

HOTEL MARKET UPDATE

NORDIC HOTEL MARKET TRENDS AND ECONOMIC INDICATORS

Feb/22



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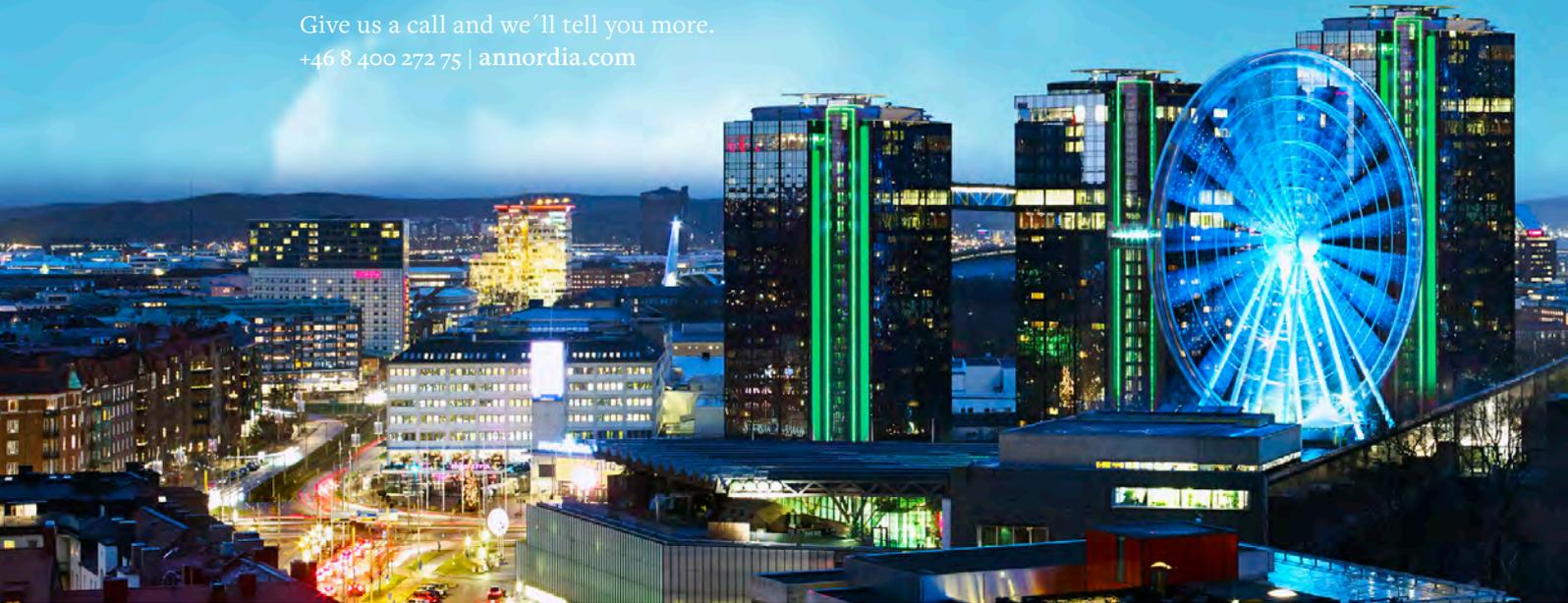
A full-service advisor for hotel investments in real estate

Annordia is 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.

Our broad client base includes real estate owners, municipalities, banks and investors throughout the Nordics. Working with them, we have advised on many of the region's largest hotel development projects and transactions.

Annordia deploys its extensive experience and international network to not only increase property values but also to enhance the local environment.

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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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Adding value in rent review, lease renewals and valuations.



BLIQUE BY NOBIS
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Recruitment of suitable hotel operators on favourable terms.



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



BILLINGEHUS
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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.

