

HOTEL MARKET UPDATE

NORDIC HOTEL MARKET TRENDS AND ECONOMIC INDICATORS

Oct/20

*We have now raked
the numbers together.*



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Valuation and The Good Hotel Investment

Annordia carries out valuations of hotel properties, portfolios of hotels and hotel development projects. Our unique expertise and market knowledge differentiates us from other valuation providers. As hotel specialists rather than generalists that may value a mere handful of hotels annually, we have a deep understanding of the underlying value drivers and have a host of data to draw upon. We provide property valuations for a variety of purposes, including acquisitions, year-end accounting and secured lending.

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THE STEAM HOTEL
PEAB

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Establish the feasibility of a potential hotel investment.



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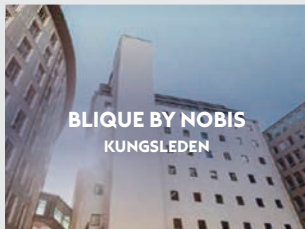
Hotel planning and optimisation based on market characteristics.



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& GOTHIA TOWERS
SVENSKA MÄSSAN STIFTELSE

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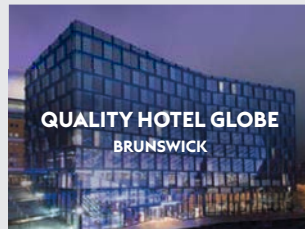
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For acquisitions, year-end accounting and secured lending.



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HOTEL MARKET UPDATE

Welcome to Annordia's monthly market snapshot Hotel Market Update. In this report you'll find important statistical information in respect of the Swedish and Nordic hotel markets.

Annordia has undertaken significant research and analysis of every aspect of the hospitality industry. Over time, we have built comprehensive databases with the latest market information in order to support our consultancy services. We therefore have a unique insight into current market dynamics that we gladly share, which we hope helps to grow your interest in the hotel sector.

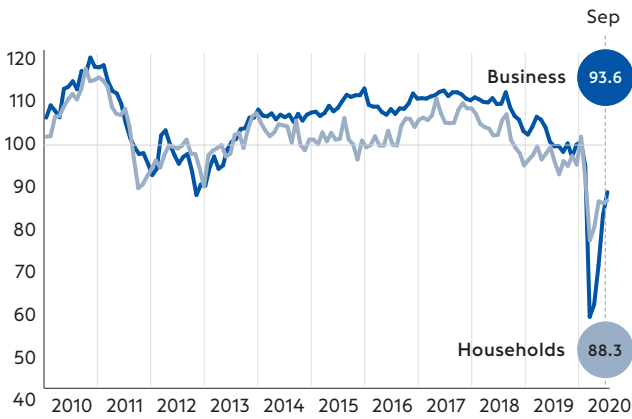
POINTS OF THE MONTH

Demand for hotel rooms witnessed a relative upswing in parts of the country during July and the first half of August, correlated to the Swedish summer holiday period. However, the continued restrictions on meeting sizes and travel and the Public Health Agency of Sweden's call to work from home, continues to have a negative impact on demand for travel and hotel rooms going forward.

- The Swedish business confidence indicator rose from 86 to 93 between August and September and is approaching the historical average. Even the household confidence indicator grew. Altogether, this shows that Sweden's economy is on the path to recovery - see confidence indicators on page 2.
- Hotel companies' expectations of demand for hotel services over the forthcoming three months remained negative in September. A larger proportion of hotel companies believed in lower demand than the proportion who believed in higher demand - see hotel companies' expectations on page 3.
- Of the 25 largest hotel municipalities in Sweden, Halmstad was the district that stood out positively in August. RevPAR was close to the level posted in August 2019. RevPAR was on average 40 percent lower than the previous year among the other 24 municipalities - see page 4.
- Average Daily Rate (ADR) for the Swedish hotel market as a whole was 16 percent lower in August this year compared to August 2019 - see page 4.
- Demand for hotel rooms across the Nordic capitals fell by more than 60 percent in August compared with August 2019 - see page 7.

