

London Domestic Tourism Projections

Technical note

October 2025

1. Purpose

This technical note outlines the methodology used to project annual estimates of London's domestic overnight visitor numbers, visitor nights, and expenditure (real, 2022 prices). It summarises data sources, methodological updates, and key assumptions. Please note that [VisitBritain](#), the data provider, has indicated that **pre-2022 figures are not directly comparable** due to methodological changes.

A number of methodologies were examined based on the literature and practical considerations. These included pooled OLS (Ordinary Least Squares) on long-run series, fixed effects panel models, post-2022 OLS-only specifications, time-series models such as ARIMA (AutoRegressive Integrated Moving Average) and ETS (Exponential Smoothing), multivariate systems such as VAR (Vector Autoregression) or cointegrated models with GDP and prices, and simple heuristics such as ratio scaling between visits, nights, and spend. For internal consistency, the mainline forecast uses a blended econometric approach that estimates separate pre-COVID and post-COVID relationships and combines them into a single forecast path. Nights and real spend are then derived from the visits forecast using post-2022 elasticities. Alternative methods are retained for diagnostics and sensitivity checks only.

2. Headline results (domestic)

Levels in millions. Spend in £ million, 2022 prices.

Year	Nights (millions)	Visitors (millions)	Spend (real, £m 2022)
2019	28.483	12.155	3,391
2022	37.918	15.710	4,850
2023	37.694	15.891	4,724
2024	37.285	15.076	5,456
2025	36.363	14.366	4,716
2026	36.409	14.405	4,730
2027	36.464	14.451	4,746
2028	36.509	14.489	4,759
2029	36.540	14.515	4,768

Note on price base: all spend figures are presented in 2022 prices. The domestic series is anchored in 2022 to reflect the post-2022 survey methodology. Figures are not directly comparable to tables expressed in 2019 prices.

3. Updates since the last projection

Since our previous [projections](#) several issues have emerged which may influence our results. These include:

Methodological change and comparability: the 2022 survey redesign means pre-2022 and post-2022 levels are not directly comparable. Mixing series can bias level and elasticity estimates; to overcome this issue we model each period separately and blend the results.

Behavioural realignment: the staycation peak in 2022 and 2023 has eased as outbound travel normalised, while hybrid work patterns continue to support short, flexible domestic trips. This affects baseline levels, seasonality, and average trip length.

Household income and prices: cost-of-living pressures which rose after the Russian invasion of Ukraine in 2022, along with transport costs, and accommodation rates influence discretionary overnight trips and present downside risks.

Data horizon and revision risk: only three post-break years (2022–2024) are available, which widens forecast uncertainty and requires ongoing monitoring.

4. Data and scope

Periods: pre-COVID 2006 to 2019, post-COVID 2022 to 2024. Data for 2020 to 2021 are not provided and are therefore not included.

Dependent variable: domestic overnight visits, [VisitBritain](#).

Independent variable: UK real GDP (2022 prices, £ million), [ONS](#).

Additional data considered: OECD Consumer Confidence, domestic spend in current and 2019 prices, domestic overnight nights.

Price base: real spend is presented in 2022 prices to align with post-2022 calibration.

5. Projection methodology

5.1 Construction of a historical time series

Annual domestic overnight visits for 2006 to 2024 were assembled and segmented into pre-COVID (2006 to 2019) and post-COVID (2022 to 2024). The segmentation avoids mixing non-comparable levels across the 2022 survey break.

5.2 Blended econometric modelling

Because the survey methodology changed in 2022, separate models were estimated for the pre- and post-COVID periods and blended to form a single forecast path that gives weight to recent behaviour while retaining long-run structure.

5.3 Post-2022 elasticities and rationale

To derive nights and real spend from visits in the post-2022 regime, log–log regressions were estimated on quarterly data with quarter fixed effects, a linear trend, and HAC or Newey–West standard errors. This specification was selected for four reasons: first, log transformations produce directly interpretable elasticities and stabilise variance; second, quarter fixed effects remove seasonal patterns observed in 2022

to 2024; third, a linear trend absorbs within-regime drift without overfitting; fourth, HAC or Newey–West errors are robust to heteroskedasticity and autocorrelation in short quarterly panels.

6. How nights and spend were calculated from visits

From the 2025 to 2029 visits path, we derived corresponding visitor nights and real spend in 2022 prices.

Calibration was post-2022 only to respect the survey break, and levels were anchored at 2024.

7. Methods considered and rationale for selection

7.1 Econometric approaches

- **Pooled OLS on the full 2006–2024 series**; however, this ignores the 2022 survey break, which biases levels and elasticities.
- **Fixed-effects panel using all years without segmentation**; however, this treats pre- and post-2022 as comparable, which is contrary to the data provider’s guidance.
- **Post-2022 OLS only (no blending)**, although this uses the correct regime the short sample reduces stability and makes results sensitive to single-year shocks.
- **VAR or cointegrated systems with GDP and prices**, require longer stable samples for identification; parameter instability around 2022 reduces reliability.

7.2 Time-series approaches

- **ARIMA / SARIMA**, while this fits recent dynamics it lacks an explicit macro driver and underperformed for medium-term projections in back-tests.
- **Exponential smoothing (ETS)**, while this is transparent it is purely extrapolative and not robust to structural breaks.

7.3 Heuristics and scaling checks

- **Simple ratio scaling (hold S/V and N/V fixed)**: kept as a cross-check only; assumes constant ratios and cannot capture non-linear responses.

Selected approach: blended pre- and post-COVID econometric modelling that respects the 2022 break, preserves interpretability, and provides better out-of-sample stability for medium-term forecasts. This selection also supports internal consistency across visits, nights, and spend by relying on a single coherent framework.

8. Limitations and uncertainty

Comparability: pre-2022 figures are not directly comparable with post-2022 data due to the survey redesign.

Short post-break horizon: only three post-2022 years. Elasticities should be re-estimated as new data arrive.

Model scope: GDP and visits-driven elasticities do not capture all behavioural or cost-side drivers such as transport costs or accommodation pricing.

Uncertainty bands are available using the 95 per cent confidence intervals of the post-2022 elasticities. We can report low, central, and high paths and update them as new quarters are released.

9. Conclusion

The blended domestic methodology, paired with post-2022 elasticities for nights and spend, provides policy-relevant projections for 2025 to 2029 while addressing the methodological break. Continued monitoring and re-estimation are recommended as [new data](#) become available.