UK Hotel Dashboard

Key Hotel trading metrics, quarterly

www.knightfrank.co.uk/research/sector/hotels

17th November 2025

LONDON

Key Performance Indicators (% Change versus 2024)

	Q3-2025		Jan-Sept YTD 2025	
Occupancy	87.5%	1.6%	81.6%	1.0%
ADR	£265.9	2.1%	£238.7	-1.5%
RevPAR	£232.7	4.0%	£194.8	-0.2%
TRevPAR	£288.6	4.7%	£249.9	0.5%
GOPPAR	£132.7	4.8%	£100.0	-3.4%
GOP %	46.0%	0.0%	40.0%	-1.6%

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Note: Occupancy and GOP shown as a % Point Change

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.

ROBUST Q3 REVPAR AND TREVPAR PERFORMANCE RESTORES H1 DEFICIT

London's hotel market has seen a significant uplift in performance in Q3, with all key performance indicators turning positive versus Q3-2024, in sharp contrast to the disappointing first half of the year. Whereas the first six months of 2025 reported a year-on-year decline in RevPAR of 2.6%, the robust 4.0% growth in Q3, has allowed September YTD RevPAR to keep almost level with 2024.

Upper-mid and upscale hotels achieved the strongest occupancy growth of 3.6 percentage points in Q3 to reach over 90% occupancy, and whilst y-o-y ADR growth was constrained to half a percent, this segment recorded the highest RevPAR growth of all segments, a rise of 4.8%. Yet, despite the increase in occupancy, F&B spend declined by 4.4% POR over the same period, leading to lower TRevPAR growth than compared to RevPAR.

Upper-upscale hotels recorded the strongest ADR growth of 2.8%, but with Q3 occupancy lower y-o-y by half a percentage point. The opposite was true for London's luxury hotels, with a respectable rise in occupancy of 2.5 percentage points, but achieved the weakest ADR growth of all London segments in Q3. London's select service hotels recorded a strong Q3 versus 2024, with its H1-2025 RevPAR deficit of -4.3% reduced to -1.2%. Meanwhile, an 11% Q3 growth in F&B revenue provided a further cushion for select service hotels, with Sept-YTD TRevPAR on par with the previous year.

PAYROLL COSTS CONTINUE TO WEIGH HEAVILY ON PROFITS

Following the rise in the NLW and the employers' NIC in April, operational payroll costs are tracking higher in the 6-month period since April, rising by 5.7% PAR than compared to 4.9 % over the Sept YTD period. Undistributed payroll costs are, however, increasing at a faster pace than operational costs, rising y-o-y by 7.9% YTD, yet with the pace of the increase beginning to slow in Q3. As a percentage of total revenue, total payroll costs equated to 28.6% as at Sept-YTD, a rise of 1.4 percentage points versus the same YTD period the previous year.

LONDON SERVICED APARTMENTS LEAD IN YTD GOPPAR PERFORMANCE

During what continues to be a challenging operating environment for hoteliers, with continued sticky inflation resulting in ongoing cost pressures, the ability to increase both occupancy and ADR in Q3 has been instrumental in limiting the annual decline in profitability.

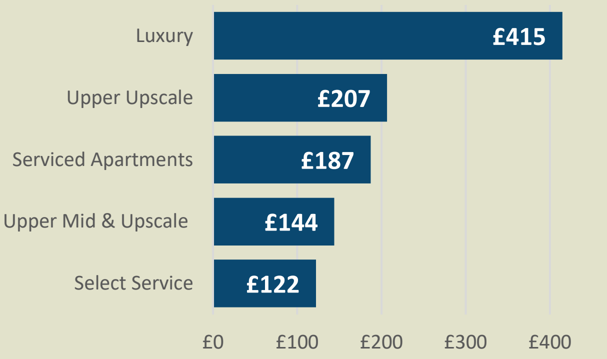
As such, the -4.7% deficit (versus 2024) in the departmental income in H1-2025, has shrunk to -1.3% as at Sept-YTD. Meanwhile, the y-o-y shortfall in GOPPAR has reduced to -3.4%, compared to -8.9% for H1-2025. A reduction in YTD utility costs of 6.6% PAR has further supported GOPPAR and profit margins, with utility costs averaging 3.3% of total revenue over a rolling 12-month basis.

