

HOTEL MARKET UPDATE

NORDIC HOTEL MARKET TRENDS AND ECONOMIC INDICATORS

Jan/22



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Annordia advised Sigillet on a new lifestyle hotel in central Gothenburg

Sigillet has signed a 15-year lease agreement with Leisure Hotel Group (LeH Group) for a new hotel to be created in a former police station on Tredje Långgatan in central Gothenburg.

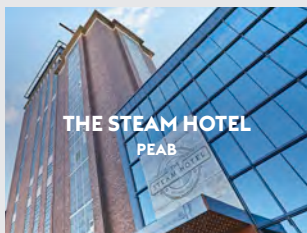
Annordia is pleased to have led the operator search and selection process on behalf of Sigillet.

The building was constructed in 1913 and served as a police station until 2006. It will be converted into a lifestyle hotel with about 60 rooms and several restaurants.

It is a unique building in a vibrant location and the team behind LeH Group has the right experience and knowledge to do it justice. The hotel is expected to be completed in 2024.

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

OUR SERVICES



THE STEAM HOTEL
PEAB

Market analysis

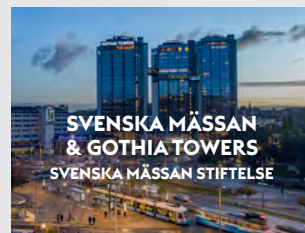
Establish the feasibility of a potential hotel investment.



CLARION HOTEL
SÖDERTÄLJE
STADSRUM

Concept development

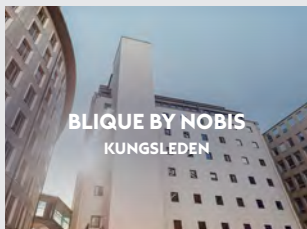
Hotel planning and optimisation based on market characteristics.



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.



BILLINGEHUS
HOST PROPERTY

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.

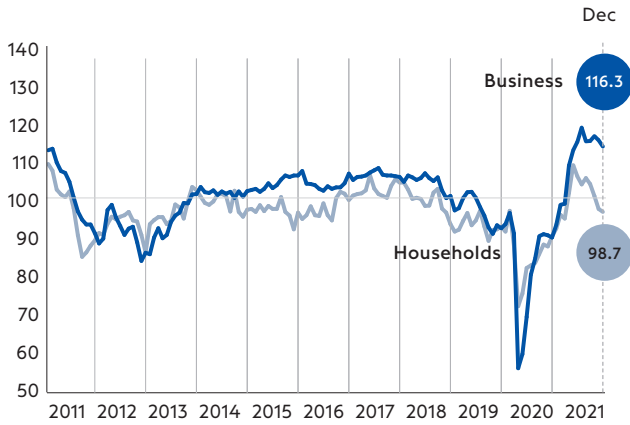
TALKING POINTS OF THE MONTH

Despite a very strong development on the Swedish hotel market during November, hotel optimism has fallen dramatically. The reduced optimism is related to the great uncertainty surrounding the future development that the new virus variant, Omicron, has created. The hope is that the spread of infection soon slows down and that the new restrictions then can be lifted.

- Both business and household confidence indicators fell in December. The business confidence indicator though is still at a relatively high level – see confidence indicators on page 2.
- Hotel companies expectations of demand in three months' time fell dramatically in December compared with November – see hotel companies' expectations on page 3.
- The demand in November for hotel rooms was almost 150 percent higher than the corresponding month last year and 97 percent of the demand in November 2019 – see page 4.
- The demand for hotel rooms was extremely strong in Denmark in November. It was 170 percent higher than in November 2020, but also 15 percent higher than in November 2019 – see page 7.

MACRO INDICATORS IN SWEDEN

Both business and household confidence indicators fell in December. The business sector indicator is nevertheless high, while the household indicator fell for the fourth month in a row.

