

HOTEL MARKET UPDATE

NORDIC HOTEL MARKET TRENDS AND ECONOMIC INDICATORS

Mar/21



*We've carved through
the numbers, here you go!*

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Interim Hotel Management Services to Secure Asset Value

Annordia provides interim management services to hotel owners, developers and banks. We can adopt the overall operational responsibilities of a hotel either during the pre-opening or takeover phase, or due to a sudden exit of the incumbent operator. We simultaneously conduct a comprehensive operator search and selection process to secure an ideal long-term partner for the property.

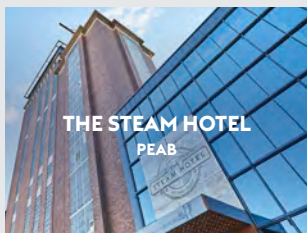
Annordia offers bespoke advice and management solutions depending on the individual circumstances of each hotel and the specific requirements of the client. We endeavour to reveal potential growth opportunities and implement appropriate cost saving measures at the hotel in assisting our clients to maximise trading potential and increase asset value.

Give us a call and we'll tell you more.

+46 8 400 272 75

annordia.com

FREDRIK UTHEIM, HEAD OF VALUATION & ANALYSIS.
25+ YEARS OF PROFESSIONAL EXPERIENCE FROM HOTEL, F&B AND EVENT OPERATIONS AND HOTEL DEVELOPMENT PROJECTS. EXTENSIVE TOP-LEVEL MANAGEMENT EXPERIENCE FROM BOTH SMALL, PRIVATELY OWNED HOTEL COMPANIES AND MAJOR SCANDINAVIAN CHAINS.



THE STEAM HOTEL
PEAB

Market analysis

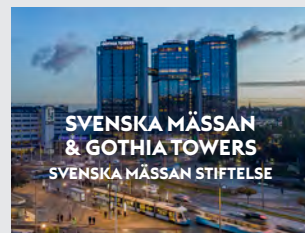
Establish the feasibility of a potential hotel investment.



CLARION HOTEL
SÖDERTÄLJE
STADSRUM

Concept development

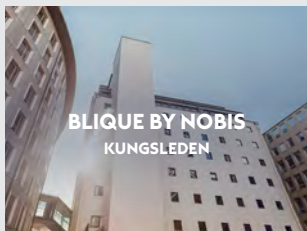
Hotel planning and optimisation based on market characteristics.



SVENSKA MÄSSAN
& GOTHIA TOWERS
SVENSKA MÄSSAN STIFTELSE

Lease advisory

Adding value in rent review, lease renewals and valuations.



BLIQUE BY NOBIS
KUNGSLEDEN

Operator search

Recruitment of suitable hotel operators on favourable terms.



STORHOGNA
HÖGFJÄLLSHOTELL
CIBOLA

Valuation

For acquisitions, year-end accounting and secured lending.



WAXHOLMS HOTELL
ORIGINAL HOTELS

Transaction advisory

For owners and operators in the hospitality industry.

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 and which we hope helps to grow your interest in the hotel sector.

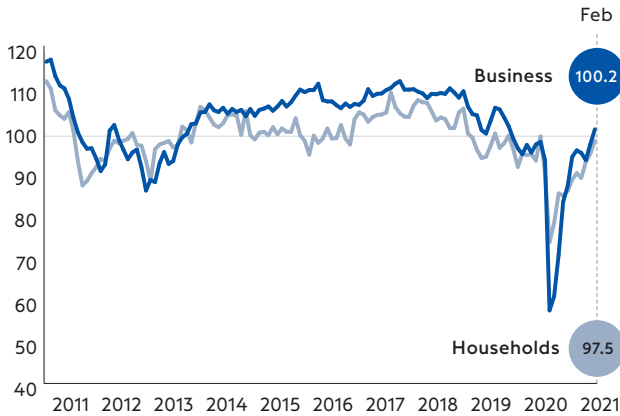
TALKING POINTS OF THE MONTH

As the spread of the Covid-19 virus continues and with several severe restrictions still in place, demand for hotel rooms remained extremely low at the beginning of 2021. In January, demand from the leisure segment was not as negatively affected as demand from the corporate segment.

