

MARKETBEAT UK HOSPITALITY Q3 2025



MARKET FUNDAMENTALS

Q3 2025

YoY Chg

Outlook

£1.3B



Investment Volume

5.0-6.0%



London Prime Yields (HMA)

+2.7%



YoY RevPAR Growth

1.4%





YoY Supply Growth

INVESTMENT HIGHLIGHTS

51 / 6,909

Hotels / Rooms Transacted

£192,783

Average Price per Room

30%

Of volume was invested in Upper Midscale Hotels

ECONOMIC INDICATORS

1.2%





YoY Real GDP Growth

YoY Inflation Growth

4.1%





INVESTMENT ACTIVITY

The UK hotel investment market saw a surge in activity during Q3 2025, outperforming the same period in 2024 by 69%. This growth has been primarily driven by significant capital deployment into Central London, which accounted for £770 million, or 58% of the total £1.3 billion in transaction volume. Major deals included large-scale single assets such as the Holiday Inn London Kensington, Novotel London West and The Hoxton Southwark. Although year-to-date volumes remain 54% below those recorded in the same period in 2024, market activity has picked up towards year-end, with 51 hotels (6,909 keys) changing hands in Q3, compared to 40 hotels (5,013 keys) in Q3 2024. Despite the increased momentum, investor sentiment remains cautious amid uncertainty around the upcoming fiscal budget and softening operational performance in core markets such as London. Lenders are expected to place greater emphasis on EBITDA performance, which continues to face pressure from rising operating costs and stabilising revenue streams.

PRIME YIELDS

As the year draws to a close, prime yields remain broadly stable since last quarter, with the effects of recent interest rate cuts expected to filter through, potentially driving a further tightening of prime yields by year-end.

SUPPLY & DEMAND

Supply in Q3 2025 increased by 1.4%, remaining broadly in line with the same period last year. However, this growth is expected to accelerate, with a further 2.8% rise anticipated by year-end. Demand also remained stable, recording 1.7% growth in Q3 2025, consistent with Q3 2024 and is projected to increase by 2.7% by year-end, maintaining equilibrium with supply.

PERFORMANCE

RevPAR experienced growth throughout Q3 2025, rising by 2.7%, largely driven by a 2.3% increase in ADR. Occupancy remained relatively stable, increasing only marginally by 0.3%, although both metrics still outperformed the same period last year. In London, performance has remained flat, with occupancy expected to decline slightly toward year-end, while ADR growth is likely to be more modest compared to regional markets.

RECENT TRANSACTION TRENDS

(GBP, MILLIONS)

	Current Period (Q3 2025)				
	Hotels	Rooms	Volume	% Change)
UK	51	6,909	1338	69%	
Regional	43	4,618	568	51%	
London	8	2,291	770	85%	
Glasgow	2	261	39	N/A	N/A
Birmingham	3	475	33	106%	
South West England	2	424	24	N/A	N/A
	Current Year (2025)				
		Curren	t Year (20	25)	
	Hotels	Curren Rooms	•	25) % Change	
UK	Hotels 165	_	•		
UK Regional		Rooms	Volume	% Change	
	165	Rooms 18,209	Volume 2,890	% Change -55% I -51%	
Regional	165 137	Rooms 18,209 13,269	Volume 2,890 1,543	% Change -55% I -51%	
Regional London	165 137 28	Rooms 18,209 13,269 4,940	Volume 2,890 1,543 1,347	% Change -55% -51% -59%	

^{*}Refers to the % change in transaction volume from the previous period

ANNUAL TRANSACTION VOLUME

(GBP, BILLIONS)

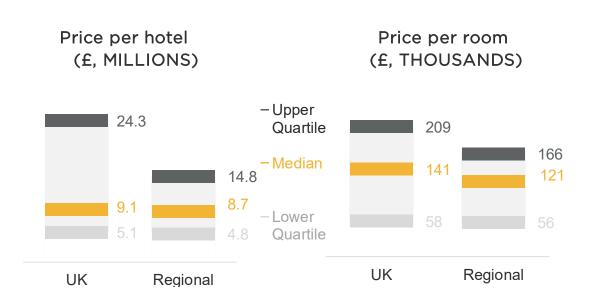


Sources: Cushman & Wakefield / Oxford Economics / ONS / RCA / STR

Better never settles

UKHOSPITALITY Q3 2025

TRANSACTION PRICE PER HOTEL & ROOM (Q3 2025)



BREAKDOWN BY NO. OF ROOMS & DEAL SIZE (Q3 2025)

