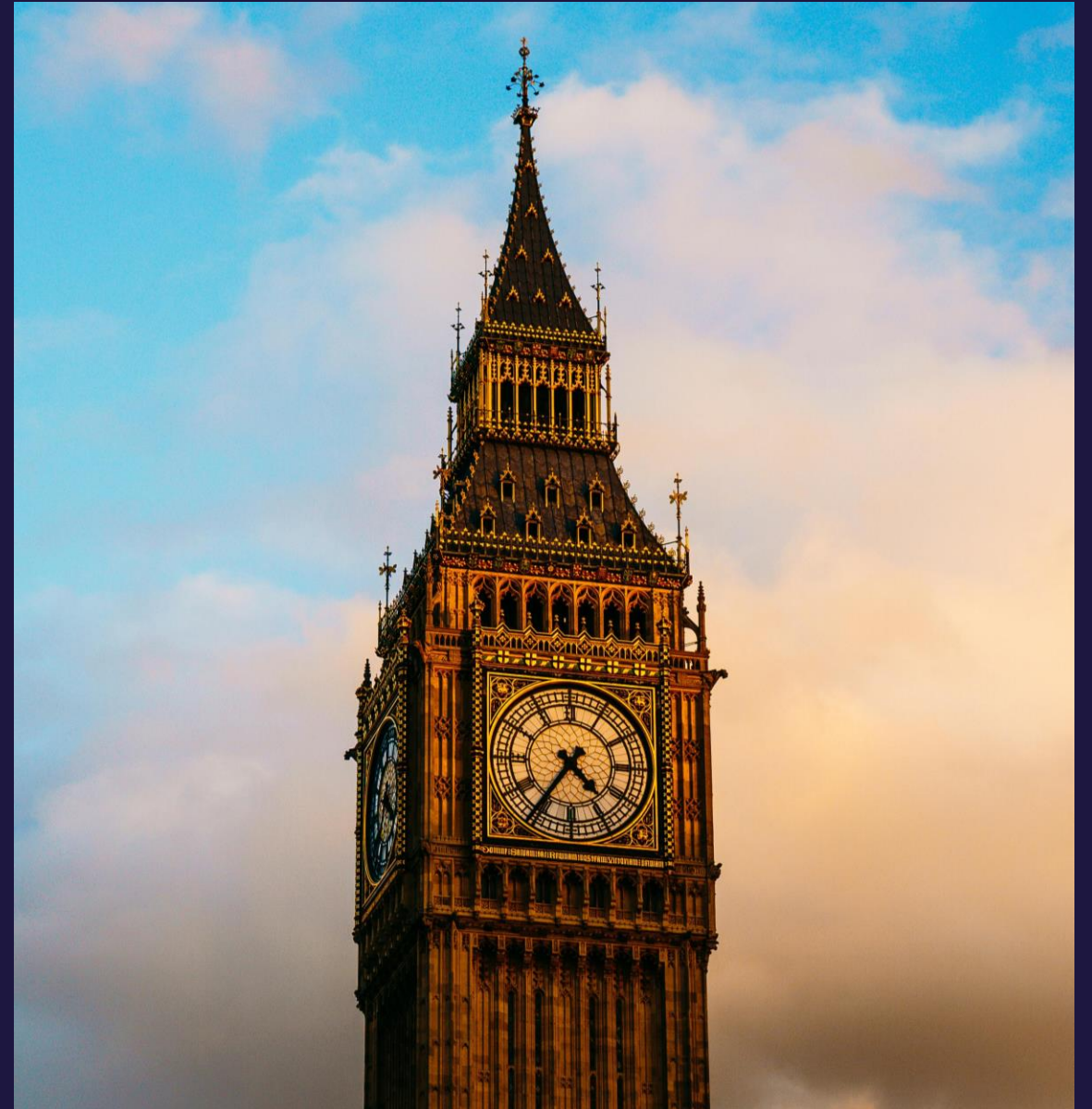


# LONDON HOTEL MARKET SPOTLIGHT

YE DEC 2024 vs YE DEC 2023

Better never settles



## OVERVIEW

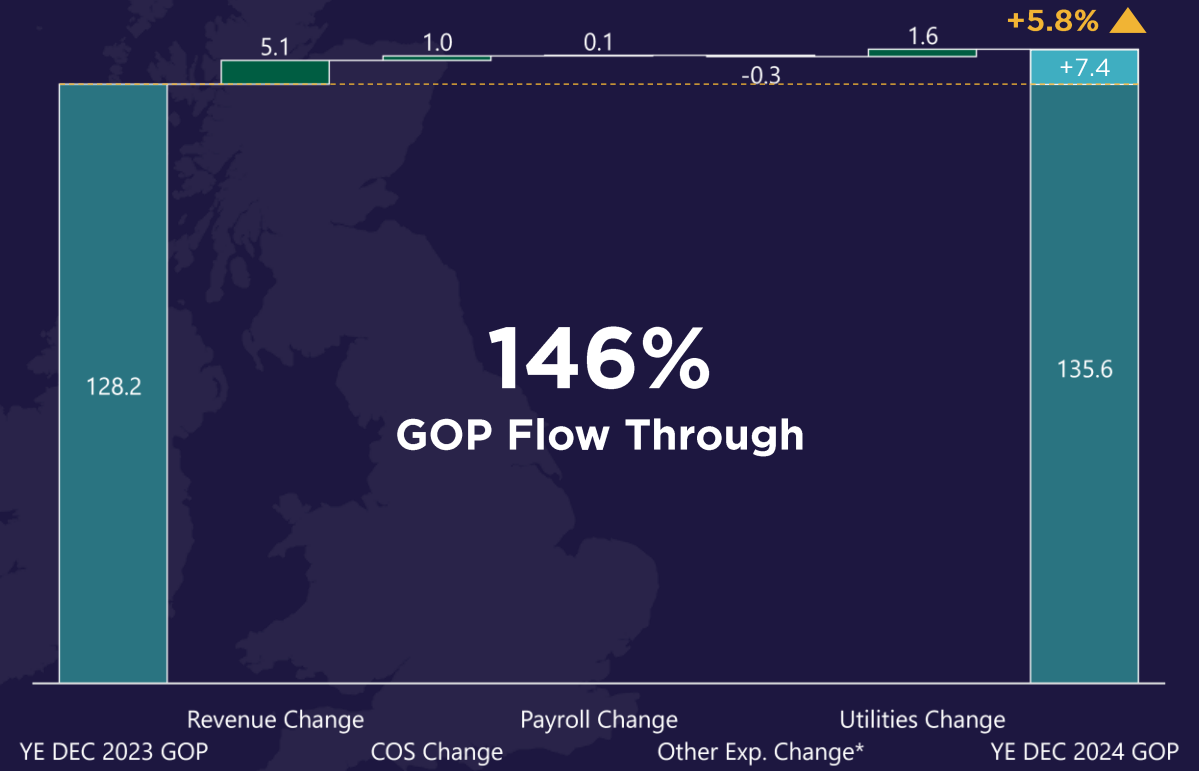
- The sample of branded full-service hotels in London recorded an increase in profit during the full year 2024 relative to 2023. GOP per available room (GOPPAR) rose by 5.8% driven by a 1.8% revenue increase, and a decrease in expenses (-1.5%).
- Rooms revenue grew by 2.9%, resulting from a 2.9% rise in occupancy, while ADR remained steady at £280. In contrast, F&B revenue declined by 4%, dropping to £56 per occupied room (POR).
- Occupancy rates increased in May, June, and July by +5.7%, +4.7%, and +4.8%, respectively, compared to the same period last year. This growth was driven by strong demand and limited supply, with 3,053 new rooms added throughout 2024, resulting in a moderate 2.1% increase in total inventory.
- The reduction in expenses was primarily driven by lower utility costs (-£1.6 PAR), followed by a decrease in Cost of Sales, with declines in both the F&B (-£0.62 PAR) and Rooms (-£0.25 PAR) departments.
- The combined effect of increased revenue and reduced cost resulted in a 146% flow-through to the bottom line, increasing the GOP margin from 44.7% to 46.5%.

### KPI SUMMARY

	YE DEC 2024	% Change
ADR (£)	280.4	0.0%
Occupancy %	84.2%	2.9%
Rooms Revenue (PAR)	236.2	2.9%
F&B Revenue (PAR)	47.3	-4.0%
Total Op. Revenue (PAR)	291.6	1.8%
Total Op. Expenses (PAR)	155.9	-1.5%
GOP (PAR)	135.6	5.8%
GOP %	46.5%	+1.8pp

## REVENUE GROWTH SURPASSING EXPENSES AND DRIVING PROFIT

(per available room per day - GBP)



## COST OF SALES

- Total COS decreased by £0.90 PAR (-4.6%), primarily driven by the F&B department (-£0.62 PAR).