London's serviced apartments is the only segment to record growth in YTD GOPPAR, ahead of 2024 by less than 1%, achieved through driving economies and reaping the benefits of a lean operating model. At 93% occupancy in Q3, payroll costs to service these apartments reduced by 4.3% PAR (compared to an increase of 4.6% PAR across all London hotels). Despite Sept-YTD RevPAR trending 2% down on the same period in 2024, a 5.6% reduction in total costs has been instrumental to this segment's performance.

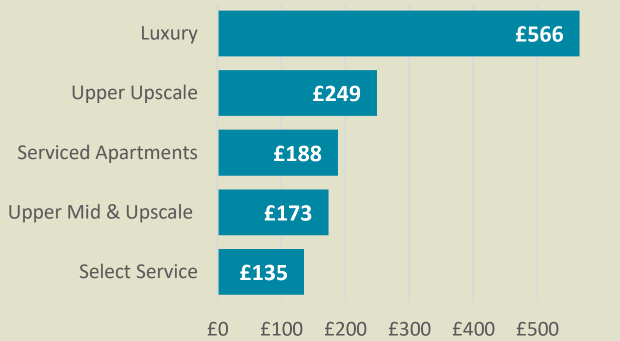
In Q3, the most robust GOPPAR performance came from select-service hotels, and upper-mid and upscale hotels, with an uplift of 7.6% and 6.4%, respectively. In doing so, the YTD annual GOPPAR shortfall remained at 1.9% for both segments, with the rise in costs of between 1% and 1.5% PAR, significantly lower than the London average at 3.2%.

