

HOTEL MARKET UPDATE

NORDIC HOTEL MARKET TRENDS AND ECONOMIC INDICATORS

Sep/21



*Staycation is trending,
seize the chance to enjoy the treasures of the forest.*

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Annordia advised on a new hotel development project in Gothenburg

Annordia is pleased to have advised Regio and Grandab in their acquisition of the property Skår 40:2 in Gothenburg, upon which a new 215-room hotel will be built. It has a strategically important location next to Liseberg and is surrounded by major development projects such as Liseberg's waterpark, Liseberg Grand Curiosa Hotel and the experience center World of Volvo. The hotel will be operated by Svenska Stadshotell AB.

Give us a call for advice on hotel development and investment, +46 8 400 272 75. annordia.com

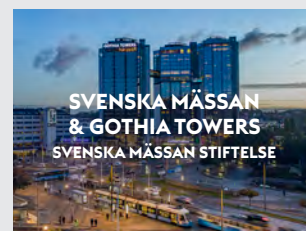
OUR SERVICES



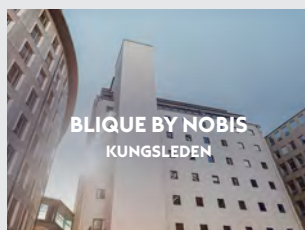
Market analysis
Establish the feasibility of a potential hotel investment.



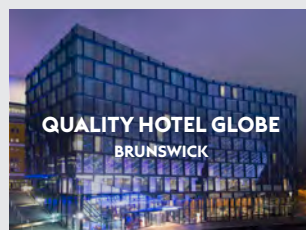
Concept development
Hotel planning and optimisation based on market characteristics.



Lease advisory
Adding value in rent review, lease renewals and valuations.



Operator search
Recruitment of suitable hotel operators on favourable terms.



Valuation
For acquisitions, year-end accounting and secured lending.



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.

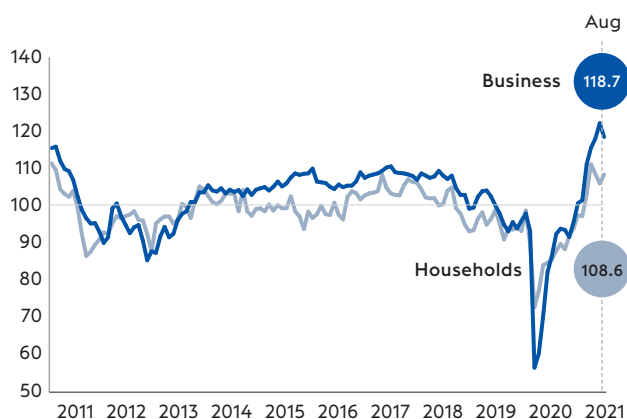
TALKING POINTS OF THE MONTH

There was a clear staycation trend visible in the Swedish hotel market during the month of July. The levels of Swedish guest nights in hotels were higher than the pre-corona levels of July 2019. Overall, the levels were still lower than the corresponding month in 2019 as the number of foreign guests staying in Swedish hotels was 60 percent lower.

- Optimism remains very high in the Swedish business community and among Swedish households in August, in both cases significantly above the historical average – see confidence indicators on page 2.
- Subsequent to hotels' expectations of demand gradually strengthening throughout the year, this eased somewhat in August – see hotel companies' expectations on page 3.
- Demand was strong in July compared with the previous year. The number of guestnights by Swedish guests was actually 13 percent higher than in July 2019. The level of demand compared to 'normal' levels is generally greater outside of the big cities - see page 4.
- There was growth in demand for hotel rooms in all the Nordic countries in July compared to the corresponding month last year. The levels were still, in all cases, lower than the corresponding month in 2019 - see page 7.

MACRO INDICATORS IN SWEDEN

Optimism remained very high in the Swedish business community and among Swedish households in August. The level of the business confidence indicator has been above the historical average since the beginning of the year.

