

HOTEL MARKET UPDATE

NORDIC HOTEL MARKET TRENDS AND ECONOMIC INDICATORS

June/22



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Annordia advised on the sale of Båsenberga Hotell AB

Annordia is pleased to have advised Thomas Neuendorf and Maria Rundberg on the sale of Båsenberga Hotell AB, the operating company of Båsenberga Hotell & Konferens in Vingåker. The buyer VSF Utveckling AB, owned by Jenny and Magnus Danielsson from Värmdö, will take possession on 1 July 2022. Neuendorf and Rundberg will remain as landlords. Båsenberga has 60 rooms, a restaurant, 13 conference rooms, and is beautifully located by a lake in Sörmland close to a popular golf course. It is also connected to Svenska Möten and Countryside Hotels.

– We thank Thomas and Maria for their confidence and congratulate Jenny and Magnus Danielsson on the acquisition of an excellent hotel business, says Hans Åke Petersson, CEO & Partner at Annordia.. Give us a call if you are considering selling your hotel. +46 8 400 272 75. annordia.com

OUR SERVICES



Market analysis
Establish the feasibility of a potential hotel investment.



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Recruitment of suitable hotel operators on favourable terms.



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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.

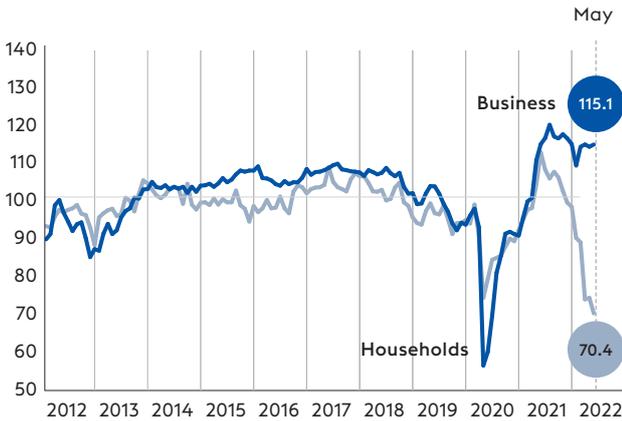
TALKING POINTS OF THE MONTH

Despite households' gloomy view of the Swedish economy, demand for hotel rooms was very high in April. The level of occupied hotel rooms and the average daily rate were well above the levels of April 2019, the year before the global pandemic. Concerns that reduced business travel could negatively affect hotels also seem to have come to shame. Demand from business guests in April was well above the level of 2019. Despite the positive numbers, there is reason to feel some concern about future developments. High inflation, higher interest rates and lower asset values may hold back demand from households in the coming months.

- The household confidence indicator was at its lowest level in May compared to any month throughout the 2000s – see confidence indicators on page 2.
- 7 out of 10 hotel companies expect increased demand in three months' time despite the fact that the level of demand is already high– see hotel companies' expectations on page 3.
- The demand for hotel rooms in April in Sweden was 116 percent higher compared with April 2021. The level was also 9 percent higher than in April 2019 – see page 4.
- Occupied hotel rooms increased by between 115 percent and 272 percent in the Nordic countries between April this year and April 2021. The level was also higher than in April 2019 in all countries except Finland – see page 7.

MACRO INDICATORS IN SWEDEN

In May, the household confidence indicator was at its lowest level in any month throughout the 2000s. However, the business sector indicator remains high and the difference between the two indicators has never been greater.

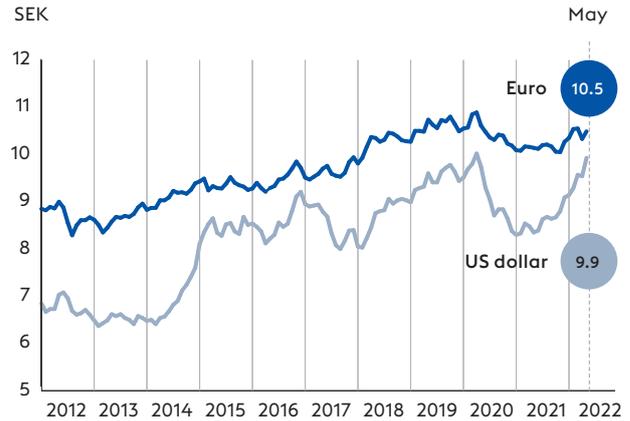


Confidence indicators for business and households in Sweden, up to and including May.

