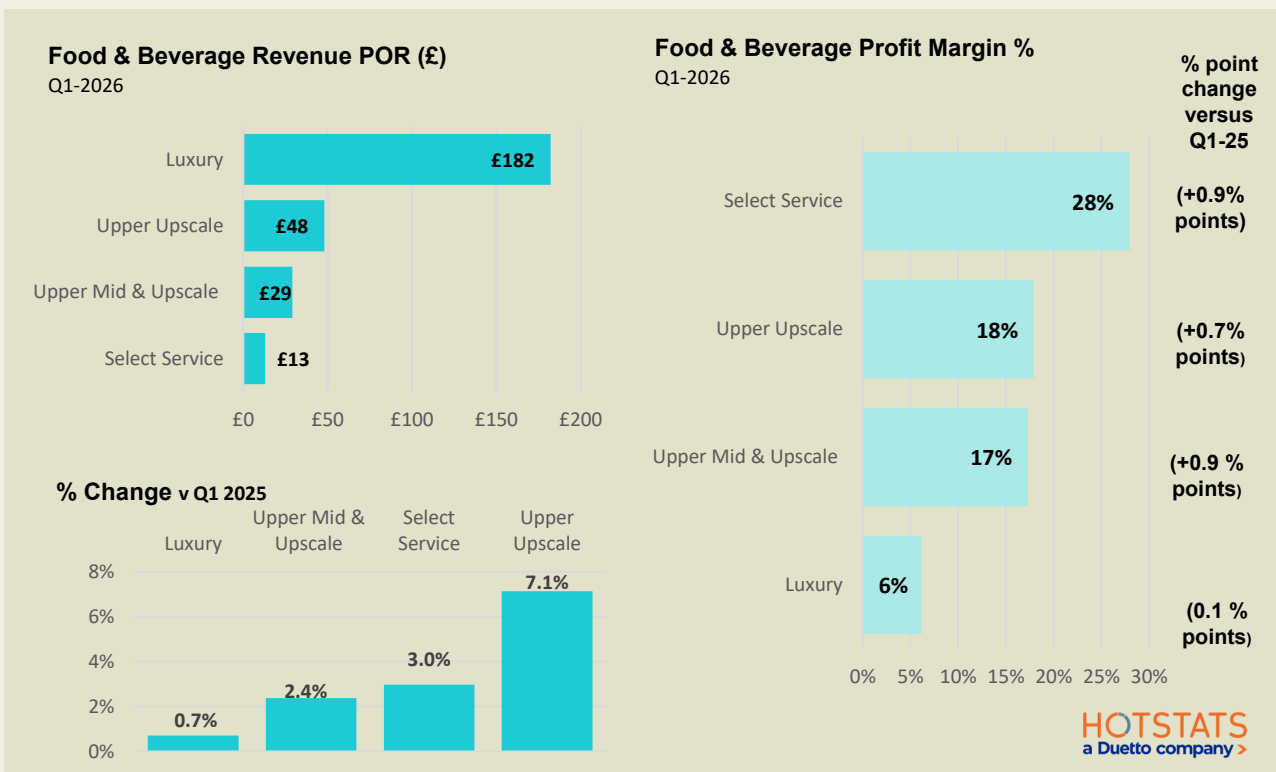
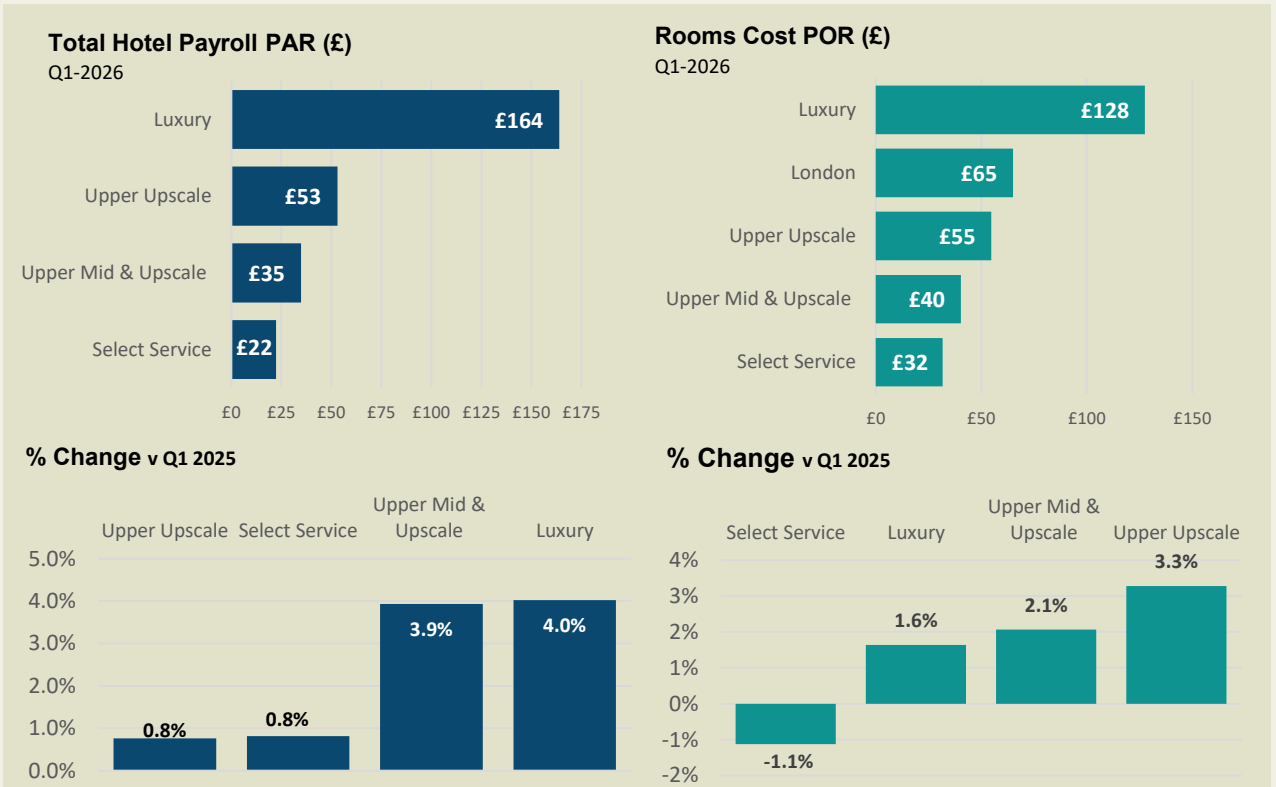
For those segments which recorded meaningful GOPPAR growth all marginally improved their GOP margin, whilst on aggregate the GOP margin declined y-o-y by 0.5 percentage points in Q1, to 27.7%.

