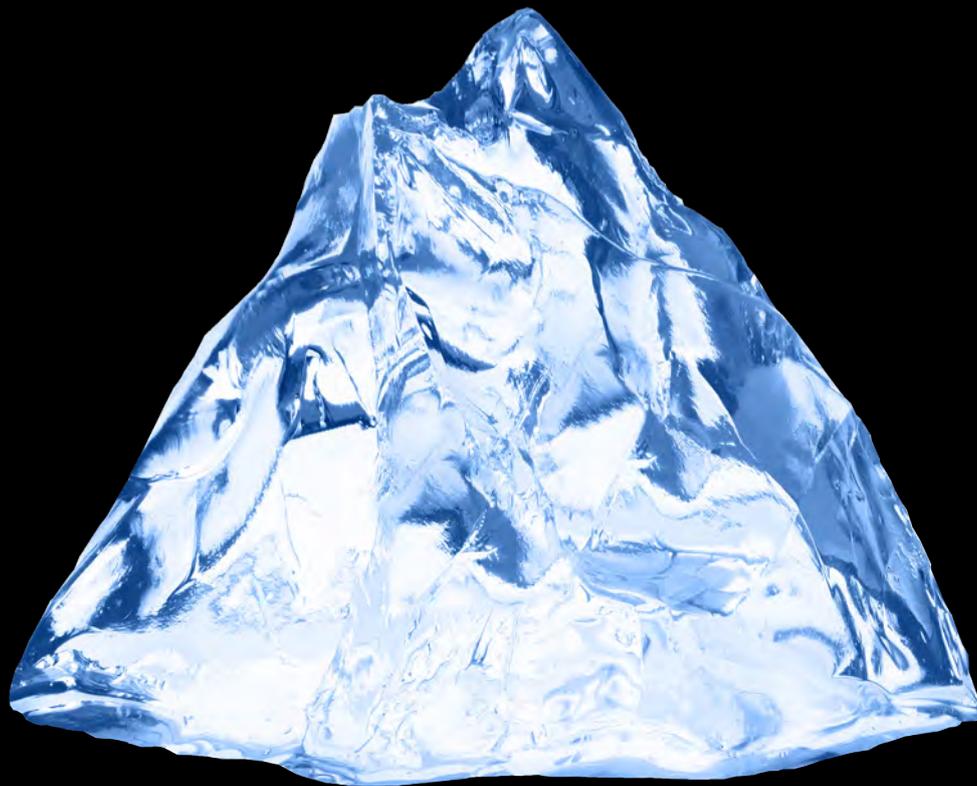


HOTEL MARKET UPDATE

NORDIC HOTEL MARKET TRENDS AND ECONOMIC INDICATORS

Mar/22



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Time to stay at Concepció by Nobis in Palma!

Concepció by Nobis has been open since the 1 of June 2021, and now with travel restrictions gone, why not visit the boutique hotel in central Palma de Mallorca, Spain.

Back in 2016, Annordia led the operator search and selection process on behalf of the owner Genova Property Group. Nobis Hospitality Group was selected and by the look of it, they have created an actual gem.

Situated in an enviable location where the Old Town meets Santa Catalina, Concepció by Nobis captures the spirit of Palma de Mallorca. Originally built in 1576 and once a soap factory, the historical property now presents a warm and relaxed oasis for both travellers and locals, with 31 guestrooms and suites, an in-house restaurant and lounge, and spaces for meetings and events.

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.