Source: The National Institute of Economic Research

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

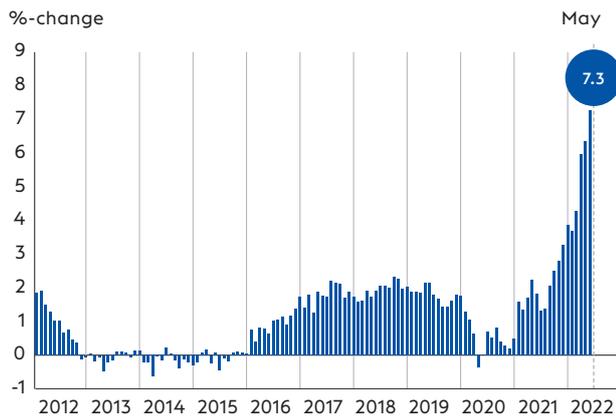
After the value of the Swedish krona rose slightly in April, it weakened again against both the Euro and the US dollar in May. The value of the krona against the US dollar was at its second lowest level any month since 2002.



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

Source: The Central Bank of Sweden

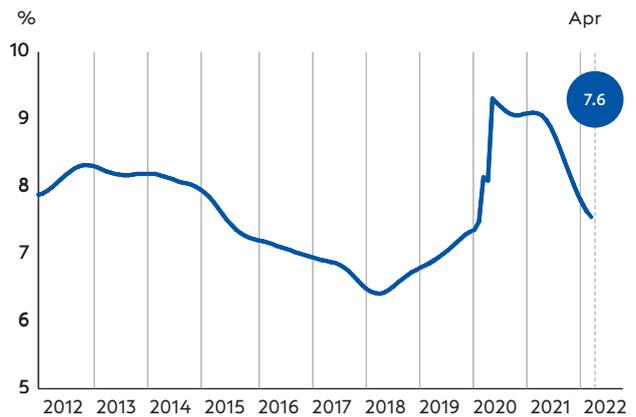
The rate of price increase, according to the CPI, continued to rise in May. The rate of increase was 7.3 percent between May 2022 and May 2021. Electricity and fuel continue to account for much of the increase.



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

Source: Statistics Sweden

Unemployment, according to trend, was 7.6 percent in April. The level continues to decline month by month and is largely back to pre-pandemic levels. However, the shortage of labor is already at record levels.



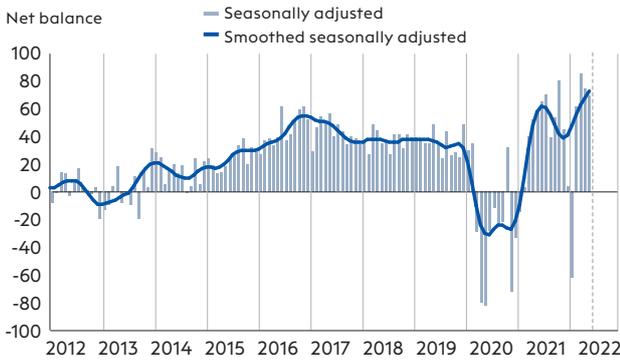
Unemployment (trend) as a percentage of the Swedish market up to and including April.

Source: The laborforce survey (Statistics Sweden)

7.3%
APRIL INFLATION RATE

SWEDISH HOTEL MARKET SUMMARY

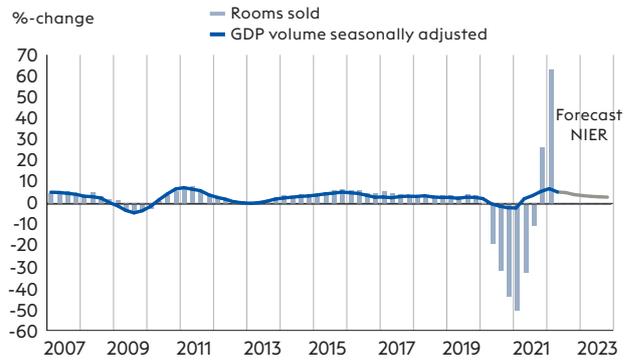
Hotel companies' expectations of demand in three months' time were high in May. 7 out of 10 hotel companies expect increased demand in three months' time, despite the fact that the level of demand was already high.