# London – Hotel KPIs



# Departmental Metrics

## LONDON



# Regional UK

## Key Performance Indicators (% Change versus 2025)

Q1-2026		March 2026	
<b>Occupancy</b>			
68.2%	0.9%	72.1%	1.1%
<b>ADR</b>			
£93.1	3.4%	£98.0	3.8%
<b>RevPAR</b>			
£63.4	4.8%	£70.7	5.4%
<b>TRevPAR</b>			
£102.1	5.2%	£112.7	5.7%
<b>GOPPAR</b>			
£21.2	8.0%	£30.5	7.9%
<b>GOP %</b>			
20.7%	0.5%	27.1%	0.6%

Note: Occupancy and GOP shown as a % Point Change

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### STRONG Q1 FOR REGIONAL UK HOTELS

It was a strong first quarter for Regional UK hotels, with RevPAR rising by 4.8% y-o-y, led by strong ADR growth, and with many markets recording respectable growth in occupancy. The regional cities of Oxford, Edinburgh, Glasgow and Cardiff all out-performed the market, with RevPAR growth exceeding 5% y-o-y. The Q1 performance was particularly encouraging versus Q1-2025, when RevPAR growth was flat versus the previous year.

Golf & Spa hotels continued to outperform the regional market, with impressive RevPAR growth of 8.0% in Q1, driven almost exclusively from an increase to the ADR (+7%). Meanwhile upscale hotels recorded strong RevPAR growth of 7.2%, but this uplift came predominantly through a four-percentage point rise in occupancy, to 72.5%. Regional Select-Service hotels also achieved a strong first quarter, with RevPAR growth of 4.6%, driven by an uplift to both occupancy and ADR.

