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Night Time Economy Market Monitor

February 2026

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The night time economy in 2025: A year in review

1. A tough 2025 for the night time economy. Venues operating late at night fell by **4.1%** in the 12 months to December, reflecting relentless pressure on sales, costs and profits.

2. A better year for evening operators. Site numbers in the evening economy rose by **0.9%** in 2025—highlighting a trend for earlier visits and the disproportionate challenges facing late-night operators.

3. Resilience in bars. Cocktail, craft and themed bars all grew their venue numbers last year, but the late-night bar and nightclub channels both contracted.

4. Consumers going out earlier. The late-night sector has been impacted by earlier visits to pubs and bars, with NIQ's data showing the 5pm-to-7pm slot has overtaken 7pm-to-10pm for revenue.

5. Heavy pressure on spending, GVA and employment. Venue closures and consumers' changing habits have held down the night time economy's levels of productivity and job creation (see pages 4 and 5).

-4.1%

Net decline in late-night venues in 2025

End-of-year report: The night time economy in 2025

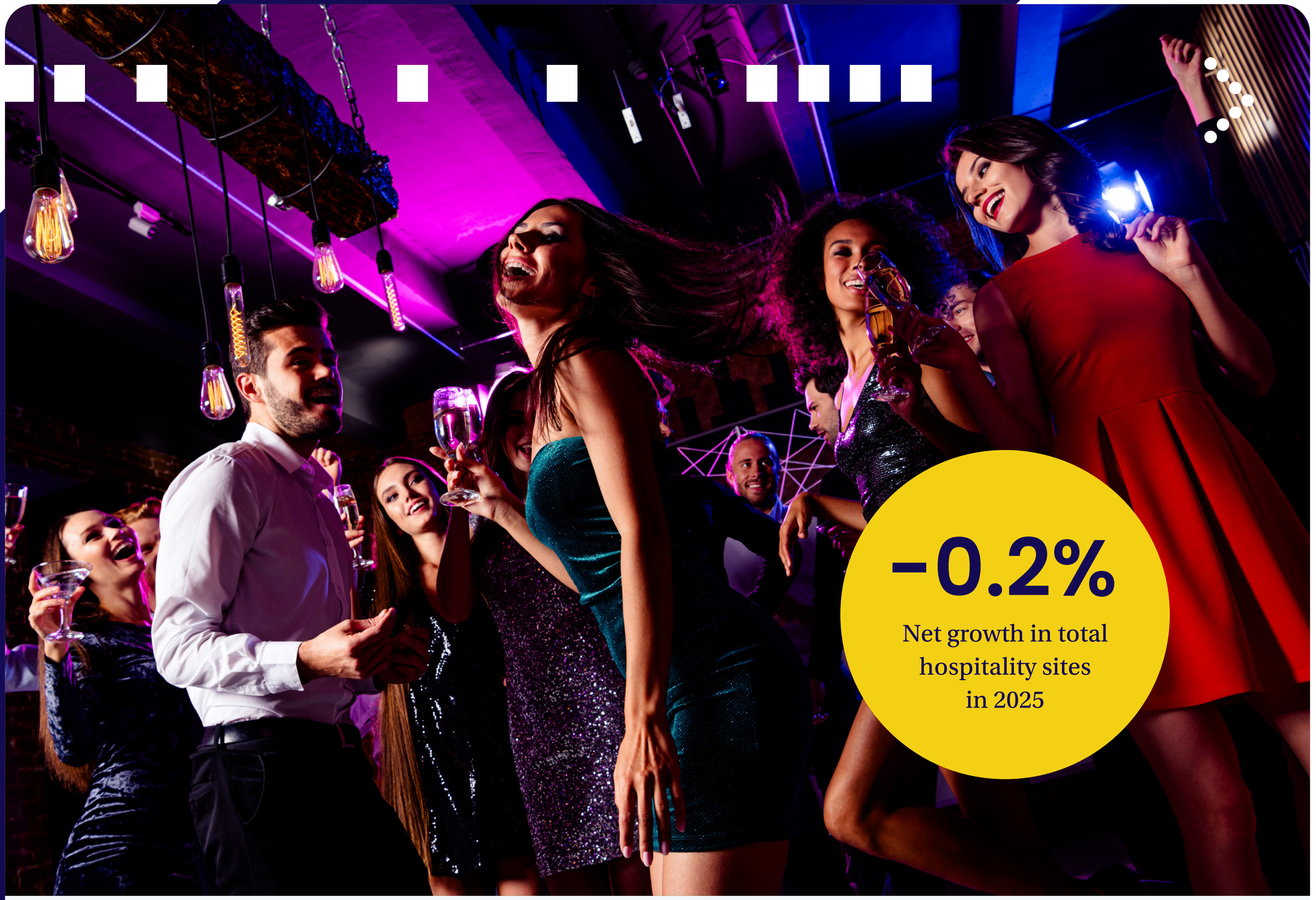
Hospitality faced some unprecedented challenges in 2025—and it was the late-night part of the market that bore the brunt of them.