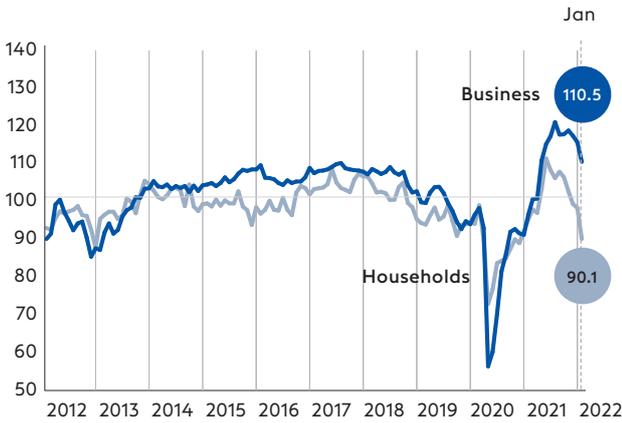
TALKING POINTS OF THE MONTH

The strong recovery in the hotel market was interrupted during the last weeks of 2021 and the beginning of 2022 because of Omicron. Hotel companies' expectations regarding the first quarter of 2022 went from positive to sharply negative. Despite this, the pandemic is now judged to be subsiding and all restrictions have been lifted. Against this background, Annordia believes that we will have a strong recovery in demand from the spring and onwards.

- The household confidence indicator fell dramatically in December. The level is now well below the historical average – see confidence indicators on page 2.
- Hotel companies expectations of demand in three months' time were very negative in January with 7 out of 10 companies expecting lower demand – see hotel companies' expectations on page 3.
- The demand for hotel rooms the full year 2021 was 27 percent higher compared with the full year 2020. However, the level was still 29 percent lower than the full year 2019 – see page 4.
- The occupancy rate in both Sweden and Norway landed just over 40 percent for the full year 2021. The level in Denmark and Finland ended just below – see page 7.

MACRO INDICATORS IN SWEDEN

Both business and household confidence indicators fell sharply in January. The level of the household indicator is now well below the historical average and, with the exception of the time when the pandemic struck, at its lowest point in 10 years.

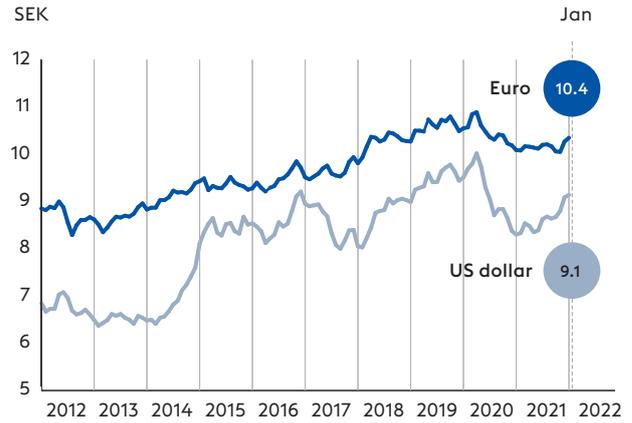


Confidence indicators for business and households in Sweden, up to and including January.

Source: The National Institute of Economic Research

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

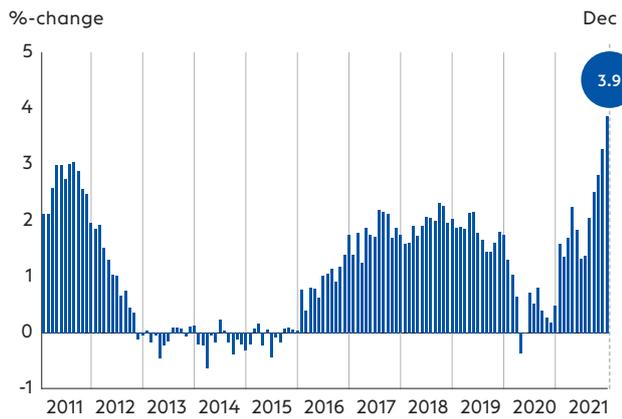
The value of the Swedish krona continued to fall against both the Euro and the US dollar in January. However, the value of the krona against both the Euro and the US dollar is still higher than when the pandemic struck in March 2020.