MACRO INDICATORS IN SWEDEN

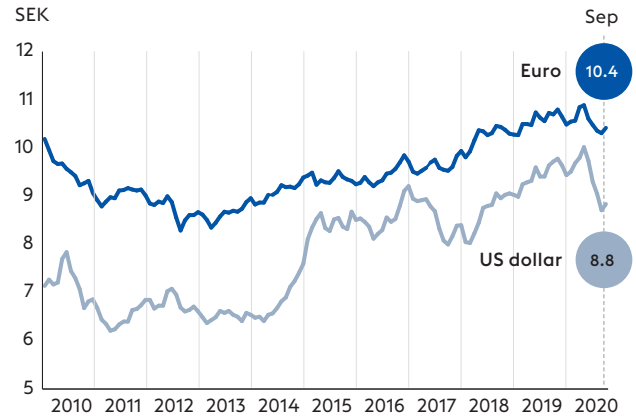
The business confidence indicator rose from 86 to 93 between August and September and is now approaching the historical average of 100. The household indicator also rose although was still below 90 in September.



Confidence indicators for business and households in Sweden, up to and including September.

Source: The National Institute of Economic Research
Confidence indicators are an overall measure of the overall perceptions and expectations of business and households.

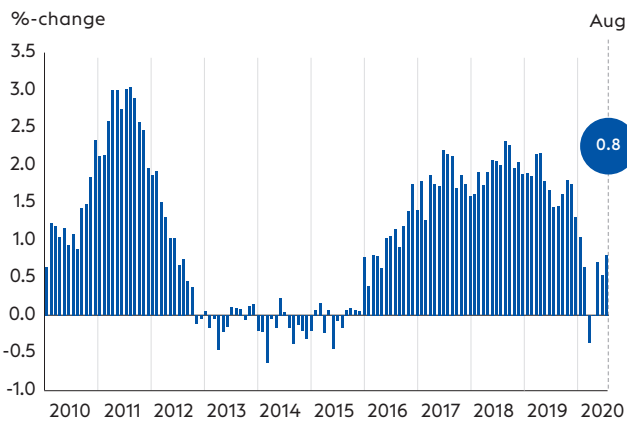
Since April, the Swedish crown has strengthened against the US dollar and the Euro, although saw a slight weakening against both currencies in September. However, the value of the krona strengthened somewhat against the Norwegian crown.



The development of the Swedish krona against the Euro and the US dollar, up to and including September.

Source: The Central Bank of Sweden

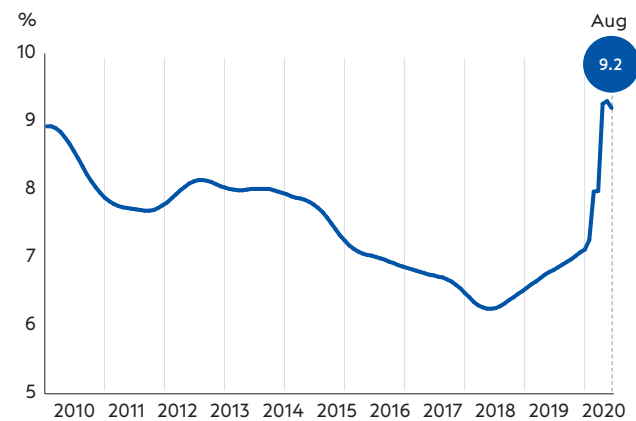
Inflation was 0.8 percent in August compared with the corresponding month last year. Inflation continues to be well below the central bank's target level of two percent.



The inflation rate (CPI) in the Swedish economy, up to and including August.

Source: Statistics Sweden

Unemployment remained unchanged in August compared with July at 9.2 percent. However, the level is 2.4 percentage points higher than in August 2019 and, moreover, is the highest level recorded since the turn of the century.



Unemployment (trend) as a percentage of the Swedish market up to and including August.

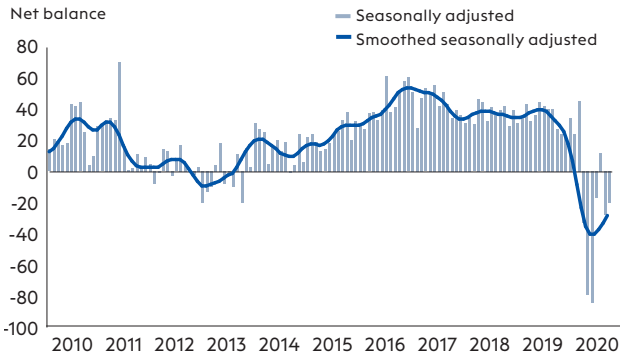
Source: The laborforce survey (Statistics Sweden)