Data for the Night Time Economy Market Monitor reveals venue numbers in this segment—which covers clubs, casinos, late bars and similar venues—dropped by **4.1%** in the 12 months to December. It is now **28.2%** smaller than it was in March 2020, when COVID-19 lockdowns triggered a first wave of closures.

Elsewhere in hospitality, it was a relatively resilient year for operators in the evening economy. The number of venues in this segment of the Monitor increased by **0.9%** between January and December, and it is only **7.2%** down on pre-COVID levels. The hospitality sector as a whole shrank by just **0.2%** in 2025.

+0.9%

Net growth in evening economy venues in 2025



The late-night economy has faced additional problems that have lesser impacts on earlier-closing venues, like poor public transport infrastructure and after-dark safety concerns. Research for NIQ's High Tempo Report shows more than a quarter **(27%)** of consumers now think about safety and security when they choose a high tempo venue, and even more **(30%)** consider the ease of travel.

The late-night economy's difficulties in 2025 also reflects a major shift in consumers' preferences: for earlier visits to pubs, bars and other venues. Nearly three in ten **(28%)** consumers told the High Tempo Report that they prefer to go out earlier than they used to—and the trend is reinforced by NIQ's trading data, which shows the 5pm-to-7pm slot now generates more revenue than the later 7pm-to-10pm period.

Earlier visits are positive for some operators, but for many businesses in the late-night economy they are a hammer blow. These firms' profitability is under relentless pressure—including from more hikes in labour costs and taxes in last year's Budget—and without support, more closures can be expected in 2026.

Britain's licensed premises at December 2025

	March 2020	Dec 2024	Sep 2025	Dec 2025	Post-COVID change: Dec 2025 v Mar 2020	YoY change: Dec 2025 v Dec 2024	QoQ change: Dec 2025 v Sep 2025
Late-night economy	3,026	2,264	2,180	2,172	-28.2%	-4.1%	-0.4%
Evening economy	17,405	16,004	16,117	16,146	-7.2%	+0.9%	+0.2%
Wider night time economy	102,446	88,726	88,927	88,488	-13.6%	-0.3%	-0.5%
Total hospitality sector	115,108	99,120	99,296	98,914	-14.1%	-0.2%	-0.4%

Bars and clubs in 2025

There was a striking split in fortunes in the night time economy in 2025, with resilience among specialist bars and ongoing closures for later-opening bars and clubs.