Despite ongoing economic and geopolitical uncertainty, hoteliers remain confident in the medium-term outlook. A strong year for staycations is anticipated, as the ME conflict and the resulting sharp and sustained increase in fuel costs and air travel prices, are expected to influence international travel patterns and booking behaviour. This is likely to shift demand further towards domestic travel and UK-based stays and with greater potential for increased inbound European travel.

Underpinned by encouraging increases in ancillary revenues, stronger growth in TRevPAR performance than RevPAR was achieved. Food & Beverage revenue rose by 5.4% PAR, while Leisure revenues increased by 8.6% across all UK regional hotels. Adverse weather conditions in Q1 delayed the start of the golf season, contributing to more subdued revenue growth of 2.0% y-o-y and the profit contribution from the golf department some 24% lower than in Q1-2025.

### ABOVE INFLATIONARY RISE IN Q1 PAYROLL COSTS

For Q1-2026, total payroll costs increased year-on-year by 6.9% PAR across all regional hotels, rising at a faster pace than compared to Q1-2025, following the impact of the rise to the NLW and NIC. Operating departmental payroll costs rose by 7.1% y-o-y in Q1, while payroll costs in A&G increased PAR by 4.9%, by 7.0% in S&M and by 7.8% in POM. Despite the relatively strong revenue growth, the share of payroll costs to total revenue increased by more than half a percentage point to 36.8%. Meanwhile, all non-payroll related costs increased y-o-y by 2.5% PAR in Q1.

### COST PRESSURES LEAD TO MARGINAL DECLINE IN OPERATING MARGIN

Despite payroll and inflationary pressures, the robust Q1 revenue growth has seen a positive contribution to departmental income, with a rise of 5.0% PAR in the Rooms department, a 2.4% uplift in the F&B department and an 8.0% uplift in the contribution from leisure income. Overall, the total departmental operating income increased in Q1 by 4.7% PAR y-o-y, with revenue growth being the primary driver. However, continued cost pressures led to a slight year-on-year decline in operating margin, which stood at 50.3% of turnover.

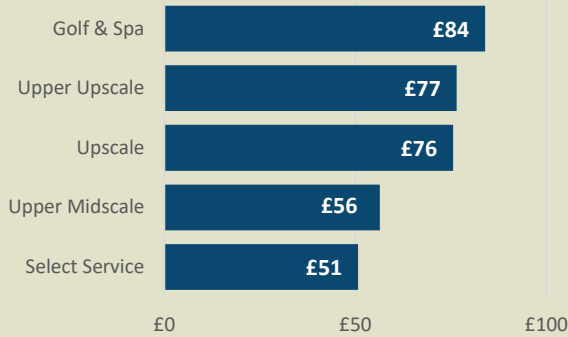
### REVENUE GROWTH AND COST EFFICIENCIES LEAD TO GOPPAR GROWTH

The relatively robust revenue performance in Q1, combined with a 2.6% y-o-y decline in utility costs PAR, and tight control over non-payroll expenses, contributed to a strong uplift in GOPPAR compared with Q1-2025, which increased by 8% PAR. Several sub-markets – notably regional Select-Service hotels, upscale hotels and golf & spa hotels - outperformed the wider regional market, delivering double-digit GOPPAR growth alongside an improved margin of between 1.3 and 1.6 percentage points. Across the wider UK regional market, the GOP margin improved by a more modest 0.5 percentage points.

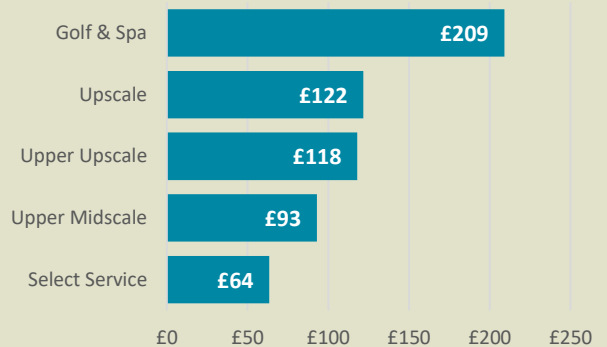
Driving GOPPAR performance, however, is critical as it serves to support the hike to business rates that many operators now face following the 2026 revaluation which took effect from 1<sup>st</sup> April. Business Rates fall below GOPPAR and are therefore reflected in a hotel's EBITDA performance, which is beyond the scope of the benchmark data available.

