

PUBS & RESTAURANTS MARKET REVIEW 2026

An insight into the UK pubs and restaurants sectors

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INTRODUCTION

As pub and restaurant operators continue to navigate significant cost pressures, staffing challenges, and broader economic uncertainty, we have seen a more dynamic property market in 2026, driven by a combination of resilient trading performance, motivated buyers, and sustained demand for quality hospitality assets.

The pub and restaurant landscape continues to evolve, as operating models shift to reflect changing consumer behaviours. While food-led pubs have steadily increased their share of the market over recent years, traditional wet-led venues remain an important part of the sector, particularly where they serve as community hubs, sports venues, and destinations for social occasions. We are also seeing a rising number of pub operators choosing to move away from food and instead focus on community-led and sports-focused trading models, partly in response to labour challenges and the operational complexity of running a successful food operation.

Pubs with attractive outdoor space benefitted over the summer months, with the UK experiencing its hottest summer on record as well as England's progression to the latter stages of the World Cup, which was particularly welcomed by community pubs and those equipped for showing large sports events. The British Beer & Pub Association estimated the tournament generated an additional £150 million in pub sales, with an additional 30 million pints poured during England and Scotland's games.

In contrast, many restaurant operators experienced a more challenging summer, with leisure spending and consumer footfall increasingly directed towards outdoor socialising, reducing demand for traditional dine-in experiences in peak periods.

Cost pressures remain a major challenge for operators, with food inflation, energy and utility costs, and labour expenses continuing to impact profitability. These pressures have led many businesses to reassess their operating models, opening hours, and staffing structures. We are also seeing more operators turn their attention to events, experiential offerings and sporting occasions to drive footfall and maximise spend per visit.

The late-night sector has been particularly hard-hit by operating costs and changing consumer behaviour. As a result, many venues are evolving into broader entertainment destinations, offering a more diverse mix of experiences to attract customers throughout the week. Meanwhile, some experiential leisure concepts that saw rapid growth in recent years are now facing increasing competition and signs of oversupply in certain locations.

As we move towards the end of 2026 and look ahead to 2027, we expect buyer demand to remain strongest for businesses that are well-positioned, realistically priced, and capable of demonstrating clear growth potential.

I hope that you will find our report informative. Should you wish to discuss the market landscape further, please do not hesitate to get in touch with us. The contact details for our team can be found at the end of this report.



STEPHEN OWENS

Managing Director – Pubs & Restaurants

TRANSACTIONAL ACTIVITY

Transactional activity across the pub and restaurant sector has remained robust throughout 2026. From January to August, we were instructed to sell over 360 pub and restaurant properties, completed over 800 viewings, and agreed over 230 deals. Compared with the same period in 2025, new instructions increased by 22%, with a 12.5% increase in deals agreed.

This increase has also translated into stronger completion values, with average freehold completion prices increasing by approximately £105,000 and average leasehold completion prices rising by approximately £87,000, compared with the same period last year.

Buyer demand has remained strongest for well-presented, operational businesses that can demonstrate sustainable profitability and offer opportunities for future growth. Independent operators continue to play a significant role in the market, while experienced multi-site operators and corporate buyers remain active where acquisition opportunities align with their strategic objectives.

Demand for quality freehold opportunities has continued to support values, with buyers recognising the long-term appeal of hospitality assets in strong trading locations. Meanwhile, leasehold opportunities remain attractive for operators seeking lower entry costs alongside opportunities for expansion.

OUR PUBS & RESTAURANTS BROKERAGE TEAM:



360+

was instructed to sell over 360 properties, a **22% increase**



230+

agreed **over 230** deals, a **12.5% increase**



115+

completed **over 115** transactions, a **5% increase**



800+

conducted **over 800** viewings, with over **6 viewings on average per sale**

January to August 2026 (compared with the same period in 2025)

TRANSACTIONAL ACTIVITY

Pricing remains crucial, and for high-quality businesses, there is a decent appetite from buyers which is leading to competitive tension for certain assets.

Regional pub companies and brewers continue to expand, taking advantage of acquisition opportunities and demonstrating confidence in the long-term prospects of the sector. At the same time, larger pub companies continue to review and reposition their estates, with many seeking to reshape and rebalance their portfolios.

We continue to advise Whitbread on the disposal of a large portfolio of hospitality assets, as part of its wider programme to sell branded restaurant assets and focus investment on the continued growth of its Premier Inn hotel business. The portfolio comprised a substantial number of operational restaurant sites located across the UK, which have attracted strong interest from a wide range of operators, and we have successfully completed a significant number of sales to date.