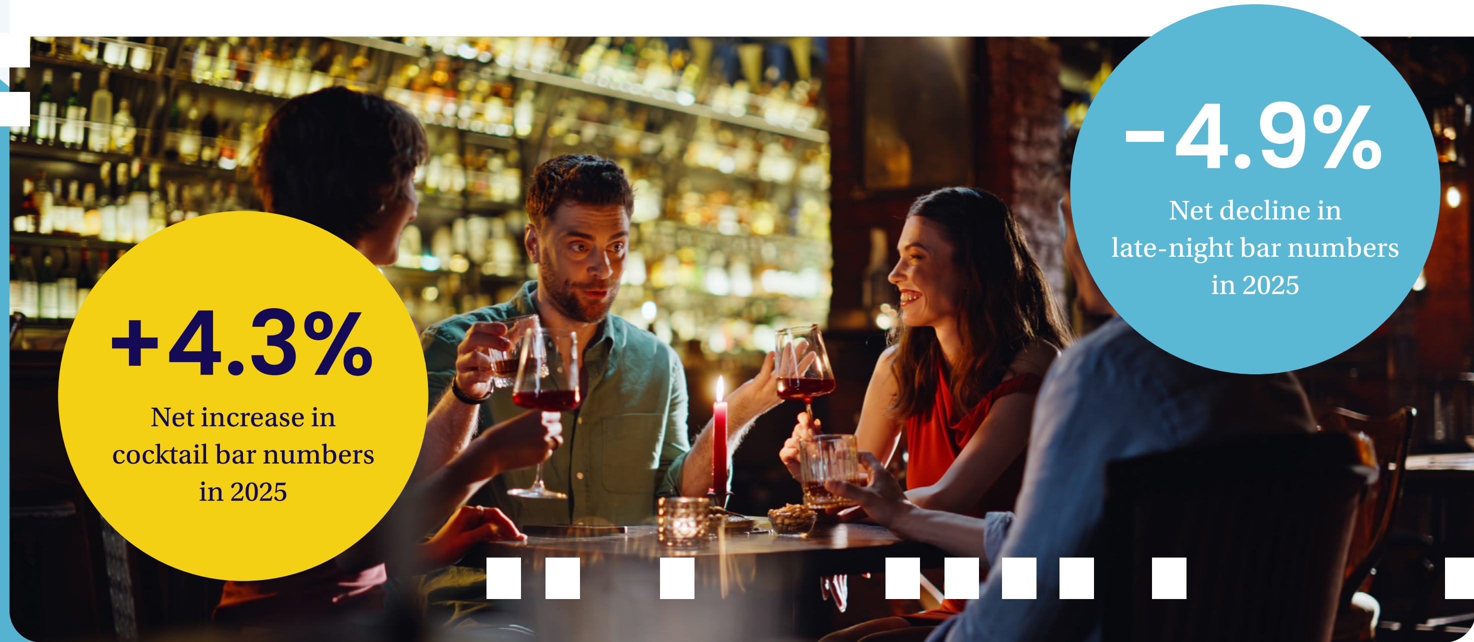
On the positive side, the cocktail bar and craft bar segments grew by **4.3%** and **3.6%** respectively in the 12 months to December. Themed bars rose even faster at **32.9%**, albeit from a much smaller base. All three of these channels are now substantially larger than they were in 2020—a remarkable performance given all the challenges that businesses have faced since then.

It contrasts sharply with other late-night segments. The nightclub sector contracted by **3.5%** in 2025, and late-night bars shrunk even faster, by **4.9%**. These two segments are now **35.6%** and **23.8%** smaller than they were before COVID-19—equivalent to nearly three net closures per week since 2020. The closure of 21 Revolution sites in January was proof of the difficulties facing late-night bars.

It is also more evidence of the steady move away from late-night visits to hospitality, in favour of evening and afternoon occasions. Specialist and themed bars have been able to adapt well to this trend, flexing their offers to meet the needs of earlier dayparts—but clubs and late-night bars have found it harder to pivot. The shift also reflects pressure on consumers' spending, and decisions to either end their socialising earlier or cut the frequency of their visits.

The night time economy in 2025: Selected segments

	Sites at Dec 2024	Sites at Dec 2025	Change in sites, Dec 2025 v Dec 2024
Bar restaurants	3,340	3,390	+1.5%
Cocktail bars	938	978	+4.3%
Craft bars	799	828	+3.6%
Educational bars	627	611	-2.6%
Late-night bars	1,316	1,252	-4.9%
Nightclubs	828	799	-3.5%
Themed bars	301	400	+32.9%
Wine bars	646	649	+0.5%



The donut effect: Suburbs v centres

Are transport, safety and cost concerns leading more people to stay closer to home when they go out? That's one of the signs from the Night Time Economy Market Monitor's 2025 data.