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

Source: The Central Bank of Sweden

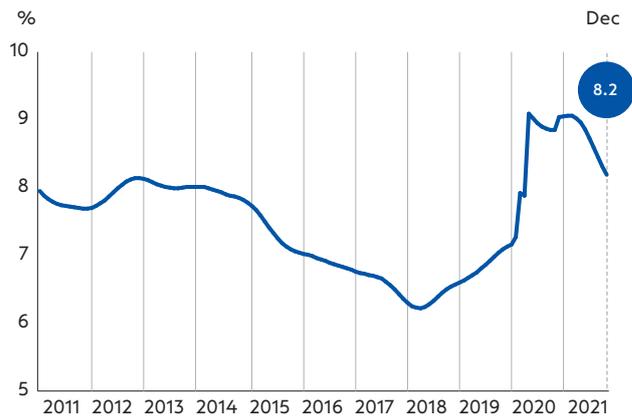
The rate of price increase, according to the CPI, was 3.9 percent in December compared with December last year. Extreme price increases for electricity and fuel are important explanations for the high rate.



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

Source: Statistics Sweden

The unemployment rate, according to the trend, was 8.2 percent in December. The unemployment rate has thus fallen by almost one percentage point since the beginning of 2021, although the rate is still much higher than before the pandemic.



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

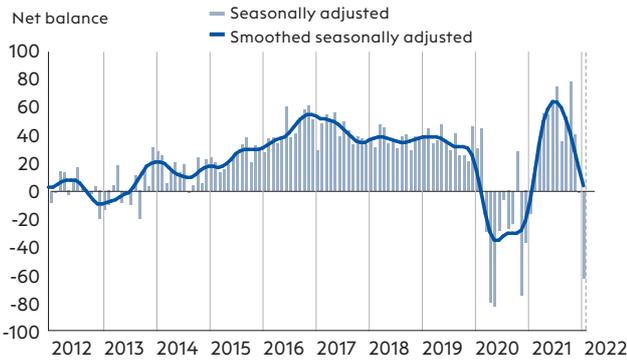
Source: The laborforce survey (Statistics Sweden)

8.2%

DECEMBER UNEMPLOYMENT RATE

SWEDISH HOTEL MARKET SUMMARY

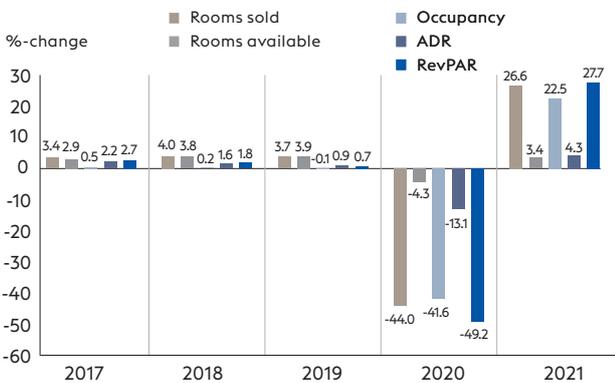
Hotel companies' expectations of demand in three months' time were very negative in January. 7 out of 10 hotels expect reduced demand in three months' time, while only 1 in 10 expect increased demand.



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

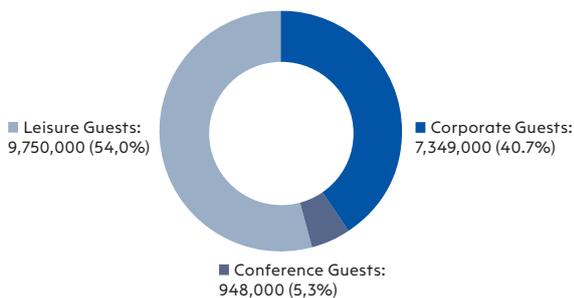
Source: The National Institute of Economic Research
Net balance: See definitions on page 8

The RevPAR level increased by 27.7 percent for the full year 2021 compared with 2020. However, the level was still 35.1 percent lower than for the full year 2019.

