

HOTEL MARKET UPDATE

NORDIC HOTEL MARKET TRENDS AND ECONOMIC INDICATORS

Oct/21

Back in business?



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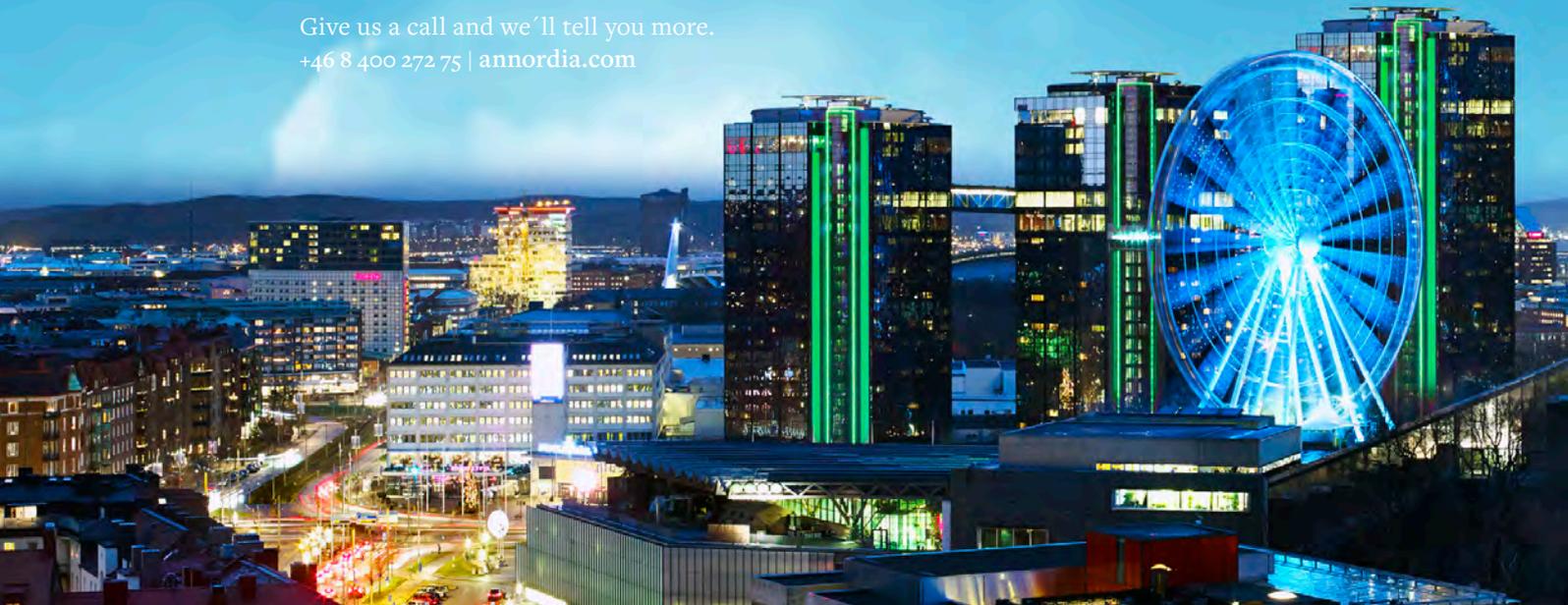
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HOTEL MARKET UPDATE

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

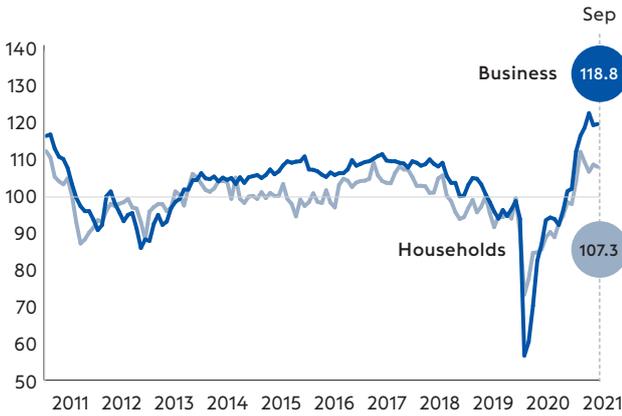
TALKING POINTS OF THE MONTH

Towards the end of September, all corona-related restrictions were lifted in Sweden and the other Nordic countries. With this the physical obstacles to a recovery in the hotel market are basically gone. It remains to be seen whether the pandemic has resulted in any permanent changes in people's travel behavior that will leave a mark on the demand for hotel rooms. During the autumn, we will have better indications of this.