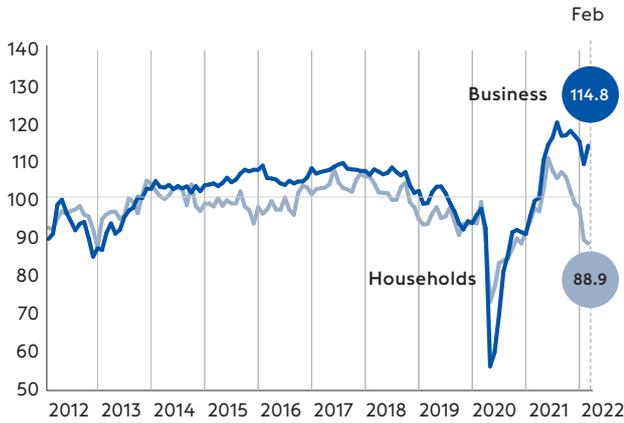
TALKING POINTS OF THE MONTH

Developments in the hotel market in January were strongly affected by the rapid spread of the new virus variant Omikron, which led to a halt in the ongoing recovery. As of February 9, however, most restrictions linked to the Covid-19 pandemic were lifted and demand for hotel rooms has since then begun to pick up again. However, uncertainty about future developments has increased with the Russian invasion of Ukraine.

- The business confidence indicator rose in February and the level is well above the historical average – see confidence indicators on page 2.
- Hotel companies' expectations of demand in three months' time went from very negative to very positive between January and February – see hotel companies' expectations on page 3.
- The demand for hotel rooms in January was 50 percent higher compared with January 2021. However, the level was still almost 40 percent lower than in January 2020 – see page 4.
- Occupied hotel rooms were significantly higher in January compared to January 2021 in all Nordic countries. Nevertheless, occupancy rates in all Nordic countries were below 30 percent – see page 7.

MACRO INDICATORS IN SWEDEN

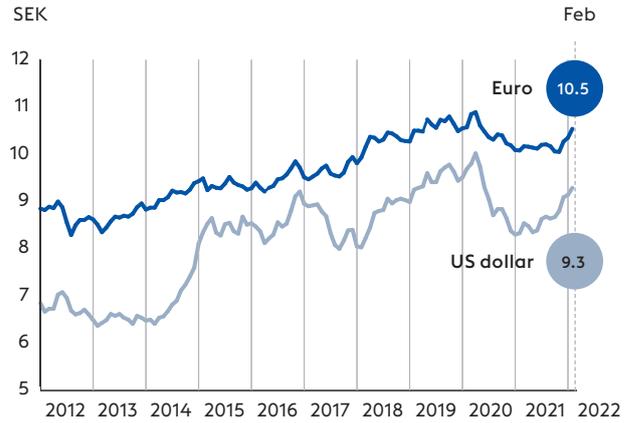
The business confidence indicator rose again in February and the level is well above the historical average. However, the household indicator fell and is well below the historical average. This gives somewhat mixed signals regarding the economy.



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.

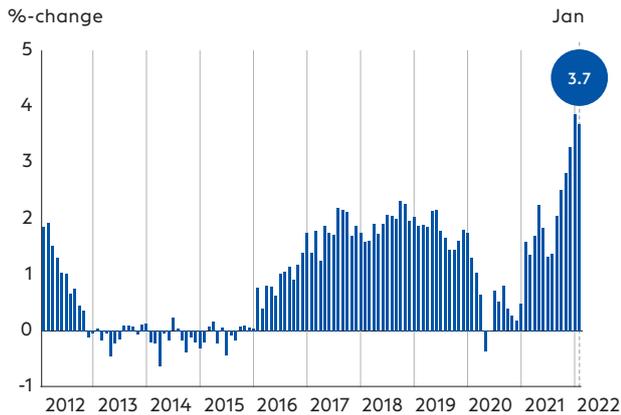
The value of the Swedish krona fell further against both the Euro and the US dollar in February. The value of the krona against the Euro has decreased by 5 percent over the past year and by just over 11 percent against the US dollar.