London – Hotel KPIs

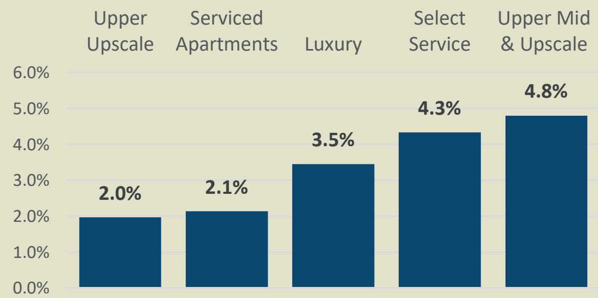
RevPAR (£)
Q3-2025



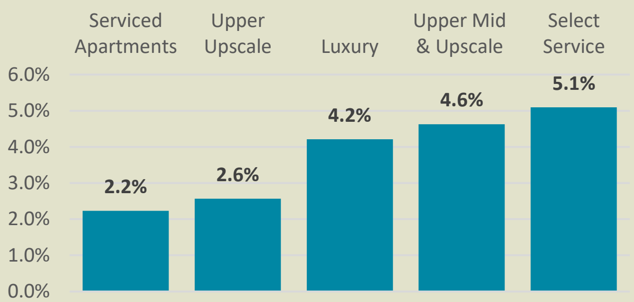
TRevPAR (£)
Q3-2025



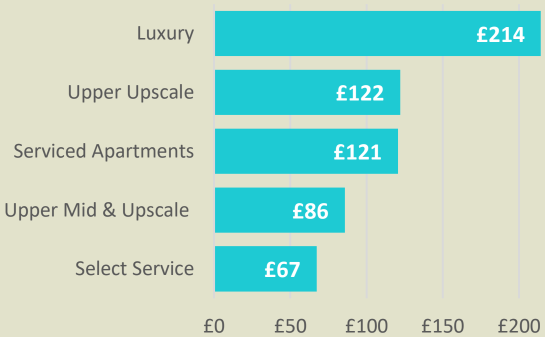
% Change v Q3 2024



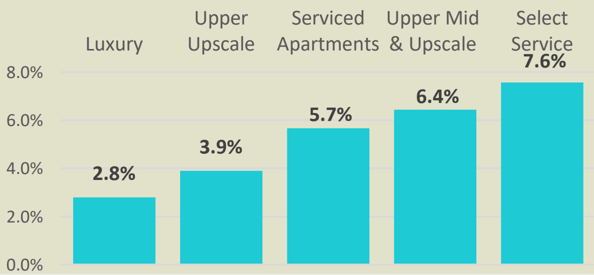
% Change v Q3 2024



GOPPAR (£)
Q3-2025

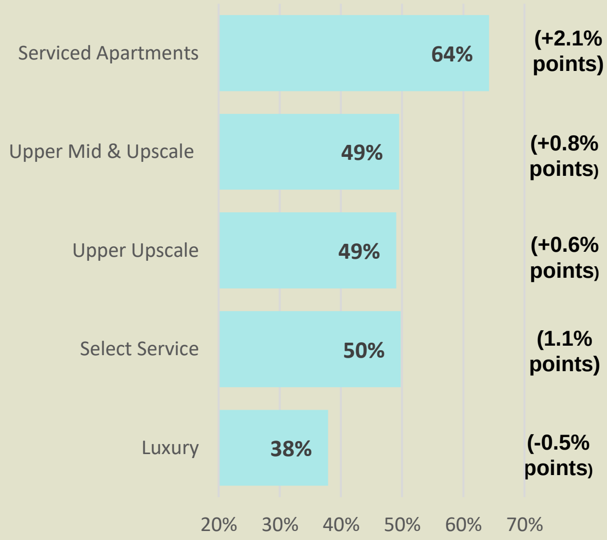


% Change v Q3 2024



GOP %
Q3-2025

% point change versus Q3-24



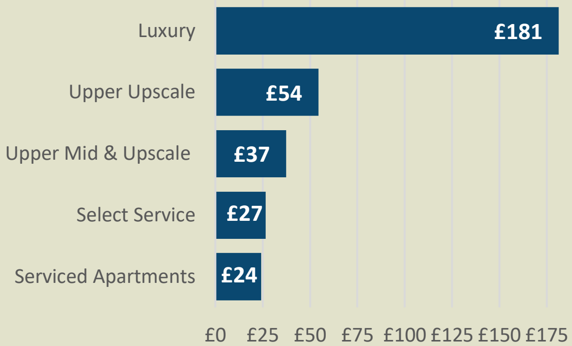
Knight Frank

Departmental Metrics

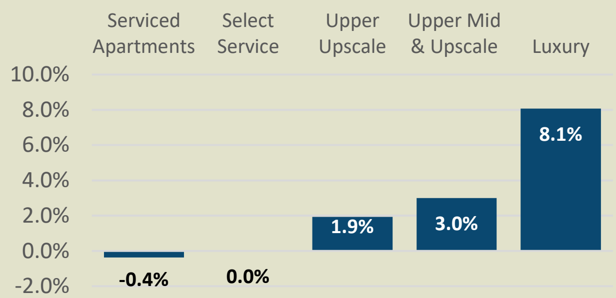
LONDON

Total Hotel Payroll PAR (£)

Q3-2025

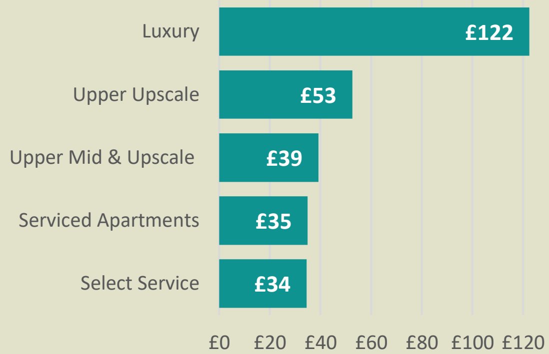


% Change v Q3 2024

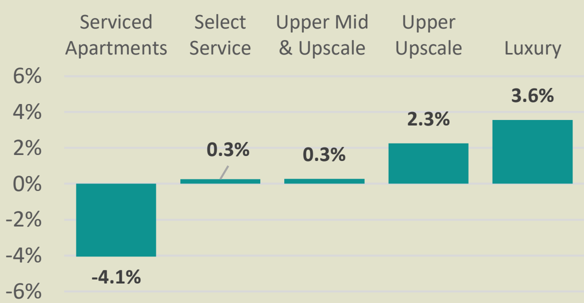


Rooms Cost POR (£)

Q3-2025

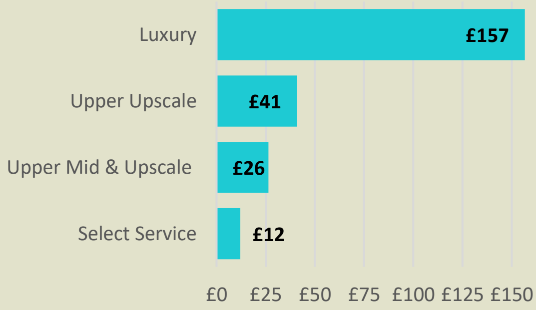


% Change v Q3 2024

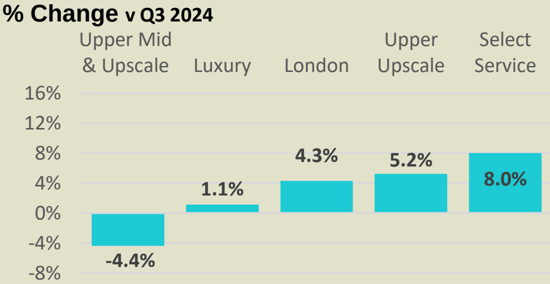


Food & Beverage Revenue POR (£)