£60 million+

We sold more than **£60 million+** in combined value of pubs and restaurants



£105,000

We saw an increase in completion values of **approximately £105,000** for freehold sales, on average...



£87,000

...and an increase of approximately **£87,000** for leasehold sales, on average



90%

Approximately **90%** of pubs we sold were for continued use as a hospitality venue

January to August 2026 (compared with the same period in 2025)

KEY THEMES | BUSINESS RATES FOR HOSPITALITY VENUES

In July, the Government announced that pubs, clubs and music venues in England are to receive a 20% reduction in their business rates bills from April 2027, with a statement saying the cuts will benefit nearly 32,000 pubs, clubs and venues, saving the typical pub an estimated £1,100 in the next financial year.

Further support for the sector was announced in August, with the Treasury launching an independent review of the way business rates are assessed for pubs and hotels in England and Wales. The review will be led by business rates specialist Jerry Schurder and will examine whether current valuation methodologies remain fit for purpose, with a view to improving fairness and transparency ahead of the next revaluation in 2029. The review is due to report to the Treasury by March 2027 and will be informed by evidence from landlords, brewers, hoteliers and business operators.

At a time when businesses continue to face significant cost pressures, any measure that helps ease the financial burden on venues is a positive step. While the savings for individual businesses may be modest in the context of wider operating costs, the move is an encouraging acknowledgement of the challenges operators are navigating, and the contribution hospitality businesses make to high streets across the country.

Measures which improve cost certainty, even incrementally, help support investment confidence, particularly among independent operators and smaller groups.

The latest announcement also reflects growing recognition of longstanding concerns around the way certain hospitality businesses are assessed for business rates. Industry bodies have argued that the current valuation system can place a disproportionate burden on pubs and hotels, particularly when compared with other property types. The review has been welcomed by both UKHospitality and the British Beer & Pub Association and is seen as an opportunity to address structural issues within the ratings system, rather than relying solely on short-term relief measures.

For many operators, a more transparent and consistent approach to valuation would be particularly beneficial, improving visibility of future liabilities and supporting longer-term business planning. However, the review will not affect the increases in rateable values introduced under the 2026 revaluation, and any changes arising from the review are not expected to take effect before the next revaluation cycle in 2029. As a result, many operators are likely to continue facing elevated business rates liabilities in the near term.

The industry will now look for these measures to form part of a broader programme of support for the hospitality sector, including restaurants, cafés and hotels, as we look ahead to the Autumn Budget on 28 October.



KEY THEMES | HOSPITALITY VAT AND THE #VATSTHEPROBLEM CAMPAIGN

One of the most prominent issues facing the hospitality sector in 2026 has been the renewed debate around VAT, with the industry-wide #VATsTheProblem campaign calling for a reduction in hospitality VAT from 20% to 10%.

Supported by UKHospitality, the British Beer and Pub Association, and the British Institute of Innkeeping, the campaign has gained significant traction across the sector, reflecting the wider challenges facing operators as they navigate rising costs and ongoing margin pressure.

For business owners, investors and operators, the key question is what impact a reduced VAT rate could have on the financial performance and long-term sustainability of hospitality businesses.

A reduction in VAT would not necessarily translate directly into lower prices for consumers - how businesses respond would likely vary considerably depending on their location, customer base, and financial position. For some operators, the benefit could be used to help offset rising costs and improve profitability. For others, it may support reinvestment into properties, staffing, training, technology, or customer experience initiatives.

From a property perspective, stronger trading performance often underpins higher levels of investment confidence. Improved cash flow can allow owners to undertake refurbishment projects, expand operations, or bring deferred capital expenditure plans back onto the agenda. In turn, this has the potential to support business values and encourage greater transactional activity across the pubs and restaurants sector.

Supporters of a reduced VAT rate also argue that additional retained revenue could help safeguard employment, create new opportunities and maintain investment in workforce development. While the precise impact would vary between businesses, improved margins could provide operators with greater flexibility when making recruitment, retention and training decisions, particularly in areas where labour availability remains a challenge.

Campaign supporters also point to VAT rates in several European hospitality markets that are lower than those in the UK. The argument is that a different VAT structure could improve competitiveness for UK hospitality, tourism, and leisure destinations. However, it is also important to recognise that tax policy is only one factor influencing business performance, as consumer confidence, economic growth, operating costs, workforce availability and access to investment capital will continue to play a significant role in shaping the outlook for the sector.