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

Source: The Central Bank of Sweden

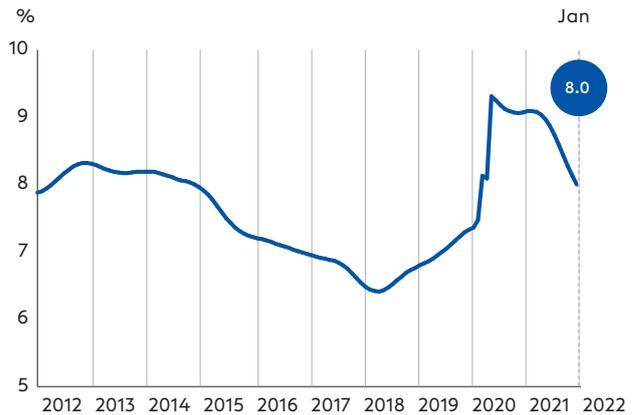
The rate of price increase, according to the CPI, was 3.7 percent in January compared to January 2021. This is a slightly lower rate than the previous month. 40 percent of the increase is due to higher prices for electricity and fuel compared to last year.



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

Source: Statistics Sweden

Unemployment continued to fall in January for the 10th month in a row. The level, according to the trend, was 8.0 percent in January, which is one percentage point lower than January 2021 but still almost one percentage point higher than January 2020.



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

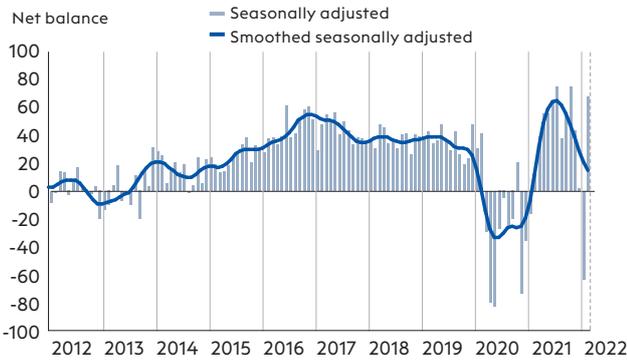
Source: The laborforce survey (Statistics Sweden)

3.7%

JANUARY INFLATION RATE

SWEDISH HOTEL MARKET SUMMARY

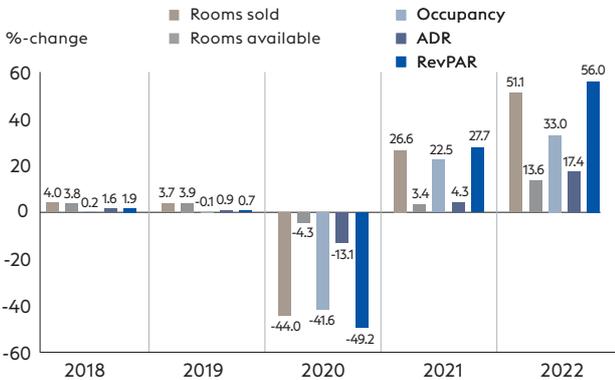
Hotel companies' expectations of demand in three months' time went from very negative to very positive between January and February. 8 out of 10 hotels in February expect increased demand in three months' time.



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

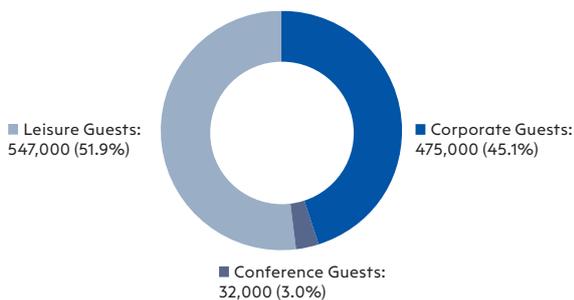
Source: The National Institute of Economic Research
Net balance: See definitions on page 8

The RevPAR level was 56 percent higher in January this year compared with the corresponding month last year. Compared with January 2020, however, the level was 43 percent lower.