- The confidence indicators of households and businesses returned to historical average levels in February - see confidence indicators on page 2.
- Hotel companies' expectations of demand for hotel services over the forthcoming three months improved in February. There is now a larger proportion of hotels that expect an increase in demand than a decrease - see hotel companies' expectations on page 3.
- Demand for hotel rooms was extremely low in January 2021 compared with the corresponding month in 2020. How much lower, however, differed between the municipalities. The largest decline was felt in Gothenburg (-75 percent), whilst the least negative change was in Kalmar (-26 percent) - see page 5.
- The occupancy rate was below 20 percent in all Nordic capitals in January 2021. Copenhagen performed the lowest occupancy rate of only 10 percent - see page 7.

MACRO INDICATORS IN SWEDEN

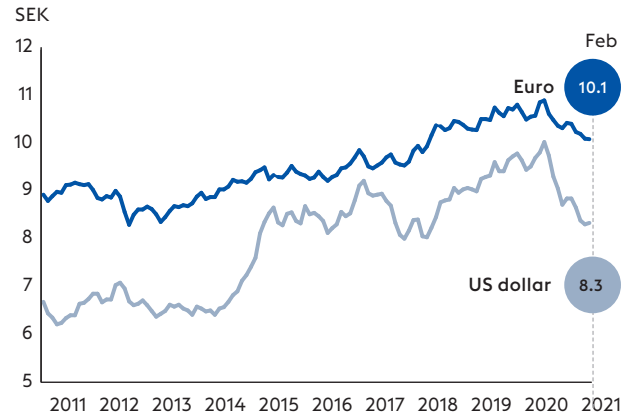
The business confidence indicator was back at the historical average in February. The level for households has gradually strengthened in recent months and is also beginning to reach the historical average.



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

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

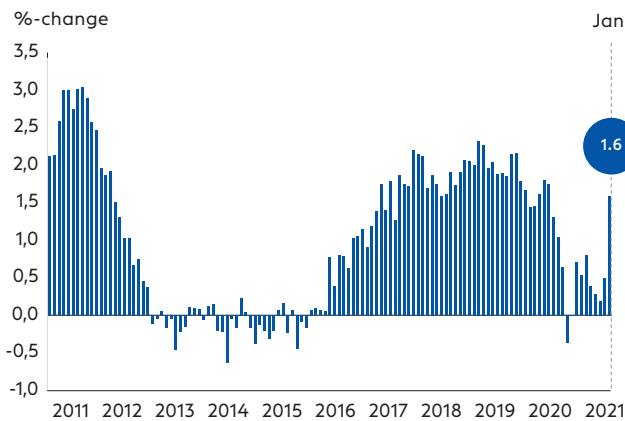
The value of the Swedish krona against both the Euro and US dollar remained unchanged in February. Over the past year, however, the value has strengthened against both currencies, and against the dollar in particular.



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

Source: The Central Bank of Sweden

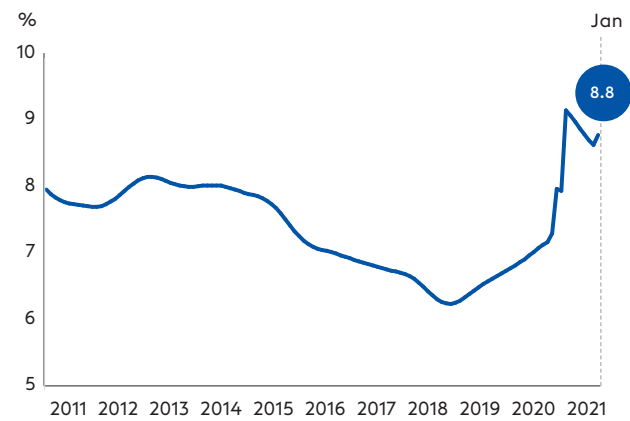
The inflation rate rose in January to over 1,5 percent after being below one percent since March 2020. The increase was partly due to higher electricity prices because of the cold weather.