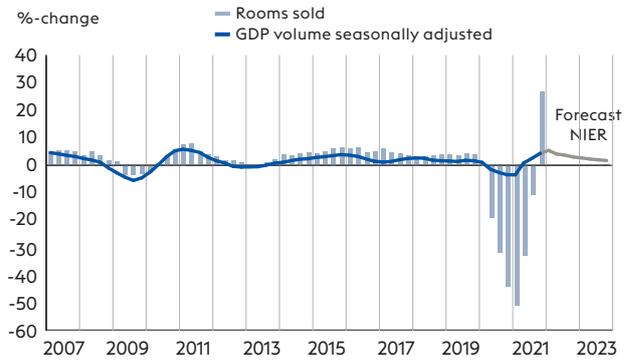


Development of key performance indicators in the Swedish hotel market, compared with the previous year, up to and including December.

Source: The Swedish Growth Agency/Statistics Sweden



The Swedish economy is expected to grow by just over three percent in 2022, which will support the recovery 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

Occupied rooms from all segments increased significantly in 2021 compared with 2020 in the Swedish hotel market. For all segments, however, the level is far below the 2019 level.



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

Source: The Swedish Growth Agency/Statistics Sweden

Almost 10 million hotel rooms have been occupied by leisure guests during the full year 2021.

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

Source: The Swedish Growth Agency/Statistics Sweden

TRENDS IN SWEDEN'S 25 LARGEST HOTEL MUNICIPALITIES

MONTH DECEMBER

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	328	125	163.1	47.3	20.7	128.3	1,052	784	34.2	498	163	206.3
GOTHENBURG	136	48	184.1	47.9	20.3	136.5	1,137	777	46.4	545	157	246.3
MALMÖ	63	28	121.1	40.1	20.5	96.2	898	687	30.8	360	140	156.6
SIGTUNA	35	14	151.3	33.6	19.3	73.6	996	758	31.4	334	147	128.1
SOLNA	29	13	122.5	30.7	21.5	43.1	828	604	37.1	255	130	96.2
JÖNKÖPING	20	9	115.1	36.1	17.9	101.3	840	759	10.7	303	136	122.9
HELSINGBORG	20	10	107.4	35.0	21.3	64.2	952	832	14.5	333	177	88.0
UMEÅ	30	14	110.7	53.5	26.5	101.5	781	700	11.7	418	186	125.1
UPPSALA	26	11	131.2	47.5	22.8	108.5	808	606	33.3	384	138	178.0
LINKÖPING	22	11	98.6	40.2	21.1	90.8	770	679	13.4	310	143	116.4
LUND	17	10	72.2	32.2	22.8	41.4	871	673	29.4	281	153	83.0
KARLSTAD	18	7	141.9	45.6	19.9	128.5	858	677	26.7	391	135	189.6
ÖREBRO	20	10	102.5	45.1	23.3	93.5	957	759	26.0	431	177	143.8
VÄSTERÅS	24	11	113.9	53.4	27.9	91.5	817	896	-8.8	436	250	74.5
SUNDSVALL	24	13	85.2	40.6	26.6	52.5	890	748	19.0	361	199	81.5
NORRKÖPING	20	9	109.1	42.8	24.0	77.9	1,141	948	20.4	488	228	114.2
LULEÅ	17	8	103.4	45.8	22.9	99.6	833	716	16.2	381	164	132.1
GOTLAND	8	4	77.3	25.6	17.4	46.8	817	696	17.5	209	121	72.6
NACKA	12	6	107.4	32.4	21.3	51.7	1,583	1,343	17.9	512	287	78.8
HALMSTAD	15	6	157.0	34.6	20.4	69.8	1,078	1,061	1.6	373	216	72.6
GÄVLE	17	10	68.8	51.0	31.4	62.6	926	792	17.0	472	248	90.2
ÖSTERSUND	13	6	118.0	48.8	24.6	98.3	929	689	34.9	454	170	167.5
VÄXJÖ	12	5	129.9	45.1	20.9	115.9	925	756	22.3	417	158	164.2
KALMAR	10	6	82.6	39.3	24.7	59.3	824	762	8.0	324	188	72.1
SÖDERTÄLJE	9	5	62.2	33.0	26.4	25.3	818	670	22.1	270	177	53.0
SWEDEN	1,473	669	120.0	39.4	20.5	92.2	1,015	822	23.5	399	168	137.3