0.8%

AUGUST INFLATION LEVEL

SWEDISH HOTEL MARKET SUMMARY

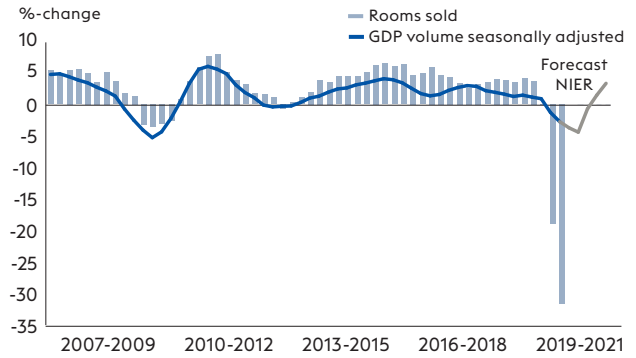
The net balance of Swedish hotel companies' expectations for demand over the forthcoming three months remained negative in September. This indicates a continued weak prognosis until the New Year for the Swedish hotel market.



Swedish hotel companies' expectations of demand for their services in the next 3 months, up to and including September.

Source: The National Institute of Economic Research
Net balance: See definitions on page 8

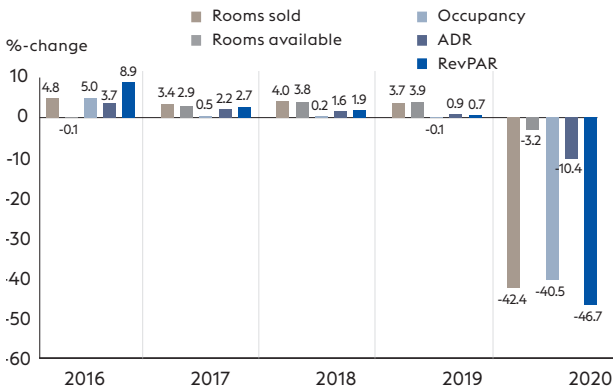
The decline in the hotel market as a result of the Coronavirus pandemic continues to be dramatic in relation to developments in the overall Swedish economy. This is clear from the diagram below.



Development of occupied hotel rooms and GDP (volume) in Sweden, 4-quarter rolling averages.

Source: The Swedish Growth Agency/Statistics Sweden & the National Institute of Economic Research

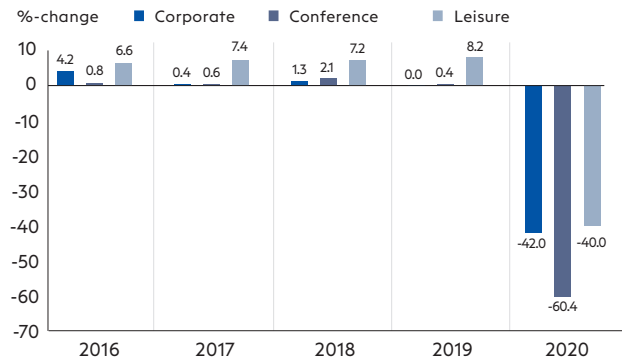
Occupied hotel rooms fell in August by 41 percent compared with the corresponding month last year. As a result of the ongoing pandemic, RevPAR has fallen by 47 percent in the first eight months of 2020.



Development of key performance indicators in the Swedish hotel market, compared with the previous year, up to and including August.

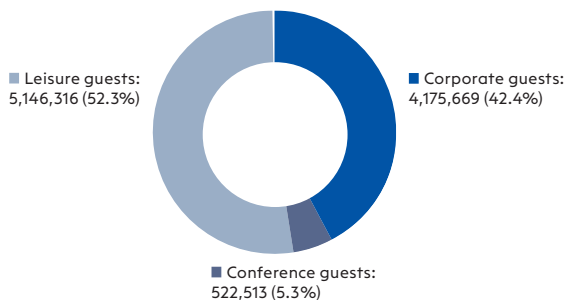
Source: The Swedish Growth Agency/Statistics Sweden

Demand for rooms from corporate and leisure guests has decreased by around 40 percent in the first eight months of this year. For hotel rooms linked to overnight conferences, the decline was as much as 60 percent during the same period.