Q3-2025



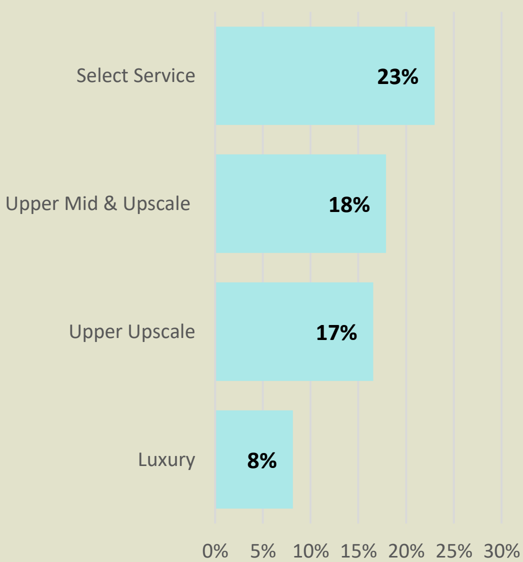
% Change v Q3 2024



Food & Beverage Profit Margin %

Q3-2025

% point change versus Q3-24



(+5.1 % points)

(-0.4% points)

(+2.9 % points)

(-1.6 % points)

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Regional UK

www.knightfrank.co.uk/research/sector/hotels

Key Performance Indicators (% Change versus 2024)

	Q3-2025		Jan-Sept YTD 2025	
Occupancy	82.8%	1.4%	75.9%	0.8%
ADR	£118.3	2.3%	£107.5	0.5%
RevPAR	£98.0	4.1%	£81.6	1.5%
TRevPAR	£144.5	3.6%	£124.7	1.6%
GOPPAR	£53.5	4.5%	£38.5	-0.6%
GOP %	37.0%	0.3%	30.9%	-0.7%

Note: Occupancy and GOP shown as a % Point Change

HOTSTATS a Duetto company

Glossary

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POR / PAR– per occupied / available room
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ROBUST Q3 – OPERATORS ON TRACK TO MEET FULL YEAR FORECASTS

The Regional UK market has enjoyed an upbeat period of trading in Q3, with many operators remaining on track to finish 2025 in line with full-year forecasts. Whilst the first half of the year saw RevPAR fall by 0.5% y-o-y, stronger forward bookings translated into robust RevPAR growth of 4.1% in Q3, which led to an uplift in trading performance for the Sept-YTD period.

Upper-midscale hotels achieved the strongest occupancy growth in Q3, rising by 2.4 percentage points to 83.5%, and alongside 1.6% uplift in ADR, respectable RevPAR growth of 4.6% was achieved. Meanwhile, upper-upscale hotels recorded the highest Q3 growth in RevPAR of 5.3%, and with equally robust growth from F&B and leisure revenues, maintained TRevPAR growth at the same level. Meanwhile, Golf & Spa hotel achieved Q3 RevPAR growth of 3.2%, but with stronger growth coming from ancillary revenues, bolstered TRevPAR to 4.2% growth.

As at September-YTD, Golf & Spa hotels have outperformed the regional market, with y-o-y TRevPAR increasing by 4.7%. Whilst growth in rooms revenue has been limited to 3.0%, leisure revenues have surged by 8.0% PAR and golf by almost 12% PAR. A more challenging trading environment has been endured by regional UK's serviced apartments, where increased competition and pressure on room rates has led to a decline in TRevPAR falling y-o-y by 3.7% over the same YTD period.

Q3 PAYROLL COSTS RISE 4.4% PAR YEAR-ON-YEAR

For Q3-2025, total payroll costs increased y-o-y by 4.4% PAR across all regional hotels, with Rooms payroll increasing y-o-y by 3.6% POR and F&B payroll rising by 4.1% PAR. For the six-month period since April, operational payroll costs have increased by 5% PAR y-o-y, rising at a faster pace than undistributed payroll costs which have increased by 3.2% PAR. As a percentage of total revenue, total payroll costs equated to 31.2% as at Sept-YTD, a rise of almost one percentage point versus the same YTD period the previous year.

DEPARTMENTAL INCOME AHEAD OF 2024, AS AT SEPT-YTD

A concerted effort to control costs, has resulted in non-payroll related expenses across all operational departments to increase by just 1.1% as at Sept-YTD, with certain efficiencies coming from F&B.