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

Source: Statistics Sweden

Unemployment remained high at the beginning of 2021. The level was 8,8 percent, which compares with 7,1 percent at the same time last year.



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

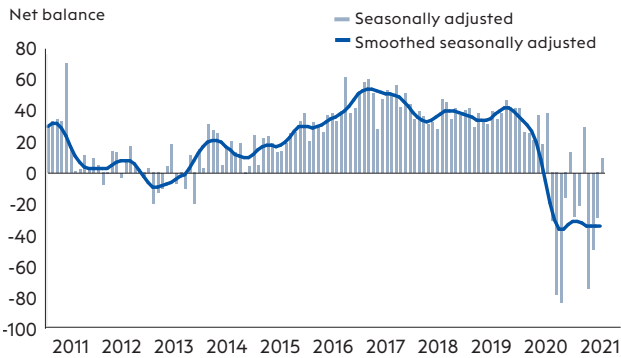
Source: The laborforce survey (Statistics Sweden)

1.6%

JANUARY INFLATION LEVEL

SWEDISH HOTEL MARKET SUMMARY

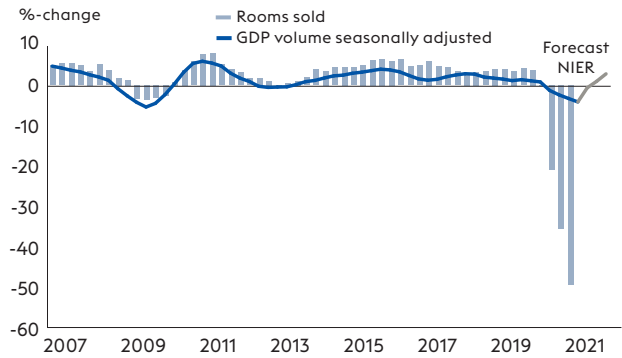
Hotel companies' expectations of demand over the forthcoming three months were more positive in February compared with January. There are now marginally more hotels expecting an increase in demand than a decrease.



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

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

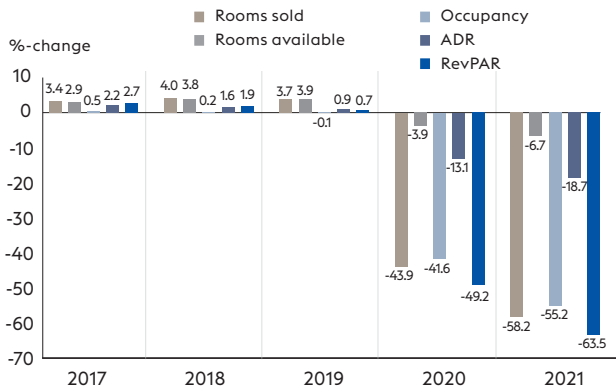
Growth in the Swedish economy is expected to be strong in 2021 and 2022. The availability of effective vaccines gives optimism of an end to the pandemic and hope that a recovery in the Swedish hotel market can begin in earnest in the first half of 2021.



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

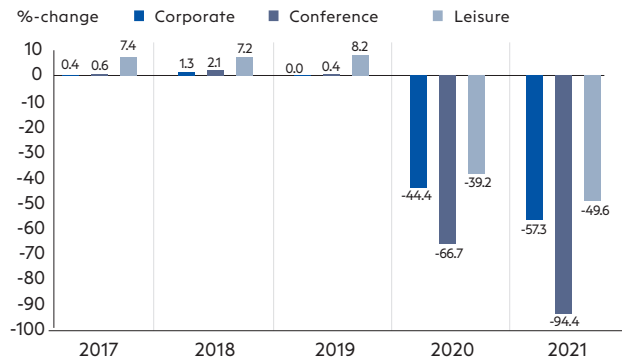
Demand for hotel rooms is still extremely low. Rooms sold as well as RevPAR were around 60 percent lower in January compared with the corresponding month last year.