While any change to VAT remains subject to government policy, the debate has highlighted the continuing financial pressures facing hospitality businesses and the industry's desire for measures that support investment, growth and long-term sustainability. As operators continue to balance rising costs with evolving consumer demand, VAT reform is likely to remain a key topic of discussion heading into 2027.



KEY THEMES | ADAPTING TO A NEW DINING-OUT LANDSCAPE

Dining out is increasingly planned and purposeful

The well-publicised pressures on the hospitality industry have had a real impact on the restaurant sector, defining the strategy and marketplace for most operators. Consumers are looking for perceived value, be it based on price or experience, and both require operators to be on top of their game.

Most dining-out is now a planned affair, with limited spontaneous occasions. This makes it an event, and so the diner expects to be treated as such, with good service and quality food. For the operator facing increasing food costs, rising utility bills and significant wage inflation, this can be difficult. Many are focusing on a smaller number of sites in key locations, with more secondary sites being sold or mothballed. Opening hours are being reviewed and even on high streets, Monday or Tuesday closing is not uncommon.

This is not restricted to the midmarket casual dining sector. Premium dining has been similarly affected, with a number of ‘starred’ restaurants closing already this year, unable to rely on special occasion events only.

Even in the QSR world, the pressures have mounted, and whilst traditionally, franchisees with the big brands have enjoyed high margins, these have been trimmed back, and with delivery costs and franchise fees to pay, the bottom line is restricted.

The good news is that out of such adversity comes invention, and overall the UK restaurant sector remains positive. As some fall by the wayside, those remaining have benefited, and by focusing on enhancing the experience, they have seen sales grow, not just by price inflation but through customer numbers. New concepts and brands from overseas create interest and excitement, with social media continuing to play a key role.

London, city centre and transport hub locations perform well

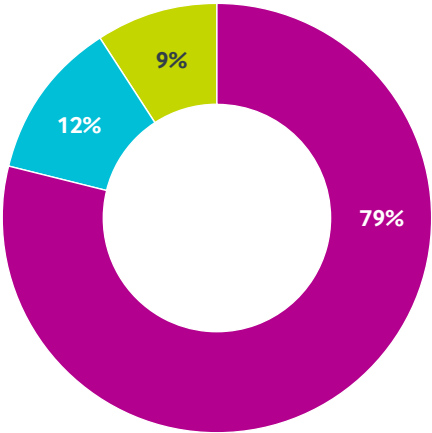
Convenience continues to drive QSR growth

Value and premium concepts outperform the mid-market

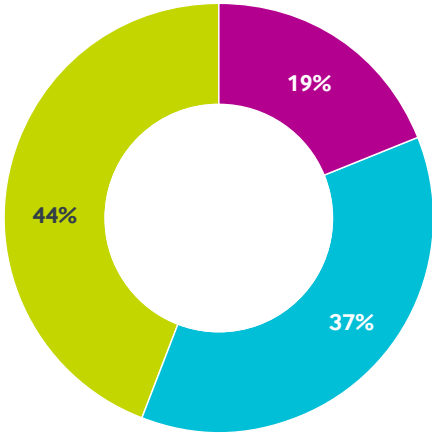
There have been some significant deals in the sector this year. At one end of the scale, the sale of a majority stake in Richard Caring’s business for a reported £1.4 billion sees new investment and overseas roll-out planned for names like the Ivy and Annabel’s.

At the other, the sale of Pizza Hut by YUM sees US investors take over this truly international brand which has 500+ sites across the UK. A sign of the pressures felt in casual dining was typified by TGI Friday in the UK calling in administrators for a second time, and a smaller group of 48 sites being sold to Sugarloaf.

BREAKDOWN OF FREEHOLD VS LEASEHOLD PUB TRANSACTIONS COMPLETED BY CHRISTIE & CO*



BREAKDOWN OF FREEHOLD VS LEASEHOLD RESTAURANT TRANSACTIONS COMPLETED BY CHRISTIE & CO*



● Freehold ● Leasehold ● New lease

**January - August 2026*

The introduction of new planning measures in England, announced in August, marks a significant policy development for the licensed hospitality sector, aimed at protecting pubs from being converted to alternative uses.

Under changes to the National Planning Policy Framework, developers seeking to convert a pub into residential, office or other non-hospitality uses will be required to demonstrate that there is no reasonable prospect of the business continuing to operate as a pub, including evidence that the property has been marketed for sale for at least 12 months.

