

HOTEL MARKET UPDATE

NORDIC HOTEL MARKET TRENDS AND ECONOMIC INDICATORS

Apr/23

*The market figures
are out.*



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A full-service advisor for hotel investments in real estate

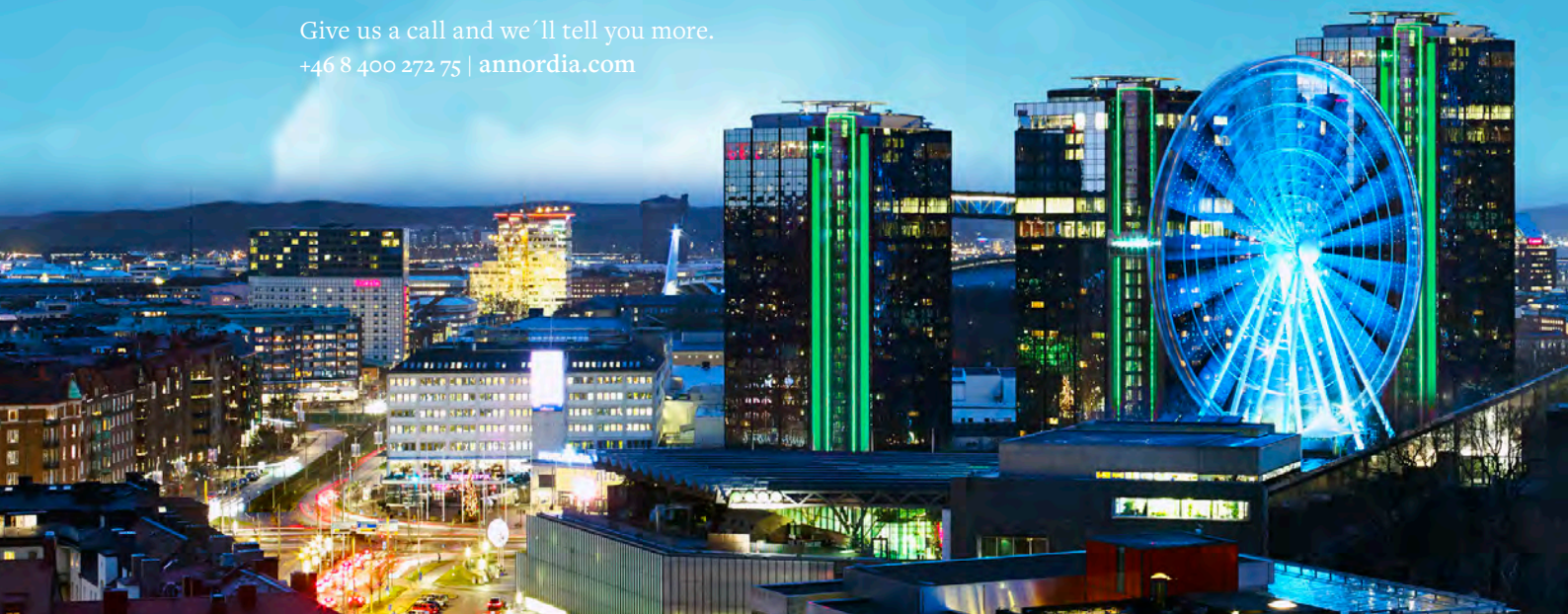
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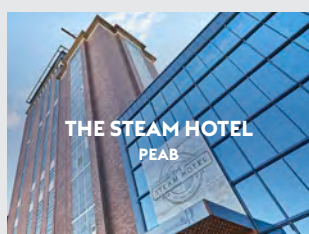
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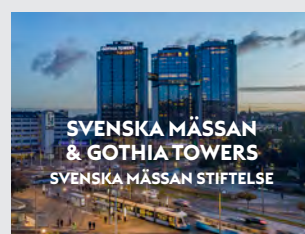
OUR SERVICES



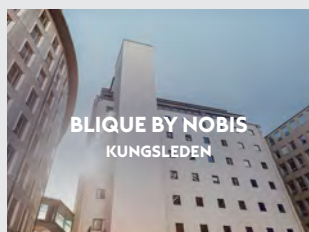
Market analysis
Establish the feasibility of a potential hotel investment.



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.