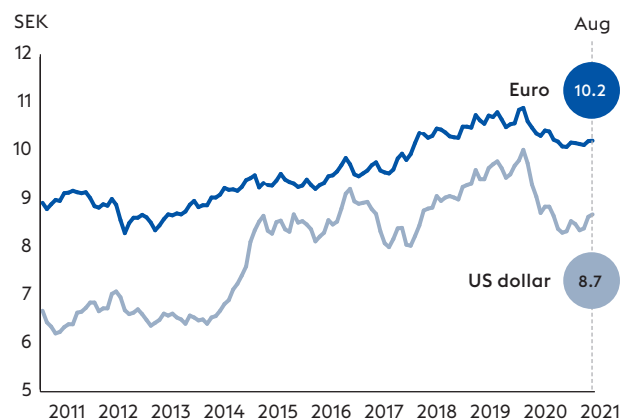


Confidence indicators for business and households in Sweden, up to and including August.

Source: The National Institute of Economic Research

Confidence indicators are an overall measure of the overall perceptions and expectations of business and households.

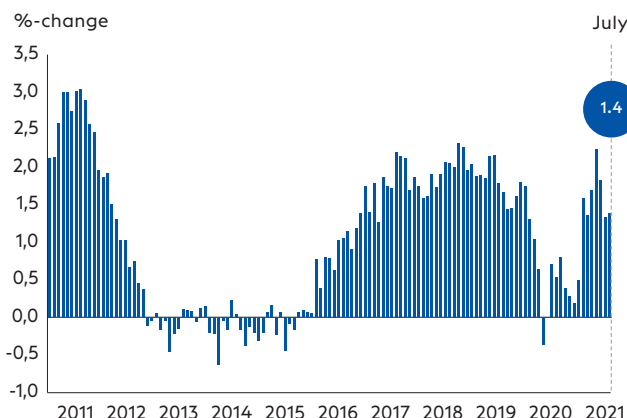
There were marginal changes in the Swedish krona's values against both the Euro and the US dollar in July and August. Since the beginning of the pandemic, the value of the krona against both the Euro and the US dollar has strengthened.



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

Source: The Central Bank of Sweden

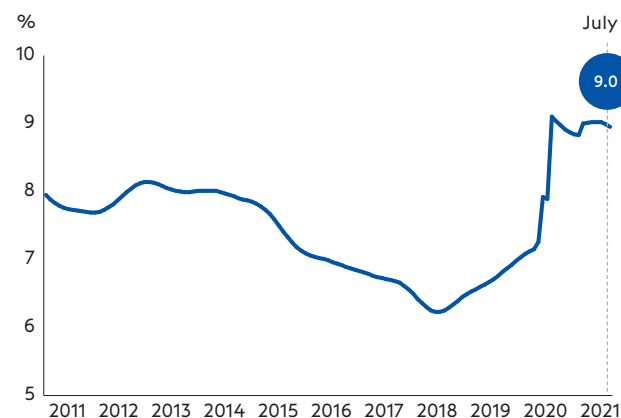
The annual inflation rate in the Swedish economy was 1.4 percent in July. The inflation rate has again been well below the Riksbank's inflation target of two percent in the last couple of months.



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

Source: Statistics Sweden

Unemployment remained at almost 9 percent in July. The level has been constant at around 9 percent throughout the year. As we expect strong economic growth during the autumn, this should lead to the level starting to drop over the fourth quarter.



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

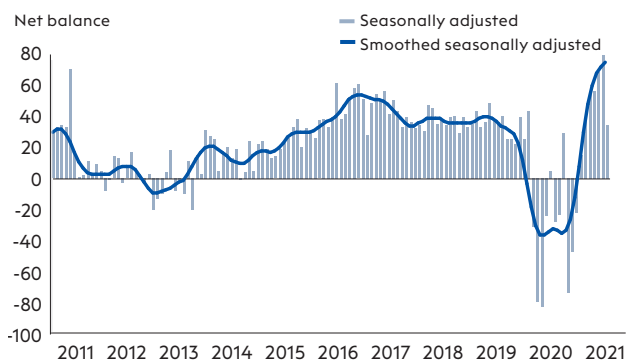
Source: The laborforce survey (Statistics Sweden)

1.4%

JULY INFLATION RATE

SWEDISH HOTEL MARKET SUMMARY

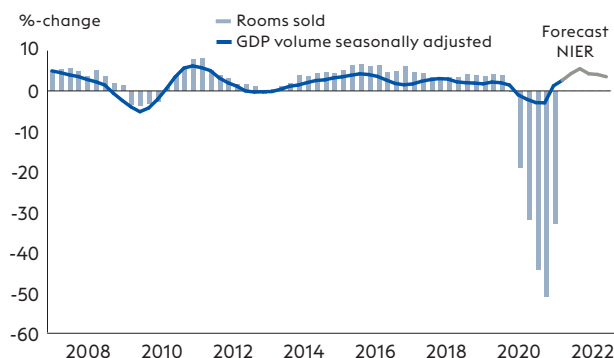
Subsequent to hotels' expectations of demand gradually strengthening throughout the year, this eased somewhat in August. An explanation is that the latest expectations are being compared to the strong month of July.



