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Night Time Economy Market Monitor

May 2026

powered by CGA intelligence

The night time economy in 2025: A year in review

1. A difficult Q1 for hospitality. After relentless pressures on businesses' operating costs, there was a drop in the number of venues in every hospitality channel between December 2025 and March 2026.

2. Late-night bar closures outpacing other segments. The night time economy has been disproportionally hit by challenges. Venues in the late-night bar channel have dropped by **5.7%** in the last 12 months, against a hospitality-wide average of **0.3%**.

3. Late-night economy 28.9% smaller than before COVID. This fall in venue numbers since March 2020 is more than double the drop of **14.3%** among all licensed premises.

4. Encouraging signs for indie bars. Despite all the challenges facing small businesses in the late-night economy, indies have demonstrated some resilience in the first quarter. While the number of managed bars fell by **2.2%**, losses on the independent side were stemmed to 0.6%.

5. Fragile confidence for the rest of 2026. Rising costs and closures have sapped business leaders' confidence, and fewer than a third feel optimistic for hospitality over the next 12 months. Inflationary impacts of war in the Middle East are likely to reduce confidence further and trigger more closures.

First-quarter update: The night time economy in early 2026

Late-night venues continue to be hit disproportionately hard by high costs and low consumer confidence.

That's the top takeaway from this edition of the Night Time Economy Market Monitor, which reveals another quarter-on-quarter drop in bars, clubs, casinos and similar venues operating after dark. Numbers fell by **5.1%** in the 12 months to March 2026, and by **28.9%** since the start of the COVID-19 pandemic in March 2020—equivalent to nearly three net closures every week for six years.

This is a much weaker performance than hospitality as a whole. The number of sites in the evening economy segment of the Monitor has dropped by **8.1%** since COVID, and by only **0.5%** year-on-year. In other words, the rate of closures in the late-night segment has been ten times that of the wider evening economy. The hospitality sector as a whole—including all licensed premises—has shrunk by just **0.3%** since March 2025.

-5.1%
Year-on-year net decline in late-night venues (March 2025 to March 2026)

-1.0%
Quarter-on-quarter net decline in late-night venues (December 2025 to March 2026)

The contraction in the night time economy is the result of a potent fusion of factors, including weak consumer confidence, changing leisure habits and poor late-night infrastructure. Those challenges have been exacerbated by very high operating costs in recent years, in areas including labour, energy, taxes and food and drink. These pressures have been too much for many venues, especially late-night bars (see page 2).

Conditions aren't likely to get any easier. NIQ's recent Business Confidence Survey with Zonal found that fewer than a third (**31%**) feel optimistic about the future of hospitality over the next 12 months. Anxieties will have been deepened by the conflict in the Middle East, which started soon after NIQ's survey was conducted. Disruption to oil supply has already caused dramatic increases in the cost of energy-related items, and inflation and interest rates are now predicted to rise. This latest crisis has created yet more problems for the besieged night time economy, and with so many businesses struggling to sustain sales and profitability, more closures are inevitable over the rest of 2026.

Britain's licensed premises at March 2026

	March 2020	March 2025	Dec 2025	March 2026	Post-COVID change: March 2026 v March 2020	YoY change: March 2026 v March 2025	QoQ change: March 2026 v Dec 2025
Late-night economy	3,026	2,266	2,172	2,151	-28.9%	-5.1%	-1.0%
Evening economy	17,405	16,069	16,146	15,995	-8.1%	-0.5%	-0.9%
Wider night time economy	102,446	88,509	88,488	88,159	-13.9%	-0.4%	-0.4%
Total hospitality sector	115,108	98,866	98,914	98,609	-14.3%	-0.3%	-0.3%

Bars: A Q1 snapshot

After a tough start to 2026 for the night time bar market, Monitor figures set out the full damage of high inflation and changing consumer behaviour on businesses there.