# Regional UK - KPIs

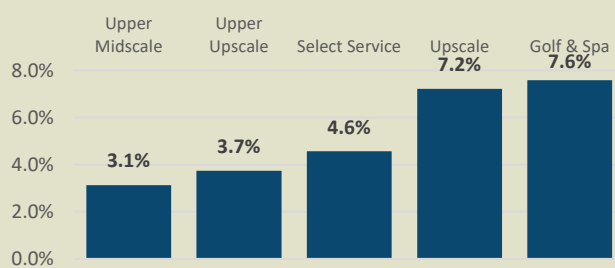
**RevPAR (£)**  
Q1-2026



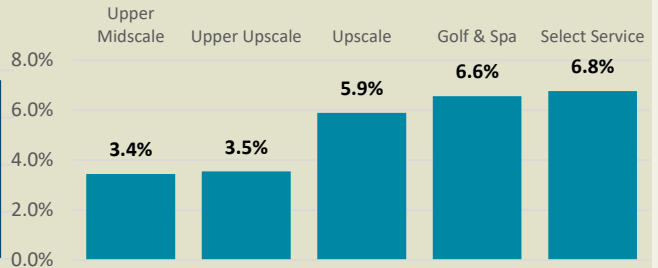
**TRevPAR (£)**  
Q1-2026



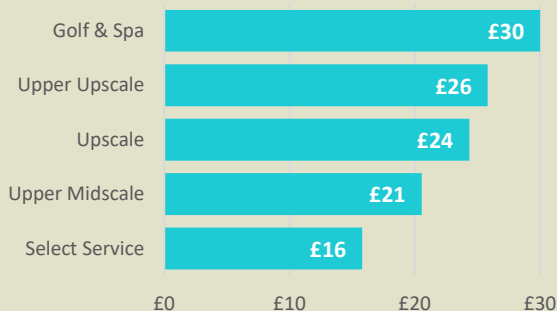
**% Change v Q1 2025**



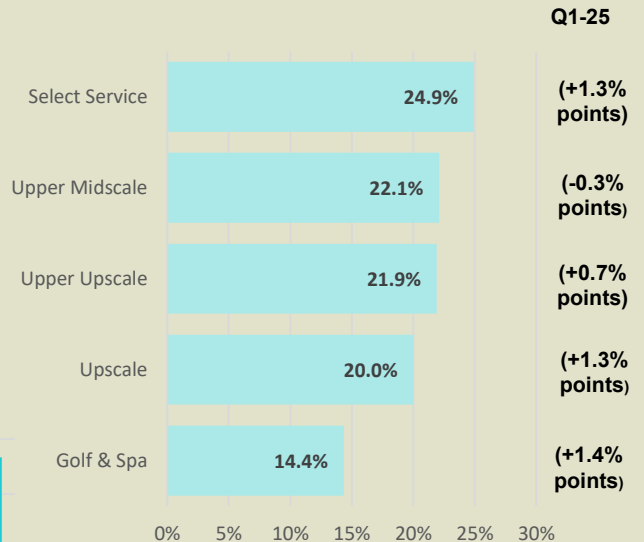
**% Change v Q1 2025**



**GOPPAR (£)**  
Q1-2026



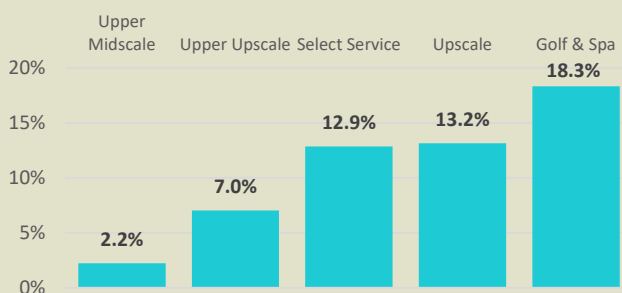
**GOP %**  
Q1-2026



**% point change versus Q1-25**

(+1.3% points)  
(-0.3% points)  
(+0.7% points)  
(+1.3% points)  
(+1.4% points)