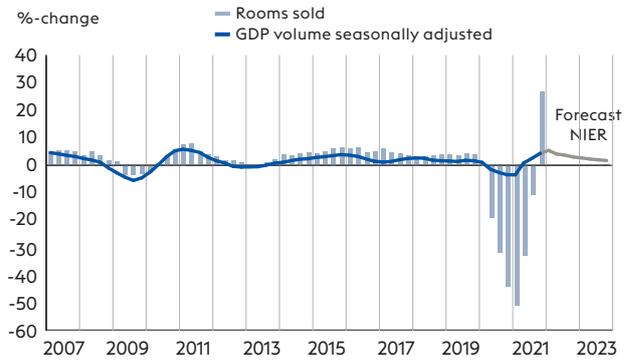


Development of key performance indicators in the Swedish hotel market, compared with the previous year, up to and including January.

Source: The Swedish Growth Agency/Statistics Sweden



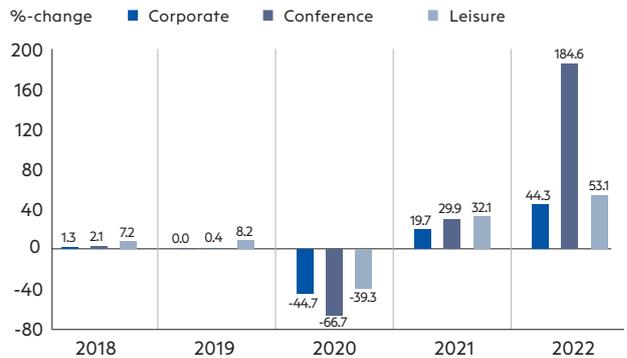
The Swedish economy is expected to grow by just over three percent in 2022, which will support the recovery in the hotel market. Historically, the connection between growth in the economy and growth in the hotel industry has been strong.



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

The recovery in the market for overnight conference guests comes from a very low level. The number of occupied hotel rooms from the segment in January was more than 80 percent lower than in January 2020.



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

The leisure segment accounted for just over half of the demand for hotel rooms in the country in January.

Distribution of occupied hotel rooms between different demand segments in the Swedish hotel market, Jan 2022.

Source: The Swedish Growth Agency/Statistics Sweden

TRENDS IN SWEDEN'S 25 LARGEST HOTEL MUNICIPALITIES

MONTH JANUARY

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2022	2021		2022	2021		2022	2021		2022	2021	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	195	118	64.6	28.0	20.2	38.4	889	697	27.5	249	141	76.5
GOTHENBURG	76	46	66.6	26.6	18.8	41.9	870	752	15.7	232	141	64.1
MALMÖ	42	25	68.6	27.3	17.3	57.5	748	646	15.7	204	112	82.3
SIGTUNA	33	18	83.1	31.0	19.3	60.1	868	651	33.4	269	126	113.6
SOLNA	16	14	11.7	17.0	20.8	-18.2	709	597	18.7	121	124	-2.8
JÖNKÖPING	13	10	39.2	23.8	17.9	33.5	824	730	12.9	197	130	50.8
HELSINGBORG	14	9	52.3	24.5	20.0	22.7	844	708	19.2	207	141	46.3
UMEÅ	26	15	72.8	46.2	29.2	58.4	749	663	12.9	346	193	78.9
UPPSALA	19	11	70.9	36.1	22.6	59.9	727	636	14.4	263	144	82.9
LINKÖPING	19	13	40.5	31.6	24.2	30.5	733	657	11.6	232	159	45.7
LUND	13	10	29.6	27.8	24.5	13.5	741	644	15.1	206	157	30.7
KARLSTAD	13	8	61.6	30.8	20.9	46.9	773	685	12.9	238	143	65.9
ÖREBRO	13	10	34.7	30.1	23.3	29.1	883	747	18.1	265	174	52.4
VÄSTERÅS	19	12	60.2	42.5	30.0	41.7	870	869	0.0	370	261	41.8
SUNDSVALL	16	14	19.8	28.0	27.6	1.4	826	706	17.0	231	195	18.7
NORRKÖPING	11	8	32.2	24.6	20.4	20.7	996	835	19.2	245	170	43.9
LULEÅ	15	8	79.7	34.6	25.0	38.3	816	667	22.3	282	167	69.2
GOTLAND	6	4	59.2	23.5	16.9	39.1	779	632	23.4	183	107	71.5
NACKA	9	5	67.0	26.8	22.2	20.8	1,420	1,445	-1.7	380	320	18.7
HALMSTAD	10	7	37.8	23.2	24.1	-3.6	961	837	14.8	223	202	10.7
GÄVLE	13	10	26.0	39.7	33.5	18.6	887	806	10.0	352	270	30.5
ÖSTERSUND	11	7	54.8	37.1	26.5	40.2	798	710	12.4	296	188	57.6
VÄXJÖ	8	6	49.3	32.6	22.3	46.2	864	754	14.6	282	168	67.6
KALMAR	7	7	2.8	28.3	28.0	0.9	746	653	14.2	211	183	15.3
SÖDERTÄLJE	7	6	12.4	26.4	28.2	-6.5	776	666	16.5	205	188	8.9
SWEDEN	1,054	698	51.1	28.1	21.1	33.0	915	780	17.4	257	165	56.0