Numbers in the late-night bar segment dropped by **0.6%** in the first quarter and have now fallen by **5.7%** in the last 12 months—equivalent to nearly six net closures every week. This year-on-year change is the worst of any segment in the Night Time Economy Market Monitor (see table).

High-profile closures in the first quarter of 2026 have included bars from Revolution and Brewdog. Revolution announced in January that it was closing 21 sites, after enduring what it called "a continued period of external challenges." A few weeks later, 38 Brewdog bars were closed when it was acquired by Tilray after falling into administration. More than 1,000 jobs were lost across the two businesses.

Some of these bar units have been quickly snapped up by other operators, but the wave of closures has left a hole in the late-night market in many British cities and towns. While there were many factors at play in the failure of the two businesses, both were weakened by soaring costs, as well as by moves by many consumers to go out earlier for various reasons.

Some parts of the bar market have fared better. They include themed bars, whose numbers have jumped **24.5%** in a year—thanks in part to the continued investment in competitive socialising, and a recent flurry of Irish and German themed bar concepts. However, other segments have struggled, like craft bars (**down 2.6%**), student bars (**down 2.7%**) and wine bars (**down 2.6%**). With bars struggling for sales growth in recent months (see box), Revolution and Brewdog may only be the first to see their estates shrinking.

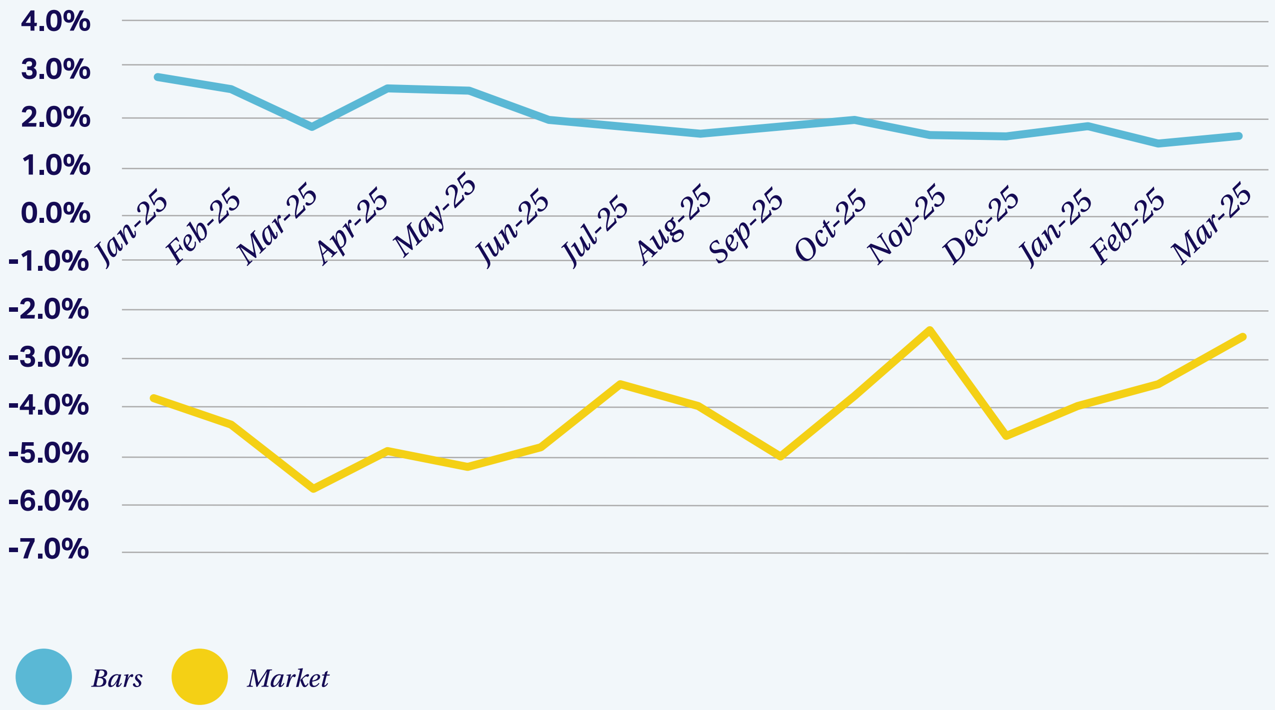
The night time economy in 2025: Selected segments