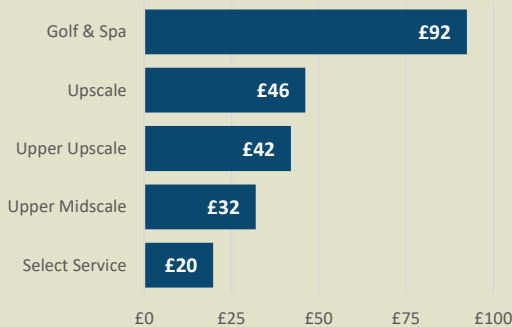
**% Change v Q1 2025**



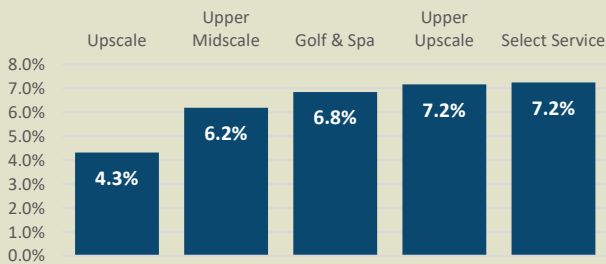
# Departmental Metrics

## Regional UK

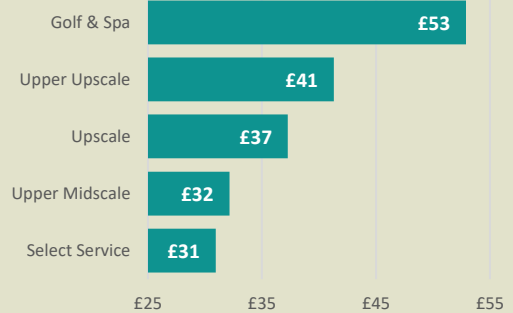
**Total Hotel Payroll POR (£)**  
Q1-2026



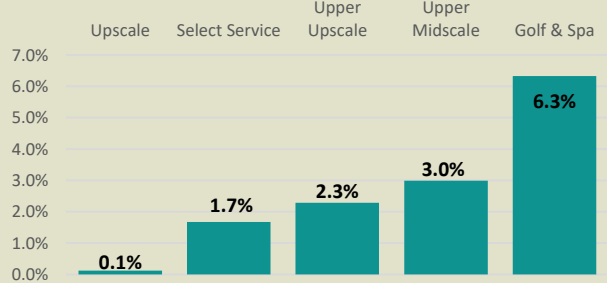
**% Change v Q1 2025**



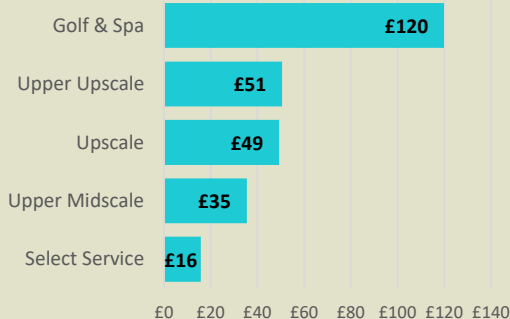
**Rooms Cost POR (£)**  
Q1-2026



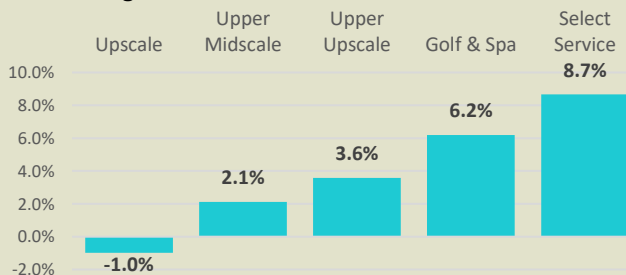
**% Change v Q1 2025**



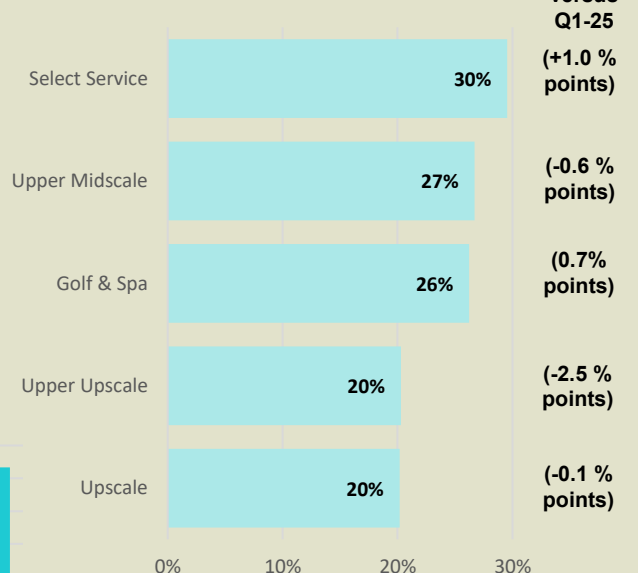
**Food & Beverage Revenue POR (£)**  
Q1-2026