Across the evening economy, venue numbers in Britain's city and town centres were fractionally up last year, rising by **0.4%**—but growth in suburban areas was notably higher at **2.2%**.

The contrast is even more apparent on a longer-term view. City and town centres now have **8.3%** fewer licensed premises than they did in March 2020, but suburbs have stemmed their losses to **3.1%**.

COVID restrictions, and the sustained switch to working from home afterwards, played to the advantage of businesses in residential areas. Concerns about safety also led more people to stay close to home and avoid public transport and crowded areas.

While some of those dynamics have eased in the last six years, other issues mean many people continue to seek venues in their neighbourhoods. The shortage or unreliability of night time public transport means more want to be within walking distance of a short drive from home at the end of their evenings. Safety issues are exacerbating this donut effect. Low spending confidence is leading some to reduce their transport costs and avoid higher prices in town-centre venues.

This trend is far from universal, and many major city centres remain vibrant late at night. There's a different dynamic in London, where operators are increasingly focused on central areas (see page 4). Instead, it is the night time economies of Britain's towns and smaller cities that are seeing footfall leak away to suburban areas. With their profits so tightly squeezed, businesses will face further substantial challenges in 2026.

The evening economy by location in 2025

	Sites at Dec 2024	Sites at Dec 2025	Change in sites, Dec 2025 v Dec 2024
City / town centres	12,639	12,687	+0.4%
Suburban	2,608	2,666	+2.2%
Rural	778	783	+0.6%

Spotlight on London

Central London was a bright spot for the late-night economy in 2025, reflecting the better transport links and higher spending power in the capital.

As this data shows, late-night venue numbers in London's Central Activities Zone rose by **2.7%** over the course of 2025. By contrast, this segment contracted by **7.0%** in the Greater London area. The distinction is echoed in the wider night time economy, where venues rose by **6.0%** in the CAZ rose but dropped by **0.5%** in Greater London.

The positive CAZ trend indicates the vibrancy of the heart of London, and is partly the result of measures to improve late night transport and security here. It may also reflect an increase in footfall, driven by a steady return of office workers and tourists to the capital after the disruption of COVID. The lesson for other British city hubs is clear: improve the infrastructure and business investment in the night time economy will follow.

+2.7%
Net increase in late-night venues in the Central Activities Zone in 2025

-7.0%
Net decline in late-night venues in Greater London in 2025

London's late-night economy in 2025

	Sites at Dec 2024	Sites at Dec 2025	Change in sites, Dec 2025 v Dec 2024
Central Activities Zone	148	152	+2.7%
Greater London	344	320	-7.0%

Christmas wrap-up

NIQ's sales data shows Christmas came late for the sector in 2025. For managed pub groups, the NIQ RSM Hospitality Business Tracker recorded a **4.8%** increase in like-for-like sales in the seven days to Sunday 28 December—well ahead of most weeks of 2025. But it was a tough quarter for managed restaurants, where sales dropped **1.1%** year-on-year.

The net result was a solid if unspectacular festive season for hospitality. Across all channels, Britain's managed groups achieved like-for-like growth of **2.9%** in December—the Tracker's highest point since April but just below the rate of inflation.

The modest end to 2025 is reflected in venue numbers. The total number of licensed premises dropped by **0.4%** over the final quarter of the year, and figure was the same in the late-night segment. As 2026 begins, there will be concerns that the festive season did not generate enough cash to sustain fragile businesses through the quieter first quarter, and that some will have to close their doors without urgent support on costs.

The value of the night-time economy

Data from NIQ, MAKE and Severnpools Consulting reveals the enormous value of the night-time economy to UK spending, productivity and employment. But it also emphasises the pressure on these three key metrics that has been caused in recent times by stagnation in spending and spiralling costs.

1. Spending

Consumer spending in the UK's out-of-home culture and leisure economies has steadily grown in the last two decades. It inevitably plummeted during COVID lock-downs but rebounded strongly afterwards, and in 2025 these economies generated £231.1bn—**49.0%** more than in 2015, and **25.2%** up from the last full pre-Covid year of 2019.