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

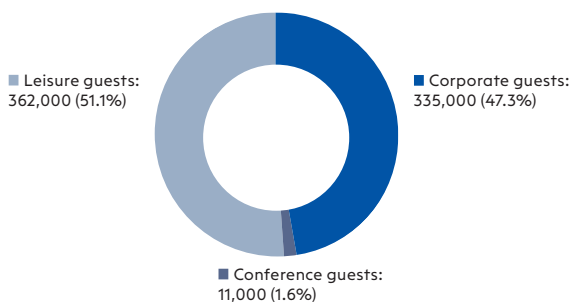
Source: The Swedish Growth Agency/Statistics Sweden

Demand from overnight conference guests was almost down to zero in January. Only one twentieth of the rooms sold in the segment in January 2020 were sold this year.



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

Source: The Swedish Growth Agency/Statistics Sweden



In January, just over 360,000 hotel rooms were occupied by private guests, which corresponded to 51 percent of all occupied rooms.

Distribution of occupied hotel rooms between different demand segments in the Swedish hotel market, Jan-Jan 2021.

Source: The Swedish Growth Agency/Statistics Sweden

TRENDS IN SWEDEN'S 25 LARGEST HOTEL MUNICIPALITIES

MONTH JANUARY

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	120	382	-68.6	19.7	53.8	-63.5	681	1,069	-36.3	134	576	-76.7
GOTHENBURG	44	176	-74.8	17.6	62.4	-71.8	779	1,015	-23.3	137	633	-78.4
MALMÖ	26	91	-71.5	17.9	56.6	-68.4	641	880	-27.1	115	498	-77.0
SIGTUNA	16	53	-69.2	18.4	61.6	-70.1	688	982	-29.9	127	605	-79.0
SOLNA	14	35	-59.7	20.4	54.6	-62.7	593	959	-38.2	121	523	-76.9
JÖNKÖPING	9	28	-65.9	17.8	49.3	-64.0	736	877	-16.0	131	432	-69.7
HELSINGBORG	10	23	-57.3	21.0	43.5	-51.7	671	845	-20.5	141	367	-61.7
UMEÅ	15	29	-48.4	29.0	50.0	-42.0	665	758	-12.2	193	379	-49.1
UPPSALA	11	31	-63.2	22.6	59.6	-62.1	636	910	-30.1	144	542	-73.5
LINKÖPING	13	26	-49.9	23.8	47.3	-49.7	656	910	-27.9	156	431	-63.7
LUND	10	24	-56.5	24.7	49.5	-50.1	641	907	-29.4	158	448	-64.7
KARLSTAD	8	22	-63.7	20.9	52.5	-60.1	685	769	-10.9	143	404	-64.5
ÖREBRO	10	24	-58.7	23.2	52.9	-56.1	748	917	-18.4	174	485	-64.2
VÄSTERÅS	13	27	-52.7	29.6	60.0	-50.7	848	971	-12.7	251	583	-56.9
SUNDSVALL	14	22	-38.2	27.8	45.2	-38.5	708	849	-16.6	197	384	-48.7
NORRKÖPING	9	16	-47.1	19.3	39.4	-51.0	825	865	-4.6	160	341	-53.2
LULEÅ	8	17	-52.2	24.5	50.9	-51.9	677	841	-19.6	166	428	-61.3
GOTLAND	4	6	-29.3	16.5	27.2	-39.4	582	687	-15.3	96	187	-48.7
NACKA	6	16	-62.7	21.1	45.8	-53.9	1,314	1,273	3.2	277	583	-52.5
HALMSTAD	7	14	-49.0	20.4	39.8	-48.6	1,063	1,103	-3.6	217	439	-50.5
GÄVLE	10	18	-44.2	32.8	55.1	-40.6	811	892	-9.1	266	492	-46.0
ÖSTERSUND	7	14	-52.2	26.0	49.5	-47.4	711	876	-18.9	185	434	-57.3
VÄXJÖ	6	15	-62.1	22.1	53.5	-58.6	740	936	-20.9	164	501	-67.3
KALMAR	8	11	-26.4	30.0	39.4	-23.8	654	826	-20.9	196	326	-39.7
SÖDERTÄLJE	6	11	-45.9	28.0	42.2	-33.6	665	882	-24.6	186	372	-49.9
SWEDEN	708	1,691	-58.2	20.8	46.4	-55.2	791	973	-18.7	165	451	-63.5