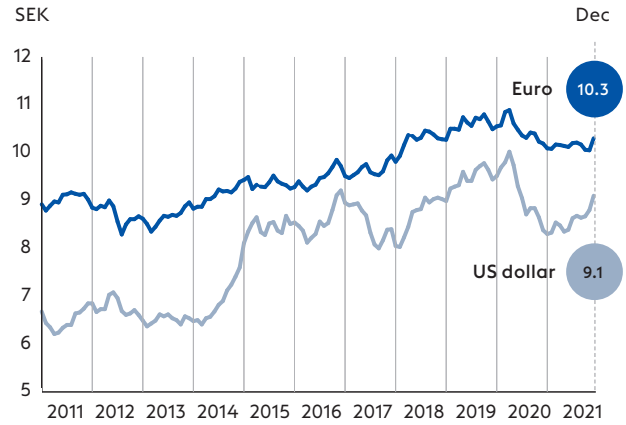


Confidence indicators for business and households in Sweden, up to and including December.

Source: The National Institute of Economic Research

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

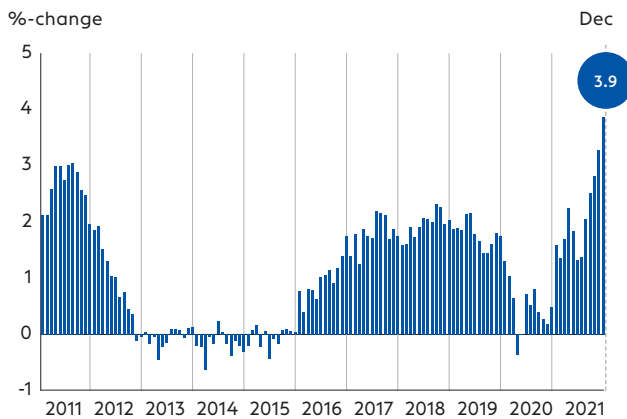
The value of the Swedish krona fell against both the Euro and the US dollar in December. The value of the krona against the US dollar was at over nine kronor per dollar for the first time in a year and a half.



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

Source: The Central Bank of Sweden

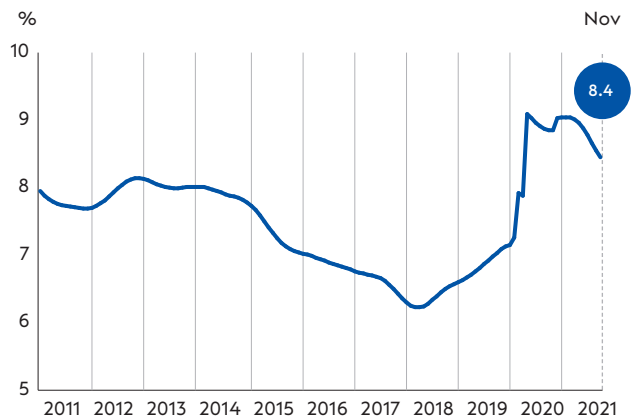
The rate of price increase, according to the CPI, was 3.9 percent in December compared with December last year. Extreme price increases for electricity and fuel are important explanations for the high rate.



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

Source: Statistics Sweden

Unemployment, according to trend, continued to fall in November for the eighth month in a row. The level in November was just under 8.5 percent, which is a decrease of over half a percentage point since the beginning of the year.



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

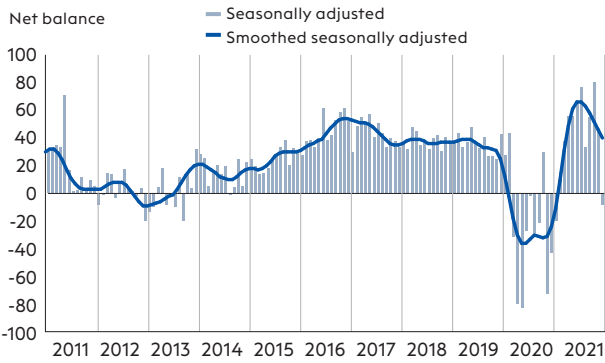
Source: The laborforce survey (Statistics Sweden)

3.9%

DECEMBER INFLATION RATE

SWEDISH HOTEL MARKET SUMMARY

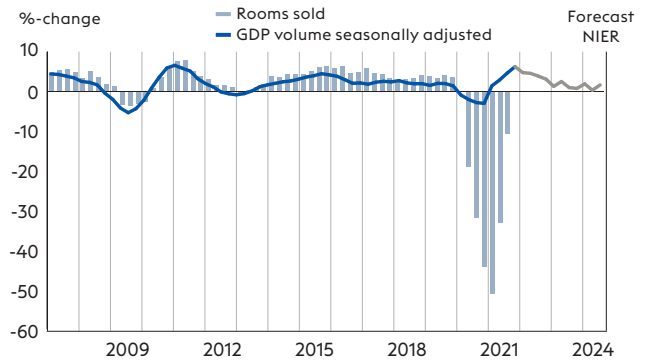
Hotel companies expectations of demand in three months' time fell dramatically in December compared with November. A larger proportion of hotel companies expect reduced demand in three months' time than the opposite.