These are encouraging numbers, but underlying performance, after adjustments for inflation, are less positive. The out-of-home culture and leisure economies have been stable at best in recent years, and real-terms spending in 2025 was **10%** behind the levels of 2019.

The slowdown is even more apparent in the night time cultural economy. Spending here generated just under £43bn for the UK's economy last year, but the figure was only **3.5%** up year-on-year—roughly in line with the country's rate of inflation. And with night time footfall slow, the increase was driven by higher prices rather than increased volumes. NIQ's Trading Index indicates that volumes in food and drink dropped by **6%** and **4%** respectively in 2025.
The number also lags growth levels in wider leisure and culture economies. On a brighter note, it is a slightly better growth figure than in 2024 and 2023. This shows that while consumers' spending has been squeezed, there is still strong demand for live music, late-night venues and cultural spaces.

Across the wider night time economy, sales grew by **3.9%** in 2025—just above the rate of inflation but behind the growth of **4.5%** and **4.9%** in 2023 and 2024. Last year's figure was also behind the day-time economy, where spending rose **4.4%**. This partly reflects consumers' shifts to earlier eating and drinking and their concerns over late-night transport and safety—dynamics that have also contributed to the closure of night time venues (see page 1).

All this adds up to a headline value of the night time economy that is broadly in line with where it was in 2014. It's been a decade of ups and downs, and more turbulence can be expected in 2026.

Spending (£m) in the night time and out-of-home economies

	2019	2020	2021	2022	2023	2024	2025
Out-of-home culture and leisure economy	£184,584	£117,233	£152,507	£204,121	£212,830	£222,061	£231,078
Night time economy	£125,740	£73,123	£102,213	£140,273	£147,138	£153,719	£159,717
Night time cultural economy	£35,538	£20,756	£27,861	£39,663	£40,112	£41,424	£42,890

***Note:** Data based on ONS and NTIA modelling market estimates.*

2. Productivity

As is the case with spending, productivity in the night time economy is struggling for growth. In real terms, Gross Value Added (GVA) data—the primary tool used by HM Treasury and economists to measure an industry's output productivity, and the value it adds to its raw inputs—has flatlined.

The last available data for this metric is from 2024, when GVA in the night time economy rose by only **1.5%**, or **£630m** in value terms. The wider out-of-home culture and leisure economy added about **£1.2bn** of additional value, which represents slightly better growth of **1.7%**. But both numbers are well below inflation during 2024, and while these two measurements are not directly comparable, they do suggest a small contraction in real terms.

One likely reason is that despite increases in consumer spending, the costs of doing business have risen even faster. The expense of labour, food, drink, energy and other inputs all rose well above the wider rate of inflation as measured by the CPI in 2023 and 2024.

GVA (£m) in the night time and out-of-home economies

	2019	2020	2021	2022	2023	2024
Out-of-home culture and leisure economy	£75,391	£50,770	£68,360	£71,893	£71,668	£72,864
Night time economy	£47,505	£30,575	£41,982	£43,517	£43,306	£43,936
Night time cultural economy	£11,591	£7,745	£10,157	£10,848	£10,864	£11,066

***Note:** Data based on ONS and DCMS sector GVA estimates. Figures for 2024 are provisional.*

3. Employment

The night time economy has always been a vital creator of jobs—especially among younger adults. As our data here shows, it was also particularly valuable in the aftermath of COVID, with thousands more staff taken on between 2020 and 2023.

However, that recovery has been halted by sharp inflation in the key costs of doing business. The night time economy lost an estimated **65,000** jobs in 2024, and a further **10,000** recorded in the first three quarters of 2025. Many more are likely to have been shed in the final quarter of last year, and other industry data points towards final figures for 2025 being revised to show significantly higher job losses.

Some of these job losses follow widespread closures of late-night venues in the last two years (see page 1). Others are the result of cost reduction measures that operators have been forced to take, or of business owners working more hours themselves, as the industry seeks payroll efficiencies.