The most positive 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 - JANUARY

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	120	382	-68.6	19.7	53.8	-63.5	681	1,069	-36.3	134	576	-76.7
GOTHENBURG	44	176	-74.8	17.6	62.4	-71.8	779	1,015	-23.3	137	633	-78.4
MALMÖ	26	91	-71.5	17.9	56.6	-68.4	641	880	-27.1	115	498	-77.0
SIGTUNA	16	53	-69.2	18.4	61.6	-70.1	688	982	-29.9	127	605	-79.0
SOLNA	14	35	-59.7	20.4	54.6	-62.7	593	959	-38.2	121	523	-76.9
JÖNKÖPING	9	28	-65.9	17.8	49.3	-64.0	736	877	-16.0	131	432	-69.7
HELSINGBORG	10	23	-57.3	21.0	43.5	-51.7	671	845	-20.5	141	367	-61.7
UMEÅ	15	29	-48.4	29.0	50.0	-42.0	665	758	-12.2	193	379	-49.1
UPPSALA	11	31	-63.2	22.6	59.6	-62.1	636	910	-30.1	144	542	-73.5
LINKÖPING	13	26	-49.9	23.8	47.3	-49.7	656	910	-27.9	156	431	-63.7
LUND	10	24	-56.5	24.7	49.5	-50.1	641	907	-29.4	158	448	-64.7
KARLSTAD	8	22	-63.7	20.9	52.5	-60.1	685	769	-10.9	143	404	-64.5
ÖREBRO	10	24	-58.7	23.2	52.9	-56.1	748	917	-18.4	174	485	-64.2
VÄSTERÅS	13	27	-52.7	29.6	60.0	-50.7	848	971	-12.7	251	583	-56.9
SUNDSVALL	14	22	-38.2	27.8	45.2	-38.5	708	849	-16.6	197	384	-48.7
NORRKÖPING	9	16	-47.1	19.3	39.4	-51.0	825	865	-4.6	160	341	-53.2
LULEÅ	8	17	-52.2	24.5	50.9	-51.9	677	841	-19.6	166	428	-61.3
GOTLAND	4	6	-29.3	16.5	27.2	-39.4	582	687	-15.3	96	187	-48.7
NACKA	6	16	-62.7	21.1	45.8	-53.9	1,314	1,273	3.2	277	583	-52.5
HALMSTAD	7	14	-49.0	20.4	39.8	-48.6	1,063	1,103	-3.6	217	439	-50.5
GÄVLE	10	18	-44.2	32.8	55.1	-40.6	811	892	-9.1	266	492	-46.0
ÖSTERSUND	7	14	-52.2	26.0	49.5	-47.4	711	876	-18.9	185	434	-57.3
VÄXJÖ	6	15	-62.1	22.1	53.5	-58.6	740	936	-20.9	164	501	-67.3
KALMAR	8	11	-26.4	30.0	39.4	-23.8	654	826	-20.9	196	326	-39.7
SÖDERTÄLJE	6	11	-45.9	28.0	42.2	-33.6	665	882	-24.6	186	372	-49.9
SWEDEN	708	1,691	-58.2	20.8	46.4	-55.2	791	973	-18.7	165	451	-63.5

The most positive 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 FEBRUARY – JANUARY