Percentage change of occupied hotel rooms by demand segmentation in the Swedish hotel market compared with the previous year, up to and including August.

Source: The Swedish Growth Agency/Statistics Sweden



Leisure guests have occupied 5.1 million hotel rooms so far in 2020. This corresponds to 52 percent of the total number of occupied hotel rooms during the period.

Distribution of occupied hotel rooms between different demand segments in the Swedish hotel market, Jan-Aug 2020.

Source: The Swedish Growth Agency/Statistics Sweden

TRENDS IN SWEDEN'S 25 LARGEST HOTEL MUNICIPALITIES

MONTH AUGUST

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2020	2019		2020	2019		2020	2019		2020	2019	
	TSEK		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	186	615	-69.7	30.0	84.5	-64.5	793	1,324	-40.1	238	1,119	-78.7
GOTHENBURG	100	231	-56.7	39.0	80.3	-51.4	834	1,106	-24.7	325	889	-63.4
MALMÖ	64	131	-51.4	43.9	82.2	-46.6	734	819	-10.4	322	673	-52.2
SIGTUNA	24	59	-59.7	24.5	69.7	-64.8	723	961	-24.8	177	670	-73.5
SOLNA	22	51	-57.2	32.6	78.8	-58.6	621	917	-32.3	202	723	-72.0
JÖNKÖPING	30	43	-30.2	54.1	71.3	-24.1	830	816	1.7	449	582	-22.9
HELSINGBORG	30	41	-26.4	56.7	77.9	-27.3	917	960	-4.5	519	747	-30.5
UMEÅ	28	38	-24.2	50.9	62.6	-18.8	693	782	-11.3	353	490	-28.0
UPPSALA	21	32	-35.0	40.4	61.4	-34.3	751	891	-15.7	303	547	-44.6
LINKÖPING	25	36	-30.4	44.2	62.9	-29.8	706	840	-15.9	312	529	-41.0
LUND	20	32	-37.8	50.9	66.4	-23.3	775	900	-13.9	394	597	-34.0
KARLSTAD	19	34	-44.1	45.6	81.0	-43.7	745	863	-13.7	340	699	-51.4
ÖREBRO	22	35	-36.5	54.0	75.9	-28.9	777	882	-11.9	419	669	-37.4
VÄSTERÅS	25	31	-19.5	56.8	68.9	-17.4	921	902	2.1	523	621	-15.7
SUNDSVALL	25	27	-8.6	48.8	56.4	-13.4	777	827	-6.0	380	466	-18.6
NORRKÖPING	23	33	-29.0	48.3	65.3	-26.0	1,007	1,188	-15.2	487	776	-37.2
LULEÅ	16	21	-24.4	46.6	60.7	-23.3	694	744	-6.7	323	452	-28.4
GOTLAND	37	43	-13.5	60.1	72.1	-16.7	1,184	1,327	-10.8	712	957	-25.7
NACKA	13	24	-46.3	42.3	70.3	-39.7	1,177	1,237	-4.9	498	869	-42.7
HALMSTAD	23	23	-3.6	65.9	68.6	-4.0	1,274	1,231	3.4	839	845	-0.7
GÄVLE	20	21	-6.3	61.7	65.8	-6.1	855	855	-0.1	527	562	-6.2
ÖSTERSUND	13	20	-35.7	45.3	70.3	-35.5	684	904	-24.4	310	636	-51.2
VÄXJÖ	12	18	-32.0	47.6	62.1	-23.3	771	825	-6.6	367	512	-28.3
KALMAR	18	22	-19.3	68.5	82.5	-17.0	954	1,133	-15.8	654	935	-30.1
SÖDERTÄLJE	8	17	-55.9	30.4	67.2	-54.8	687	875	-21.5	209	588	-64.5
SWEDEN	1,521	2,590	-41.3	42.0	67.3	-37.7	884	1,055	-16.2	371	710	-47.8

The highest rates of change for each respective variable are highlighted in grey.