## PAYROLL COSTS

- Total payroll costs registered a slight 0.2% decrease, maintaining a level of £68 PAR.
- The largest reduction occurred in the F&B department (-£1.5 PAR), offset by an increase in the Rooms department (+£0.61 PAR).

## OTHER EXPENSES (excl. Utilities)

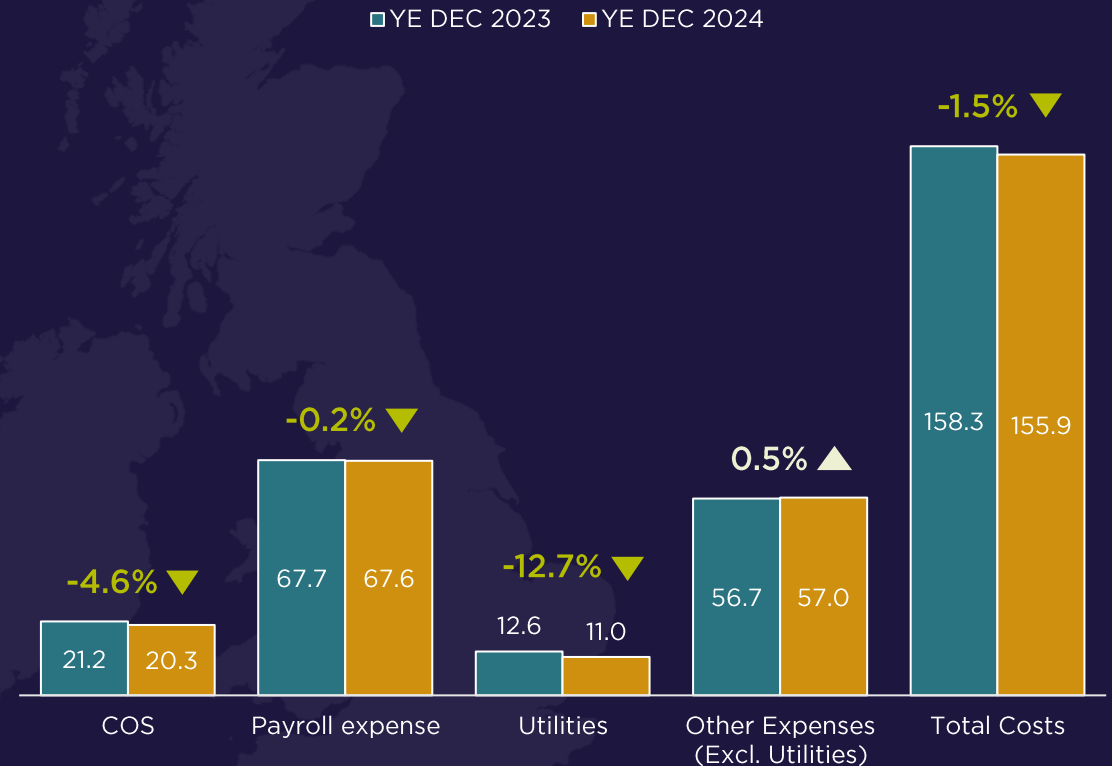
- Other expenses increased by £0.30 (+0.5%) to £57 PAR. This rise was primarily driven by higher costs in the Rooms (+£0.53 PAR), POM (+£0.37 PAR), and S&M (+£0.35 PAR) departments, partially offset by a £1.10 PAR reduction in the F&B department.

## UTILITY COSTS

- Utility costs decreased by £1.6 PAR (-12.7%), driven by a reduction of electricity expenses (-£1.2 PAR).

## TOTAL EXPENSE REDUCTION DRIVEN BY UTILITIES AND COS

(per available room per day - GBP)

