HOTEL MARKET UPDATE

Mar/23

We´ve pinned the hotel market´s monthly figures.

Annordia

HOSPITALITY CONSULTING

# 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.
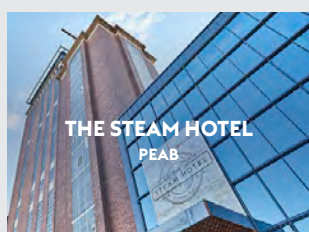
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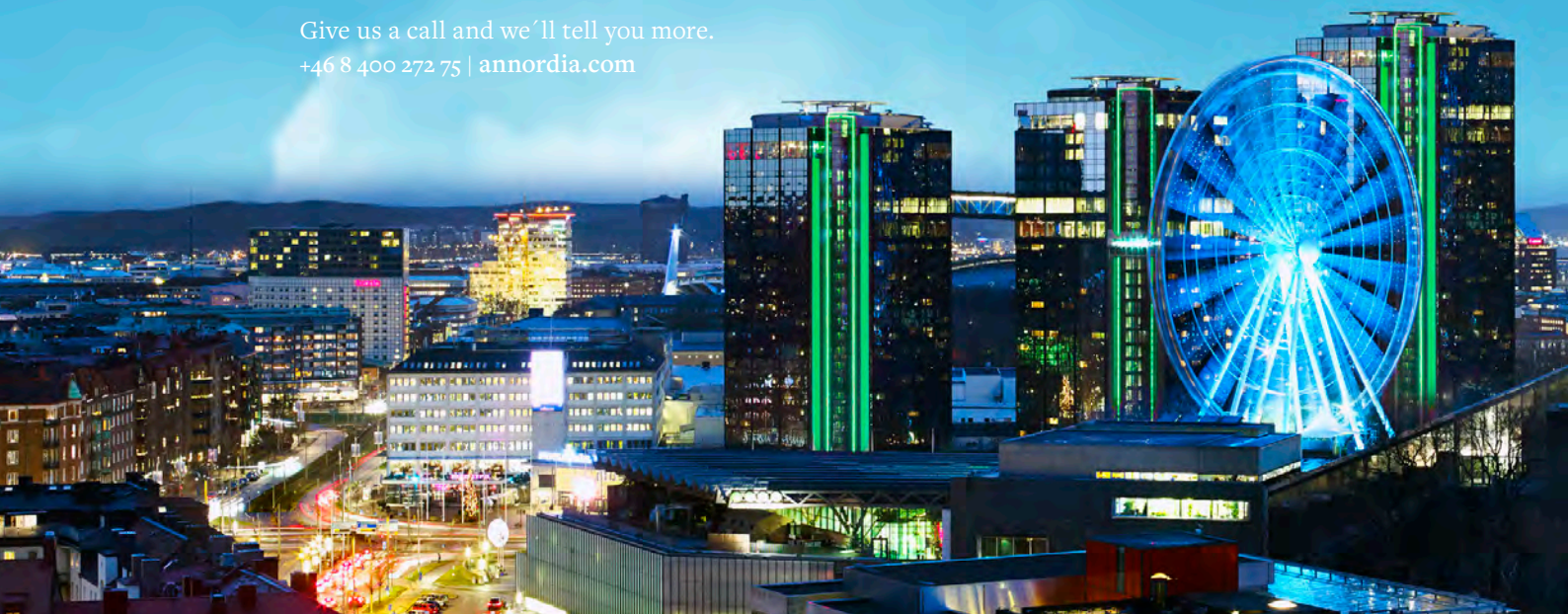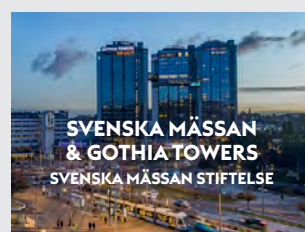
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THE STEAM HOTEL
PEAB