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		
	2022	2021		2022	2021		2022	2021		2022	2021	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	195	118	64.6	28.0	20.2	38.4	889	697	27.5	249	141	76.5
GOTHENBURG	76	46	66.6	26.6	18.8	41.9	870	752	15.7	232	141	64.1
MALMÖ	42	25	68.6	27.3	17.3	57.5	748	646	15.7	204	112	82.3
SIGTUNA	33	18	83.1	31.0	19.3	60.1	868	651	33.4	269	126	113.6
SOLNA	16	14	11.7	17.0	20.8	-18.2	709	597	18.7	121	124	-2.8
JÖNKÖPING	13	10	39.2	23.8	17.9	33.5	824	730	12.9	197	130	50.8
HELSINGBORG	14	9	52.3	24.5	20.0	22.7	844	708	19.2	207	141	46.3
UMEÅ	26	15	72.8	46.2	29.2	58.4	749	663	12.9	346	193	78.9
UPPSALA	19	11	70.9	36.1	22.6	59.9	727	636	14.4	263	144	82.9
LINKÖPING	19	13	40.5	31.6	24.2	30.5	733	657	11.6	232	159	45.7
LUND	13	10	29.6	27.8	24.5	13.5	741	644	15.1	206	157	30.7
KARLSTAD	13	8	61.6	30.8	20.9	46.9	773	685	12.9	238	143	65.9
ÖREBRO	13	10	34.7	30.1	23.3	29.1	883	747	18.1	265	174	52.4
VÄSTERÅS	19	12	60.2	42.5	30.0	41.7	870	869	0.0	370	261	41.8
SUNDSVALL	16	14	19.8	28.0	27.6	1.4	826	706	17.0	231	195	18.7
NORRKÖPING	11	8	32.2	24.6	20.4	20.7	996	835	19.2	245	170	43.9
LULEÅ	15	8	79.7	34.6	25.0	38.3	816	667	22.3	282	167	69.2
GOTLAND	6	4	59.2	23.5	16.9	39.1	779	632	23.4	183	107	71.5
NACKA	9	5	67.0	26.8	22.2	20.8	1,420	1,445	-1.7	380	320	18.7
HALMSTAD	10	7	37.8	23.2	24.1	-3.6	961	837	14.8	223	202	10.7
GÄVLE	13	10	26.0	39.7	33.5	18.6	887	806	10.0	352	270	30.5
ÖSTERSUND	11	7	54.8	37.1	26.5	40.2	798	710	12.4	296	188	57.6
VÄXJÖ	8	6	49.3	32.6	22.3	46.2	864	754	14.6	282	168	67.6
KALMAR	7	7	2.8	28.3	28.0	0.9	746	653	14.2	211	183	15.3
SÖDERTÄLJE	7	6	12.4	26.4	28.2	-6.5	776	666	16.5	205	188	8.9
SWEDEN	1,054	698	51.1	28.1	21.1	33.0	915	780	17.4	257	165	56.0