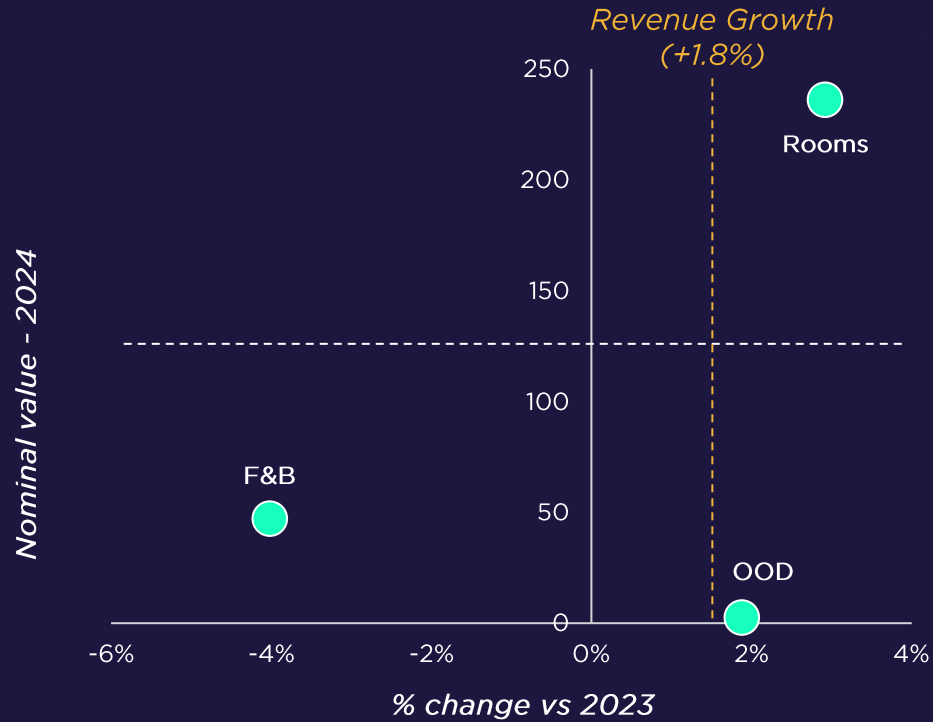


Rooms department contributed 132% of the overall revenue growth (+£6.7 PAR).

Expenses reduction driven by F&B department and Utility expense (-£3.5 PAR, -£1.6 PAR, respectively).

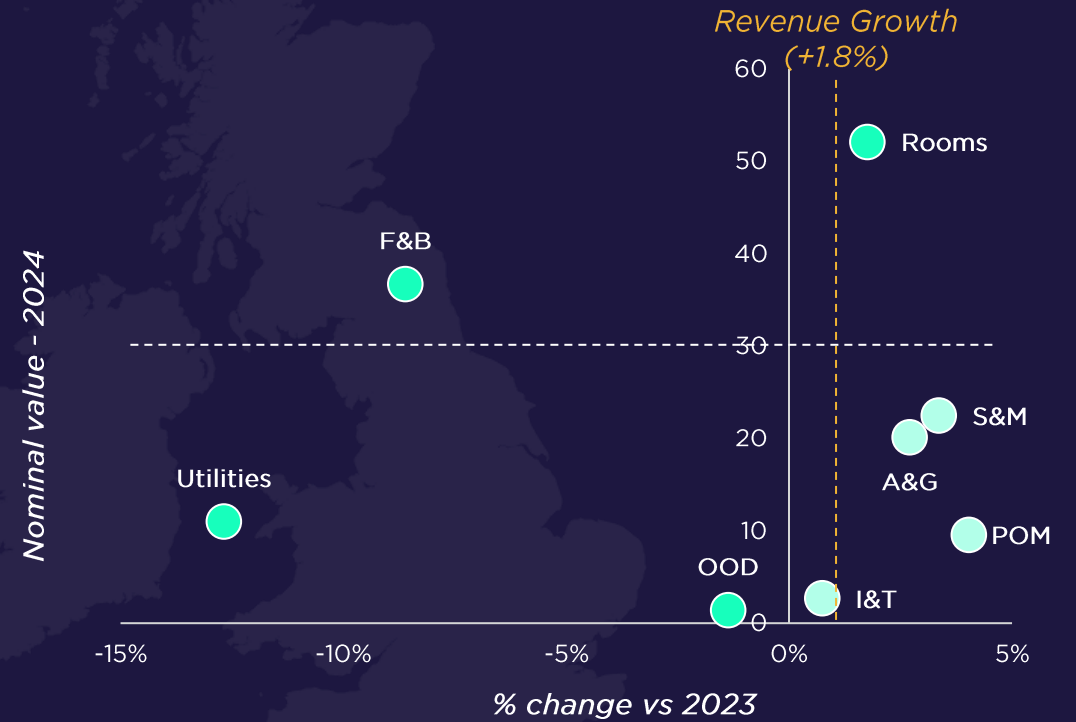
## DEPARTMENTAL REVENUES

(per available room per day - GBP, YE December)



## DEPARTMENTAL & UNDISTRIBUTED EXPENSES

(per available room per day - GBP, YE December)



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