Source: The Swedish Agency for Economic and Regional Growth/Statistics Sweden

YEAR-TO-DATE JANUARY – AUGUST

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2020	2019		2020	2019		2020	2019		2020	2019	
	TSEK		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	1,611	4,015	-59.9	31.6	71.2	-55.6	975	1,219	-20.0	308	868	-64.5
GOTHENBURG	777	1,627	-52.2	37.5	72.7	-48.5	926	1,102	-16.0	347	801	-56.7
MALMÖ	452	853	-47.0	37.6	69.7	-46.0	798	830	-3.9	300	578	-48.1
SIGTUNA	211	439	-51.9	28.4	67.9	-58.2	896	1,020	-12.2	255	693	-63.3
SOLNA	172	341	-49.6	32.6	67.3	-51.5	789	941	-16.2	258	634	-59.4
JÖNKÖPING	173	286	-39.6	39.3	62.0	-36.6	844	861	-2.0	331	533	-37.9
HELSINGBORG	172	267	-35.6	42.2	65.4	-35.5	871	891	-2.2	368	583	-37.0
UMEÅ	181	279	-34.9	41.7	60.3	-30.9	753	805	-6.5	314	486	-35.4
UPPSALA	139	240	-42.2	36.8	58.8	-37.4	838	934	-10.2	308	549	-43.8
LINKÖPING	162	257	-37.0	36.6	58.3	-37.3	769	849	-9.4	281	495	-43.2
LUND	129	229	-43.8	38.4	61.5	-37.6	845	934	-9.5	324	575	-43.5
KARLSTAD	130	231	-43.6	40.4	70.8	-43.0	785	828	-5.3	317	587	-46.0
ÖREBRO	146	238	-38.4	43.8	66.9	-34.6	849	897	-5.4	372	601	-38.1
VÄSTERÅS	162	221	-27.0	46.8	64.3	-27.2	920	969	-5.0	431	623	-30.9
SUNDSVALL	152	200	-23.9	39.8	55.3	-28.0	812	875	-7.1	323	483	-33.1
NORRKÖPING	138	209	-33.8	39.3	58.2	-32.4	960	1,041	-7.8	378	606	-37.7
LULEÅ	106	175	-39.3	39.8	65.3	-39.1	813	871	-6.7	323	569	-43.2
GOTLAND	127	198	-35.6	39.1	56.8	-31.2	1,138	1,206	-5.6	445	685	-35.1
NACKA	83	154	-46.3	34.9	57.9	-39.7	1,182	1,224	-3.5	413	709	-41.8
HALMSTAD	118	154	-23.3	42.5	58.3	-27.1	1,244	1,226	1.5	529	715	-26.0
GÄVLE	115	155	-25.6	45.4	62.2	-26.9	879	910	-3.5	399	566	-29.5
ÖSTERSUND	91	146	-37.8	40.0	66.2	-39.6	836	954	-12.4	334	632	-47.1
VÄXJÖ	86	132	-35.0	41.6	57.9	-28.2	865	882	-1.9	360	511	-29.5
KALMAR	96	139	-30.7	48.7	64.5	-24.4	910	974	-6.5	443	628	-29.4
SÖDERTÄLJE	59	115	-48.5	30.6	58.2	-47.5	794	896	-11.3	243	521	-53.4
SWEDEN	9,844	17,099	-42.4	34.9	58.8	-40.5	922	1,029	-10.4	322	605	-46.7

The highest rates of change for each respective variable are highlighted in grey.