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

YEAR-TO-DATE JANUARY – DECEMBER

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	3,114	2,323	34.1	41.4	30.6	35.1	926	937	-1.2	383	287	33.4
GOTHENBURG	1,446	1,106	30.8	44.5	36.0	23.9	1,011	897	12.6	450	323	39.6
MALMÖ	759	632	20.1	41.8	35.7	17.0	815	782	4.2	341	279	22.0
SIGTUNA	369	283	30.5	31.2	26.5	17.8	828	872	-5.0	258	231	11.9
SOLNA	311	242	28.4	31.0	30.9	0.3	744	759	-1.9	231	235	-1.6
JÖNKÖPING	291	249	17.1	44.3	38.0	16.6	905	832	8.8	401	316	26.9
HELSINGBORG	303	246	23.0	44.5	40.6	9.8	927	843	10.0	413	342	20.7
UMEÅ	352	269	30.9	52.7	41.7	26.4	735	744	-1.2	388	310	24.9
UPPSALA	278	209	33.5	43.8	36.1	21.4	748	806	-7.1	328	291	12.7
LINKÖPING	316	245	28.7	45.9	36.9	24.5	727	762	-4.6	334	281	18.8
LUND	239	191	25.3	42.1	38.0	10.7	822	813	1.1	346	309	12.0
KARLSTAD	223	190	17.1	45.8	39.7	15.6	834	784	6.4	382	311	23.0
ÖREBRO	252	218	15.4	48.1	42.7	12.6	878	842	4.3	422	360	17.4
VÄSTERÅS	277	237	16.9	53.5	46.6	14.8	904	918	-1.5	483	427	13.1
SUNDSVALL	290	235	23.0	46.7	41.0	13.9	793	799	-0.7	371	328	13.1
NORRKÖPING	248	204	21.6	47.1	39.0	20.7	1,044	970	7.6	492	379	29.9
LULEÅ	211	181	16.7	50.0	39.1	27.8	789	807	-2.2	394	316	25.0
GOTLAND	251	185	36.1	50.3	39.2	28.1	1,249	1,053	18.6	627	413	52.0
NACKA	163	115	41.1	41.0	33.8	21.3	1,322	1,222	8.1	542	413	31.1
HALMSTAD	227	168	34.8	49.8	41.6	19.7	1,169	1,216	-3.9	582	506	15.0
GÄVLE	217	180	20.6	57.0	47.6	19.7	911	866	5.2	519	412	26.0
ÖSTERSUND	165	130	27.5	50.2	38.7	29.7	806	813	-0.9	405	315	28.6
VÄXJÖ	147	127	15.7	46.2	41.0	12.9	881	854	3.1	407	350	16.3
KALMAR	172	139	23.7	55.4	47.1	17.6	936	889	5.3	518	418	23.8
SÖDERTÄLJE	111	91	21.9	40.3	32.3	24.5	767	775	-1.0	309	251	23.2
SWEDEN	18,047	14,251	26.6	41.7	34.1	22.5	942	903	4.3	393	308	27.7

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 JANUARY – DECEMBER

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
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KARLSTAD	223	190	17.1	45.8	39.7	15.6	834	784	6.4	382	311	23.0
ÖREBRO	252	218	15.4	48.1	42.7	12.6	878	842	4.3	422	360	17.4
VÄSTERÅS	277	237	16.9	53.5	46.6	14.8	904	918	-1.5	483	427	13.1
SUNDSVALL	290	235	23.0	46.7	41.0	13.9	793	799	-0.7	371	328	13.1
NORRKÖPING	248	204	21.6	47.1	39.0	20.7	1,044	970	7.6	492	379	29.9
LULEÅ	211	181	16.7	50.0	39.1	27.8	789	807	-2.2	394	316	25.0
GOTLAND	251	185	36.1	50.3	39.2	28.1	1,249	1,053	18.6	627	413	52.0
NACKA	163	115	41.1	41.0	33.8	21.3	1,322	1,222	8.1	542	413	31.1
HALMSTAD	227	168	34.8	49.8	41.6	19.7	1,169	1,216	-3.9	582	506	15.0
GÄVLE	217	180	20.6	57.0	47.6	19.7	911	866	5.2	519	412	26.0
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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 DECEMBER