The changes have been welcomed by many in the sector and community groups, reflecting the important role pubs play as social, cultural and economic assets. By making it harder for viable pubs to be redeveloped, the measures may help safeguard community facilities, preserve local character and support the long-term sustainability of the licensed hospitality sector. For operators, employees and local residents, the reforms provide greater confidence that successful pubs will not be lost solely because of the redevelopment value of the underlying property. In areas where the pub remains a key focal point for community activity, the measures may also help encourage longer-term investment in existing venues.

However, the implications are more nuanced from an ownership and investment perspective. While the measures may help protect trading businesses, they also reduce development flexibility and could limit exit options for some owners. In circumstances where a pub is struggling financially, the prospect of alternative-use or redevelopment value can form an important part of an asset's overall worth. Restricting those options may affect investor appetite, influence lending decisions and reduce the attractiveness of certain acquisitions, particularly where future redevelopment potential has historically underpinned investment returns. In some cases, the loss of alternative-use value could place greater emphasis on the strength of underlying trading performance when determining value, potentially widening the pricing gap between well-performing and underperforming assets.

It is also key to note that planning protections alone do not address the underlying factors contributing to many pub closures. Rising labour costs, business rates, food inflation and utility costs continue to place significant pressure on operators, and many industry bodies have argued that the long-term future of the sector will depend as much on the operating environment as on planning policy.



While the reforms represent a positive statement of intent from government to recognise and protect pubs as valued community assets, the longer-term impact will depend on whether these protections are complemented by wider measures to improve trading conditions and support investment across the hospitality sector, to strike the right balance between preserving community venues and maintaining sufficient flexibility for owners, investors and lenders.

REGIONAL TRENDS

ENGLAND OVERVIEW

Across England, demand has been particularly high for traditional wet-led pubs delivering strong barrelage and community trade. Premium destination pubs with letting rooms have also remained highly sought after, particularly in affluent market towns, coastal locations and tourist destinations.

The exceptionally good summer weather across the country also increased demand for venues with outdoor trading space. The combination of food, drink and accommodation continues to attract buyers seeking diversified revenue streams.

The buyer landscape is broad, with private individuals, portfolio operators and regional brewers all actively pursuing opportunities. This depth of demand has supported transactional activity and competitive bidding for the strongest assets.

Looking ahead to 2027, we remain optimistic. While cost and labour challenges persist, strong buyer demand and continued interest in quality hospitality assets provide ground for confidence across the sector.

NORTH

In the North of England specifically, our Pubs & Restaurants team has been busy. Independently owned and operated restaurants in suburban areas are particularly popular, with buyers seeking good-value leasehold opportunities that offer a lean operating model and smaller premises.

SOUTH

The market in the South of England has also remained resilient throughout 2026, with transactional activity staying strong despite economic uncertainty, rising costs and labour pressures. Buyer appetite for quality pub assets is still a defining feature of the market in the likes of the Cotswolds, Surrey Hills and New Forest.



REGIONAL TRENDS

SCOTLAND

The Scottish pub and restaurant market remains buoyant despite ongoing sector headwinds. However, while customer demand remains high, profitability continues to be challenged by rising employment, energy, and utility costs.

There has been limited relief on business rates compared with England and Wales, and this, combined with customers visiting less frequently and spending less per occasion, continues to impact operators. Many businesses are also reporting ongoing challenges in recruiting and retaining staff.

The typical buyers for traditional and community pubs across Scotland in 2026 are existing publicans expanding from one or two sites to three-to-five sites, experienced hospitality operators leaving managed pub companies, and local entrepreneurs looking for lifestyle businesses. Freehold pubs with a value of less than £500,000 are still in high demand and in some instances are receiving competition among multiple buyers.

Demand also remains strong from regional and national pub groups, with pubs that offer accommodation becoming increasingly popular among this buyer audience. Property developers are also on the hunt for opportunities, with distressed, closed, and redundant community pubs attracting interest. Some of these properties are also appealing to retail, pharmacy, and dental operators.



DESPITE THESE CHALLENGES, SEVERAL SEGMENTS ARE PERFORMING WELL, INCLUDING:



Premium food-and-drink venues



Whisky-led concepts



Craft beer bars



Tourism-focused pubs



Experience-led venues offering live music, sport, or events



No/low-alcohol drink offerings, which continue to grow in popularity



Quality wet-led public houses across the main towns and cities including Glasgow, Edinburgh and Dundee

HIGHLIGHT ACTIVITY



Ye Olde Whyte Swanne
Lincolnshire

- Prominent market town location
- Louth and District CAMRA Town Pub of the Year in 2024
- Sold by a private seller to Punch Pubs & Co



The Goat Hotel
Powys

- Family-run for more than 40 years, sold due to retirement
- Includes six letting bedrooms and a restaurant
- Acquired by a new owner with funding secured by Christie Finance