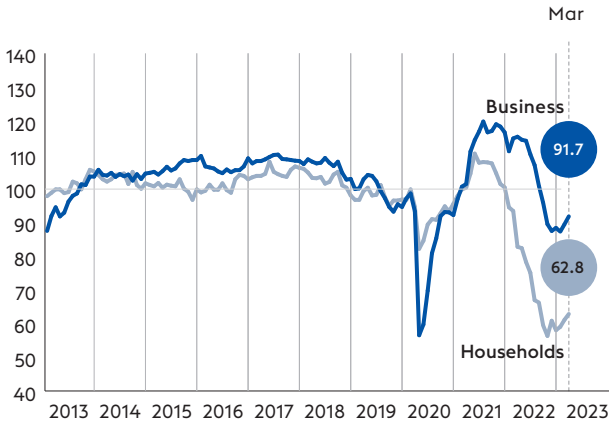
TALKING POINTS OF THE MONTH

The confidence indicators for businesses and households continue to improve, emphasizing a growing positivity within the markets. The growing positivity is also displayed by the hotels where statistics show a rising number of hotels forecasting an increasing demand during the next three months. Furthermore, multiple key figures such as the RevPAR level and occupancy rates show a strong development Jan-Feb in 2023 compared to the same period in 2021 and 2022. For example, the RevPAR level in Sweden was 62.6 percent higher Jan-Feb 2023 compared to 2022. However, the strong development is heavily affected by the restrictions that still were in place in 2021 and at the beginning of 2022.

- The confidence indicators for both businesses and households continued to increase in March 2023 – see confidence indicators on page 2.
- The value of the Swedish Krona decreased in March 2023, both compared to the US Dollar and Euro – see exchange rates on page 2.
- The unemployment rate has increased slightly during the last 5 months, contradicting previous reports – see the unemployment rate on page 2.
- The number of hotels expecting increased demand is 3 times as many as the number of hotels expecting decreased demand – see expectations on page 3.

MACRO INDICATORS IN SWEDEN

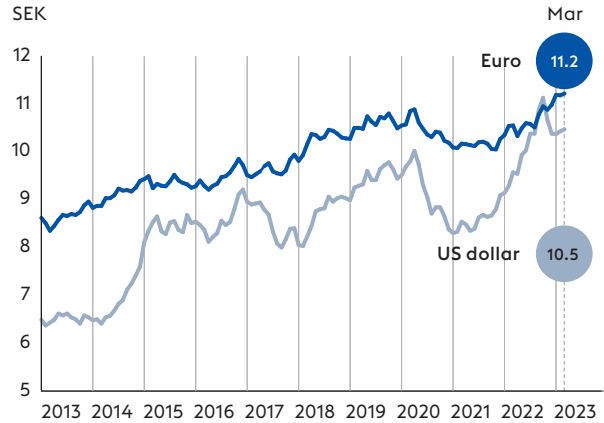
The confidence indicators for both households and businesses continued to rise in March 2023. For businesses, the confidence indicator increased by 2.3 units and for households, the confidence indicator increased by 1.7 units. However, the indicator, especially for households, is still relatively low.



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

Source: The National Institute of Economic Research
Confidence indicators are an overall measure of the overall perceptions and expectations of business and households.

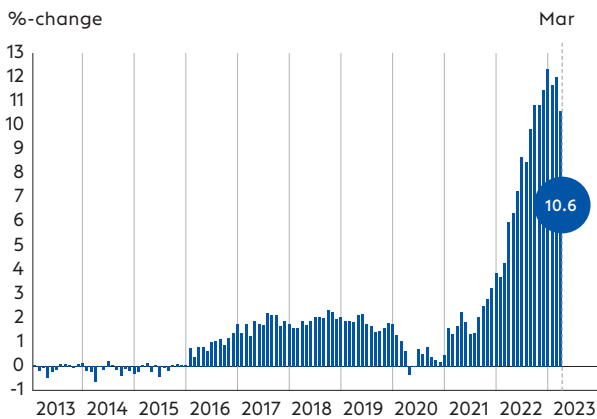
The value of the Swedish Krona decreased in March 2023, both in comparison to the US Dollar and the Euro. Compared to the Krona, the US Dollar increased by about 0.4 percent and the Euro increased by about 0.3 percent.



The development of the Swedish Krona against the Euro and the US dollar, up to and including March.