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

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

Expected good economic growth over the next 18 months will provide support for the continued recovery in the Swedish hotel market. Historically, the connection between growth in the economy and growth in the hotel industry is strong.

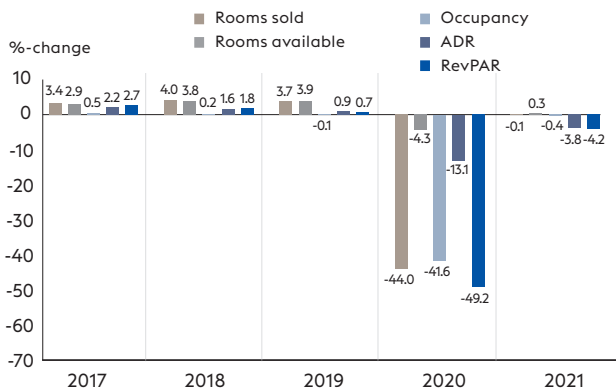


Development of occupied hotel rooms and GDP (volume) in Sweden, 4-quarter rolling averages.

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

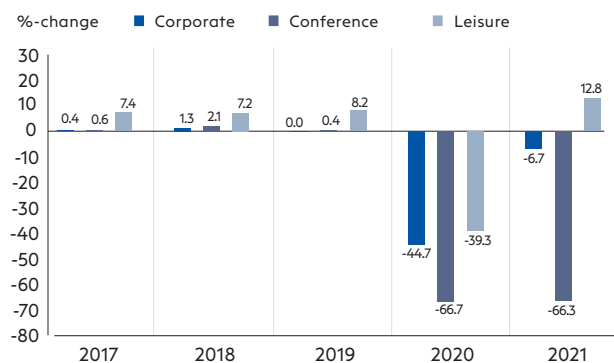
During the first seven months of this year, as many hotel rooms were occupied as in the corresponding period last year. It should, however, be noted that January and February 2020 were two months prior to the pandemic.

More rooms have been occupied by private guests so far this year compared with the corresponding period last year. Leisure demand is, however, still more than 30 percent down on 2019 levels.



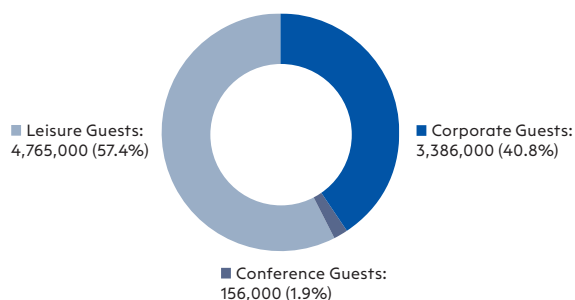
Development of key performance indicators in the Swedish hotel market, compared with the previous year, up to and including July.

Source: The Swedish Growth Agency/Statistics Sweden



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

Source: The Swedish Growth Agency/Statistics Sweden



The private segment has accounted for approximately 4.8 million hotel rooms during the first seven months of the year.