- Optimism continued to remain high in the Swedish business community and among Swedish households in September, in both cases significantly above the historical average – see confidence indicators on page 2.
- Almost 70 percent of hotel companies believe in increased demand in three months' time, while less than 10 percent believe in reduced demand - see hotel companies' expectations on page 3.
- Demand in August for hotel rooms was almost 50 percent higher than the corresponding month last year. However, it was still 15 percent lower than in August 2019 - see page 4.
- Demand in Stockholm and Copenhagen was up by almost 100 percent in August compared with the corresponding month in 2020. However, that growth came from very low levels of occupied hotel rooms - see page 7.

MACRO INDICATORS IN SWEDEN

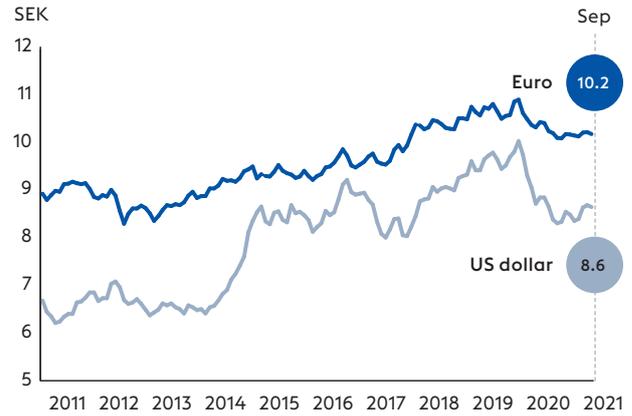
Both business and household confidence indicators were unchanged in September compared with August. The levels of both are far above the historical averages, not least the business indicator.



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.

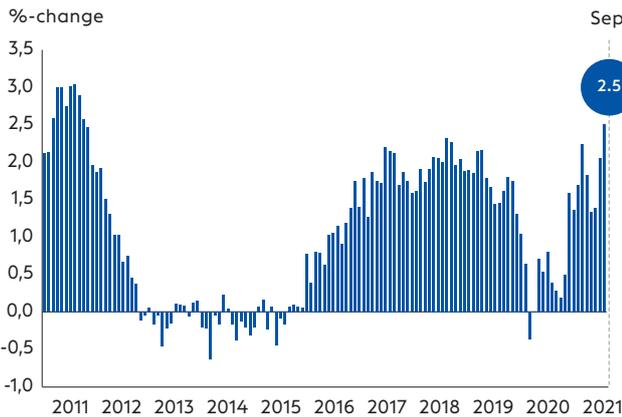
The value of the Swedish krona against the Euro remain unchanged since March. The value against the US dollar was also stable compared with the previous month.



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

Source: The Central Bank of Sweden

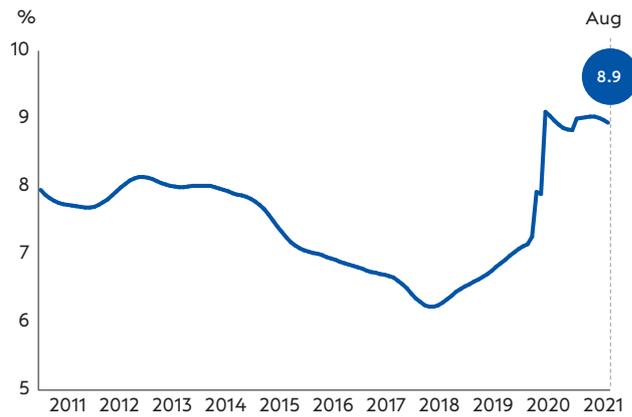
The one-year inflation rate was 2.5 percent in September. This is above the Riksbank's inflation target of two percent. The major reason for the higher inflation rate was increased electricity prices leading to higher costs of housing.



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

Source: Statistics Sweden

Unemployment was just below 9 percent in August. The level, according to trend, has been relatively constant around 9 percent throughout the year. However, there has been a weak tendency for the level to drop slowly.