The Duke of Richmond
London

- Well-established neighbourhood pub and restaurant
- Virtual freehold interest acquired by a private investor
- Existing operator remaining in place after sale



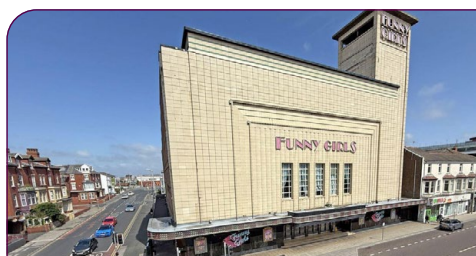
The White Horse
West Sussex

- 16th century village freehouse
- Characterful property with letting rooms and outside trade space
- Acquired by new family owners who have since reopened



The Head of Steam
Hull

- Prime city centre location
- Sold on behalf of Camerons Brewery
- Acquired by a local, multi-site operator, with six months from listing to completion



Funny Girls
Blackpool

- One-of-a-kind hospitality business
- Administration sale through FRP Advisory
- Leased to new operator with option to purchase



Celtic Arms
Cheshire

- Destination dining inn
- Extensive two-acre site with outdoor seating and gardens
- Funding for the buyer was secured through Christie Finance



Middletons Bar
Edinburgh

- Long-established community pub popular with sports fans
- Sold on behalf of Greene King
- Acquired by experienced private operators

HIGHLIGHT ACTIVITY



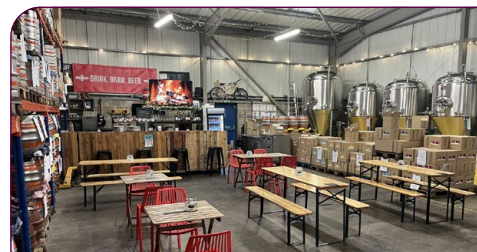
The Stags Head Inn
Devon

- Renowned country pub
- Grade II-listed thatched inn with accommodation and restaurant
- Retirement sale after 22 years of trading



The Shepherd & Dog
Essex

- Community-focused village pub
- Well-presented bar and dining areas
- Lease sold by experienced pub investor to tenants who run a successful restaurant in Cambridge



Cross Borders Brewery & Taproom
Midlothian

- Craft brewery and taproom with food offering
- Lease for premises sold to Eskbank Brewing Company
- Cross Borders Brewery relocate to alternative premises



White Horse Inn
Wiltshire

- Attractive village pub with accommodation, with extensive grounds
- Sold on behalf of a private local owner
- Acquired by an independent regional pub group specialising in quality food and accommodation, with plans to reopen



The Three Horseshoes
West Sussex

- Highly regarded Grade II-listed country pub
- Run by the same owners for over 30 years
- Sold to an experienced hospitality business operator



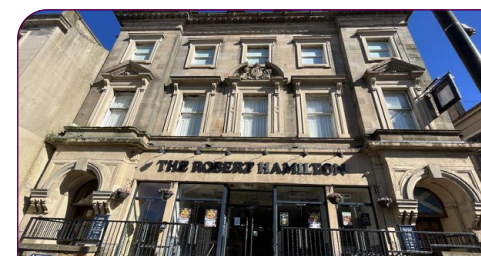
The Cavens Arms
Dumfries

- Award-winning bar and restaurant
- Family-owned for 20 years
- Sold to a first-time local buyer



The Green Man
Bedfordshire

- Characterful country pub set in 1.5 acres of attractive grounds
- Run as a highly successful restaurant, pub and hotel
- Corporate sale on behalf of Red Cat Pub Co



The Robert Hamilton
North Lanarkshire

- Prominent town centre location
- Vacant and previously operated as a Wetherspoon pub
- Acquired by a developer with plans to bring the building back into use

UNLOCKING PROFIT THROUGH STOCK CONTROL



MALCOLM MUIR
Consultancy Director,
Venners

£17 million in liquor stock tied up across UK pubs and restaurants

In hospitality, cash flow is often discussed in terms of sales, labour costs and supplier invoices. Yet one of the clearest indicators of profitability may already be sitting on shelves, behind bars and in cellars in pubs and restaurants across the country.

Venners analysed over 15,000 stocktakes and revealed that many pubs and restaurants are holding on to significantly more liquor stock than recommended. Over the last 18 months, 57% of restaurants were over-stocked with liquor sitting in their store cupboards and shelves: this represented a total cost value of over £7 million across the restaurants audited. The situation was worse for pubs, with 67% of the pubs audited found to have over stocked with a cost value of over £10 million.