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

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

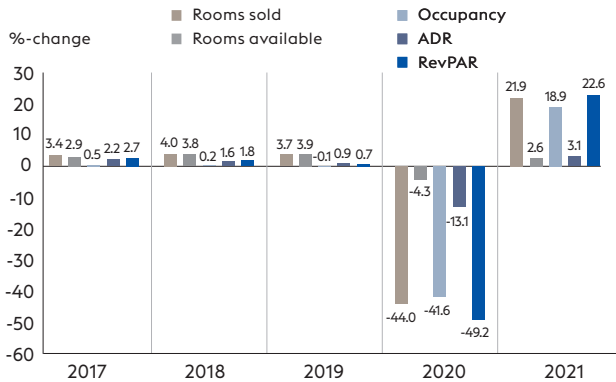
Expected strong economic growth for the rest of this year and next year will provide support for positive development in the hotel market. Historically, the connection between growth in the economy and growth in the hotel industry has been strong.



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

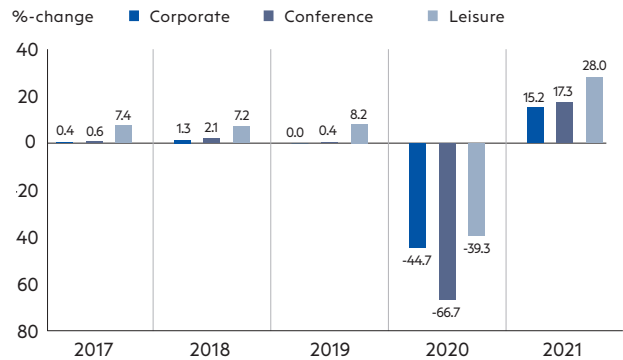
The RevPAR lever was 185 percent higher in November 2021 compared to November 2020. Year-to-date, the RevPAR level was 23 percent higher.



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

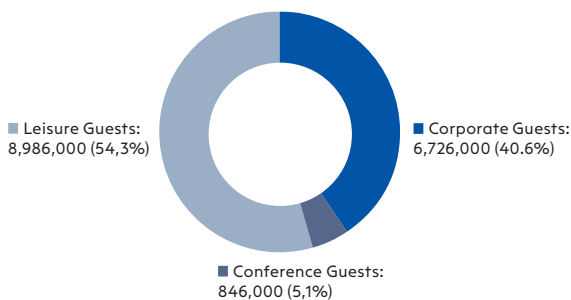
Source: The Swedish Growth Agency/Statistics Sweden

There has been a clear recovery in the market for overnight conferences during the autumn of 2022. In November there were more occupied hotel rooms by conference guests year-to-date than 2020.



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

Source: The Swedish Growth Agency/Statistics Sweden



850,000 hotel rooms have been occupied by overnight conference guests so far 2021.