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

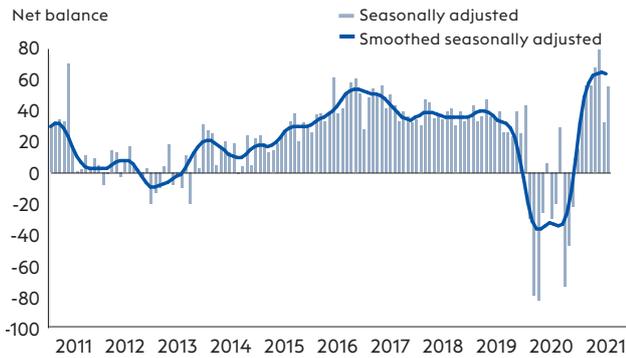
Source: The laborforce survey (Statistics Sweden)

2.5%

SEPTEMBER INFLATION RATE

SWEDISH HOTEL MARKET SUMMARY

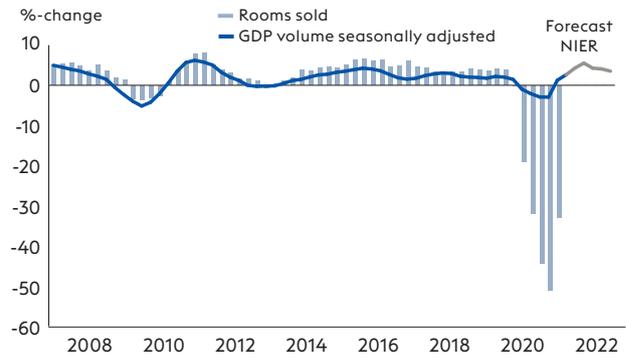
After the hotels' expectations of demand fell somewhat in August, there was a rebound in September. Almost 70 percent of hotel companies believe in increased demand in three months' time, while less than 10 percent believe in reduced demand.



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

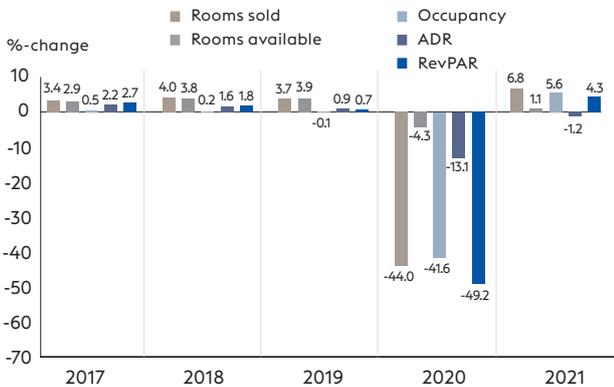
Expected good economic growth over the next 18 months will provide support for the continued recovery in the Swedish hotel market. Historically, the connection between growth in the economy and growth in the hotel industry is strong.



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

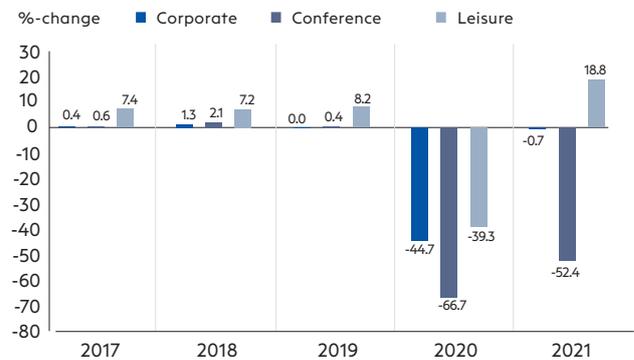
The average level of RevPAR during the first eight months of the year is now above the corresponding level in 2020. This is the first time during 2021 that the YTD-level of RevPAR is higher than last year, due to a strong Q1 2020.



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

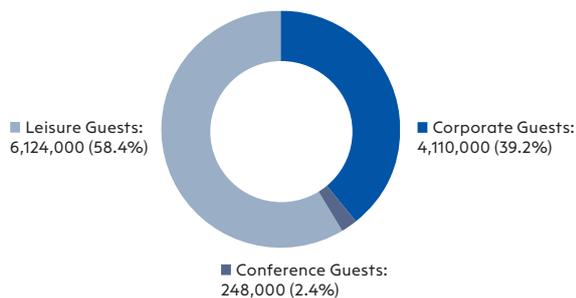
Source: The Swedish Growth Agency/Statistics Sweden

Demand for hotel rooms from leisure guests has been very strong during the summer. 20 percent more rooms have, for that reason, been occupied by leisure guests so far this year compared with the corresponding period last year.



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



The leisure segment has accounted for approximately 6.1 million hotel rooms during the first eight months of the year.