Despite payroll and inflationary pressures, the robust Q3 revenue growth has seen a positive contribution to departmental income, with a rise of 4.1% PAR in the Rooms department and 3.8% growth PAR overall, with the growing contribution of 'other' operating departments, notably leisure and car parking. Meanwhile, Q3 departmental income converted at 58.7% of total revenue, marginally ahead of Q3-2024, but half a percentage point down as at Sept-YTD, at 55.4%.

YTD GOPPAR DEFICIT REDUCED, KEEPING PROFITS WITHIN SIGHT OF 2024

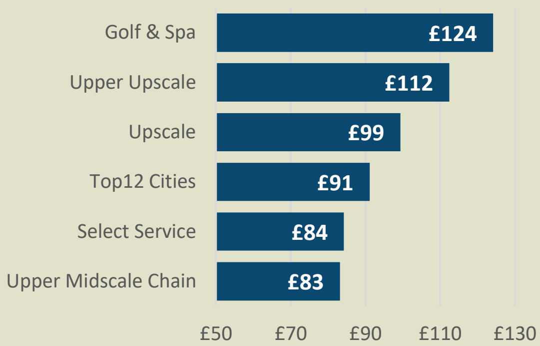
The resilient Q3 performance highlights how profits remain sensitive to movement in demand, room rates and cost inflation. Whilst H1-2025 recorded a y-o-y decline in gross operating profit of 5.0%, these losses have almost fully recovered as at Sept-YTD, with GOPPAR down y-o-y by just 0.6%. Profit margins also improved, with a marginal uplift to 37% in Q3, whilst the YTD deficit has narrowed to just over half a percentage point, to average 30.9%.

As at September YTD only minimal cost savings were made from utility costs, which declined by less than 1.0% PAR, as Q3 recorded utility costs rising by 3.1% PAR. Utility costs averaged 5.6% of total revenue over a rolling 12-month basis, compared to 4.4% over the same 12-month period ending Sept-2019.

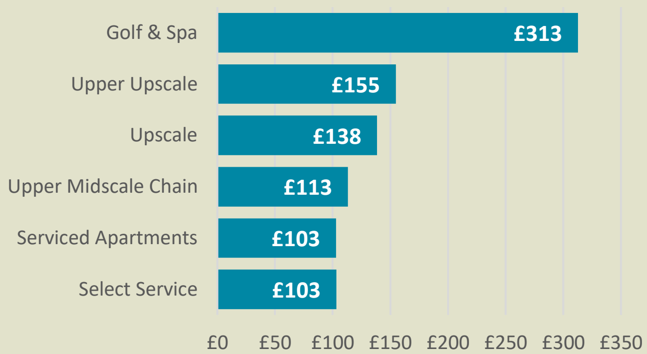
In Q3, regional upper-upscale hotels recorded the strongest uplift in profits, with robust revenue growth supporting the 5.8% rise in payroll costs, whilst driving GOPPAR upwards by 8.6% y-o-y. Upper-midscale hotels also achieved a strong Q3 performance with GOPPAR growth of 5%. As at Sept-YTD, regional upper-midscale, upscale and upper-upscale hotels have all recorded GOPPAR on par with 2024, whilst Golf & Spa hotels was the only segment to record GOPPAR growth, ahead by 1.1% over the same period. Both Select Service hotels and serviced apartments achieved good levels of profitability in Q3, reducing their YTD y-o-y shortfalls in GOPPAR.