Source: The Central Bank of Sweden

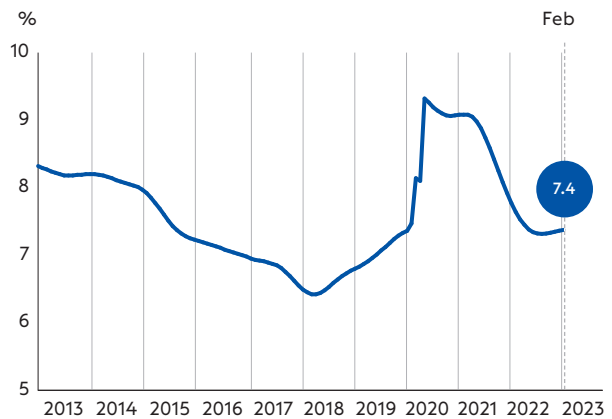
The rate of price increase, according to CPI, was 10.6 percent in March, compared to the same period last year. The rate of price increase has thus decreased from 12.0 in February.



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

Source: Statistics Sweden

The unemployment rate, according to trend, continued to rise in February 2023 following a period of consistent increase. This development is contrary to previous reports due to significant readjustments of the unemployment statistics by SCB this month.



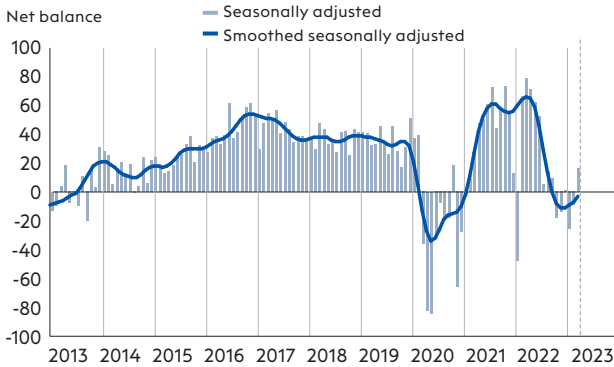
Unemployment (trend) as a percentage of the Swedish market up to and including February.

Source: The laborforce survey (Statistics Sweden)

10.6%
MARCH INFLATION RATE

SWEDISH HOTEL MARKET SUMMARY

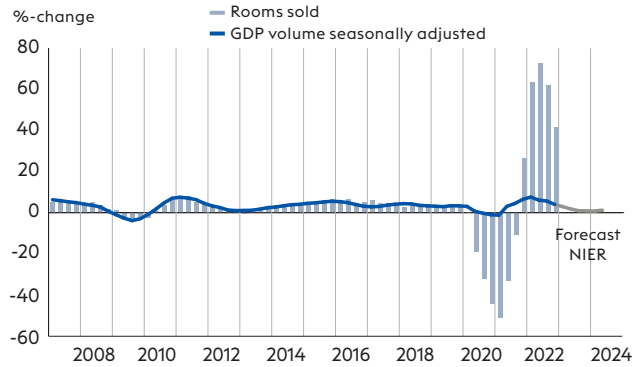
The expectations expressed by hotels of demand for their services during the next three months have continued to improve. The number of hotels expecting an increased demand is now 3 times the number of hotels that expect a decreased demand.



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

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

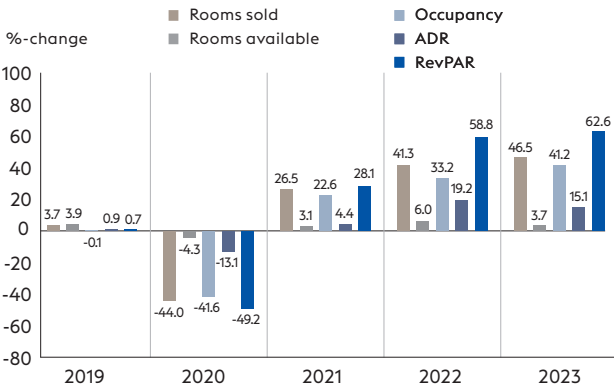
The Swedish GDP is still forecasted to decline in 2023/2024. At the start of 2024, the Swedish economy is expected to reach its lowest level during the recession. Historically, the connection between GDP and the hotel industry has been strong.