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

Source: The Swedish Growth Agency/Statistics Sweden

TRENDS IN SWEDEN'S 25 LARGEST HOTEL MUNICIPALITIES

MONTH AUGUST

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	355	184	93.3	52.9	29.9	77.0	916	798	14.9	484	238	103.3
GOTHENBURG	183	100	82.2	64.1	39.4	62.9	1,024	831	23.2	656	327	100.7
MALMÖ	93	63	48.7	58.5	43.7	33.8	813	709	14.7	476	310	53.4
SIGTUNA	38	20	90.6	35.8	21.8	64.4	825	774	6.5	296	169	75.1
SOLNA	25	20	23.7	31.3	30.5	2.7	675	607	11.1	211	185	14.1
JÖNKÖPING	36	29	25.1	61.9	53.1	16.5	933	825	13.1	577	438	31.7
HELSINGBORG	42	31	36.7	67.3	57.3	17.5	1,014	898	12.9	683	515	32.7
UMEÅ	40	25	56.8	67.4	49.4	36.3	721	700	3.1	486	346	40.5
UPPSALA	32	21	55.7	57.1	40.2	41.9	751	752	-0.1	429	302	41.8
LINKÖPING	36	25	42.8	60.5	44.5	35.8	721	705	2.2	436	314	38.7
LUND	31	20	55.8	57.0	51.7	10.3	901	748	20.4	514	387	32.8
KARLSTAD	27	19	40.5	62.0	45.6	35.8	853	745	14.5	528	340	55.5
ÖREBRO	27	22	26.1	59.4	52.1	14.0	854	781	9.4	507	406	24.7
VÄSTERÅS	30	25	20.5	68.0	58.1	17.0	880	914	-3.8	598	531	12.6
SUNDSVALL	32	24	32.9	63.5	48.5	31.0	810	781	3.7	514	379	35.9
NORRKÖPING	29	23	24.4	62.5	48.4	29.1	1,194	1,010	18.2	746	489	52.5
LULEÅ	21	18	20.5	55.9	44.9	24.4	744	703	5.8	416	316	31.6
GOTLAND	48	37	31.5	77.3	60.5	27.7	1,586	1,199	32.3	1,225	725	69.0
NACKA	21	12	71.5	56.1	46.5	20.6	1,296	1,177	10.1	727	547	32.8
HALMSTAD	31	23	35.8	67.0	65.8	1.8	1,295	1,275	1.6	868	839	3.5
GÄVLE	24	21	18.9	74.2	63.9	16.0	935	864	8.2	694	552	25.6
ÖSTERSUND	19	13	46.5	65.3	43.9	49.0	832	727	14.4	543	319	70.4
VÄXJÖ	17	12	36.0	61.4	48.6	26.5	873	781	11.7	536	379	41.3
KALMAR	22	18	22.4	82.5	68.6	20.3	1,116	957	16.6	921	656	40.3
SÖDERTÄLJE	12	8	51.4	48.8	30.5	60.0	780	694	12.4	381	212	79.9
SWEDEN	2,194	1,499	46.4	56.5	41.9	34.8	985	889	10.8	556	372	49.4

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 – AUGUST

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	1,622	1,610	0.7	32.9	31.7	3.8	816	978	-16.6	268	310	-13.4
GOTHENBURG	800	778	2.8	37.7	37.5	0.5	937	924	1.5	354	347	2.0
MALMÖ	420	452	-7.2	35.2	37.7	-6.6	767	792	-3.1	270	299	-9.6
SIGTUNA	177	202	-12.7	23.0	28.2	-18.4	770	906	-15.0	177	256	-30.6
SOLNA	150	165	-8.9	24.9	31.4	-20.7	621	797	-22.0	155	250	-38.2
JÖNKÖPING	172	173	-0.6	39.7	39.2	1.2	877	840	4.4	348	329	5.7
HELSINGBORG	193	175	10.4	42.3	42.8	-1.1	939	861	9.2	397	368	7.9
UMEÅ	196	176	11.2	44.5	41.4	7.4	709	754	-5.9	315	312	1.0
UPPSALA	149	139	7.5	35.4	36.8	-3.6	694	838	-17.2	246	308	-20.2
LINKÖPING	180	162	11.0	39.9	36.7	8.7	693	769	-9.9	276	282	-2.1
LUND	137	128	7.0	38.6	38.8	-0.6	796	831	-4.2	307	322	-4.8
KARLSTAD	128	130	-1.6	39.8	40.4	-1.5	789	785	0.5	314	317	-1.0
ÖREBRO	141	146	-3.1	40.8	43.6	-6.3	808	854	-5.4	330	372	-11.4
VÄSTERÅS	162	162	-0.3	47.6	47.5	0.3	874	918	-4.8	416	436	-4.5
SUNDSVALL	170	151	12.3	43.7	40.0	9.3	764	813	-6.0	334	325	2.7
NORRKÖPING	148	138	7.8	43.2	39.5	9.4	1,055	958	10.1	456	378	20.5
LULEÅ	122	122	0.0	44.8	39.5	13.7	768	830	-7.5	344	327	5.2
GOTLAND	181	129	40.7	52.5	39.9	31.5	1,365	1,142	19.4	716	456	57.0
NACKA	93	81	15.4	37.2	35.6	4.5	1,268	1,187	6.8	472	423	11.6
HALMSTAD	141	119	19.0	49.3	42.8	15.1	1,221	1,244	-1.9	602	533	13.0
GÄVLE	128	117	9.2	50.8	46.4	9.4	876	877	-0.1	445	407	9.3
ÖSTERSUND	97	90	7.9	44.7	39.9	12.1	759	846	-10.3	339	337	0.6
VÄXJÖ	82	87	-5.1	40.3	42.6	-5.4	863	866	-0.3	348	369	-5.7
KALMAR	110	96	14.4	55.0	48.8	12.9	968	907	6.7	533	442	20.5
SÖDERTÄLJE	65	59	9.0	36.6	30.7	19.1	713	795	-10.3	261	244	6.8
SWEDEN	10,482	9,816	6.8	37.0	35.1	5.6	913	924	-1.2	338	324	4.3