CLARION HOTEL SÖDERTÄLJE
STADSRUM

SVENSKA MÄSSAN & GOTHIA TOWERS
SVENSKA MÄSSAN STIFTELSE

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.
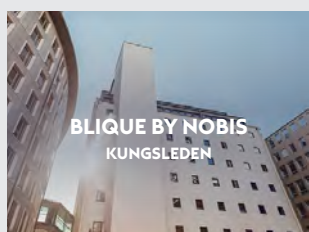
BLIQUE BY NOBIS
KUNGSLEDEN

STORHOGNA HÖGFJÄLLSHOTELL
CIBOLA

BILLINGEHUS
HOST PROPERTY

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.

Annordia
HOSPITALITY CONSULTING

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.
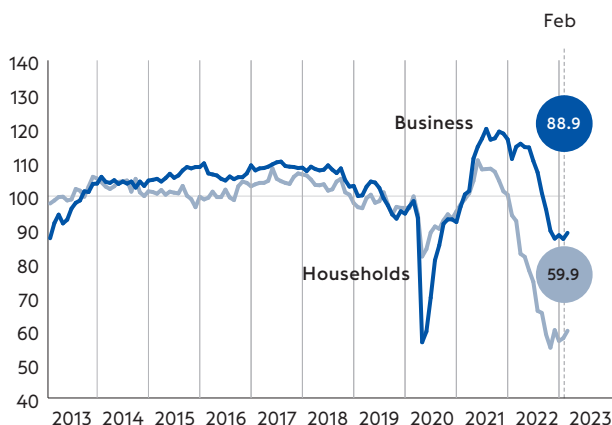
TALKING POINTS OF THE MONTH

The hotel market in January 2023 shows great promise with strong key figures, especially in comparison to the corresponding month of 2022. However, the strong monthly figures are heavily affected by the restrictions that still were in place in January 2022. But the statistics from January 2023 are also strong compared to January 2019 where, for instance, the ADR was about 10 percent higher and the RevPAR level was about 4 percent higher. Moreover, the GDP development in Sweden is expected to have a strong recovery following a fore-casted decline in 2023/2024. Historically, the connection between GDP and the hotel industry has been strong. Furthermore, the confidence indicators for both households and businesses have recovered slightly which is the first time in over a year that they have increased in unison.

- The confidence indicators for both businesses and households increased in February 2023 – see confidence indicators on page 2.

- The GDP is expected to have a strong recovery starting at the end of 2024 following a forecasted decline in 2023/2024 – see expected GDP development on page 3.

- The number of sold rooms increased by 60 percent from January 2022 to January 2023, this number is however affected by the restrictions that where in place at the beginning of 2022 – see the number of sold rooms on page 3.

- Key figures such as RevPAR and occupancy rates show a strong development for the 25 largest municipalities in Sweden – see key figures on page 4.

MACRO INDICATORS IN SWEDEN

The confidence indicators for both households and businesses increased in February 2023 which is the first time in over a year that they have increased in unison. The confidence indicator for households increased from 57.7 to 59.9 and for businesses from 87.1 to 88.9.

The development of the Swedish Krona compared to the US Dollar and Euro have during the last few months fluctuated a lot, which also applies to this month. Compared to the Euro, the Swedish Krona decreased in value while the Swedish Krona slightly increased in value compared to the US Dollar.
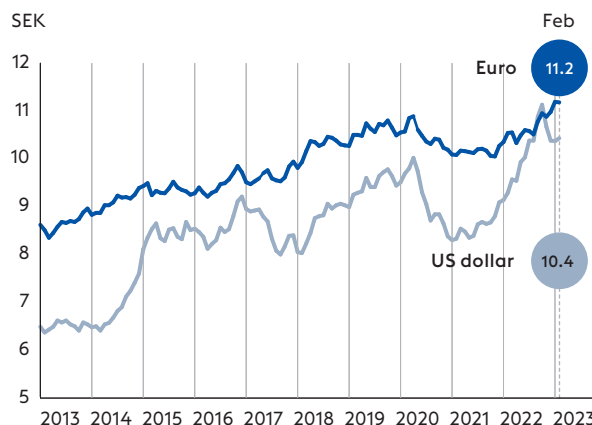

Confidence indicators for business and households in Sweden, up to and including February.
Source: The National Institute of Economic Research
Confidence indicators are an overall measure of the overall perceptions and expectations of business and households.