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

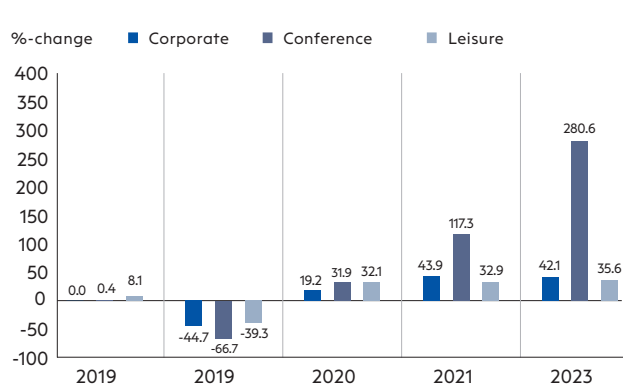
The RevPAR level Jan-Feb 2023 was 6 percent higher compared to the same period in 2019 and 62.6 percent higher than in 2022. However, the strong development was heavily affected by the restrictions that still were in place at the beginning of 2022.



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

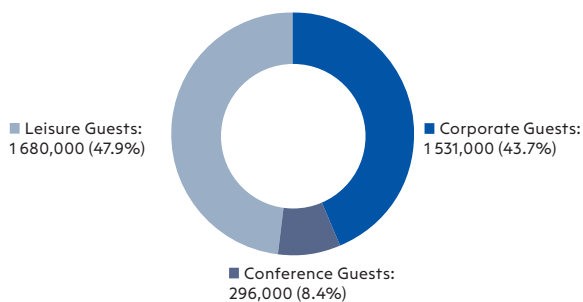
Source: The Swedish Growth Agency/Statistics Sweden

The conference segment year-to-date 2023 compared to the same period in 2022 increased by 281 percent which mainly can be derived from Covid-19 restrictions. Compared to the same period in 2019, the conference segment decreased by 11 percent.



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

Source: The Swedish Growth Agency/Statistics Sweden



The conference- and corporate segments accounted for 52.1 percent of the occupied rooms in Sweden year-to-date 2023.

Distribution of occupied hotel rooms between different demand segments in the Swedish hotel market, Jan-Feb 2023.

Source: The Swedish Growth Agency/Statistics Sweden

TRENDS IN SWEDEN'S 25 LARGEST HOTEL MUNICIPALITIES

MONTH FEBRUARY

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2023	2022		2023	2022		2023	2022		2023	2022	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	368	251	46.4	57.7	40.4	42.9	1,238	948	30.6	714	383	86.7
GOTHENBURG	165	106	54.7	57.3	41.1	39.2	1,058	940	12.6	606	387	56.7
MALMÖ	93	55	68.6	62.3	39.3	58.6	922	787	17.3	575	309	86.0
SIGTUNA	54	36	48.9	57.3	39.5	45.1	1,187	849	39.8	680	335	103.0
SOLNA	38	21	81.3	44.7	25.1	78.2	1,063	752	41.5	475	189	152.1
JÖNKÖPING	25	19	31.1	43.1	36.3	18.7	935	854	9.6	403	310	30.1
HELSINGBORG	28	20	39.4	47.7	37.3	27.7	905	844	7.3	431	315	37.0
UMEÅ	41	36	16.1	68.8	68.4	0.6	1,047	890	17.7	721	609	18.4
UPPSALA	29	22	32.9	58.6	44.8	30.8	889	843	5.5	521	378	37.9
LINKÖPING	32	22	44.0	57.0	40.6	40.5	865	780	10.9	494	317	55.8
LUND	20	16	29.8	41.6	33.6	23.9	980	813	20.5	408	273	49.4
KARLSTAD	24	18	34.9	61.2	46.2	32.3	968	874	10.9	592	404	46.6
ÖREBRO	27	17	56.5	59.2	44.0	34.7	997	910	9.5	590	400	47.5
VÄSTERÅS	27	24	13.1	65.4	57.9	13.0	1,061	892	18.8	694	516	34.3
SUNDSVALL	25	21	23.0	52.2	42.0	24.2	945	862	9.6	493	362	36.1
NORRKÖPING	19	15	23.9	43.6	35.6	22.4	915	912	0.4	399	325	22.8
LULEÅ	31	18	71.4	80.3	53.0	51.6	1,051	808	30.2	844	428	97.4
GOTLAND	9	7	33.1	31.7	29.8	6.5	726	774	-6.3	230	230	-0.2
NACKA	19	12	54.6	48.3	36.3	33.0	1,439	1,351	6.6	695	490	41.7
HALMSTAD	17	13	33.1	42.0	32.9	27.5	1,086	1,042	4.2	456	343	32.9
GÄVLE	19	16	22.2	65.1	54.4	19.6	962	910	5.7	626	495	26.5
ÖSTERSUND	16	13	22.7	63.8	54.7	16.7	946	860	9.9	604	470	28.3
VÄXJÖ	15	12	26.1	59.5	46.0	29.2	1,012	883	14.6	602	407	48.1
KALMAR	12	10	16.1	48.0	44.5	7.9	882	811	8.8	423	361	17.4
SÖDERTÄLJE	12	8	45.4	41.2	34.4	19.9	1,057	831	27.1	435	286	52.4
SWEDEN	1,823	1,346	35.4	51.2	39.6	29.2	1,095	957	14.4	561	379	47.8