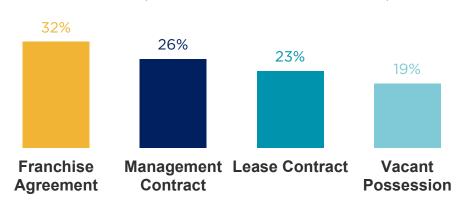
% SHARE OF DEALS

3

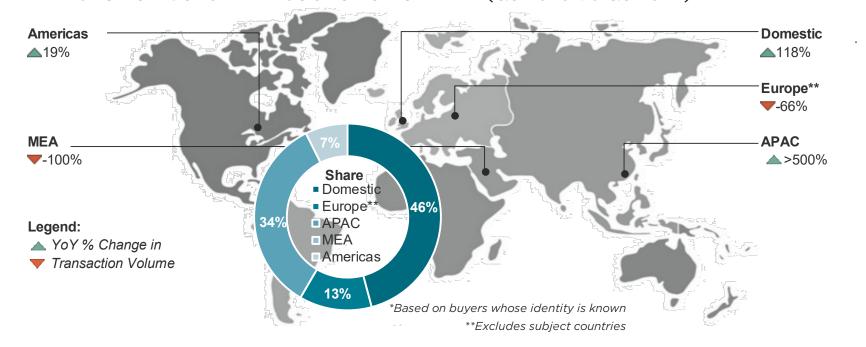


TRANSACTION VOLUME BY OPERATING STRUCTURE (Q3 2025)

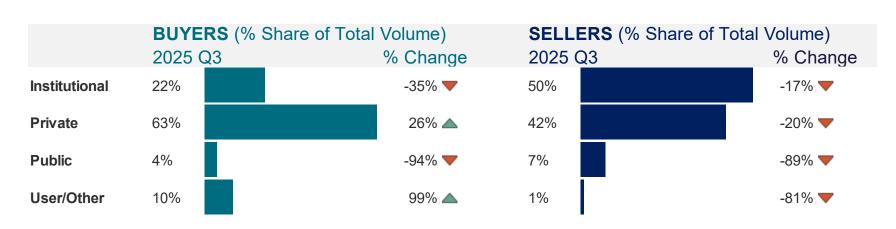
% SHARE OF DEALS (BY INVESTMENT VOLUME)



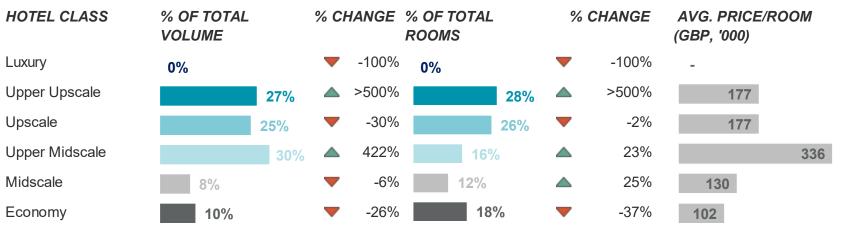
TRANSACTION VOLUME BY SOURCE OF CAPITAL (Q3 2025 VS Q3 2024)



TRANSACTED VOLUME BY TYPE OF INVESTOR (Q3 2025 VS Q3 2024)



TRANSACTION VOLUME PER HOTEL CLASS (Q3 2025 VS Q3 2024)



© 2025 Cushman & Wakefield



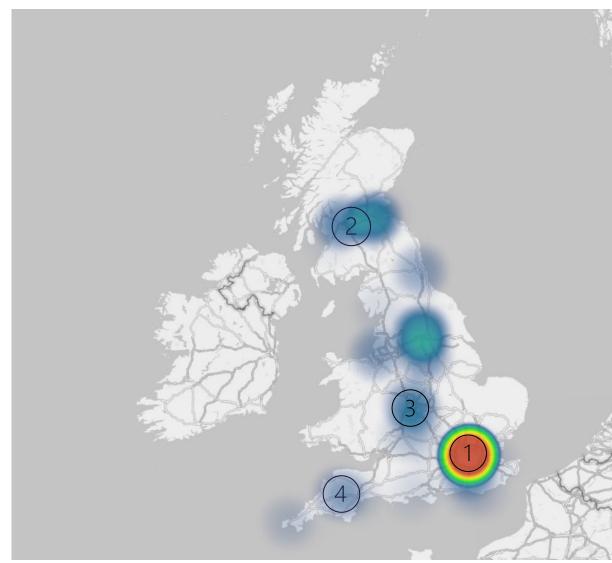
SELECTED MAJOR HOTEL TRANSACTIONS (Q3 2025)