The 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 CPI, decreased in January from the historically high value of 12.3 percent to 11.7 percent. However, the decrease did not continue in February, it instead increased by about 0.3 percental units to 12 percent.

According to trend, the unemployment rate continued to decline in January 2022. This is the 22nd consecutive month of continued decline. The unemployment rate has recessed from 9.09 percent in March 2021 to 7.21 percent in January 2023.
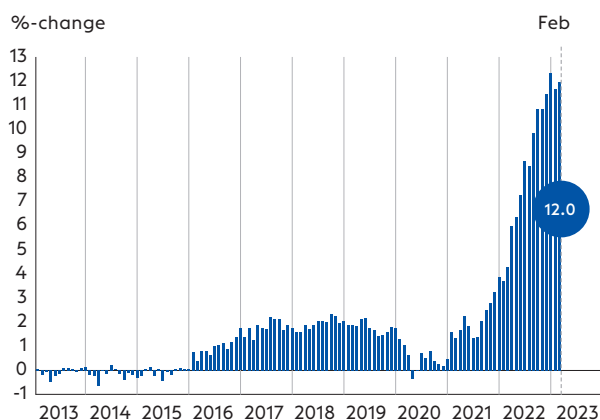
The inflation rate (CPI) in the Swedish economy, up to and including February.
Source: Statistics Sweden
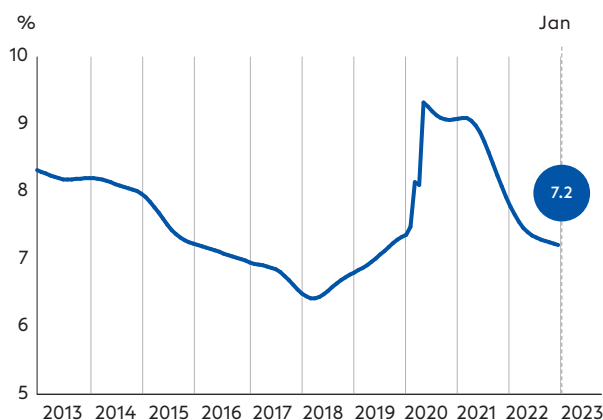
Unemployment (trend) as a percentage of the Swedish market up to and including January.
Source: The laborforce survey (Statistics Sweden)

12.0%

FEBRUARY INFLATION RATE

SWEDISH HOTEL MARKET SUMMARY

The expectations of demand expressed by hotels for their services during the next three months have recovered slightly. The number of hotels expecting increased demand is now more than the number of hotels expecting decreased demand.
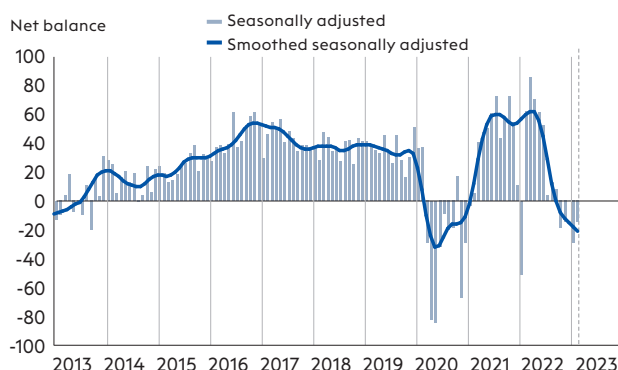
Swedish hotel companies' expectations of demand for their services in the next 3 months, up to and including February.
Source: The National Institute of Economic Research
Net balance: See definitions on page 8