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 – FEBRUARY											
	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2023	2022		2023	2022		2023	2022		2023	2022	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	700	447	56.7	53.6	34.1	57.1	1,198	920	30.2	642	314	104.5
GOTHENBURG	337	183	84.4	56.4	33.7	67.6	1,076	915	17.6	607	308	97.0
MALMÖ	171	97	75.9	56.8	33.1	71.7	930	771	20.7	528	255	107.3
SIGTUNA	107	71	51.0	55.8	36.2	54.1	1,182	849	39.2	659	307	114.4
SOLNA	75	37	103.3	41.7	20.8	100.7	1,002	720	39.1	417	150	179.1
JÖNKÖPING	52	33	59.1	43.0	29.1	48.1	991	858	15.6	426	249	71.1
HELSINGBORG	51	34	51.8	43.0	30.2	42.7	905	830	9.0	390	250	55.5
UMEÅ	72	63	15.1	58.4	57.4	1.7	973	830	17.1	568	477	19.1
UPPSALA	59	41	44.0	57.4	40.0	43.5	890	789	12.9	511	315	62.0
LINKÖPING	58	41	42.4	49.2	36.0	36.6	856	758	12.8	421	273	54.1
LUND	41	29	39.0	43.8	30.8	42.0	958	783	22.5	420	241	74.0
KARLSTAD	45	31	48.1	55.1	38.2	44.4	936	831	12.6	516	317	62.6
ÖREBRO	49	31	59.7	52.3	37.7	38.7	987	878	12.4	516	331	55.8
VÄSTERÅS	51	42	19.4	60.2	49.4	21.7	1,054	882	19.5	634	436	45.4
SUNDSVALL	48	37	31.1	46.8	34.5	35.7	917	846	8.3	429	292	47.0
NORRKÖPING	37	26	39.1	41.8	30.0	39.4	933	893	4.5	390	267	45.7
LULEÅ	57	31	82.6	69.3	43.2	60.4	992	802	23.6	688	347	98.3
GOTLAND	18	13	41.4	28.9	26.6	8.7	723	778	-7.0	209	207	1.0
NACKA	37	21	78.6	45.8	31.7	44.6	1,435	1,379	4.0	657	437	50.4
HALMSTAD	31	23	34.7	41.9	28.2	49.0	1,041	1,007	3.3	436	284	53.9
GÄVLE	37	29	26.4	58.4	47.6	22.6	937	895	4.6	547	426	28.3
ÖSTERSUND	37	23	56.1	67.5	45.6	48.0	917	840	9.2	619	383	61.6
VÄXJÖ	29	20	46.2	55.7	39.5	41.0	997	873	14.2	555	345	61.0
KALMAR	21	17	19.3	44.3	36.8	20.5	881	780	12.9	390	287	36.1
SÖDERTÄLJE	24	15	57.3	38.7	30.6	26.8	1,031	795	29.7	399	243	64.4
SWEDEN	3,507	2,401	46.0	47.7	33.9	40.8	1,079	934	15.5	514	316	62.6