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

Source: The Swedish Growth Agency/Statistics Sweden

TRENDS IN SWEDEN'S 25 LARGEST HOTEL MUNICIPALITIES

MONTH JULY

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	326	157	107.8	50.9	27.1	88.0	875	754	16.0	445	204	118.2
GOTHENBURG	210	127	65.8	73.1	49.9	46.6	1,046	834	25.4	765	416	83.9
MALMÖ	107	78	36.5	67.0	54.6	22.7	831	708	17.4	557	387	44.1
SIGTUNA	34	16	117.7	36.1	18.7	93.1	746	681	9.5	270	127	111.5
SOLNA	26	21	24.6	35.8	31.4	13.9	615	518	18.8	220	163	35.3
JÖNKÖPING	42	36	16.5	75.4	64.7	16.5	952	857	11.1	717	554	29.4
HELSINGBORG	50	41	22.3	80.9	76.8	5.3	1,137	959	18.6	920	737	24.8
UMEÅ	39	26	51.9	66.7	54.3	22.8	750	693	8.2	501	377	32.8
UPPSALA	29	16	75.6	51.4	40.3	27.4	729	708	3.0	375	286	31.3
LINKÖPING	39	27	45.1	64.7	49.9	29.8	721	678	6.3	466	338	38.0
LUND	27	20	38.4	58.3	52.7	10.5	836	738	13.2	487	389	25.2
KARLSTAD	30	27	11.5	70.7	65.9	7.2	886	744	19.1	626	490	27.7
ÖREBRO	30	26	15.9	66.4	64.5	3.0	823	766	7.4	547	494	10.6
VÄSTERÅS	31	24	30.2	70.8	59.6	18.9	895	896	-0.1	634	534	18.7
SUNDSVALL	38	33	17.9	79.2	68.7	15.2	847	812	4.3	671	558	20.2
NORRKÖPING	36	31	14.2	76.8	64.4	19.1	1,144	1,131	1.1	878	729	20.5
LULEÅ	22	18	20.0	57.6	46.5	23.9	741	667	11.0	427	310	37.5
GOTLAND	56	45	24.2	89.6	74.7	19.9	1,684	1,430	17.8	1,508	1,068	41.2
NACKA	23	12	84.8	54.3	52.2	4.1	1,217	1,125	8.2	661	587	12.6
HALMSTAD	38	28	36.1	89.0	80.8	10.1	1,675	1,531	9.4	1,490	1,237	20.4
GÄVLE	27	21	29.4	84.2	69.1	21.7	961	905	6.2	809	626	29.3
ÖSTERSUND	22	16	44.8	80.7	53.8	49.9	835	764	9.3	674	411	63.9
VÄXJÖ	18	15	17.9	70.5	59.8	17.9	901	768	17.3	635	459	38.3
KALMAR	25	24	8.0	95.5	90.1	6.0	1,292	1,080	19.6	1,234	974	26.8
SÖDERTÄLJE	11	7	46.8	54.1	39.2	38.3	708	645	9.8	384	253	51.8
SWEDEN	2,337	1,682	38.9	61.9	48.9	26.6	1,029	931	10.6	637	455	39.9

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 - JULY												
	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	1,269	1,427	-11.0	29.7	32.0	-7.1	793	1,001	-20.8	236	320	-26.4
GOTHENBURG	624	678	-7.8	34.0	37.3	-8.9	902	937	-3.7	307	349	-12.3
MALMÖ	326	389	-16.3	31.4	36.9	-14.8	751	805	-6.6	236	297	-20.5
SIGTUNA	139	182	-23.8	21.0	29.1	-28.0	755	920	-17.9	158	268	-40.9
SOLNA	127	144	-12.0	24.3	31.5	-22.8	611	824	-25.9	149	260	-42.8
JÖNKÖPING	134	143	-6.7	36.0	37.2	-3.3	862	843	2.2	310	314	-1.1
HELSINGBORG	153	144	6.0	38.8	40.6	-4.5	919	853	7.8	356	346	3.0
UMEÅ	157	151	4.2	40.7	40.4	0.8	707	762	-7.3	287	308	-6.6
UPPSALA	117	118	-0.7	32.1	36.2	-11.3	681	853	-20.2	219	309	-29.2
LINKÖPING	145	137	5.9	36.8	35.5	3.8	683	781	-12.5	252	277	-9.2
LUND	106	108	-2.2	35.2	37.1	-5.2	765	847	-9.7	269	314	-14.4
KARLSTAD	102	111	-8.8	36.4	39.7	-8.2	772	791	-2.5	281	314	-10.5
ÖREBRO	115	124	-7.7	38.1	42.4	-10.0	792	866	-8.6	302	367	-17.8
VÄSTERÅS	134	137	-2.3	45.3	45.9	-1.3	872	919	-5.1	395	422	-6.4
SUNDSVALL	138	127	8.3	40.8	38.7	5.3	753	819	-8.0	307	317	-3.1
NORRKÖPING	120	115	4.8	39.3	38.1	3.2	952	948	0.5	374	361	3.7
LULEÅ	101	105	-3.9	42.9	38.7	10.9	770	851	-9.6	330	329	0.3
GOTLAND	134	92	45.9	47.5	35.2	35.2	1,262	1,120	12.6	600	394	52.3
NACKA	74	69	7.1	33.9	34.2	-0.8	1,265	1,189	6.5	429	406	5.7
HALMSTAD	108	96	12.2	44.3	39.6	12.0	1,370	1,237	10.8	607	489	24.0
GÄVLE	104	97	7.5	47.7	43.9	8.8	866	880	-1.6	413	386	7.1
ÖSTERSUND	78	78	0.9	41.4	39.3	5.3	741	866	-14.3	307	340	-9.8
VÄXJÖ	65	74	-12.0	37.0	41.7	-11.4	862	880	-2.1	319	367	-13.3
KALMAR	88	78	12.6	50.8	45.7	11.1	931	895	4.0	473	409	15.5
SÖDERTÄLJE	53	52	2.5	34.6	30.7	12.7	699	810	-13.7	242	249	-2.8
SWEDEN	8,308	8,317	-0.1	33.9	34.1	-0.4	895	931	-3.8	304	317	-4.2