The Swedish economy is expected to have a strong recovery at the end of 2024 and the beginning of 2025 following a forecasted decline during 2023/2024. Historically, the connection between GDP and the hotel industry has been strong.
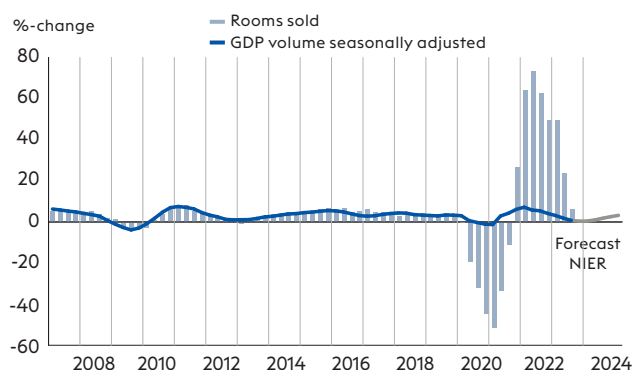
Development of occupied hotel rooms and GDP (volume) in Sweden, 4-quarter rolling averages.
Source: The Swedish Growth Agency/Statistics Sweden & the National Institute of Economic Research

The RevPAR level was about 83 percent higher in January 2023 compared to the corresponding month in 2022. However, the strong development is heavily affected by the restrictions that were still in place at the beginning of 2022.
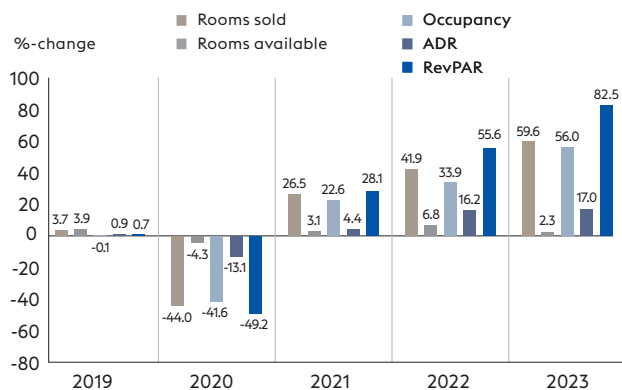
Development of key performance indicators in the Swedish hotel market, compared with the previous year, up to and including January.
Source: The Swedish Growth Agency/Statistics Sweden

The conference segment specifically increased by about 371 percent compared to 2022 which mainly can be derived from the restrictions that were in place in January 2022 in contrast to January 2023.
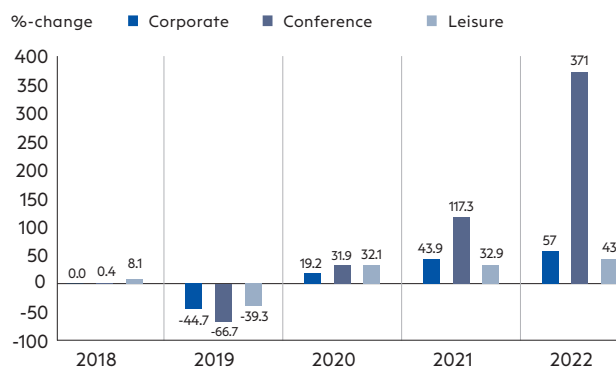
Percentage change of occupied hotel rooms by demand segmentation in the Swedish hotel market compared with the previous year, up to and including January.
Source: The Swedish Growth Agency/Statistics Sweden

Leisure Guests: 787,000 (46.7%)
Corporate Guests: 740,000 (43.9%)
Conference Guests: 158,000 (9.4%)
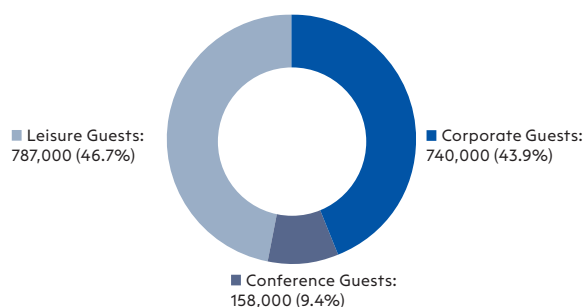
The conference and corporate segments accounted for more than half of the occupied rooms in Sweden during January 2023.