Regional UK - KPIs

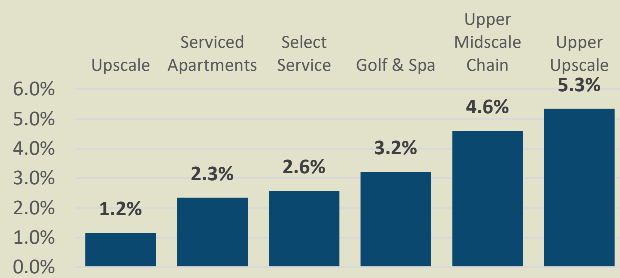
RevPAR (£)
Q3-2025



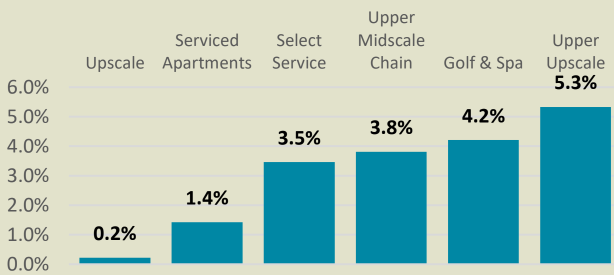
TRevPAR (£)
Q3-2025



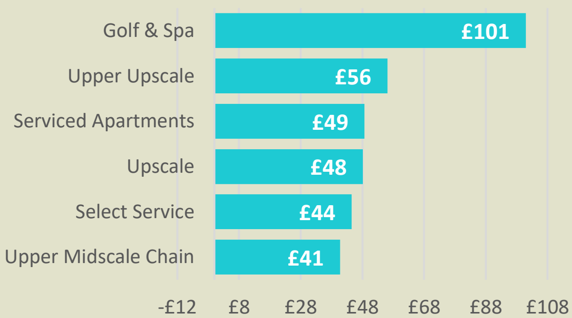
% Change v Q3 2024



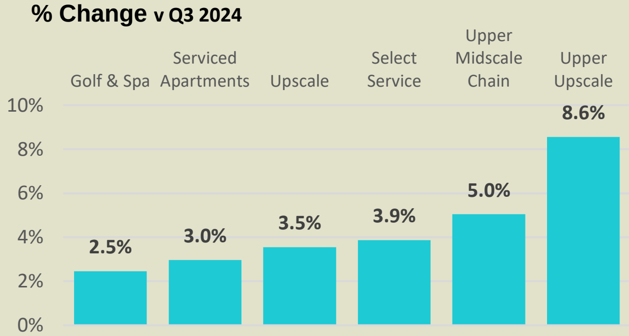
% Change v Q3 2024



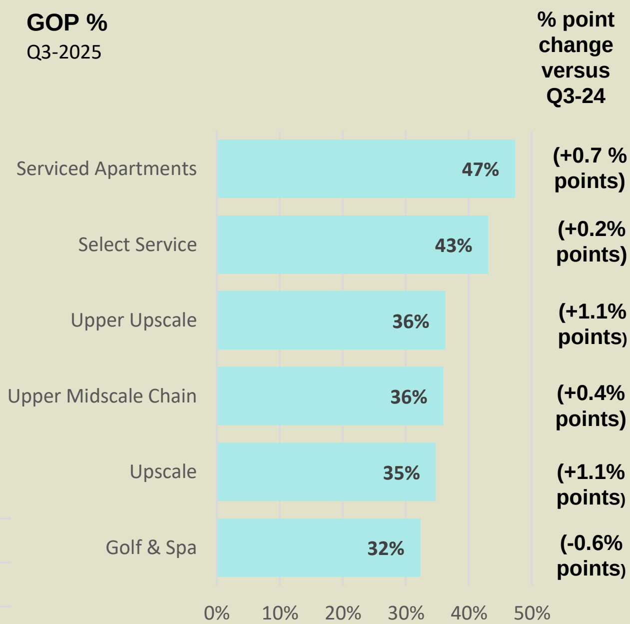
GOPPAR (£)
Q3-2025



% Change v Q3 2024



GOP %
Q3-2025



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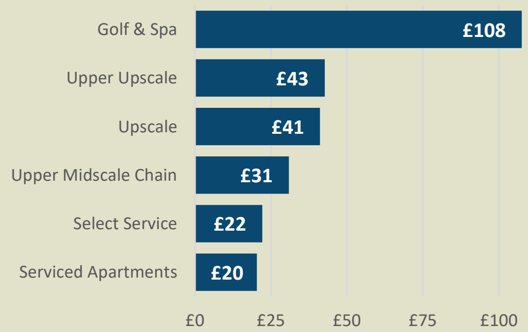
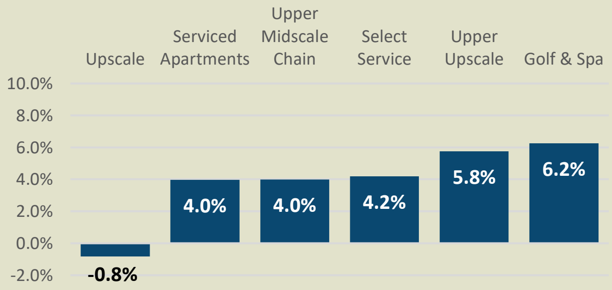
Departmental Metrics