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

12-MONTH ROLLING AVERAGE AUGUST – JULY												
	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	2,165	4,099	-47.2	29.3	51.1	-42.7	811	1,185	-31.6	237	606	-60.8
GOTHENBURG	1,053	1,717	-38.7	34.0	53.2	-36.1	874	1,050	-16.7	297	559	-46.8
MALMÖ	569	947	-39.9	32.5	51.6	-37.0	749	847	-11.6	243	437	-44.4
SIGTUNA	239	473	-49.4	21.7	45.2	-52.0	767	1,010	-24.1	166	456	-63.6
SOLNA	225	371	-39.4	26.5	47.9	-44.5	633	951	-33.4	168	455	-63.1
JÖNKÖPING	239	322	-25.6	37.3	47.9	-22.2	842	914	-8.0	314	438	-28.4
HELSINGBORG	255	313	-18.5	39.5	51.0	-22.6	883	880	0.4	348	449	-22.3
UMEÅ	275	329	-16.4	41.8	49.6	-15.6	713	800	-11.0	298	397	-24.8
UPPSALA	208	279	-25.5	33.7	47.9	-29.7	708	918	-22.9	239	440	-45.8
LINKÖPING	253	305	-17.1	37.7	45.9	-17.9	707	849	-16.8	266	390	-31.6
LUND	188	260	-27.4	36.8	49.3	-25.3	766	946	-19.0	282	467	-39.5
KARLSTAD	180	256	-29.5	37.7	52.7	-28.4	772	834	-7.4	291	439	-33.7
ÖREBRO	208	278	-25.0	40.2	53.4	-24.7	801	902	-11.3	322	482	-33.2
VÄSTERÅS	234	289	-19.1	46.2	55.5	-16.7	891	948	-6.1	412	526	-21.8
SUNDSVALL	246	259	-5.0	42.2	46.0	-8.3	763	858	-11.1	322	395	-18.5
NORRKÖPING	209	245	-14.5	39.7	45.7	-13.0	972	983	-1.1	386	449	-13.9
LULEÅ	177	209	-15.5	41.5	47.6	-12.8	760	857	-11.4	315	408	-22.8
GOTLAND	227	197	15.3	46.2	41.3	11.7	1,149	1,081	6.3	531	447	18.7
NACKA	120	174	-31.1	33.7	46.8	-28.1	1,268	1,250	1.4	427	586	-27.1
HALMSTAD	180	188	-4.1	44.4	46.2	-3.8	1,297	1,202	7.9	576	555	3.8
GÄVLE	187	198	-5.5	49.9	52.4	-4.9	859	895	-4.1	428	469	-8.7
ÖSTERSUND	130	172	-24.2	39.9	50.7	-21.4	739	895	-17.5	295	454	-35.1
VÄXJÖ	118	161	-26.6	38.2	50.2	-23.8	842	900	-6.5	322	452	-28.8
KALMAR	149	164	-9.2	50.0	54.1	-7.6	910	927	-1.8	455	502	-9.3
SÖDERTÄLJE	93	127	-27.3	34.7	43.1	-19.6	712	913	-22.1	247	394	-37.3
SWEDEN	14,242	19,273	-26.1	34.0	45.0	-24.4	882	1,003	-12.0	300	451	-33.5