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

Source: The Swedish Growth Agency/Statistics Sweden

TRENDS IN SWEDEN'S 25 LARGEST HOTEL MUNICIPALITIES

MONTH NOVEMBER

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	415	139	198.3	61.4	22.3	175.6	1,112	780	42.6	683	174	293.0
GOTHENBURG	191	58	231.7	68.1	22.2	206.0	1,154	805	43.5	786	179	339.0
MALMÖ	98	33	197.5	63.3	23.1	174.3	867	733	18.4	549	169	224.7
SIGTUNA	54	17	221.5	52.1	19.1	172.6	887	734	20.9	462	140	229.5
SOLNA	47	17	182.2	51.3	25.4	102.2	924	607	52.2	474	154	207.8
JÖNKÖPING	34	13	168.2	60.0	23.6	153.7	1,082	780	38.7	649	184	251.8
HELSINGBORG	30	12	157.2	52.5	23.5	123.7	899	769	16.8	472	181	161.4
UMEÅ	42	19	119.9	73.7	34.7	112.5	820	719	14.1	604	249	142.4
UPPSALA	38	13	191.7	71.0	26.2	171.0	877	674	30.1	623	177	252.6
LINKÖPING	40	15	167.9	68.1	27.4	148.4	815	733	11.2	555	201	176.3
LUND	27	12	123.6	50.2	28.0	79.0	887	732	21.2	445	205	116.8
KARLSTAD	27	10	177.5	65.4	24.9	162.8	980	741	32.3	641	184	247.6
ÖREBRO	31	13	137.9	69.8	29.5	136.6	976	799	22.1	681	236	188.9
VÄSTERÅS	34	16	110.7	76.4	38.5	98.2	879	878	0.2	672	338	98.6
SUNDSVALL	31	17	78.6	53.7	35.2	52.5	871	736	18.4	467	259	80.6
NORRKÖPING	31	11	176.0	65.9	26.6	148.1	1,003	899	11.6	661	239	176.9
LULEÅ	25	12	106.3	69.0	32.3	113.3	840	725	15.8	579	235	146.9
GOTLAND	14	8	69.9	40.3	26.4	52.4	811	613	32.2	326	162	101.5
NACKA	21	7	211.2	57.2	23.7	141.6	1,362	1,299	4.9	778	307	153.4
HALMSTAD	22	8	158.5	49.9	25.9	92.7	1,089	1,109	-1.8	544	287	89.3
GÄVLE	24	14	76.6	76.9	44.7	71.9	990	812	21.8	761	363	109.5
ÖSTERSUND	19	8	126.1	66.7	30.3	119.8	973	702	38.7	649	213	204.9
VÄXJÖ	18	6	176.6	62.9	24.4	157.6	898	812	10.6	565	198	185.0
KALMAR	16	7	131.1	61.4	29.0	111.5	863	815	5.9	529	236	123.9
SÖDERTÄLJE	13	7	88.5	53.7	32.1	67.2	869	707	23.0	467	227	105.7
SWEDEN	2,079	835	148.8	55.6	24.4	127.3	1,000	797	25.5	556	195	185.2

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

YEAR-TO-DATE JANUARY – NOVEMBER

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	2,767	2,198	25.9	40.5	31.5	28.5	911	946	-3.7	369	298	23.8
GOTHENBURG	1,311	1,058	23.9	44.3	37.3	18.7	997	903	10.5	441	336	31.2
MALMÖ	694	604	14.9	41.8	37.0	12.9	806	786	2.6	337	291	15.7
SIGTUNA	333	269	24.1	31.0	27.0	14.7	810	878	-7.7	251	237	5.8
SOLNA	282	229	23.2	31.1	31.7	-2.1	737	767	-3.9	229	243	-5.9
JÖNKÖPING	271	239	13.3	45.0	39.7	13.4	910	834	9.0	410	331	23.7
HELSINGBORG	283	237	19.6	45.5	42.1	7.9	924	843	9.6	420	355	18.3
UMEÅ	319	255	25.3	52.2	43.1	21.2	736	746	-1.4	384	321	19.5
UPPSALA	253	197	28.0	43.5	37.3	16.5	744	817	-9.0	323	305	6.0
LINKÖPING	293	234	25.3	46.4	38.3	21.2	724	766	-5.5	336	293	14.6
LUND	223	181	22.9	43.0	39.4	9.4	818	820	-0.3	352	323	9.0
KARLSTAD	205	183	12.1	45.8	41.3	11.0	832	788	5.6	381	326	17.1
ÖREBRO	232	208	11.3	48.3	44.4	8.8	872	846	3.0	421	376	12.1
VÄSTERÅS	253	226	12.3	53.6	48.2	11.3	900	919	-2.0	483	443	9.0
SUNDSVALL	265	223	19.2	47.3	42.3	11.7	787	802	-1.8	372	339	9.7
NORRKÖPING	229	195	17.5	47.5	40.2	18.2	1,036	971	6.6	492	391	26.0
LULEÅ	194	172	12.2	50.3	40.5	24.1	785	812	-3.3	395	329	20.1
GOTLAND	243	180	35.1	51.9	40.5	28.1	1,262	1,062	18.9	655	430	52.4
NACKA	151	110	37.7	41.9	34.9	20.1	1,302	1,216	7.0	545	424	28.6
HALMSTAD	212	163	30.6	51.3	43.1	18.9	1,175	1,222	-3.8	603	527	14.4
GÄVLE	200	170	17.8	57.5	49.1	17.2	910	870	4.5	523	427	22.5
ÖSTERSUND	152	124	23.1	50.3	39.8	26.4	795	819	-2.9	400	326	22.6
VÄXJÖ	134	122	10.4	46.2	42.8	8.0	877	859	2.1	405	367	10.2
KALMAR	161	133	21.2	56.8	49.0	16.1	943	894	5.5	536	438	22.4
SÖDERTÄLJE	103	86	19.4	41.0	32.8	25.0	763	782	-2.3	313	256	22.1
SWEDEN	16,559	13,581	21.9	41.9	35.2	18.9	935	907	3.1	392	320	22.6