Despite these two years of regression, the night time economy remains a crucial source of employment for UK plc, providing more than **2 million** jobs. But without concerted support, on labour costs in particular, the sector will face more difficult decisions on staffing levels throughout 2026.

Employment (000s) in the night time and out-of-home economies

	2019	2020	2021	2022	2023	2024	2025 (est)
Out-of-home culture and leisure economy	2,920	2,689	2,870	3,112	3,159	3,053	3,042
Night time economy	1,946	1,791	1,899	2,075	2,110	2,045	2,036
Night time cultural economy	425	392	424	452	471	458	457

***Note:** Figures include full and part-time employment and working business owners and are based on unique modelling estimates from BRES, LFS and NTIA. The 2025 estimates are a synthesis of the first three quarters against the same period for 2024.*

NTIA | NIGHT TIME INDUSTRIES ASSOCIATION

The view from the NTIA

The findings of the Night Time Economy Market Monitor underline just how pivotal, and precarious, the past year has been for the sector. From an NTIA perspective, 2025 represents a defining moment: one where the long tail of COVID disruption, compounded by sustained cost inflation and shifting consumer behaviour and cost of daily living pressures, have pushed the late-night economy into a critical phase

The headline **4.1%** annual decline in late-night venues is deeply concerning, particularly when set against a backdrop of relative stability elsewhere in hospitality. Being more than **28%** smaller than pre-pandemic levels is not simply a market correction; it is evidence of structural fragility. Late-night operators face a uniquely harsh operating environment, with higher staffing costs, licensing pressures, transport constraints and heightened safety concerns all converging at once. These challenges are not shared equally by evening-led businesses, which helps explain the **0.9%** growth seen in that segment.

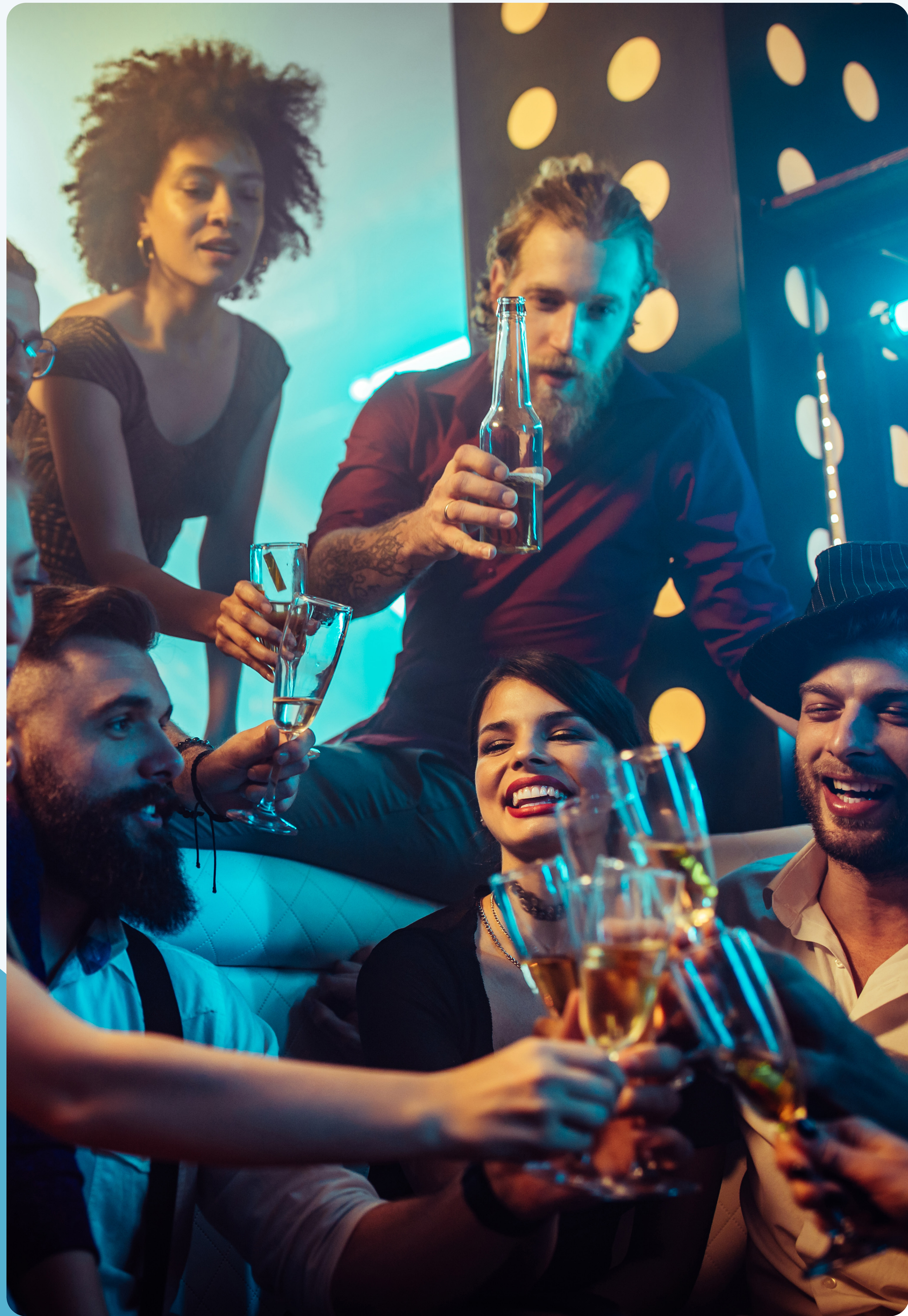
At the same time, the data clearly shows resilience and innovation within parts of the market. Growth in cocktail, craft and themed bars demonstrates that where businesses can adapt to earlier dayparts and experiential demand, consumers will respond.

