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10 YEARS
Issue 52
NIQ powered by CGA intelligence

HospitalityMarketMonitor

Review of GB pub, bar and restaurant supply

JANUARY 2026

98,914

Total licensed premises in Britain at December 2025

Closures accelerate in fourth quarter after costs rise again

Market overview

The pace of closures increased in the fourth quarter of 2025 as operating cost pressures mounted, this edition of the Hospitality Market Monitor reveals.

The data from NIQ, powered by CGA intelligence, indicates that Britain's number of licensed premises fell by **0.4%** in the last three months of the year. The 382 net closures are equivalent to more than 4 per day.

-0.2% Net change in outlets between December 2024 and December 2025

The sharp drop was a disappointing end to a resilient 2025 for hospitality. In the first nine months of the year, site numbers had risen by **0.2%**—an impressive performance in the context of a tough trading environment. The abrupt reversal follows relentless inflation in key cost areas over the year, alongside fragile consumer confidence about spending. With managed groups and independent operators dropping by **0.5%** and **0.2%** respectively, it's apparent that even well-resourced businesses are feeling the pinch.

-0.4% Net change in outlets between September 2025 and December 2025

Fourth-quarter losses were especially high in the casual dining and restaurant segments, which recorded net declines of **1.8%** and 1.0%. In these two channels combined, there were 241 closures in three months, or nearly 19 per week. Restaurants have been hit hardest by extra costs—especially in food prices and labour costs following more increases in minimum pay levels and National Insurance contributions. Across all food-led businesses, sites fell by **0.8%** between September and December.

The picture is a little brighter on the drink-led side of hospitality, where numbers slipped just **0.1%**. As this table shows, bars and large venues were the only two segments in quarter-on-quarter growth. It suggests that operators in these channels have been slightly better insulated from cost pressures, and that some consumers have been choosing to drink out rather than eat out in recent months.

Contact: NIQ's director – hospitality operators and food, Karl Chessell: Karl.Chessell@nielseniq.com

Outlets by segment, September 2025 v June 2025 and September 2024

	Sites at Dec 2024	Sites at Sep 2025	Sites at Dec 2025	% change, Dec 2025 v Sep 2025	% change, Dec 2025 v Dec 2024
Bar	4,621	4,674	4,721	+1.0%	+2.2%
Bar restaurant	3,352	3,405	3,399	-0.2%	+1.4%
Casual dining restaurant	5,143	5,189	5,097	-1.8%	-0.9%
Community pub	17,944	18,028	17,905	-0.7%	-0.2%
Food pub	11,267	11,204	11,148	-0.5%	-1.1%
High street pub	6,128	6,170	6,161	-0.1%	+0.5%
Hotel	7,324	7,421	7,407	-0.2%	+1.1%
Large venue	4,326	4,375	4,394	+0.4%	+1.6%
Nightclub	828	799	799	0.0%	-3.5%
Restaurant	14,882	14,824	14,675	-1.0%	-1.4%
Sports / social club	19,547	19,514	19,502	-0.1%	-0.2%
Other*	3,758	3,693	3,706	+0.4%	-1.4%
Total	99,120	99,296	98,914	-0.4%	-0.2%

Comment from Karl Chessell, director - hospitality operators and food, EMEA at NIQ

An acceleration of closures in the final quarter of 2025 shows the toll that relentless increases in operating costs are taking on hospitality. The dip is particularly concerning since it came during hospitality's most important trading period of the year, when businesses traditionally build the cash reserves to sustain them through the quieter first quarter of the new year.

Despite the government's recent rethink on rates for pubs, conditions are unlikely to get any easier in 2026. NIQ's research indicates low optimism among leaders and flat or negative year-on-year trading in real terms.

Nevertheless, there are pockets of positivity. While the NIQ RSM Hospitality Business Tracker shows growth at managed groups' steady sites (like-for-like venues) was flat across 2025, growth was positive in every month in the total market, including the new revenues gained by site openings.

Market churn is very high at the moment (see below), but without more support and an uptick in people's spending, we are likely to see hundreds more permanent closures in the months ahead.

In focus: Market churn

On the face of it, Britain's hospitality landscape was reasonably stable in 2025. The sector ended the year with only **0.2%** fewer sites than it started it with, and managed groups were particularly resilient with growth of **0.7%**.

12.3% Of bars at December 2025 were newly opened in 2025

However, this disguises a lot of market volatility and outlet churn. NIQ's data shows that while 4,865 sites closed last year, 4,659 opened. Put another way, for every 100 closures, there were nearly 96 new openings. While the net result is a virtually flat market, there was some hectic movement beneath the surface in 2025.

New openings were often in the same locations, with closed sites swiftly occupied by new businesses that were able to take advantage of fitted-out units and, sometimes, better rent terms. New arrivals included both managed groups looking to expand into new areas, and independents making their first moves into hospitality.

Churn numbers are welcome proof of ambition in a challenging environment. Some multi-site groups and entrepreneurs alike are bullish enough about the long-term future of hospitality to take on units, and investors and banks are confident enough to fund them.