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

12-MONTH ROLLING AVERAGE DECEMBER – NOVEMBER

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	2,891	2,609	10.8	38.9	34.0	14.4	905	975	-7.2	352	331	6.2
GOTHENBURG	1,359	1,220	11.4	42.5	39.2	8.4	990	923	7.2	420	362	16.2
MALMÖ	722	684	5.5	40.1	38.3	4.8	802	787	1.8	322	301	6.7
SIGTUNA	348	314	10.8	30.2	29.2	3.3	808	897	-9.9	244	262	-6.9
SOLNA	295	263	12.2	30.5	33.5	-9.1	731	789	-7.3	223	264	-15.7
JÖNKÖPING	281	262	7.2	42.9	39.8	7.8	905	831	8.8	388	331	17.3
HELSINGBORG	293	261	12.1	43.8	42.6	2.7	921	847	8.8	404	361	11.8
UMEÅ	333	280	18.8	50.1	43.3	15.6	735	752	-2.3	368	326	12.9
UPPSALA	264	222	19.0	41.9	38.3	9.4	738	824	-10.4	309	315	-2.0
LINKÖPING	304	255	19.2	44.4	38.5	15.4	723	771	-6.2	321	297	8.2
LUND	232	204	14.0	41.5	40.3	3.1	812	838	-3.1	337	337	-0.1
KARLSTAD	212	202	5.1	43.8	41.9	4.6	826	781	5.7	362	327	10.6
ÖREBRO	242	230	4.9	46.3	44.9	3.2	867	847	2.3	402	380	5.7
VÄSTERÅS	265	252	5.2	51.6	48.9	5.5	900	921	-2.3	464	451	3.0
SUNDSVALL	278	243	14.5	45.6	42.4	7.6	785	812	-3.3	358	344	4.1
NORRKÖPING	238	211	12.6	45.8	40.1	14.0	1,032	964	7.1	472	387	22.1
LULEÅ	202	189	6.7	47.9	41.2	16.1	782	817	-4.3	374	337	11.1
GOTLAND	248	188	31.5	50.1	39.8	25.8	1,252	1,047	19.6	627	417	50.5
NACKA	157	124	26.6	40.5	35.7	13.3	1,303	1,223	6.5	527	437	20.8
HALMSTAD	218	173	25.7	49.4	42.7	15.7	1,172	1,214	-3.5	579	518	11.7
GÄVLE	210	186	13.1	55.4	49.1	12.7	904	868	4.2	500	426	17.4
ÖSTERSUND	158	140	12.7	48.4	41.6	16.3	791	842	-6.0	383	350	9.3
VÄXJÖ	140	134	4.4	44.2	43.0	2.7	872	862	1.2	385	370	3.9
KALMAR	167	144	15.9	54.5	48.4	12.4	937	889	5.4	510	431	18.4
SÖDERTÄLJE	108	96	12.5	39.9	33.4	19.7	759	794	-4.5	303	265	14.4
SWEDEN	17,228	15,175	13.5	40.3	36.1	11.7	931	916	1.6	375	331	13.4