Regional UK

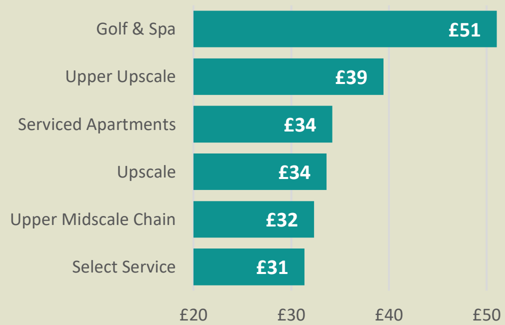
Total Hotel Payroll POR (£)
Q3-2025



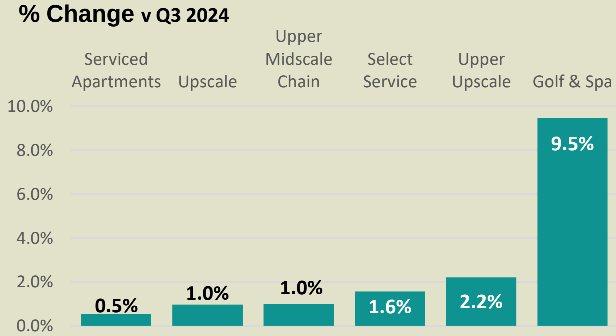
% Change v Q3 2024



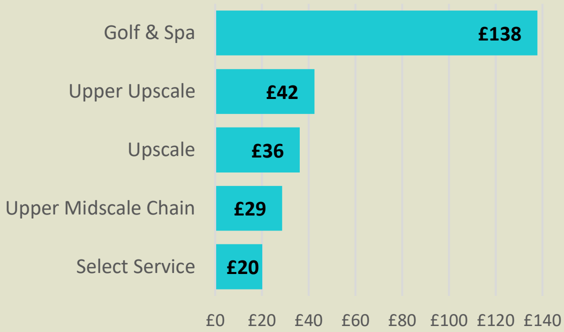
Rooms Cost POR (£)
Q3-2025



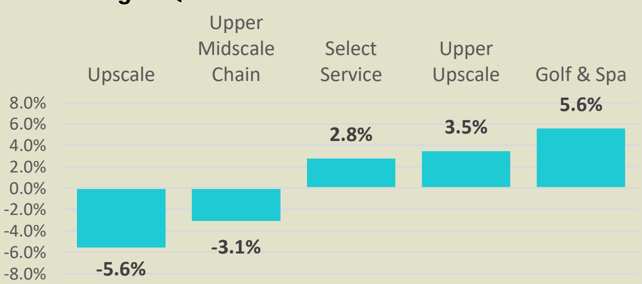
% Change v Q3 2024



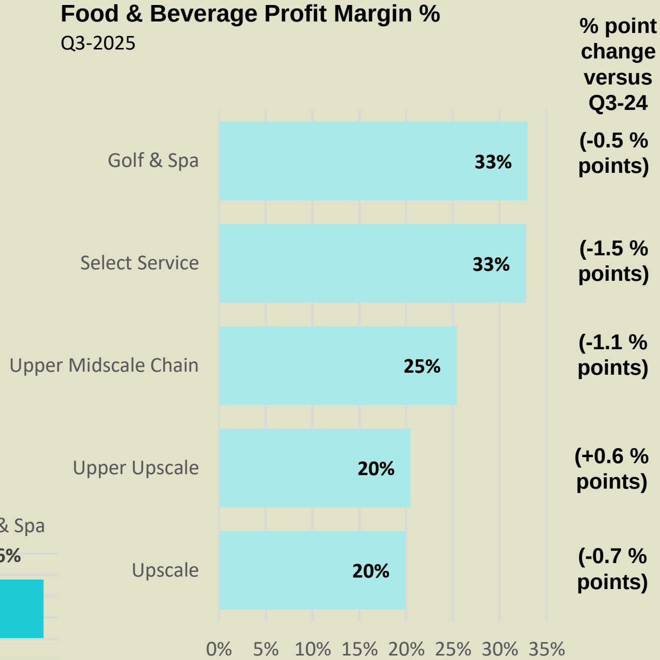
Food & Beverage Revenue POR (£)
Q3-2025



% Change v Q3 2024



Food & Beverage Profit Margin %
Q3-2025



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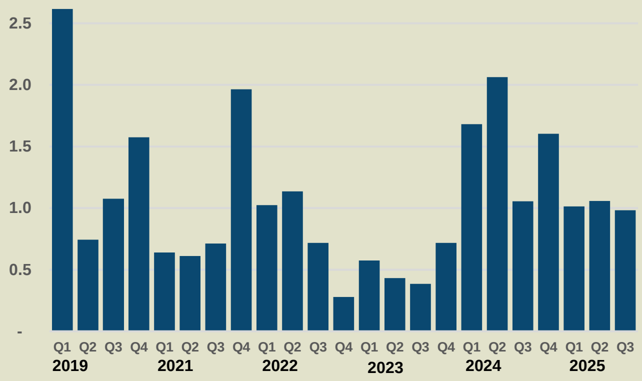
UK Hotel Investment