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		
	2022	2021		2022	2021		2022	2021		2022	2021	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	3,190	2,059	54.9	41.8	27.6	51.3	932	898	3.7	389	248	57.0
GOTHENBURG	1,477	975	51.5	44.9	32.1	39.9	1,011	869	16.4	454	279	62.8
MALMÖ	777	566	37.1	42.5	32.3	31.6	817	760	7.4	347	246	41.4
SIGTUNA	384	248	54.7	32.1	23.1	39.1	840	832	0.9	270	192	40.3
SOLNA	313	222	41.0	30.4	28.2	8.1	749	717	4.5	228	202	12.9
JÖNKÖPING	295	231	28.1	44.7	35.3	26.5	907	822	10.4	405	290	39.6
HELSINGBORG	308	233	32.4	44.5	38.7	15.0	930	837	11.0	414	324	27.7
UMEÅ	363	255	42.5	54.0	39.9	35.3	739	737	0.2	399	294	35.6
UPPSALA	286	189	51.4	44.8	32.8	36.6	751	779	-3.5	337	256	31.8
LINKÖPING	321	232	38.4	46.4	35.0	32.7	731	739	-1.2	339	259	31.1
LUND	242	178	36.4	42.1	35.7	18.0	825	791	4.4	348	282	23.2
KARLSTAD	228	176	29.2	46.5	37.0	25.5	836	781	7.0	388	289	34.3
ÖREBRO	255	204	25.2	48.5	40.1	21.0	884	829	6.6	429	333	29.0
VÄSTERÅS	284	222	28.1	54.3	44.0	23.4	903	908	-0.6	491	400	22.6
SUNDSVALL	292	227	28.8	46.5	39.5	17.6	799	788	1.4	371	312	19.2
NORRKÖPING	251	196	27.8	47.3	37.5	26.0	1,049	973	7.8	496	365	35.9
LULEÅ	218	169	28.6	50.4	37.1	35.9	795	793	0.3	401	294	36.3
GOTLAND	254	182	39.1	50.4	38.7	30.2	1,247	1,056	18.0	628	409	53.7
NACKA	166	104	59.1	41.0	31.7	29.1	1,323	1,226	7.9	542	389	39.4
HALMSTAD	230	162	42.1	49.0	40.4	21.3	1,170	1,209	-3.2	573	488	17.4
GÄVLE	220	172	27.8	57.4	45.8	25.4	915	860	6.3	525	394	33.3
ÖSTERSUND	169	122	38.1	50.9	36.8	38.3	809	800	1.2	412	295	39.9
VÄXJÖ	150	117	27.5	47.0	38.2	23.2	885	840	5.3	416	321	29.7
KALMAR	172	135	27.3	55.3	46.2	19.9	939	882	6.4	520	407	27.6
SÖDERTÄLJE	112	86	29.8	39.9	31.1	28.3	773	754	2.5	309	235	31.5
SWEDEN	18,403	13,254	38.9	42.1	32.0	31.8	947	887	6.7	399	284	40.5

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 JANUARY

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2022	2021		2022	2021		2022	2021		2022	2021	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	1,054	698	51.1	28.1	21.1	33.0	915	780	17.4	257	165	56.0
DENMARK	402	157	155.7	26.0	10.0	160.0	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	486	338	43.8	28.6	23.1	23.8	1,030	837	19.9	294	193	48.5
NORWAY	640	458	39.8	25.0	21.0	19.0	999	842	11.7	250	177	32.9
STOCKHOLM	195	118	64.6	28.0	20.2	38.4	889	697	27.5	249	141	76.5
COPENHAGEN	165	63	160.7	25.0	10.0	150.0	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	63	45	40.8	18.5	17.6	5.1	988	856	12.6	183	151	18.4
OSLO	93	52	79.8	21.0	15.0	40.0	978	735	25.3	205	110	75.4