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	1,473	669	120.0	39.4	20.5	92.2	1,015	822	23.5	399	168	137.3
DENMARK	554	242	129.0	35.0	16.0	118.8	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	743	368	102.1	42.8	24.0	78.3	1,195	926	28.0	511	222	128.2
NORWAY	656	456	43.9	25.0	24.0	4.2	1,057	865	16.1	264	208	20.9
STOCKHOLM	328	125	163.1	47.3	20.7	128.3	1,052	784	34.2	498	163	206.3
COPENHAGEN	258	86	199.9	38.0	14.0	171.4	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	144	51	180.2	40.9	18.8	117.6	1,114	902	22.5	456	170	166.5
OSLO	117	58	102.9	28.0	19.0	47.4	1,101	756	38.2	308	144	103.7

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

YEAR-TO-DATE JANUARY - DECEMBER

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	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	18,047	14,251	26.6	41.7	34.1	22.5	942	903	4.3	393	308	27.7
DENMARK	7,540	5,568	35.4	38.8	29.5	31.4	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	7,564	6,238	21.3	39.7	36.8	8.1	958	934	1.6	380	343	9.8
NORWAY	11,001	9,647	14.0	40.1	37.6	6.7	1,073	941	8.3	430	353	15.5
STOCKHOLM	3,114	2,323	34.1	41.4	30.6	35.1	926	937	-1.2	383	287	33.4
COPENHAGEN	2,714	1,790	51.6	34.9	24.7	41.6	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	1,229	957	28.4	33.2	33.8	-1.8	966	975	-1.8	321	330	-3.6
OSLO	1,562	1,462	6.9	38.6	35.5	8.7	1,028	854	14.3	397	303	24.3

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 JANUARY – DECEMBER

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FINLAND	7,564	6,238	21.3	39.7	36.8	8.1	958	934	1.6	380	343	9.8
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COPENHAGEN	2,714	1,790	51.6	34.9	24.7	41.6	N/A	N/A	N/A	N/A	N/A	N/A
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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.

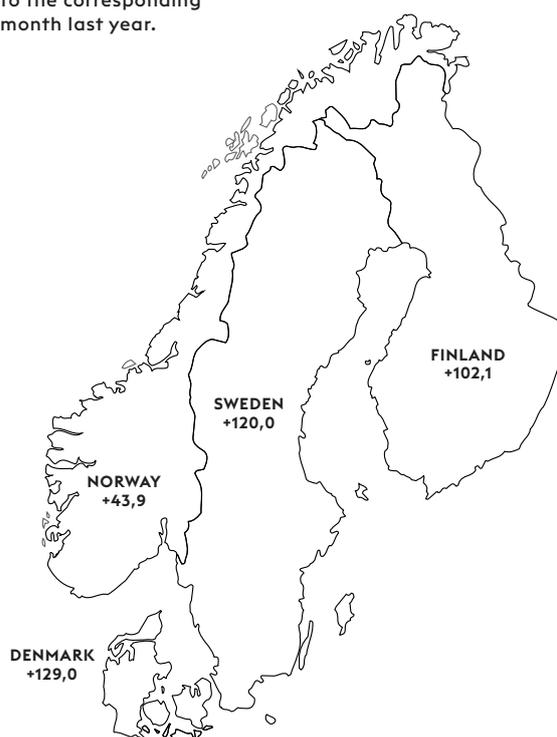
ADR: Accommodation revenue/Rooms sold.

RevPAR: Occupancy x ADR.

N/A: Not available.

ROOMS SOLD IN THE NORDICS IN DECEMBER

%-change compared to the corresponding month last year.



199.9%
INCREASE IN OCCUPIED ROOMS
IN COPENHAGEN, DECEMBER 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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