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

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

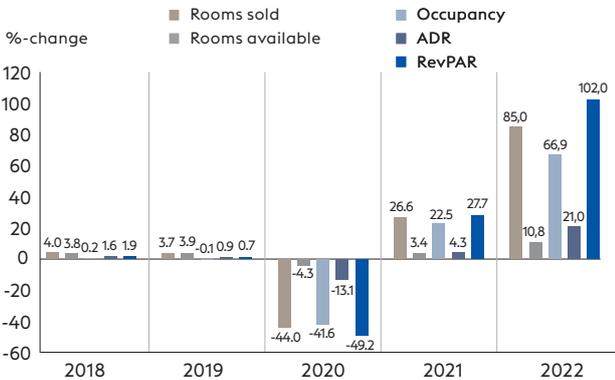
The Swedish economy is expected to grow by just over three percent in 2022, which will support the recovery in the hotel market. Historically, the connection between growth in the economy and growth in the hotel industry has been strong.



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

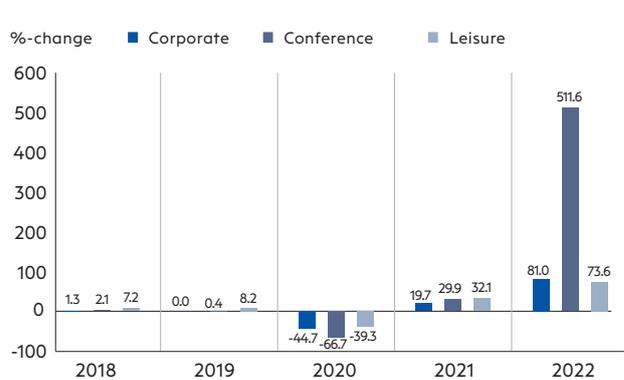
The RevPAR level was 102 percent higher year-to-date 2022 compared to the corresponding period last year. Compared with the corresponding period in 2019, however, the level was still 16 percent lower.



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

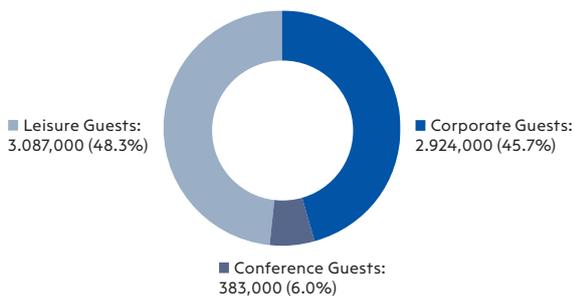
Source: The Swedish Growth Agency/Statistics Sweden

Occupied hotel rooms from business and conference guests together are 97 percent higher in the first four months of 2022 than in the corresponding period in 2021. However, the level was still 20 percent lower than in 2019.



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

Source: The Swedish Growth Agency/Statistics Sweden



The leisure segment accounted for 48 percent of the demand for hotel rooms in the country in the first four month of 2022.