	Sites at March 2025	Sites at Dec 2025	Sites at March 2026	YoY change: March 2026 v March 2025	QoQ change: March 2026 v Dec 2025
Bar restaurants	3,333	3,390	3,327	-0.2%	-1.9%
Cocktail bars	950	978	968	+1.9%	-1.0%
Craft bars	808	828	787	-2.6%	-5.0%
Educational bars	628	611	611	-2.7%	0.0%
Late-night bars	1,320	1,252	1,245	-5.7%	-0.6%
Nightclubs	826	799	791	-4.2%	-1.0%
Themed bars	322	400	401	+24.5%	+0.3%
Wine bars	661	649	644	-2.6%	-0.8%

Bar sales

Late-night closures have followed a sustained period of weak trading for the managed bar sector. The NIQ RSM Hospitality Business Tracker has shown a gulf in sales growth between this sector and the wider managed market. Rolling 12-month sales for bar groups have been negative since the start of 2025, while the market as a whole has recorded positive growth, albeit at below-inflation levels (see graph).

Rolling 12-month sales: Bars v total market



Independent bars

While managed venues in the night time economy have been struggling for growth, trends for smaller operators have been a little better. The Night Time Economy Market Monitor shows the number of managed sites fell by **2.2%** in the first quarter of 2026. Meanwhile, losses on the independent side were stemmed to only **0.6%**.

This is a reversal of trends seen in the aftermath of the COVID-19 pandemic, when managed venues were able to draw on financial reserves that weren't available to smaller businesses. More positive trends recently may be the result of entrepreneurs developing new and distinctive late-night concepts, and of consumers' appetite for fresh experiences. Expected increases in costs in 2026 may stymy these new operators, but there are at least some reasons for indies to be cautiously optimistic about the longer term future.

The late-night economy by tenure

	Sites at Dec 2025	Sites at March 2026	QoQ change: March 2026 v Dec 2025
Independent	1,544	1,534	-0.6%
Managed	505	494	-2.2%
Tenanted	123	123	0.0%

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The view from the NTIA

“There’s a growing debate about whether what we’re seeing in the night time economy is a natural evolution or a managed decline—and the reality is that it’s an uncomfortable mix of both.

On one hand, there is no doubt that consumer behaviour is shifting. People are going out earlier, seeking more experience-led environments and engaging with nightlife in different ways. We are seeing innovation in areas like themed venues and competitive socialising, which shows that demand isn’t disappearing but changing.

But we cannot ignore the fact that this transformation is being heavily shaped, and in many cases distorted, by external pressures. The rate at which late-night venue closures are outpacing the rest of hospitality points to structural challenges rather than a healthy market evolution. Economic pressures like soaring energy and labour costs and taxes are making it increasingly difficult to operate viable late-night businesses. At the same time, inconsistent approaches to licensing, transport and policing are undermining the infrastructure that a thriving night time economy depends on.

What we are seeing, therefore, is not a clean transition from one model of nightlife to another. It is erosion happening faster than evolution. And that creates a real risk that we lose vital parts of our cultural and social fabric before new models have the chance to fully emerge. The challenge now is to ensure this shift is supported, not stifled. With the right policy framework and investment in i nfrastructure, the night time economy can evolve and grow. Without it, we risk allowing economic pressure, not creativity or consumer demand, to define its future.”

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, powered by CGA intelligence**, 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.niq.com or email Reuben Pullan, senior insight consultant in the hospitality operators and food team, at reuben.pullan@nielseniq.com.

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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.

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The Night Time Industries Association is the voice of the night time community in the UK. For more about the NTIA and membership, visit **www.ntia.co.uk**