**% Change v Q1 2025**



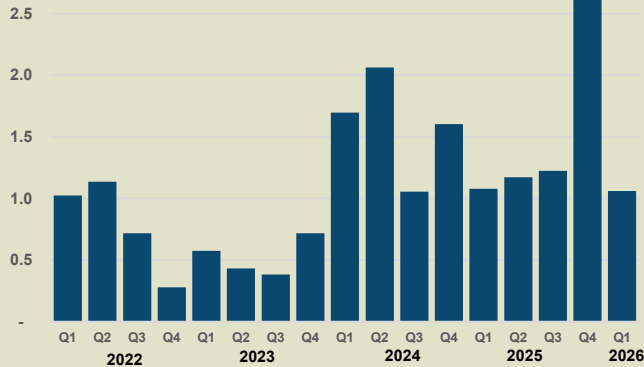
**Food & Beverage Profit Margin %**  
Q1-2026



# UK Hotel Investment

## UK hotel Investment Volumes

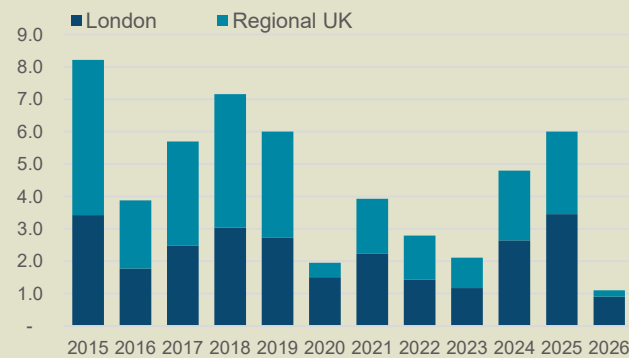
By Quarter, £bn, 2022-2026



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

## March YTD 2026

Volume: £1.1 billion

Hotels transacted: 40+

Rooms: 5,100

London:Regional 80:20 %

Hotel Class:

> Luxury 20%

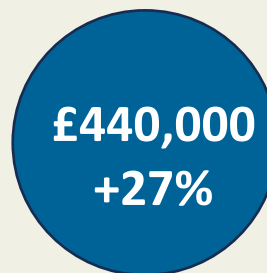
> Upscale & Upper-Upscale 30%

> Upper Midscale & Economy 50%

## Going Concern Hotel Transactions

Average Price per Key (£)

March YTD 2026 v 2025

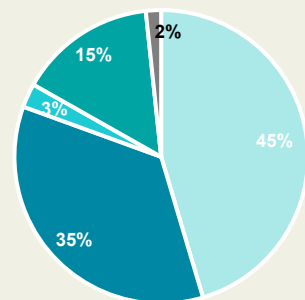


LONDON

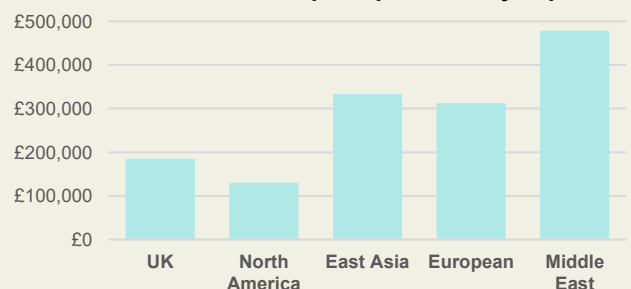


REGIONAL UK

## Geographical capital flows March YTD 2026



## YTD-2026 – Av. transaction price per room by capital flow (£)



## HOTSTATS

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Is a global data benchmarking company that provides specialized performance analysis and a benchmarking platform that services hotels around the world. HotStats, now part of Duetto, collects 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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