Source: The Swedish Agency for Economic and Regional Growth/Statistics Sweden

12-MONTH ROLLING AVERAGE SEPTEMBER – AUGUST

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2020	2019		2020	2019		2020	2019		2020	2019	
	TSEK		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	3,669	6,016	-39.0	46.3	71.7	-35.4	1,141	1,225	-6.8	528	878	-39.8
GOTHENBURG	1,586	2,425	-34.6	49.6	72.6	-31.7	1,029	1,103	-6.7	511	801	-36.2
MALMÖ	879	1,246	-29.5	48.2	68.9	-30.1	845	843	0.2	407	581	-29.9
SIGTUNA	443	659	-32.9	41.0	68.6	-40.2	999	1,048	-4.7	410	719	-43.0
SOLNA	348	510	-31.8	44.6	68.1	-34.5	928	970	-4.3	414	660	-37.3
JÖNKÖPING	309	418	-26.2	46.3	60.6	-23.6	922	904	2.0	427	548	-22.1
HELSINGBORG	300	389	-22.9	48.9	63.8	-23.4	877	876	0.1	428	559	-23.4
UMEÅ	322	418	-23.0	48.4	60.7	-20.3	793	824	-3.7	384	500	-23.2
UPPSALA	268	370	-27.6	46.1	60.2	-23.5	909	961	-5.4	418	579	-27.7
LINKÖPING	294	382	-23.1	44.2	58.7	-24.7	838	881	-4.9	370	517	-28.4
LUND	248	347	-28.4	47.6	62.6	-24.0	943	953	-1.1	449	597	-24.9
KARLSTAD	241	343	-29.8	49.6	70.4	-29.5	822	841	-2.2	408	592	-31.1
ÖREBRO	265	354	-25.1	51.4	67.0	-23.3	892	912	-2.2	458	611	-24.9
VÄSTERÅS	283	335	-15.6	54.1	65.3	-17.1	952	975	-2.4	515	637	-19.1
SUNDSVALL	257	299	-14.0	45.2	54.7	-17.5	853	878	-2.8	385	481	-19.8
NORRKÖPING	236	305	-22.6	43.9	57.9	-24.1	958	999	-4.1	421	578	-27.2
LULEÅ	190	266	-28.6	47.3	66.5	-28.9	848	868	-2.2	401	577	-30.5
GOTLAND	189	258	-26.5	39.4	52.2	-24.5	1,045	1,125	-7.1	412	587	-29.9
NACKA	165	235	-29.9	43.9	58.3	-24.6	1,244	1,248	-0.4	546	727	-24.9
HALMSTAD	186	220	-15.6	45.7	56.6	-19.3	1,208	1,199	0.7	552	679	-18.7
GÄVLE	195	233	-16.5	51.6	62.2	-17.1	898	909	-1.3	463	565	-18.1
ÖSTERSUND	165	210	-21.6	48.5	64.1	-24.3	875	928	-5.7	425	595	-28.6
VÄXJÖ	154	201	-23.3	48.3	59.1	-18.3	899	901	-0.2	434	533	-18.5
KALMAR	159	202	-21.1	52.8	62.4	-15.3	904	948	-4.6	477	591	-19.2
SÖDERTÄLJE	117	172	-31.8	39.8	58.1	-31.4	905	905	0.0	360	526	-31.5
SWEDEN	18,211	25,202	-27.7	42.6	58.5	-27.2	985	1,033	-4.6	420	605	-30.6

The highest rates of change for each respective variable are highlighted in grey.

Source: The Swedish Agency for Economic and Regional Growth/Statistics Sweden

NORDIC HOTEL MARKET – COUNTRIES AND CAPITAL CITIES

MONTH AUGUST

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2020	2019		2020	2019		2020	2019		2020	2019	
	TSEK		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	1,521	2,590	-41.3	42.0	67.3	-37.7	884	1,055	-16.2	371	710	-47.8
DENMARK	699	1,161	-39.8	43.0	74.0	-41.9	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	667	1,064	-37.3	42.4	61.7	-31.3	901	1,031	-9.0	382	636	-37.5
NORWAY	1,098	1,858	-40.9	44.0	69.2	-36.4	971	1,084	-1.1	427	750	-37.1
STOCKHOLM	186	615	-69.7	30.0	84.5	-64.5	793	1,324	-40.1	238	1,119	-78.7
COPENHAGEN	188	513	-63.3	30.0	87.0	-65.5	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	93	278	-66.6	35.0	84.8	-58.7	909	1,238	-23.6	318	1,050	-68.5
OSLO	141	374	-62.4	35.0	83.0	-57.8	836	1,155	-20.0	293	959	-66.3

Source: The Swedish Agency for Economic and Regional Growth/Statistics Sweden, Statistics Norway, Statistics Denmark, Statistics Finland

*Changes in ADR and RevPAR are as per the respective changes in local currencies

YEAR-TO-DATE JANUARY – AUGUST

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2020	2019		2020	2019		2020	2019		2020	2019	
	TSEK		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	9,844	17,099	-42.4	34.9	58.8	-40.5	922	1,029	-10.4	322	605	-46.7
DENMARK	3,754	7,357	-49.0	30.4	62.5	-51.3	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	4,316	7,474	-42.3	40.0	56.4	-29.0	978	1,038	-1.9	391	585	-30.4
NORWAY	6,884	11,410	-39.7	41.6	57.5	-27.6	977	1,062	1.7	406	610	-26.4
STOCKHOLM	1,611	4,015	-59.9	31.6	71.2	-55.6	975	1,219	-20.0	308	868	-64.5
COPENHAGEN	1,292	3,341	-61.3	27.0	76.3	-64.6	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	717	1,813	-60.4	41.3	73.9	-44.0	1,018	1,184	-10.6	421	875	-49.9
OSLO	1,087	2,363	-54.0	41.9	70.6	-40.6	892	1,128	-12.6	374	796	-48.1