Distribution of occupied hotel rooms between different demand segments in the Swedish hotel market, Jan 2023.
Source: The Swedish Growth Agency/Statistics Sweden

TRENDS IN SWEDEN'S 25 LARGEST HOTEL MUNICIPALITIES

MONTH JANUARY

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2023	2022		2023	2022		2023	2022		2023	2022	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	333	196	69.8	49.6	28.3	75.2	1,154	887	30.0	573	251	127.9
GOTHENBURG	173	76	125.7	55.6	26.8	107.3	1,093	875	24.9	608	235	158.9
MALMÖ	78	42	85.3	51.3	27.4	87.6	940	750	25.3	483	205	135.2
SIGTUNA	53	35	53.1	54.3	33.3	62.9	1,176	851	38.2	639	284	125.1
SOLNA	37	16	133.0	38.9	16.8	130.9	937	678	38.3	364	114	219.2
JÖNKÖPING	27	13	99.9	43.0	23.4	84.1	1,044	831	25.7	449	194	131.3
HELSINGBORG	23	14	70.0	38.5	23.6	63.7	905	813	11.3	349	192	82.2
UMEÅ	31	27	13.8	48.5	47.3	2.4	872	748	16.5	423	354	19.3
UPPSALA	30	19	56.6	56.3	36.1	55.9	891	727	22.6	502	263	91.0
LINKÖPING	26	19	40.5	42.1	31.7	32.6	844	732	15.3	355	232	52.8
LUND	20	14	49.6	46.3	28.2	64.2	936	747	25.4	433	211	105.8
KARLSTAD	21	13	66.2	49.7	30.8	61.3	900	773	16.4	447	238	87.7
ÖREBRO	22	14	63.8	45.8	30.2	51.6	974	878	11.0	446	265	68.2
VÄSTERÅS	24	19	27.4	55.2	41.5	33.2	1,047	876	19.5	578	363	59.2
SUNDSVALL	23	16	41.5	42.0	28.1	49.6	885	826	7.3	372	232	60.4
NORRKÖPING	18	11	59.7	40.0	24.6	62.6	953	867	9.9	381	213	78.6
LULEÅ	26	13	98.2	59.5	34.4	73.0	919	796	15.5	547	274	99.9
GOTLAND	9	6	51.3	26.5	23.6	12.1	721	782	-7.8	191	185	3.3
NACKA	18	9	113.0	43.4	26.7	62.4	1,430	1,421	0.7	621	380	63.5
HALMSTAD	14	10	36.7	41.9	23.6	77.2	985	968	1.8	413	229	80.4
GÄVLE	17	13	31.5	52.3	40.8	28.2	908	878	3.4	475	358	32.6
ÖSTERSUND	20	10	100.5	70.8	37.4	89.3	894	812	10.0	633	304	108.3
VÄXJÖ	15	8	74.5	52.3	32.9	58.9	981	858	14.4	513	282	81.7
KALMAR	9	7	23.6	40.4	29.8	35.6	879	739	18.9	355	220	61.2
SÖDERTÄLJE	12	7	71.8	36.5	27.0	35.5	1,005	777	29.3	367	209	75.2
SWEDEN	**1,684**	**1,055**	**59.6**	**44.4**	**28.5**	**55.7**	**1,061**	**907**	**17.0**	**471**	**259**	**82.2**

