

## UK Hotels Might Have to Wait Another Year Before Returning to Pre-Pandemic Performance



According to a recent World Property Journal article, the return to pre-pandemic revenue levels is likely to be an uphill climb for London's hotel sector. The article, which quotes attendees of an industry webinar, also states that most hospitality professionals don't expect the hospitality sector to see growth for at least a year. They based their predictions on expected changes in RevPAR (Revenue per Available Room), a key metric for measuring hotel performance.

Among the big factors webinar attendees listed as holding the hotel industry back were ongoing travel restrictions and the switch to online, rather than in-person, business meetings. Despite these issues, many remained optimistic, with HVS Global Hospitality Services chairman Russell Kett stating:

"RevPAR-wise the good hotels will be back in 2023. "

### Recovery By the Numbers

The PwC Hotel Forecast for 2021-2022 supported estimates of slow recovery in the London area, but was more optimistic about outcomes in other UK regions. Some key statistics from the report indicate that by Q4 2022:

- London hotel occupancy rates should increase to 62-96% of pre-pandemic levels
- RevPAR would likely recover to 43-86% of pre-pandemic levels

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Meanwhile, across other UK regions the stats look a little rosier, with PwC predicting that over the same period we will see:

- A 73-105% occupancy rate recovery, and
- 64-100% RevPAR recovery

The gains at the higher end of the spectrum are contingent on certain key assumptions being met for a scenario of “strong recovery.” In particular, PwC noted that travel restrictions would need to ease, and that international travel to the country would need to reach at least 85% of pre-pandemic levels.

## Business Boost in the Cards

The good news is that since PwC conducted their analysis, the UK has relaxed its travel restrictions, allowing visitors who’ve been vaccinated to enter the region without a Covid test. Speaking to the new regulations, UK Transport Secretary Grant Shapps said:

“The UK has eased international travel measures for COVID-19 and now has one of the most free-flowing borders in the world – sending a clear message that we are open for business.”

He added that the changes were intended to aid recovery in the travel sector and should be good news for businesses and tourism across the UK.