Source: The Swedish Agency for Economic and Regional Growth/Statistics Sweden, Statistics Norway, Statistics Denmark, Statistics Finland

*Changes in ADR and RevPAR are as per the respective changes in local currencies

12-MONTH ROLLING AVERAGE SEPTEMBER – AUGUST

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2020	2019		2020	2019		2020	2019		2020	2019	
	TSEK		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	18,211	25,202	-27.7	42.6	58.5	-27.2	985	1,033	-4.6	420	605	-30.6
DENMARK	7,394	10,848	-31.8	40.3	62.3	-35.3	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	7,980	10,995	-27.4	45.9	55.6	-17.5	1,019	1,038	2.2	467	577	-15.7
NORWAY	12,107	16,267	-25.6	45.7	55.8	-18.1	965	1,053	1.3	441	588	-17.1
STOCKHOLM	3,669	6,016	-39.0	46.3	71.7	-35.4	1,141	1,225	-6.8	528	878	-39.8
COPENHAGEN	3,033	4,976	-39.0	42.6	76.7	-44.4	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	1,668	2,704	-38.3	55.8	75.0	-25.6	1,166	1,189	2.1	650	891	-24.0
OSLO	2,300	3,405	-32.4	52.9	70.6	-25.1	961	1,136	-6.5	509	802	-29.9

Source: The Swedish Agency for Economic and Regional Growth/Statistics Sweden, Statistics Norway, Statistics Denmark, Statistics Finland

*Changes in ADR and RevPAR are as per the respective changes in local currencies

DEFINITIONS

Net balance: Net balance is the difference between the number of positive versus negative responses received from hotels regarding their demand expectations for their services.

Occupancy: Rooms sold/Available rooms.

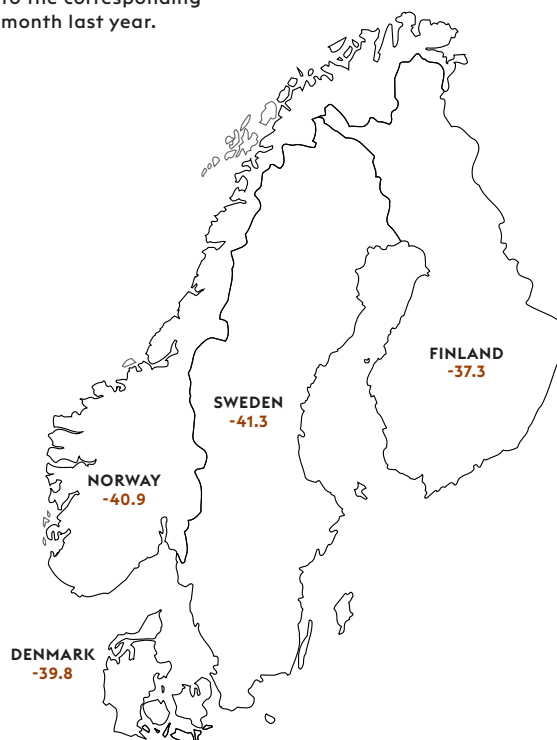
ADR: Accommodation revenue/Rooms sold.

RevPAR: Occupancy x ADR.

N/A: Not available.

ROOMS SOLD IN THE NORDICS IN AUGUST

%-change compared to the corresponding month last year.



-64.6%

DECREASE IN OCCUPANCY IN
COPENHAGEN, AUGUST 2020

Annordia was born from a passion for hotels. Thirty years on, we're proud to be the Nordic region's leading hotel investment and development consultancy. We are a full-service advisor that assists clients across the Nordics through every phase of the investment cycle – from market analysis, concept development and operator search to valuations as well as lease and transaction advisory.

Please contact us if you want to know more.

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*We'll have a new pile of figures for you next month.
And the one after that...*

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