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

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2023	2022		2023	2022		2023	2022		2023	2022	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	333	196	69.8	49.6	28.3	75.2	1,154	887	30.0	573	251	127.9
GOTHENBURG	173	76	125.7	55.6	26.8	107.3	1,093	875	24.9	608	235	158.9
MALMÖ	78	42	85.3	51.3	27.4	87.6	940	750	25.3	483	205	135.2
SIGTUNA	53	35	53.1	54.3	33.3	62.9	1,176	851	38.2	639	284	125.1
SOLNA	37	16	133.0	38.9	16.8	130.9	937	678	38.3	364	114	219.2
JÖNKÖPING	27	13	99.9	43.0	23.4	84.1	1,044	831	25.7	449	194	131.3
HELSINGBORG	23	14	70.0	38.5	23.6	63.7	905	813	11.3	349	192	82.2
UMEÅ	31	27	13.8	48.5	47.3	2.4	872	748	16.5	423	354	19.3
UPPSALA	30	19	56.6	56.3	36.1	55.9	891	727	22.6	502	263	91.0
LINKÖPING	26	19	40.5	42.1	31.7	32.6	844	732	15.3	355	232	52.8
LUND	20	14	49.6	46.3	28.2	64.2	936	747	25.4	433	211	105.8
KARLSTAD	21	13	66.2	49.7	30.8	61.3	900	773	16.4	447	238	87.7
ÖREBRO	22	14	63.8	45.8	30.2	51.6	974	878	11.0	446	265	68.2
VÄSTERÅS	24	19	27.4	55.2	41.5	33.2	1,047	876	19.5	578	363	59.2
SUNDSVALL	23	16	41.5	42.0	28.1	49.6	885	826	7.3	372	232	60.4
NORRKÖPING	18	11	59.7	40.0	24.6	62.6	953	867	9.9	381	213	78.6
LULEÅ	26	13	98.2	59.5	34.4	73.0	919	796	15.5	547	274	99.9
GOTLAND	9	6	51.3	26.5	23.6	12.1	721	782	-7.8	191	185	3.3
NACKA	18	9	113.0	43.4	26.7	62.4	1,430	1,421	0.7	621	380	63.5
HALMSTAD	14	10	36.7	41.9	23.6	77.2	985	968	1.8	413	229	80.4
GÄVLE	17	13	31.5	52.3	40.8	28.2	908	878	3.4	475	358	32.6
ÖSTERSUND	20	10	100.5	70.8	37.4	89.3	894	812	10.0	633	304	108.3
VÄXJÖ	15	8	74.5	52.3	32.9	58.9	981	858	14.4	513	282	81.7
KALMAR	9	7	23.6	40.4	29.8	35.6	879	739	18.9	355	220	61.2
SÖDERTÄLJE	12	7	71.8	36.5	27.0	35.5	1,005	777	29.3	367	209	75.2
SWEDEN	1,684	1,055	59.6	44.4	28.5	55.7	1,061	907	17.0	471	259	82.2