PUBS

32 days*	67%	£10 million
Average stockholding time	of pubs overstocked liquor	Total cost value

RESTAURANTS

51 days*	57%	£7 million
Average stockholding time	of restaurants overstocked liquor	Total cost value

While stock is essential to trade, excessive stockholding can quietly erode profitability. It ties up working capital, increases the risk of wastage, creates opportunities for theft and often masks operational inefficiencies. Equally, carrying too little stock can lead to lost sales and disappointed customers. The challenge for operators is not simply reducing stock levels, but to optimise them.

“Many operators do not realise how much cash is effectively sitting idle in their stockrooms, bars and cellars. We encourage clients to treat stock as they would cash. If you would not leave bank notes lying around unmanaged, you should not treat stock that way either. Every bottle, keg and case represents money that should be working for the business.”

What operators should do:

- **Review stock on hand monthly** and benchmark against the recommended 20-day target
- **Challenge excess liquor stock levels** and identify cash tied up in slow-moving products
- **Clear redundant and ageing stock** through targeted promotions, seasonal menus and special offers
- **Conduct regular independent stocktakes** to maintain objectivity, improve accountability and identify improvement opportunities
- **Build a culture of accountability** where managers understand their stock results, GP position and biggest areas of waste

The most successful operators recognise that stockholding is far more than an operational necessity: it is one of the clearest indicators of business health. Businesses that control stock effectively typically generate stronger cash flow, improved gross profit and greater resilience than those that focus solely on driving sales.

Sources: Data from 15,000 liquor stocktakes undertaken by Venners Ltd. *Ideal stockholding time: 20 days

VALUATION & ADVISORY ACTIVITY

Demand for profitable pubs and restaurants remains strong, with notable increased demand in London for leasehold assets, given the lower values when compared to freeholds, and fewer barriers to entry. The vast majority of the high street lenders continue to support the sector, with a number of bridging lenders also keen to lend in the sector.

There is continued demand among pubcos for pubs with rooms which generate high yielding income, much of which transmits to the bottom line. Wage costs continue to be the highest cost for most businesses, with the increase in National Minimum Wage further compounding operational cost management and squeezing profitability.

Concerns also remain regarding the amount of available household disposable income, particularly with the energy price cap increasing by 3.6% in October this year, and the potential impact on visits to pubs, bars, clubs and restaurants. The World Cup provided a welcome temporary respite for many pubs and bars, along with the prolonged spell of good weather throughout summer 2026, and wet-led pubs emerged as the standout winners of the tournament, with average drinks sales nearly doubling during peak matchdays such as England's semi-final match against Argentina.

Our Hospitality Valuations team were instructed to value

Over 1,500
pubs and restaurants

with a combined reported asset
value of

£2.1 billion

January to August 2026



SEAN LUDDEN
Director - Hospitality
Valuation Services



TOM MACCABE
Director -
Valuation Services
(Lease Advisory)



SARAH HART
Director -
Valuation Services
(Lease Advisory)

LEASE ADVISORY

Lease advisory activity has remained high across the licensed hospitality sector, driven by rent reviews and lease renewals against a backdrop of changing trading conditions and continued focus on operating costs. During the year, our specialist Lease Advisory team has advised on a significant number of pub rent assessment instructions, alongside numerous rent reviews and lease renewals across leased and tenanted pub estates.

We have also supported clients through formal dispute resolution processes, including submissions relating to rent review and lease renewal matters determined through arbitration, independent expert proceedings and the Pubs Independent Rent Review Scheme (PIRRS). In Scotland, we acted as Independent Assessor in relation to a Market Rent Only (MRO) lease dispute.

The volume and variety of instructions reflect an active leasehold market, with both operators and landlords focused on ensuring rental terms are aligned with current trading performance and market evidence.



DISTRESS IN THE SECTOR

The UK pub and restaurant sector continues to face significant challenges.

Operators are contending with a combination of rising costs, reduced consumer spending, and increased borrowing expenses, all of which have placed pressure on profitability and cash flow. While customer demand for hospitality experiences remains relatively resilient, margins have been eroded by inflationary pressures across food, drink, utilities and wages.

A key challenge for operators is the increase in employment costs, including rises in the National Living Wage and employer National Insurance contributions. These cost increases have been difficult to fully pass on to consumers, particularly during a period when households are particularly conscious of discretionary spending. As a result, many businesses have experienced declining earnings and weakened liquidity positions.