However, for nightclubs and late-night bars, which are foundational to the cultural and social fabric of night time economy – the shift towards earlier socialising is existential. These venues cannot simply “open earlier” without fundamentally undermining their purpose and business model.

The wider economic impact is equally stark. Flatlining GVA, real-terms declines in spending, and continued job losses highlight the risk of long-term damage to productivity and employment if current trends persist. With over 2 million jobs still dependent on the night time economy, the stakes could not be higher.

What this report ultimately reinforces is a clear call to action. Where investment in transport, safety and infrastructure has been prioritised, as seen in central London and Greater Manchester, confidence and growth have followed. Without targeted, coordinated support in 2026, particularly on costs and late-night infrastructure, further contraction is inevitable, and with it the erosion of a vital economic and cultural sector.

Michael Kill, CEO - Night Time Industries Association



About our report

The Night Time Economy Market Monitor was launched by the **Night Time Industries Association** and **NIQ** to take a quarterly temperature check of the evening and late-night economies. Data is sourced from NIQ’s Outlet Index, the leading database of licensed premises in Britain, with further insight from NIQ’s range of consumer, business leader and sales measurement solutions. To learn more, visit www.nielseniq.com or email Reuben Pullan, senior insight consultant, at **reuben.pullan@nielseniq.com**.

Extra data and analysis for the night time economy’s levels of spending, GVA and employment was provided by MAKE (**www.makeassociates.com**) and Severnpools Consulting.

NTIA

Definitions

‘Late-night economy sites’ includes venues in the Outlet Index that explicitly operate at late-night hours. They include late-night bars, nightclubs and casinos.

‘Evening-economy sites’ are defined as venues that are focused on evening operations and entertainment. In addition to the above venues, they include arenas, ballrooms, bar restaurants, bingo halls, cocktail bars, craft bars, educational bars, theatres, themed bars, themed pubs, unthemed high street pubs and wine bars.

‘Wider night time economy sites’ provide the broadest view of the industry. In addition to the above, they include food-led and activity-led venues that operate in the evening as well as daytime, like restaurants, local sports clubs, social clubs, cinemas, snooker clubs, street markets, bowling alleys, hotels, casual dining restaurants, community pubs, branded food pubs and unbranded food pubs.

‘Total market’ includes all licensed premises in Great Britain.

NIQ

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