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

12-MONTH ROLLING AVERAGE FEBRUARY – JANUARY

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2023	2022		2023	2022		2023	2022		2023	2022	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	5,435	3,173	71.3	65.4	41.7	56.9	1,297	933	39.0	848	389	118.0
GOTHENBURG	2,411	1,471	63.8	67.8	44.8	51.4	1,292	1,012	27.7	876	453	93.3
MALMÖ	1,203	778	54.7	63.4	42.6	48.9	960	817	17.5	609	348	74.9
SIGTUNA	729	396	83.8	60.0	33.2	80.4	1,025	839	22.2	615	279	120.5
SOLNA	543	290	87.0	48.4	28.4	70.4	994	730	36.2	481	207	132.2
JÖNKÖPING	417	295	41.3	57.9	44.7	29.5	1,102	911	20.9	638	408	56.6
HELSINGBORG	424	308	37.5	56.9	44.6	27.6	1,118	928	20.5	636	414	53.7
UMEÅ	456	368	23.9	65.1	55.1	18.2	892	740	20.6	581	407	42.6
UPPSALA	410	286	43.2	63.4	44.8	41.5	981	752	30.4	622	337	84.5
LINKÖPING	419	319	31.4	57.4	46.1	24.4	880	731	20.5	505	337	50.0
LUND	333	243	36.9	52.4	42.3	23.6	1,001	827	21.2	524	350	49.8
KARLSTAD	325	228	42.6	64.7	46.5	39.2	1,006	836	20.4	651	388	67.6
ÖREBRO	355	252	40.9	60.6	48.0	26.2	1,058	886	19.4	641	425	50.7
VÄSTERÅS	372	286	30.1	68.9	54.7	26.1	1,009	920	9.7	695	503	38.3
SUNDSVALL	362	292	23.8	56.0	46.5	20.4	895	798	12.2	501	371	35.1
NORRKÖPING	318	244	30.4	55.3	46.0	20.2	1,123	1,067	5.3	621	491	26.5
LULEÅ	283	216	31.1	61.3	50.5	21.4	888	794	11.8	544	401	35.7
GOTLAND	295	253	16.8	54.3	50.8	7.0	1,337	1,248	7.1	726	633	14.6
NACKA	260	166	56.5	56.9	41.0	38.7	1,416	1,321	7.2	806	542	48.6
HALMSTAD	279	230	21.7	54.6	49.1	11.2	1,213	1,163	4.3	662	571	16.0
GÄVLE	251	221	13.6	64.9	58.0	12.0	1,007	912	10.4	654	529	23.6
ÖSTERSUND	217	169	28.8	65.9	51.0	29.2	932	811	14.9	614	413	48.5
VÄXJÖ	210	151	39.5	61.5	47.6	29.4	997	884	12.8	614	420	46.0
KALMAR	202	172	17.9	63.7	55.5	14.8	1,035	938	10.4	660	520	26.8
SÖDERTÄLJE	171	113	51.9	52.4	40.2	30.3	965	775	24.4	506	312	62.1
SWEDEN	**26,197**	**18,382**	**42.5**	**56.8**	**42.2**	**34.6**	**1,133**	**947**	**19.6**	**644**	**400**	**61.0**

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 JANUARY

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2023	2022		2023	2022		2023	2022		2023	2022	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	1,684	1,055	**59.6**	44.4	28.5	**56.0**	1,061	907	**17.0**	471	258	**82.5**
DENMARK	740	425	**73.9**	40.0	25.0	**60.0**	N/A	N/A	**N/A**	N/A	N/A	**N/A**
FINLAND	800	486	**64.7**	45.2	28.6	**58.0**	1,231	1,049	**10.7**	556	300	**74.9**
NORWAY	1,063	640	**66.2**	40.3	25.4	**58.4**	1,189	1,012	**20.4**	478	257	**90.7**
STOCKHOLM	333	196	**69.6**	49.6	28.3	**75.3**	1,154	890	**29.6**	573	252	**127.1**
COPENHAGEN	314	162	**94.1**	43.0	25.0	**72.0**	N/A	N/A	**N/A**	N/A	N/A	**N/A**
HELSINKI	162	63	**156.1**	42.3	18.5	**128.6**	1,188	1,007	**11.2**	502	186	**154.3**
OSLO	224	93	**142.3**	47.5	21.0	**126.3**	1,219	991	**26.2**	579	208	**185.5**

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		
	2023	2022		2023	2022		2023	2022		2023	2022	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	1,684	1,055	**59.6**	44.4	28.5	**56.0**	1,061	907	**17.0**	471	258	**82.5**
DENMARK	740	425	**73.9**	40.0	25.0	**60.0**	N/A	N/A	**N/A**	N/A	N/A	**N/A**
FINLAND	800	486	**64.7**	45.2	28.6	**58.0**	1,231	1,049	**10.7**	556	300	**74.9**
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COPENHAGEN	314	162	**94.1**	43.0	25.0	**72.0**	N/A	N/A	**N/A**	N/A	N/A	**N/A**
HELSINKI	162	63	**156.1**	42.3	18.5	**128.6**	1,188	1,007	**11.2**	502	186	**154.3**
OSLO	224	93	**142.3**	47.5	21.0	**126.3**	1,219	991	**26.2**	579	208	**185.5**