Property	Market	Rooms	Buyer	Origin	Seller	Origin
Holiday Inn London Kensington High St	UK, London	708	CDL Hospitality Trusts	SGP	Cola Holdings Ltd.	GBR
Novotel London West	UK, London	630	The Arora Group	IND	Ares Management Limited; EQ Group	USA, FIN
Hoxton Southwark	UK, London	192	Yellow Tree Holdings	GBR	Ennismore	GBR
Ragdale Hall Spa	UK, Ragdale	87	Fortress Investment Group	USA	Confidential	N/A
Hyatt Place & Hyatt House Leeds	UK, Leeds	305	Legal & General	GBR	Tritax Big Box	GBR
Radisson Blu London Euston Square (Mixed Use)	UK, London	330	DTZ Investors	GBR	Starwood Capital Group	USA
ibis Edinburgh Centre South Bridge	UK, Edinburgh	259	Essendi	FRA	Confidential	N/A
Mercure Sheffield St Paul's	UK, Sheffield	169	1912 Hotels	DEU	LRC UK Ltd.	GBR
Premier Inn St Enoch Square	UK, Glasgow	249	Aberdeen Group plc	GBR	Confidential	N/A
Crowne Plaza Liverpool City Centre	UK, Liverpool		Centre Island Hotels	GBR	Ability Group	GBR
41 Kingsway	UK, London	73	MNX Properties Limited; Amano Group	GBR	Regal London	GBR
Malmaison Newcastle	UK, Newcastle	122	Alderan	FRA	Legal & General	GBR
Ibis Styles Birmingham Centre	UK, Birmingham	120	Blue Owl Capital	USA	Sterling Property Ventures Limited	GBR
Ardencote Hotel & Spa	UK, Claverdon	110	The Barons Eden Group	GBR	Confidential	N/A
Travelodge London Beckton	UK, Barking	113	Confidential	N/A	Segro PLC	GBR
Queens Hotel Cheltenham	UK, Cheltenham	84	KE Hotels	GBR	Sir Richard Sutton's Settled	GBR
MyHotel Brighton	UK, Brighton	79	Numa	FRA	Confidential	N/A
Travelodge Harrogate & Pure Gym	UK, Harrogate	70	Corum Asset Management	FRA	CBRE Investment Management	USA
Greywalls Hotel and Chez Roux	UK, Gullane	35	AJ Capital Partners	USA	Greywalls LLP	UK
Mina House	UK, London	28	Confidential	N/A	Confidential	N/A

HOTEL TRANSACTIONS HEAT MAP (Q3 2025)

<£1 million

	• · · · · · · · · · · · · · · · · · · ·	II (GO 2020)
1) London		② Glasgow
Transaction Volume (M)	£770	Transaction Volume (M) £39
Rooms Sold	2291	Rooms Sold 261
Properties Sold	8	Properties Sold 2
Avg Price / Room (K)	£336	Avg Price / Room (K) £151
(3) Birmingham		(4) South West England
Transaction Volume (M)	£33	Transaction Volume (M) £24
Rooms Sold	475	Rooms Sold 424
Properties Sold	3	Properties Sold 2
Avg Price / Room (K)	£69	Avg Price / Room (K) £57



Note: Top 4 cities have been noted excluding Edinburgh and Leeds as only 1 hotel has transacted in each market.

Note: Selection of largest transactions in Q3 2025, ordered by deal size

Source: Cushman & Wakefield

© 2025 Cushman & Wakefield



METHODOLOGY

Cushman & Wakefield's quarterly estimates are derived from a variety of data sources, including its own proprietary database, and historical data from third party data sources. The figures provided for the current quarter are preliminary, and all information contained in the report is subject to correction of errors and revisions based on additional data received.

A contingency of 5% is assumed for total transaction volumes, rooms and properties sold in the last 12 months, as some deals are revealed with notable delay.

EXPLANATION OF TERMS

Prime Yields (HMA): The prevailing initial yields (current income divided by sales price) for quality stabilized assets in prime locations, managed under Hotel Management Agreement by professional operator (the HMA is not terminable on sale or in near-term after the sale). The yields are based on actual transactions where available as well as the sentiment indicated by investors.

Average Price per Room: Transaction KPI calculated by dividing the total transaction volume by the number of rooms transacted. In case of majority deals, the number of rooms is adjusted to reflect the proportion of the volume sold. Minority deals are excluded from the calculation. Median, Upper-quartile (75%) and Lower-quartile (25%) are based on the price-per-room data over the period (not weighted by total deal size). The average price per room by hotel class is influenced by the location of hotels transacted within that class. As a result, there may be instances where a lower hotel class shows a higher average price per room if those hotels were sold in more premium locations during the period.