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

Source: The Swedish Growth Agency/Statistics Sweden

TRENDS IN SWEDEN'S 25 LARGEST HOTEL MUNICIPALITIES

MONTH APRIL

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2022	2021		2022	2021		2022	2021		2022	2021	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	444	147	202.0	64.9	25.2	157.7	1,188	749	58.6	771	189	308.7
GOTHENBURG	183	68	170.3	65.3	26.2	149.5	1,084	817	32.6	708	214	230.9
MALMÖ	91	38	141.7	58.4	25.9	125.4	891	718	24.0	520	186	179.4
SIGTUNA	58	16	264.3	58.4	17.4	236.4	977	737	32.6	571	128	346.2
SOLNA	43	16	170.3	46.3	20.4	127.6	967	611	58.1	448	124	259.8
JÖNKÖPING	34	15	119.6	59.2	28.6	107.3	1,014	818	23.9	601	234	156.8
HELSINGBORG	30	17	84.3	53.2	29.5	80.3	992	786	26.2	528	232	127.6
UMEÅ	36	18	97.9	63.7	33.7	88.8	817	682	19.8	521	230	126.2
UPPSALA	34	13	158.4	65.0	26.7	144.0	907	649	39.7	590	173	240.9
LINKÖPING	35	18	92.7	58.6	34.0	72.4	824	671	22.7	483	228	111.6
LUND	26	13	97.5	48.0	30.7	56.2	922	758	21.6	443	233	90.0
KARLSTAD	25	14	74.3	60.9	36.6	66.4	977	751	30.0	595	275	116.4
ÖREBRO	30	15	103.1	61.3	35.6	71.9	1,005	766	31.2	616	273	125.6
VÄSTERÅS	32	18	82.2	71.7	41.0	74.6	1,020	896	13.9	731	368	98.8
SUNDSVALL	28	16	76.3	52.3	32.6	60.3	854	701	21.8	447	229	95.3
NORRKÖPING	25	15	67.2	53.0	37.3	42.1	927	866	7.0	491	323	52.1
LULEÅ	19	10	80.8	51.6	32.8	57.4	841	692	21.5	434	227	91.3
GOTLAND	17	9	93.3	41.9	28.0	49.6	841	812	3.6	353	227	55.0
NACKA	18	8	138.5	50.1	30.6	63.6	1,368	1,405	-2.7	685	430	59.3
HALMSTAD	24	12	104.5	55.3	35.5	55.9	1,091	993	9.8	603	352	71.2
GÄVLE	19	13	48.4	59.2	40.1	47.4	960	818	17.4	568	328	72.9
ÖSTERSUND	15	7	97.6	53.9	27.4	96.8	845	699	20.9	455	191	137.9
VÄXJÖ	17	8	126.9	61.1	31.5	94.1	961	901	6.6	587	283	106.9
KALMAR	16	10	58.4	60.1	40.5	48.2	880	747	17.8	529	303	74.6
SÖDERTÄLJE	14	6	130.7	56.5	27.3	107.1	949	682	39.1	536	186	188.0
SWEDEN	2,046	950	115.3	54.0	27.8	94.4	1,048	835	25.5	565	232	143.9

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 – APRIL

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2022	2021		2022	2021		2022	2021		2022	2021	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	1,272	553	129.8	47.0	23.7	98.1	1,065	727	46.5	501	173	190.3
GOTHENBURG	523	229	128.4	47.0	22.9	105.7	998	788	26.7	469	180	160.6
MALMÖ	271	129	110.3	44.6	22.4	98.7	836	696	20.3	373	156	138.9
SIGTUNA	183	68	169.4	46.0	18.5	148.3	912	702	30.1	420	130	223.0
SOLNA	119	65	83.2	32.6	22.6	43.9	884	599	47.6	288	136	112.4
JÖNKÖPING	95	51	85.7	43.3	24.7	75.4	963	772	24.7	416	190	118.6
HELSINGBORG	93	55	68.7	40.8	26.2	55.9	911	750	21.5	372	196	89.4
UMEÅ	137	69	99.8	61.6	32.5	89.7	822	682	20.6	507	222	128.8
UPPSALA	109	53	106.3	52.1	26.1	99.5	878	651	34.8	458	170	168.8
LINKÖPING	108	63	72.8	46.1	29.1	58.5	788	670	17.6	364	195	86.4
LUND	79	48	65.7	39.1	28.4	37.5	857	704	21.7	335	200	67.3
KARLSTAD	82	45	80.8	50.2	29.4	70.8	906	718	26.2	455	211	115.5
ÖREBRO	89	50	76.7	48.7	30.3	60.6	973	768	26.8	474	233	103.7
VÄSTERÅS	107	62	73.1	60.3	37.6	60.4	924	865	6.8	557	325	71.2
SUNDSVALL	94	61	54.3	43.8	31.9	37.1	857	721	18.9	375	230	63.0
NORRKÖPING	75	47	58.2	40.2	28.6	40.9	911	833	9.4	367	238	54.2
LULEÅ	73	39	87.7	49.8	30.1	65.6	835	696	20.1	416	209	98.9
GOTLAND	43	25	74.3	35.1	22.7	54.2	805	728	10.7	282	166	70.7
NACKA	54	27	98.3	38.6	27.3	41.2	1,364	1,377	-1.0	526	376	39.9
HALMSTAD	69	39	76.7	40.9	31.0	32.1	1,025	941	8.8	419	292	43.7
GÄVLE	70	46	53.0	55.7	37.6	48.1	932	806	15.7	519	303	71.3
ÖSTERSUND	54	35	57.2	50.9	32.7	55.8	838	714	17.5	427	233	83.0
VÄXJÖ	56	27	103.1	51.2	27.7	84.7	937	841	11.4	479	233	105.7
KALMAR	47	34	38.5	46.8	35.2	33.1	837	716	17.0	392	252	55.7
SÖDERTÄLJE	40	26	56.3	40.3	29.9	34.5	881	672	31.1	355	201	76.3
SWEDEN	6,395	3,457	85.0	43.2	25.9	66.9	991	819	21.0	428	212	102.0