UK hotel Investment Volumes

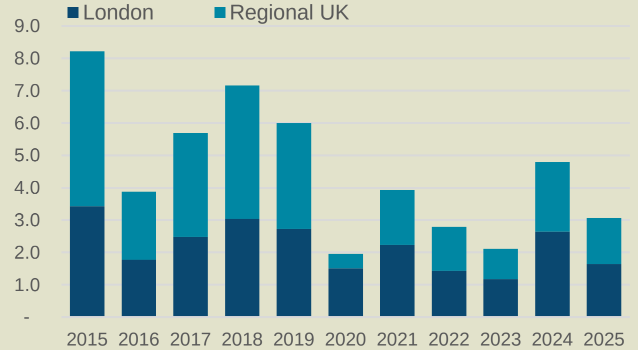
By Quarter, £bn, 2019-2025



Source: CoStar Group, MSCI, Knight Frank Research

Investment Volumes, London v Regional UK

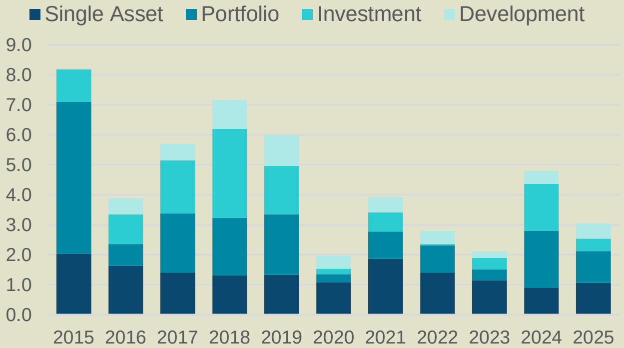
£bn



Source: CoStar Group; MSCI, Knight Frank Research

Investment Volume Breakdown

£bn



Source: CoStar Group; MSCI, Knight Frank Research

September YTD 2025
Volume: £3 billion (incl. development)
Hotels transacted: 150+
Rooms: 18,600
Market Share:
> London: 45%
Hotel Class:
> Luxury 23%
> Upscale & Upper-Upscale 39%
> Upper Midscale & Economy 38%

Going Concern Hotel Transactions, Sept YTD 2025 v 2024

Average Price per Key (£)

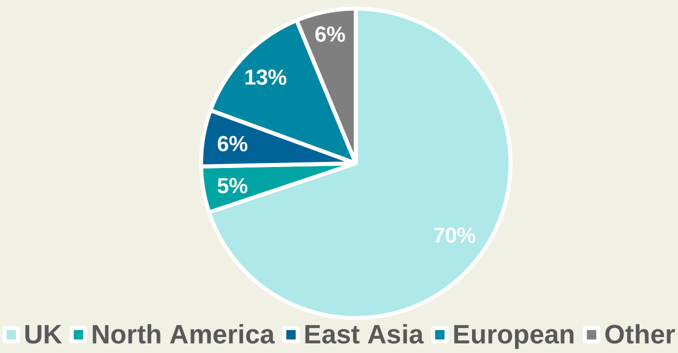
£315,000
-18%

LONDON

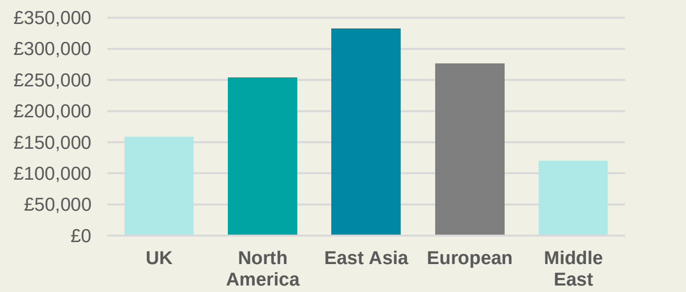
£129,000
-3%

REGIONAL UK

Geographical capital flows Sept YTD 2025



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



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.
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