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

YEAR-TO-DATE JANUARY – JANUARY

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2022	2021		2022	2021		2022	2021		2022	2021	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	1,054	698	51.1	28.1	21.1	33.0	915	780	17.4	257	165	56.0
DENMARK	402	157	155.7	26.0	10.0	160.0	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	486	338	43.8	28.6	23.1	23.8	1,030	837	19.9	294	193	48.5
NORWAY	640	458	39.8	25.0	21.0	19.0	999	842	11.7	250	177	32.9
STOCKHOLM	195	118	64.6	28.0	20.2	38.4	889	697	27.5	249	141	76.5
COPENHAGEN	165	63	160.7	25.0	10.0	150.0	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	63	45	40.8	18.5	17.6	5.1	988	856	12.6	183	151	18.4
OSLO	93	52	79.8	21.0	15.0	40.0	978	735	25.3	205	110	75.4

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 FEBRUARY – JANUARY

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2022	2021		2022	2021		2022	2021		2022	2021	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	18,403	13,254	38.9	42.1	32.0	31.8	947	887	6.7	399	284	40.5
DENMARK	7,720	5,044	53.0	39.9	26.6	50.1	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	7,712	5,711	35.1	40.0	34.1	17.3	974	902	5.3	389	307	23.5
NORWAY	11,184	8,946	25.0	40.2	35.2	14.1	1,099	950	8.9	442	335	24.3
STOCKHOLM	3,190	2,059	54.9	41.8	27.6	51.3	932	898	3.7	389	248	57.0
COPENHAGEN	2,807	1,532	83.2	36.0	21.0	71.8	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	1,247	801	55.6	33.0	28.8	14.2	977	938	1.6	322	271	16.1
OSLO	1,603	1,258	27.4	38.7	31.3	23.4	1,055	852	16.6	408	267	43.9

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.

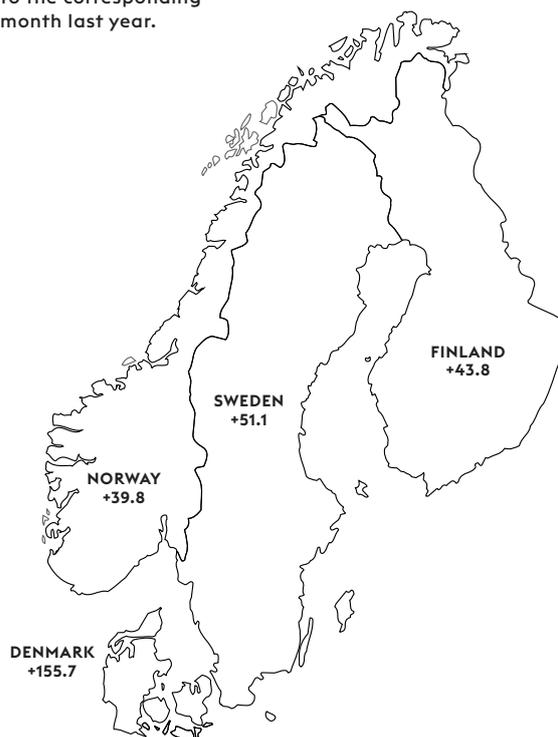
ADR: Accommodation revenue/Rooms sold.

RevPAR: Occupancy x ADR.

N/A: Not available.

ROOMS SOLD IN THE NORDICS IN JANUARY

%-change compared to the corresponding month last year.



75.4%
INCREASE IN REVPAR
IN OSLO, JANUARY 2022

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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