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	2,074	6,065	-65.8	27.5	71.6	-61.5	890	1,236	-28.0	245	885	-72.3
GOTHENBURG	973	2,448	-60.2	31.9	72.8	-56.2	871	1,117	-22.1	278	814	-65.9
MALMÖ	568	1,294	-56.1	32.3	69.6	-53.6	757	856	-11.6	245	596	-58.9
SIGTUNA	261	672	-61.1	24.2	68.1	-64.5	839	1,038	-19.2	203	707	-71.4
SOLNA	236	515	-54.2	29.5	67.8	-56.4	733	984	-25.5	217	667	-67.5
JÖNKÖPING	230	421	-45.3	35.3	61.1	-42.3	822	914	-10.0	290	558	-48.1
HELSINGBORG	232	396	-41.5	38.4	64.2	-40.2	842	894	-5.7	323	574	-43.7
UMEÅ	264	419	-36.9	40.8	60.4	-32.5	735	816	-10.0	300	494	-39.3
UPPSALA	189	371	-48.9	32.8	60.5	-45.7	779	950	-18.0	256	575	-55.5
LINKÖPING	231	389	-40.6	34.8	58.5	-40.5	741	875	-15.2	258	511	-49.6
LUND	181	348	-47.9	36.1	62.0	-41.8	793	974	-18.5	286	604	-52.6
KARLSTAD	176	342	-48.5	37.0	70.0	-47.1	781	842	-7.3	289	589	-51.0
ÖREBRO	204	357	-42.9	40.1	66.2	-39.4	826	916	-9.8	331	606	-45.4
VÄSTERÅS	223	345	-35.4	43.8	65.9	-33.6	905	977	-7.4	397	644	-38.5
SUNDSVALL	227	306	-26.0	39.3	55.6	-29.3	789	885	-10.8	310	492	-36.9
NORRKÖPING	197	308	-36.0	37.4	56.3	-33.5	973	1,015	-4.1	364	572	-36.2
LULEÅ	149	257	-42.0	37.5	64.0	-41.4	783	873	-10.3	294	559	-47.5
GOTLAND	183	260	-29.5	38.2	51.9	-26.4	1,047	1,122	-6.7	400	582	-31.4
NACKA	110	236	-53.4	31.0	58.3	-46.8	1,186	1,252	-5.3	368	730	-49.6
HALMSTAD	161	223	-28.0	39.7	56.3	-29.5	1,221	1,202	1.6	485	677	-28.3
GÄVLE	170	234	-27.5	45.2	62.6	-27.7	890	917	-2.9	403	574	-29.8
ÖSTERSUND	122	218	-43.8	36.8	65.2	-43.6	800	947	-15.5	294	618	-52.3
VÄXJÖ	116	200	-42.0	37.4	58.8	-36.5	846	904	-6.4	316	532	-40.6
KALMAR	136	202	-32.6	46.3	63.3	-26.9	882	949	-7.1	408	601	-32.1
SÖDERTÄLJE	86	174	-50.4	30.9	58.0	-46.7	753	936	-19.6	233	543	-57.1
SWEDEN	13,312	25,498	-47.8	31.9	58.3	-45.2	888	1,039	-14.6	283	605	-53.2

The most positive 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 JANUARY

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	708	1,691	-58.2	20.8	46.4	-55.2	791	973	-18.7	165	451	-63.5
DENMARK	154	682	-77.4	10.0	46.0	-78.3	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	338	865	-61.0	23.1	51.5	-55.1	837	1,096	-20.2	193	565	-64.2
NORWAY	458	1,158	-60.5	21.0	47.0	-55.3	842	1,020	-9.9	177	479	-59.7
STOCKHOLM	120	382	-68.6	19.7	53.8	-63.5	681	1,069	-36.3	134	576	-76.7
COPENHAGEN	62	321	-80.8	10.0	55.0	-81.8	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	45	200	-77.6	17.6	65.9	-73.3	856	1,104	-19.0	151	728	-78.4
OSLO	52	255	-79.8	15.0	57.0	-73.7	735	986	-18.6	110	562	-78.6