Higher interest rates have also had a material impact on the sector. Businesses that took on debt during the pandemic, either through government-backed lending schemes or traditional funding arrangements, are now facing increased financing costs. For some operators, particularly independent pubs and restaurants, debt servicing obligations have become unsustainable, leading to covenant breaches, refinancing challenges and heightened insolvency risk.

Larger operators have sought to rationalise their estates by closing underperforming sites, renegotiating lease terms and focusing on core profitable locations.



STEPHEN JACOBS

Director -
Bank Support &
Business Recovery

Smaller businesses with less access to capital and fewer opportunities to achieve economies of scale, have been particularly vulnerable, with 85% of all insolvencies being Creditors Voluntary Liquidations (CVLs), which are characterised by directors instigating the liquidation of their companies as they become unviable.

Despite these challenges, there remain opportunities for well-managed businesses. Operators with strong brands, differentiated offerings and disciplined cost control have demonstrated resilience. Investment activity has continued in selected parts of the sector, particularly where distressed assets can be acquired and repositioned. Nevertheless, ongoing economic uncertainty suggests that financial distress within the UK pub and restaurant market is likely to remain elevated, with restructuring and insolvency activity continuing to form a significant feature of the sector's landscape over the near term.

Early intervention and timely support are critical for struggling businesses, as they can help identify challenges, preserve value, improve recovery prospects, and create opportunities for sustainable long-term success.



THE FINANCE LANDSCAPE



NATHAN MCFARLANE

Senior Finance Consultant,
Christie Finance

The hospitality finance market entered 2026 with cautious optimism. Whilst operating costs and inflationary pressures continue to affect profitability, improving economic conditions, easing borrowing costs and continued demand for well-performing hospitality businesses have supported lender confidence.

The re-emergence of lenders to the hospitality market, in addition to higher levels of activity from challenger and specialist lenders, have driven competition and a general relaxation of preference toward food-led and accommodation-led pubs. This has broadened lending opportunities across the board and enables better access to funding for wet-led pubs where operators can demonstrate robust trading performance and clear business strategy.

The continued expansion of lender appetite is enhancing access to finance across the sector, creating greater opportunities for both aspiring operators and established businesses pursuing growth. Whilst lender confidence remains strongest for experienced operators with demonstrable trading records, there is growing appetite to support first-time buyers who possess relevant experience and a considered business plan.

Whilst freehold acquisitions remain highly attractive to lenders, growing lender appetite has significantly strengthened the leasehold funding market, expanding the range of opportunities available to purchasers seeking to enter the sector or grow their businesses with lower capital expenditure, whilst also providing existing tenants with attractive financing options to acquire their freehold interests.

Despite ongoing challenges, the overall lending environment for pubs and restaurants remains supportive. Increased access to finance, growing government support, and improving trading performance across the sector has contributed to a rise in lender confidence and helped create a more favourable market for both acquisitions and refinancing. As a result, hospitality businesses are well positioned to secure funding, invest in growth and capitalise on opportunities as the sector looks ahead to 2027.

63% increase

in completions



Over 100% increase

in drawdown amount



50% increase

in refinance



May 2024/25 vs May 2025/26

THE INSURANCE LANDSCAPE

The insurance market for pubs and restaurants remains competitive, with a wide range of providers offering combined policies that package key covers such as property damage, employer's and public liability, stock and business interruption insurance.

While competition supports choice and value for operators, insurers are becoming increasingly selective, with underwriting appetite driven by business activity, property condition, claims history and risk management standards.

PUBS



Insurance costs have continued to rise as operating models become more diverse. Many pub businesses have diversified into food, accommodation and events, creating more complex risk profiles and increasing underwriting scrutiny.

RESTAURANTS



Premiums remain relatively stable, although pricing is still influenced by factors such as fire risk, sums insured, claims experience and location.

For those looking to acquire a pub or restaurant, factors such as location, trading performance, operating costs and property condition remain critical considerations. This is particularly important for older or listed buildings, where higher rebuilding costs make accurate sums insured crucial.



DOMINIC SIMPSON

Account Executive,
Christie Insurance

CLAIMS TRENDS

Property damage, injury claims and operational losses continue to account for the majority of claims activity. Common causes include fire, escape of water, equipment failure, theft and liability claims.

Fire remains one of the most significant risks for hospitality businesses, particularly where deep-fat frying, commercial cooking equipment or poorly maintained extraction systems are present. Injury claims can also be costly where customer numbers are high, alcohol is served or incident records are incomplete.

RISK MANAGEMENT

Strong risk management can influence both insurability and premium levels for hospitality businesses.