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 SEPTEMBER – AUGUST

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	2,335	3,668	-36.3	31.4	46.4	-32.3	825	1,142	-27.8	259	530	-51.1
GOTHENBURG	1,128	1,586	-28.9	36.1	49.7	-27.3	908	1,028	-11.7	328	511	-35.8
MALMÖ	600	879	-31.7	34.0	48.3	-29.6	764	842	-9.2	260	406	-36.0
SIGTUNA	257	434	-40.7	23.0	41.2	-44.2	775	1,006	-22.9	178	414	-57.0
SOLNA	227	341	-33.2	26.4	43.8	-39.6	640	935	-31.5	169	409	-58.7
JÖNKÖPING	248	308	-19.6	38.3	46.2	-17.2	857	920	-6.8	328	425	-22.8
HELSINGBORG	265	302	-12.5	40.4	49.2	-18.0	902	871	3.5	364	429	-15.1
UMEÅ	288	317	-9.0	43.7	48.3	-9.6	714	794	-10.1	312	384	-18.7
UPPSALA	219	268	-18.3	35.3	46.0	-23.4	709	909	-22.0	250	418	-40.3
LINKÖPING	263	294	-10.7	39.0	44.3	-11.8	710	838	-15.2	277	371	-25.2
LUND	200	248	-19.4	37.9	47.9	-21.0	790	936	-15.6	299	449	-33.3
KARLSTAD	188	241	-21.9	39.3	49.7	-20.9	786	822	-4.4	309	408	-24.4
ÖREBRO	214	264	-19.2	40.9	51.3	-20.3	812	895	-9.3	332	459	-27.7
VÄSTERÅS	237	283	-16.5	46.7	54.6	-14.5	887	950	-6.6	414	519	-20.1
SUNDSVALL	254	256	-0.9	43.5	45.3	-4.1	767	854	-10.2	334	387	-13.9
NORRKÖPING	215	235	-8.8	41.5	44.1	-5.8	1,036	957	8.3	430	422	2.0
LULEÅ	181	206	-12.2	42.5	46.3	-8.2	765	856	-10.6	325	396	-17.9
GOTLAND	237	191	24.4	48.0	40.0	20.3	1,242	1,049	18.5	597	419	42.5
NACKA	128	162	-21.4	35.0	44.6	-21.5	1,278	1,247	2.5	448	556	-19.5
HALMSTAD	191	187	2.1	46.1	46.0	0.3	1,202	1,208	-0.4	554	555	-0.1
GÄVLE	191	197	-3.4	50.5	52.2	-3.3	866	897	-3.4	437	468	-6.6
ÖSTERSUND	137	164	-16.8	41.9	48.5	-13.6	753	881	-14.6	315	427	-26.1
VÄXJÖ	123	155	-21.0	39.5	49.0	-19.5	852	899	-5.2	336	441	-23.7
KALMAR	153	159	-4.2	51.3	52.9	-2.9	934	902	3.6	479	477	0.6
SÖDERTÄLJE	97	118	-17.9	36.4	39.9	-8.9	721	905	-20.3	262	361	-27.4
SWEDEN	14,917	18,182	-18.0	35.4	42.7	-17.1	896	986	-9.1	317	421	-24.6