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

NORDIC HOTEL MARKET – COUNTRIES AND CAPITAL CITIES

MONTH JULY

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	2,337	1,682	38.9	61.9	48.9	26.6	1,029	931	10.6	637	455	39.9
DENMARK	921	797	15.5	55.0	49.0	12.2	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	1,045	778	34.3	61.7	53.9	14.5	983	911	9.6	606	491	25.5
NORWAY	1,528	1,491	2.5	62.0	63.0	-1.6	1,249	1,072	15.4	775	675	13.6
STOCKHOLM	326	157	107.8	50.9	27.1	88.0	875	754	16.0	445	204	118.2
COPENHAGEN	272	193	40.6	41.0	31.0	32.3	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	162	90	80.4	48.7	39.9	22.1	853	869	-0.3	415	347	21.7
OSLO	193	158	21.8	55.0	48.0	14.6	968	853	12.4	533	409	28.8

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 - JULY

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	8,308	8,317	-0.1	33.9	34.1	-0.4	895	931	-3.8	304	317	-4.2
DENMARK	2,897	3,054	-5.1	26.2	28.0	-6.2	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	3,590	3,649	-1.6	34.0	39.6	-14.1	907	997	-7.6	308	395	-20.7
NORWAY	4,890	5,786	-15.5	33.4	41.1	-18.8	1,034	977	4.8	346	402	-14.9
STOCKHOLM	1,269	1,427	-11.0	29.7	32.0	-7.1	793	1,001	-20.8	236	320	-26.4
COPENHAGEN	886	1,097	-19.2	20.1	26.2	-23.2	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	478	625	-23.4	24.3	42.5	-42.9	871	1,039	-14.9	211	442	-51.4
OSLO	521	947	-45.0	25.6	43.2	-40.7	861	899	-5.1	221	388	-43.7

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 AUGUST – JULY

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	14,242	19,273	-26.1	34.0	45.0	-24.4	882	1,003	-12.0	300	451	-33.5
DENMARK	5,411	7,856	-31.1	28.5	42.5	-32.9	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	6,179	8,377	-26.2	33.7	47.8	-29.4	892	1,030	-12.0	301	492	-37.9
NORWAY	8,750	12,867	-32.0	33.3	48.2	-30.8	985	967	1.0	329	466	-30.2
STOCKHOLM	2,165	4,099	-47.2	29.3	51.1	-42.7	811	1,185	-31.6	237	606	-60.8
COPENHAGEN	1,579	3,352	-52.9	21.1	47.1	-55.1	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	810	1,853	-56.3	24.4	60.7	-59.9	878	1,189	-25.0	214	722	-69.9
OSLO	1,036	2,534	-59.1	26.1	57.7	-54.7	835	980	-15.6	218	565	-61.7

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.

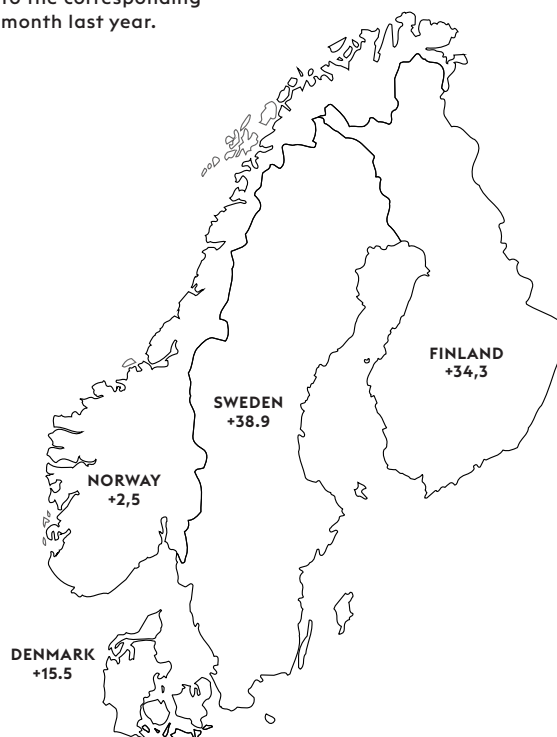
ADR: Accommodation revenue/Rooms sold.

RevPAR: Occupancy x ADR.

N/A: Not available.

ROOMS SOLD IN THE NORDICS IN JULY

%-change compared to the corresponding month last year.



107.8%

INCREASE IN ROOMS SOLD
IN STOCKHOLM, JULY 2021

Annordia was born from a passion for hotels. Thirty years on, we're proud to be one of the Nordic region's leading hotel investment and development consultancies. 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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in October.*

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