1.2% Of sports and social clubs at December 2025 were newly opened in 2025

Some segments experienced more churn than others in 2025 (see table). It was slowest in channels like hotels, sports clubs and community pubs, which tend to change hands only occasionally. For example, while 283 sports and social clubs closed in 2025 and 238 opened, more than 19,000 were open continuously.

Turnover is much quicker in channels like restaurants and clubs, where there are steady streams of unit exits for a variety of reasons and a good pipeline of new concepts ready to take on vacant units. Churn was fastest of all in bars, where **482** sites closed but **582** opened. With fewer than 5,000 sites in this segment in total, it represents a lot of change in a single year. Across restaurants and casual dining combined, there were **1,749** closures but **1,496** new openings—equivalent to nearly **5** closing and **4** opening per day.

NIQ's data also highlights the greater speed of churn in urban areas. While the high street, suburban and rural segments are comparable in size, the turnover of closures and openings was more than twice as fast on high streets than in rural locations (see table). Pubs and other licensed premises in the countryside will often stay under the same ownership for years, but there are many more comings and goings in Britain's towns and cities.

Churn by selected segments, December 2025 v December 2024

	Sites closed in 2025	Sites opened in 2025	Number of openings for every closure
Bar	482	582	1.2
Bar restaurant	306	353	1.2
Casual dining restaurant	533	487	0.9
Community pub	577	538	0.9
Food pub	605	486	0.8
High street pub	294	327	1.1
Hotel	137	220	1.6
Large venue	126	194	1.5
Nightclub	98	69	0.7
Restaurant	1,216	1,009	0.8
Sports / social club	283	238	0.8

Managed, independent and tenanted venues, September 2025 v June 2025 and September 2024

	Sites closed in 2025	Sites opened in 2025	Number of openings for every closure
High street	2,306	2,232	1.0
Suburban	1,610	1,375	0.9
Rural	949	1,052	1.1

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In focus: London

After a long road back from COVID, London's hospitality scene has returned to solid growth in the last couple of years.

At the end of 2025 the capital had **2,976** licensed premises—a net increase of **0.6%** in 12 months, though it had a small dip quarter-on-quarter, in line with trends in Britain as a whole.

London's increase last year follows growth of **1.4%** in 2024, after four successive years of decline before that. The city is still **14.0%** short of the pre-COVID benchmark of March 2020, when it had **3,462** sites, but it is a positive recent performance given the tough market conditions since the pandemic. As this table shows, it was also better than most of Britain's major cities, with Glasgow the exception.

London's modest revival has been partly driven by the steady return of office workers to their desks after sustained periods of working from home—a boost to occasions including lunchtime meals, after-work drinks and on-the-go food purchases. There has been a similar uptick in tourists, with visitors from many countries benefiting from favourable exchange rates when they visit the UK. Domestic tourism is powerful too. While central London has only **3.0%** of Britain's hospitality sites, NIQ's OPUS consumer survey has found that around one in five (**21%**) of consumers living outside London regularly visit the capital—proof of its vital and outsized importance as the core hospitality hub of the country.

City outlets, December 2025 v December 2024

	Sites at Dec 2024	Sites at Dec 2025	% change, Dec 2025 v Dec 2024
London	2,958	2,976	+0.6%
Manchester	632	630	-0.3%
Edinburgh	533	530	-0.6%
Glasgow	452	460	+1.8%
Liverpool	464	465	+0.2%

Market summary

	Sites at Dec 2024	Sites at Sep 2025	Sites at Dec 2025	Dec 2025 v Sep 2025	% change in sites, Dec 2025 v Sep 2025	% change in sites, Dec 2025 v Dec 2024
All venues	99,120	99,296	98,914	-382	-0.4%	-0.2%
Managed	20,677	20,915	20,817	-98	-0.5%	0.7%
Independent	62,347	62,520	62,383	-137	-0.2%	0.1%
Leased	16,096	15,861	15,714	-147	-0.9%	-2.4%
Food-led venues	35,864	35,828	35,534	-294	-0.8%	-0.9%
Drink-led venues	54,237	54,413	54,335	-78	-0.1%	0.2%
Accommodation-led venues	9,019	9,055	9,045	-10	-0.1%	0.3%

Sources, definitions and more information

Data in this report is sourced from NIQ's Outlet Index, the leading database of licensed premises in Britain. 'Independent' means that the venue is owned and operated independently; 'Managed' are sites run by operators with more than one location; and 'Leased' outlets are run by individual tenants who pay a tenancy fee or rent to a corporate landlord, typically a pub company. 'Other' segments include cafés, delicatessens, guest and boarding houses, and holiday and caravan parks.

NIQ provides more detailed breakdowns of Britain's licensed premises, including analysis by channel, location, segment and much more. To discuss the Hospitality Market Monitor and NIQ's research portfolio, contact Reuben Pullan at reuben.pullan@nielseniq.com.

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