Operating Performance Indicators

Occupancy: Percentage of available rooms sold during the period (Rooms Sold / Rooms Available).

ADR: Average Daily Rate paid for rooms sold (Rooms Revenue / Rooms Sold).

RevPAR: Revenue Per Available Room during the period (Rooms Revenue / Rooms Available).

GOPPAR: Gross Operating Profit Per Available Room (Hotel gross operating profit / Rooms Available).

Operating/Deal Structures

5

Franchise Agreement Structure: A hotel operating model where the owner directly operates the property but uses a specific brand, paying fees for the brand name, standards, and marketing support, while keeping full control of day-to-day operations.

Management Contract Structure: A hotel operating model where the property is managed by a third-party hotel operator on behalf of the owner. If a hotel is managed by non-branded operator and uses brand name via franchise agreement, it is recorded as "Management Contract" structure.

Leased Contract Structure: A hotel operating model where the property is leased to a third party with fixed, variable, or hybrid (fixe and variable) rent.

Vacant Possession: A hotel that is free from any contractual encumbrances, allowing the new owner immediate and unrestricted control upon transfer. Even if a hotel has franchise agreement or management contract or lease contact in place, but it expires on sale or it is terminable on sale, the deal is considered as "Vacant Possession" sale.

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2024, the firm reported revenue of \$9.4 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit www.cushmanwakefield.com.

©2025 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable, including reports commissioned by Cushman & Wakefield ("CWK"). This report is for informational purposes only and may contain errors or omissions; the report is presented without any warranty or representations as to its accuracy.

Nothing in this report should be construed as an indicator of the future performance of CWK's securities. You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.

AUTHORS

ANASTASIA COOPER

Consultant Hospitality
Capital Markets
M: +44 (0) 7827 197 974
anastasia.cooper@cushwake.com

FRANCESCA MADDEN

Senior Consultant Hospitality
Capital Markets
M: +44 (0) 7741 153 708
francesca.madden@cushwake.com

LISE KELLER

Senior Consultant Strategic Advisory & Hospitality Research, EMEA
M: +44 7799 159 306
lise.keller@cushwake.com

REGIONAL MARKET RESEARCH LEAD

DARYL PERRY

Partner, Research and Insight
Head of UK&I Business Development
Services
+44 (0) 7341 109 340
daryl.perry@cushwake.com

© 2025 Cushman & Wakefield

UK HOSPITALITY Q3 2025

KEY CONTACTS

UK&I

ED FITCH

Head of Hospitality UK&I M: +44 (0) 7760 405 978

ed.fitch@cushwake.com

ANDREW HORDER

Partner, Hospitality Capital Markets
UK&I
M: +44 (0) 7990 814 861
andrew.horder@cushwake.com

FRANCESCA MADDEN

Senior Consultant,
Hospitality Capital Markets
M: +44 (0) 7741 153 708
francesca.madden@cushwake.com

ANASTASIA COOPER

Consultant,
Hospitality Capital Markets
M: +44 (0) 7827 197 974
anastasia.cooper@cushwake.com

CARL RIDGLEY

Head of Hospitality Valuation & Advisory EMEA
M: +44 (0) 7710 153 982
carl.ridgely@cushwake.com

YANA LYTVYNCHUK

Associate, Hospitality Valuation & Advisory
M: +44 (0) 7765 446 938
yana.lytvynchuk@cushwake.com

IOANA STUPU

Consultant, Hospitality
Valuations &
Advisory
M: +44 (0) 7502 632 176
ioana.stupu@cushwake.com

MARK WOOLFITT

Partner, Hospitality Valuation & Advisory
M: +44 (0) 2073 986 279
mark.woolfitt@cushwake.com

VICTORIA GASSMANN

Senior Consultant, Valuations &
Advisory
M: +44 (0) 7769 961 275
victoria.gassmann@cushwake.com

SIMON HALL

Senior Surveyor, Valuations & Advisory
M: +44 (0) 7769 246 577
simon.hall@cushwake.com

EMEA

JON HUBBARD

Head of Hospitality,

EMEA

M: +44 (0) 7921 492 681

Jonathan.hubbard@cushwake.com

FRED LE FICHOUX

Head of Hotel Transactions, EMEA M: +420 724 319 802 frederic.lefichoux@cushwake.com

BORIVOJ VOKRINEK

Strategic Advisory & Head of Hospitality Research, EMEA M: +420 727 906 030 borivoj.vokrinek@cushwake.com

RECENT PUBLICATIONS







FOLLOW US / SUBSCRIBE







Cushman & Wakefield Hospitality LinkedIn



Cushman & Wakefield Hospitality Website



Cushman & Wakefield website