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

NORDIC HOTEL MARKET – COUNTRIES AND CAPITAL CITIES

MONTH NOVEMBER

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	2,079	835	148.8	55.6	24.4	127.3	1,000	797	25.5	556	195	185.2
DENMARK	1,054	388	171.6	65.0	25.0	160.0	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	810	455	78.0	48.7	29.7	64.0	981	841	18.8	478	250	94.8
NORWAY	1,315	553	138.0	52.0	25.0	108.0	1,065	816	23.1	554	204	156.0
STOCKHOLM	415	139	198.3	61.4	22.3	175.6	1,112	780	42.6	683	174	293.0
COPENHAGEN	446	114	292.7	68.0	19.0	257.9	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	182	58	214.2	53.7	21.2	153.3	1,078	865	26.9	579	183	221.4
OSLO	251	78	222.7	61.0	21.0	190.5	1,171	689	60.4	714	145	365.8

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 - NOVEMBER

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	16,559	13,581	21.9	41.9	35.2	18.9	935	907	3.1	392	320	22.6
DENMARK	7,085	5,326	33.0	39.5	30.7	28.7	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	6,821	5,870	16.2	39.4	38.0	3.7	911	939	-1.2	359	357	2.4
NORWAY	10,345	9,191	12.6	41.7	38.7	7.8	1,070	935	8.0	446	361	16.4
STOCKHOLM	2,767	2,198	25.9	40.5	31.5	28.5	911	946	-3.7	369	298	23.8
COPENHAGEN	2,478	1,704	45.4	35.0	25.6	36.3	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	1,084	905	19.8	32.4	35.5	-8.6	925	984	-4.2	300	349	-12.4
OSLO	1,445	1,404	2.9	39.8	36.8	8.2	1,019	849	13.2	405	312	22.4

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

12-MONTH ROLLING AVERAGE DECEMBER – NOVEMBER

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	17,228	15,175	13.5	40.3	36.1	11.7	931	916	1.6	375	331	13.4
DENMARK	7,327	5,993	22.3	37.7	31.9	18.2	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	7,189	6,717	7.0	38.2	39.2	-2.7	911	962	-3.5	348	378	-6.2
NORWAY	10,801	10,112	6.8	40.4	38.8	4.3	1,063	933	7.5	430	362	12.1
STOCKHOLM	2,891	2,609	10.8	38.9	34.0	14.4	905	975	-7.2	352	331	6.2
COPENHAGEN	2,564	2,070	23.9	33.3	28.6	16.4	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	1,136	1,108	2.5	31.4	38.6	-18.7	924	1,005	-6.4	290	388	-23.9
OSLO	1,503	1,631	-7.9	38.2	38.6	-1.0	1,010	860	10.8	386	332	9.7

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.

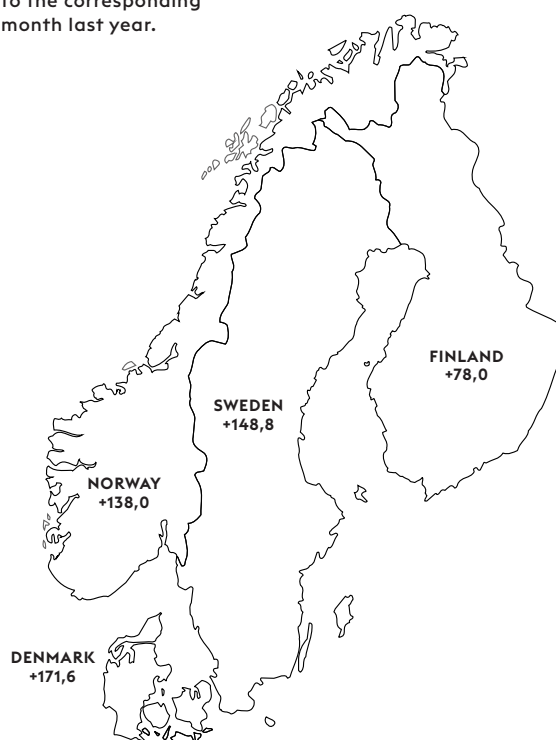
ADR: Accommodation revenue/Rooms sold.

RevPAR: Occupancy x ADR.

N/A: Not available.

ROOMS SOLD IN THE NORDICS IN NOVEMBER

%-change compared to the corresponding month last year.



365.8%

INCREASE IN REVPAR
IN OSLO, NOVEMBER 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.

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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in February.*

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