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*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		
2023	2022		2023	2022		2023	2022		2023	2022	
000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	26,197	18,382	**42.5**	56.8	42.2	**34.6**	1,133	947	**19.6**	644	400	**61.0**
DENMARK	13,384	8,657	**54.6**	58.4	39.6	**47.6**	N/A	N/A	**N/A**	N/A	N/A	**N/A**
FINLAND	10,648	7,712	**38.1**	51.0	40.0	**27.4**	1,187	992	**12.9**	605	397	**43.8**
NORWAY	16,417	11,184	**46.8**	51.9	40.3	**28.6**	1,230	1,114	**13.3**	638	449	**45.7**
STOCKHOLM	5,435	3,173	**71.3**	65.4	41.7	**56.9**	1,297	933	**39.0**	848	389	**118.0**
COPENHAGEN	5,557	2,803	**98.3**	64.8	36.0	**80.0**	N/A	N/A	**N/A**	N/A	N/A	**N/A**
HELSINKI	2,370	1,247	**90.1**	53.7	33.0	**63.0**	1,257	995	**19.1**	675	328	**94.1**
OSLO	3,299	1,603	**105.8**	62.4	38.5	**62.0**	1,370	1,069	**31.4**	855	412	**112.9**

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.

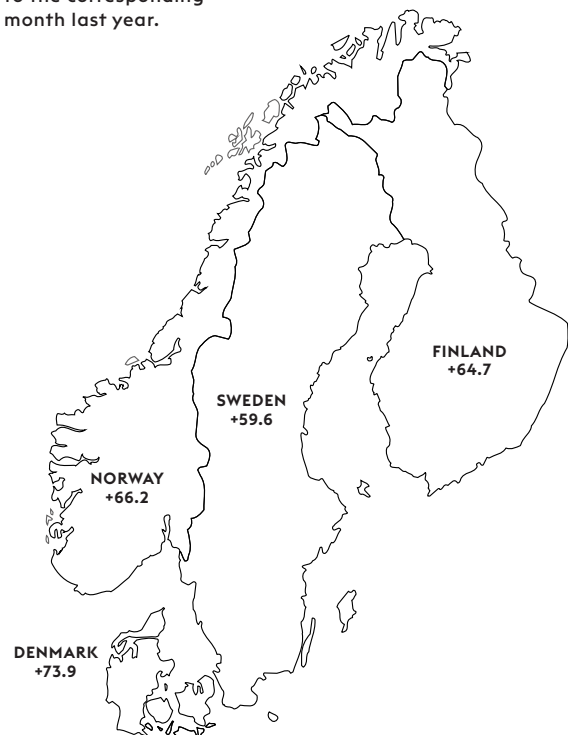Occupancy: Rooms sold/Available rooms.

ADR: Accommodation revenue/Rooms sold.

RevPAR: Occupancy x ADR.

N/A: Not available.

185.5%

INCREASE IN REVPAR
IN OSLO, JANUARY 2023

ROOMS SOLD IN THE NORDICS IN JANUARY

%-change compared
to the corresponding
month last year.

FINLAND
+64.7

SWEDEN
+59.6

NORWAY
+66.2

DENMARK
+73.9

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.
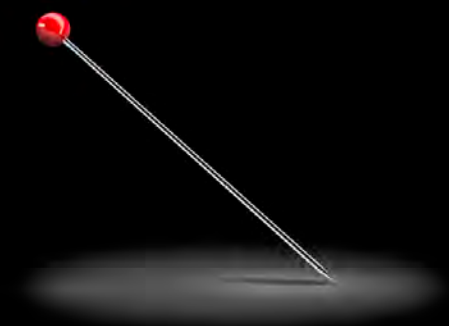
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