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 - JANUARY

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SWEDEN	708	1,691	-58.2	20.8	46.4	-55.2	791	973	-18.7	165	451	-63.5
DENMARK	154	682	-77.4	10.0	46.0	-78.3	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	338	865	-61.0	23.1	51.5	-55.1	837	1,096	-20.2	193	565	-64.2
NORWAY	458	1,158	-60.5	21.0	47.0	-55.3	842	1,020	-9.9	177	479	-59.7
STOCKHOLM	120	382	-68.6	19.7	53.8	-63.5	681	1,069	-36.3	134	576	-76.7
COPENHAGEN	62	321	-80.8	10.0	55.0	-81.8	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	45	200	-77.6	17.6	65.9	-73.3	856	1,104	-19.0	151	728	-78.4
OSLO	52	255	-79.8	15.0	57.0	-73.7	735	986	-18.6	110	562	-78.6

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

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12-MONTH ROLLING AVERAGE FEBRUARY – JANUARY

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	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	13,312	25,498	-47.8	31.9	58.3	-45.2	888	1,039	-14.6	283	605	-53.2
DENMARK	4,989	10,994	-54.6	26.4	61.6	-57.1	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	5,711	11,168	-48.9	34.1	56.2	-39.3	902	1,052	-10.3	307	591	-45.6
NORWAY	8,946	16,709	-46.5	35.2	55.8	-36.9	950	1,047	-1.0	335	584	-37.5
STOCKHOLM	2,074	6,065	-65.8	27.5	71.6	-61.5	890	1,236	-28.0	245	885	-72.3
COPENHAGEN	1,530	5,090	-69.9	21.2	75.3	-71.8	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	801	2,770	-71.1	28.8	74.5	-61.3	938	1,219	-19.6	271	908	-68.8
OSLO	1,258	3,593	-65.0	31.3	69.7	-55.0	852	1,113	-16.4	267	775	-62.4

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.

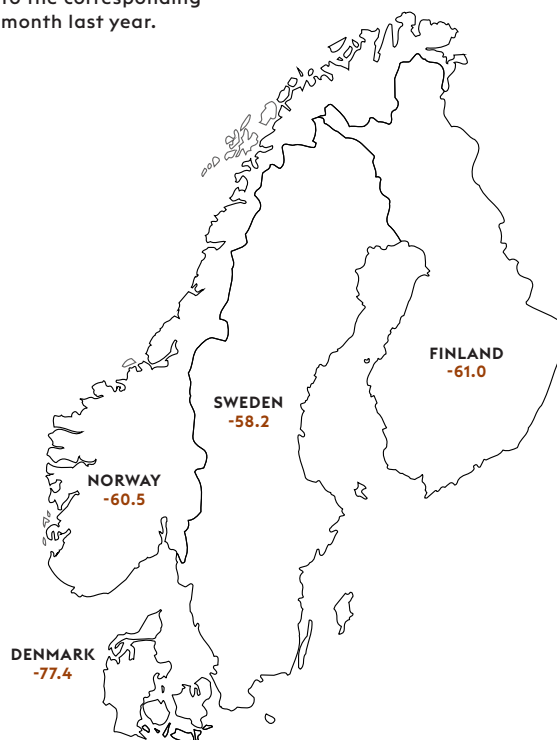
ADR: Accommodation revenue/Rooms sold.

RevPAR: Occupancy x ADR.

N/A: Not available.

ROOMS SOLD IN THE NORDICS IN JANUARY

%-change compared to the corresponding month last year.



-80.8%

DECREASE IN ROOMS SOLD
IN COPENHAGEN, JANUARY 2021

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.

CONTACT

Hans Åke Petersson

CEO & Partner

hansake.petersson@annordia.com

+46 70 699 37 51

Björn Arnek

Chief Economist

bjorn.arnek@annordia.com

+46 76 315 84 41



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