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 AUGUST

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	2,194	1,499	46.4	56.5	41.9	34.8	985	889	10.8	556	372	49.4
DENMARK	1,077	722	49.2	63.0	44.0	43.2	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	838	667	25.5	49.1	42.4	15.8	922	901	3.3	453	382	19.6
NORWAY	1,444	1,098	31.4	56.0	44.0	27.3	1,107	971	13.3	620	427	44.3
STOCKHOLM	355	184	93.3	52.9	29.9	77.0	916	798	14.9	484	238	103.3
COPENHAGEN	374	191	95.5	57.0	31.0	83.9	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	148	93	59.6	43.1	35.0	23.1	898	909	-0.3	387	318	22.8
OSLO	209	141	48.9	53.0	35.0	51.4	1,013	836	20.4	537	293	82.3

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		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	10,482	9,816	6.8	37.0	35.1	5.6	913	924	-1.2	338	324	4.3
DENMARK	3,999	3,776	5.9	31.2	30.0	3.8	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	4,428	4,316	2.6	36.1	40.0	-9.8	911	978	-6.0	329	391	-15.2
NORWAY	6,333	6,884	-8.0	36.8	41.6	-11.5	1,049	977	6.7	386	406	-5.6
STOCKHOLM	1,622	1,610	0.7	32.9	31.7	3.8	816	978	-16.6	268	310	-13.4
COPENHAGEN	1,264	1,289	-1.9	24.8	26.8	-7.3	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	626	717	-12.7	27.1	41.3	-34.5	878	1,018	-12.9	238	421	-43.0
OSLO	730	1,087	-32.8	30.1	41.9	-28.3	903	892	0.7	272	374	-27.8

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

12-MONTH ROLLING AVERAGE SEPTEMBER – AUGUST

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	14,917	18,182	-18.0	35.4	42.7	-17.1	896	986	-9.1	317	421	-24.6
DENMARK	5,791	7,416	-21.9	30.3	39.9	-24.2	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	6,350	7,980	-20.4	34.4	45.9	-25.0	897	1,019	-11.2	309	467	-33.4
NORWAY	9,096	12,107	-24.9	34.6	45.7	-24.4	1,004	965	3.3	347	441	-21.9
STOCKHOLM	2,335	3,668	-36.3	31.4	46.4	-32.3	825	1,142	-27.8	259	530	-51.1
COPENHAGEN	1,766	3,030	-41.7	23.4	42.4	-44.8	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	866	1,668	-48.1	25.4	55.8	-54.4	880	1,166	-23.8	224	650	-65.3
OSLO	1,105	2,300	-52.0	27.9	52.9	-47.2	866	961	-10.5	242	509	-52.8

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

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.

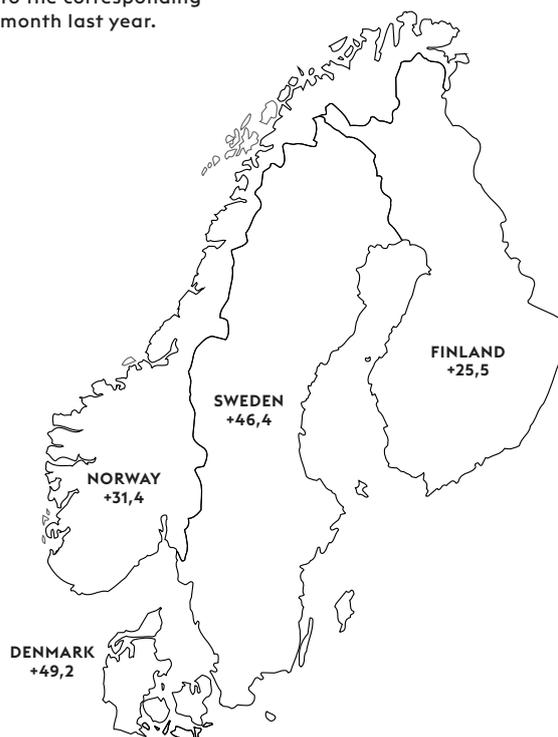
ADR: Accommodation revenue/Rooms sold.

RevPAR: Occupancy x ADR.

N/A: Not available.

ROOMS SOLD IN THE NORDICS IN AUGUST

%-change compared to the corresponding month last year.



95.5%
INCREASE IN ROOMS SOLD
IN COPENHAGEN, AUGUST 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 November.*

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