Key measures include regular inspections, fire safety procedures, staff training and planned maintenance programmes. Sums insured should also be reviewed regularly to reflect changing costs and values.

BUSINESS INTERRUPTION

Business interruption is a key exposure, as even a short closure can significantly affect cash flow. Pubs and restaurants often have high fixed costs, seasonal trading patterns and multiple income streams.

Business interruption cover can help protect lost profit and ongoing costs while businesses recover from disruption. Indemnity periods should reflect realistic reinstatement times, particularly for listed buildings or where specialist equipment is required.

OUTLOOK

Overall, the insurance market remains competitive but increasingly risk sensitive. Package policies continue to offer accessible protection, but insurers are placing greater emphasis on property condition, fire safety, business continuity planning, trading activities and claims history. Operators that demonstrate effective controls, accurate valuations and a clear understanding of their interruption exposure are better placed to secure suitable cover and manage long-term insurance costs.

OUR SERVICES

With over 90 years of expertise, we are the leading specialist business and property adviser, offering market-leading services in buying, selling, and valuations within the hospitality sector.

BROKERAGE

We provide transactional support for buying and selling businesses and properties. Our market leading agents are true experts, each immersed in the pub and restaurant sectors to ensure you receive the most up-to-date and accurate advice possible. With a network of eleven offices and the UK's largest hospitality team, our clients benefit from unrivalled local market knowledge.

CONSULTANCY

We offer services to support you throughout the lifecycle of an investment from pre-conception and development through to operation, turnaround or disposal.

VALUATION

We provide services for all situations including RICS Red Book Valuations for secured lending purposes. From property valuations to lease and rent reviews and expert witness, our qualified chartered surveyors support you with a range of professional services.

BANK SUPPORT & BUSINESS RECOVERY

Our team has wide-ranging experience in dealing with business distress cases and providing clients with accurate and timely advice to assist with effective decision making.

CAPITAL MARKETS & INVESTMENTS

We have an extensive pedigree in working with UK, European and International capital across our pan-European network of offices, involving assets in the wider alternatives space and underpinned by our reach and intricate understanding of our sectors.

CHRISTIE FINANCE

Christie Finance is an independent, specialist commercial finance broker within the hospitality sector. With access to a wide variety of lenders, they are able to secure competitive finance solutions for clients in the form of commercial mortgages and unsecured business loans.

CHRISTIE INSURANCE

Christie Insurance specialises in insurance and risk management solutions to ensure that our clients have the most appropriate policies in place. Their services range from business insurance through to life insurance and employee benefits.

venners

Venners is the leading supplier of stocktaking, inventory, consultancy & compliance services and related stock management systems to the hospitality sector. Consultancy and compliance services include control audits and 'live' event stocktaking. Bespoke software and systems enable real-time management reporting to customers using the best available technologies. Venners is the largest and longest established stock audit company in the sector in the UK.

WHAT OUR CLIENTS SAY ABOUT US



We've recently worked with Christie & Co on the sale of The Longs Arms and have had a very positive experience throughout. Graeme Clifford has been a key part of that - he is proactive, works at a good pace, and has a strong understanding of the commercial dynamics involved in these types of transactions.

What stood out was his ability to balance the needs of all parties while keeping momentum in the process. Communication has been clear and timely, and he has been effective in progressing discussions and driving the deal forward. Overall, a professional and well-managed service - we would be happy to work with Christie & Co again.

Alex Clark - Trustpilot



Ryan from the South West office could not have been more helpful and knowledgeable when we recently sold our pub/restaurant which had been on the market for coming up for two years. His communication was excellent, always available for any query we had, returned calls promptly and the same with emails. Ryan liaised extensively with our purchaser so both sides were fully in the loop at all times.

The photography with Christie & Co was superb and the whole process was very smooth - we can't thank Ryan enough for helping to get the deal over the line and for being a huge support throughout.

Mr & Mrs D - Trustpilot



I cannot recommend Marslie McGregor at Christie & Co in Newcastle upon Tyne highly enough. Marslie recently handled the sale of my pub, The Scruffy Duck, and from start to finish she made the entire process straightforward and stress-free.

She achieved an excellent sale price, especially considering the current market conditions, and her knowledge of the local pub market was outstanding. Her advice was always honest, professional, and well-informed, which gave me complete confidence throughout the sale.

If you're looking to buy or sell a licensed property, I wouldn't hesitate to recommend Marslie and Christie & Co. Thank you for delivering such a fantastic result.

Barry Faulkner - Trustpilot

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FOR OUR FULL TEAM,
SCAN THE QR CODE.



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