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 MAY – APRIL

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2022	2021		2022	2021		2022	2021		2022	2021	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	3,814	1,815	110.2	48.4	25.1	92.7	1,002	789	27.1	485	198	144.9
GOTHENBURG	1,735	883	96.4	51.8	29.4	76.2	1,036	817	26.8	536	240	123.5
MALMÖ	903	507	78.1	48.8	29.4	66.0	839	724	15.9	410	213	92.5
SIGTUNA	495	205	140.8	40.8	19.4	110.8	877	743	18.0	358	144	148.8
SOLNA	343	210	63.1	31.9	25.9	23.2	805	621	29.7	257	161	59.8
JÖNKÖPING	336	221	51.6	50.1	34.5	45.0	945	810	16.7	473	280	69.3
HELSINGBORG	342	227	50.6	49.0	36.9	32.8	951	821	15.7	466	303	53.8
UMEÅ	425	240	77.1	62.9	38.0	65.7	772	705	9.6	486	268	81.6
UPPSALA	334	182	84.0	52.1	31.0	68.2	806	713	13.1	420	221	90.2
LINKÖPING	359	227	58.4	50.8	34.5	47.2	756	706	7.0	384	244	57.5
LUND	272	170	59.7	45.0	34.5	30.7	854	742	15.2	384	256	50.5
KARLSTAD	260	170	53.0	52.4	35.9	46.2	877	744	17.8	460	267	72.3
ÖREBRO	286	194	47.6	53.2	38.4	38.5	929	788	18.0	494	303	63.3
VÄSTERÅS	324	215	50.9	61.1	43.1	41.9	932	883	5.5	569	380	49.7
SUNDSVALL	323	227	42.2	50.1	39.3	27.6	825	760	8.6	413	298	38.5
NORRKÖPING	274	193	42.0	50.2	37.0	35.7	1,043	971	7.5	524	359	45.8
LULEÅ	245	151	62.0	55.8	34.6	61.3	818	724	12.9	456	250	82.2
GOTLAND	269	186	45.1	52.7	38.9	35.5	1,226	1,055	16.2	646	410	57.5
NACKA	190	98	94.3	43.4	31.7	37.0	1,324	1,265	4.7	575	401	43.4
HALMSTAD	257	160	60.3	51.6	41.2	25.2	1,159	1,181	-1.8	598	486	23.0
GÄVLE	242	170	42.0	63.2	45.7	38.4	936	840	11.4	591	383	54.2
ÖSTERSUND	185	116	59.3	56.0	35.3	58.8	834	731	14.2	467	258	81.3
VÄXJÖ	176	109	61.5	53.9	36.1	49.4	905	813	11.3	488	293	66.3
KALMAR	184	136	35.8	58.9	46.4	27.0	950	863	10.1	559	400	39.8
SÖDERTÄLJE	127	84	51.1	43.6	31.2	40.0	826	699	18.0	360	218	65.3
SWEDEN	20,963	12,629	66.0	47.1	30.8	52.6	978	853	14.7	460	263	75.0

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

NORDIC HOTEL MARKET – COUNTRIES AND CAPITAL CITIES

MONTH APRIL

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2022	2021		2022	2021		2022	2021		2022	2021	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	2,046	950	115.3	54.0	27.8	94.4	1,048	835	25.5	565	232	143.9
DENMARK	983	264	272.1	59.0	17.0	247.1	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	781	360	117.2	45.7	25.5	79.2	1,004	830	19.1	459	212	113.4
NORWAY	1,140	423	169.6	46.0	24.0	91.7	1,222	921	25.4	562	221	140.3
STOCKHOLM	444	147	202.0	64.9	25.2	157.7	1,188	749	58.6	771	189	308.7
COPENHAGEN	437	88	398.4	63.0	14.0	350.0	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	164	41	300.9	47.5	16.5	187.9	1,035	848	20.1	492	140	245.7
OSLO	225	42	429.4	56.0	17.0	229.4	1,353	781	63.6	757	133	438.9

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

YEAR-TO-DATE JANUARY – APRIL

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2022	2021		2022	2021		2022	2021		2022	2021	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	6,395	3,457	85.0	43.2	25.9	66.9	991	819	21.0	428	212	102.0
DENMARK	2,836	826	243.3	44.8	13.5	231.2	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	2,733	1,470	85.9	40.7	25.6	59.0	1,052	874	18.4	429	224	88.3
NORWAY	3,986	1,832	117.6	39.6	23.4	69.1	1,149	906	19.9	455	212	102.7
STOCKHOLM	1,272	553	129.8	47.0	23.7	98.1	1,065	727	46.5	501	173	190.3
COPENHAGEN	1,188	308	285.2	44.5	12.5	255.6	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	449	172	160.4	33.3	17.0	95.5	1,027	862	17.2	342	147	129.2
OSLO	718	177	306.4	43.1	15.9	170.8	1,192	768	46.6	514	122	296.9

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

12-MONTH ROLLING AVERAGE MAY – APRIL

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2022	2021		2022	2021		2022	2021		2022	2021	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	20,963	12,629	66.0	47.1	30.8	52.6	978	853	14.7	460	263	75.0
DENMARK	9,474	4,657	103.5	48.4	24.7	95.6	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	8,827	5,342	65.2	44.1	31.4	40.2	1,003	867	13.7	442	273	59.5
NORWAY	13,155	8,307	58.4	44.3	32.8	35.2	1,164	975	12.9	516	319	52.6
STOCKHOLM	3,814	1,815	110.2	48.4	25.1	92.7	1,002	789	27.1	485	198	144.9
COPENHAGEN	3,584	1,318	172.0	45.0	17.8	152.3	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	1,505	643	134.2	37.3	22.5	65.6	998	875	12.3	373	197	85.9
OSLO	2,104	987	113.2	45.7	25.6	78.1	1,147	838	29.2	524	215	130.2

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.

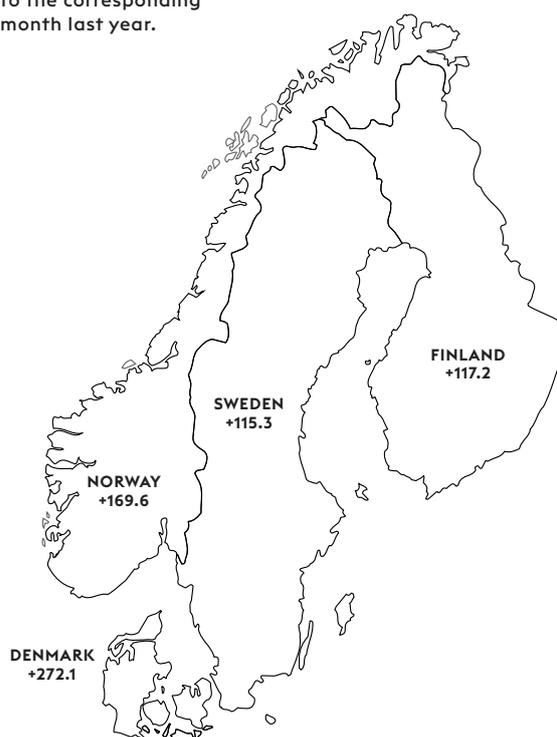
ADR: Accommodation revenue/Rooms sold.

RevPAR: Occupancy x ADR.

N/A: Not available.

ROOMS SOLD IN THE NORDICS IN APRIL

%-change compared to the corresponding month last year.



350.0%

INCREASE IN OCCUPANCY
IN COPENHAGEN, APRIL 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.

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



*We'll be back again
in August.*

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