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 MARCH – FEBRUARY											
	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2023	2022		2023	2022		2023	2022		2023	2022	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	5,543	3,289	68.5	67.1	42.9	56.5	1,312	943	39.2	880	404	117.8
GOTHENBURG	2,458	1,522	61.4	68.7	46.1	49.1	1,292	1,015	27.3	888	468	89.8
MALMÖ	1,252	801	56.3	65.3	43.8	49.2	969	820	18.1	633	359	76.3
SIGTUNA	756	417	81.3	62.4	34.8	79.3	1,036	844	22.7	646	294	120.1
SOLNA	563	296	90.5	50.1	28.4	76.5	992	738	34.5	498	210	137.3
JÖNKÖPING	443	302	46.6	58.5	45.1	29.6	1,105	916	20.6	646	413	56.3
HELSINGBORG	430	314	36.9	57.6	45.3	27.3	1,117	931	20.0	644	422	52.7
UMEÅ	464	386	20.2	64.9	57.6	12.6	896	755	18.6	581	435	33.5
UPPSALA	423	294	43.6	65.3	46.1	41.9	963	763	26.2	629	352	79.0
LINKÖPING	429	327	31.4	58.6	47.0	24.9	886	736	20.3	519	346	50.3
LUND	339	247	36.8	53.3	42.5	25.2	1,009	831	21.4	537	354	51.9
KARLSTAD	331	235	41.1	65.9	47.7	38.0	1,010	844	19.7	666	403	65.2
ÖREBRO	353	257	37.6	61.9	49.2	25.8	1,059	890	18.9	655	438	49.6
VÄSTERÅS	372	294	26.7	69.8	55.9	24.7	1,018	921	10.5	711	516	37.8
SUNDSVALL	366	297	23.2	56.7	46.8	21.2	898	805	11.5	510	377	35.2
NORRKÖPING	326	254	28.5	56.4	47.5	18.7	1,133	1,045	8.5	639	496	28.7
LULEÅ	294	224	31.0	63.8	52.0	22.7	909	798	13.8	580	416	39.7
GOTLAND	293	255	14.6	53.9	51.3	5.0	1,326	1,246	6.5	714	639	11.8
NACKA	277	172	61.5	58.2	41.5	40.1	1,415	1,323	6.9	824	550	49.8
HALMSTAD	286	233	22.5	55.9	48.9	14.3	1,204	1,166	3.3	672	570	18.0
GÄVLE	254	225	12.5	65.2	59.1	10.4	1,010	917	10.1	658	542	21.5
ÖSTERSUND	221	173	27.4	66.7	52.5	27.1	935	821	13.8	623	431	44.7
VÄXJÖ	213	156	36.4	62.6	48.9	28.0	1,008	886	13.7	631	433	45.6
KALMAR	205	173	18.1	64.1	56.0	14.4	1,036	942	10.0	664	528	25.9
SÖDERTÄLJE	174	114	52.4	52.3	40.2	30.2	972	785	23.9	508	315	61.2
SWEDEN	26,579	18,876	40.8	57.8	43.1	34.0	1,134	953	19.1	656	411	59.6

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

NORDIC HOTEL MARKET – COUNTRIES AND CAPITAL CITIES

MONTH FEBRUARY

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2023	2022		2023	2022		2023	2022		2023	2022	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	1,823	1,346	35.4	51.2	39.6	29.2	1,095	957	14.4	561	379	47.8
DENMARK	792	650	21.8	45.0	39.0	15.4	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	844	625	35.0	52.3	40.4	29.5	1,281	1,127	7.2	670	455	38.7
NORWAY	1,143	898	27.3	47.7	38.1	25.1	1,237	1,099	15.5	591	419	44.5
STOCKHOLM	368	251	46.4	57.7	40.4	42.9	1,238	948	30.6	714	383	86.7
COPENHAGEN	334	239	39.6	50.0	39.0	28.2	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	164	82	100.5	47.0	26.4	78.0	1,189	1,055	6.2	559	279	89.1
OSLO	230	150	54.0	54.1	39.3	37.4	1,254	1,055	21.9	678	415	67.5

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 – FEBRUARY

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2023	2022		2023	2022		2023	2022		2023	2022	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	3,507	2,394	46.5	47.7	33.8	41.2	1,079	937	15.1	514	316	62.6
DENMARK	1,531	1,076	42.3	42.4	31.9	32.9	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	1,644	1,111	48.0	48.6	34.2	42.0	1,257	1,093	8.4	611	374	53.9
NORWAY	2,206	1,537	43.5	43.8	31.6	38.8	1,214	1,063	17.1	532	335	62.6
STOCKHOLM	700	447	56.8	53.6	34.1	57.3	1,198	921	30.1	642	314	104.5
COPENHAGEN	647	401	61.5	46.3	31.8	45.7	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	325	145	124.8	44.5	22.3	100.2	1,188	1,034	8.3	529	230	116.9
OSLO	455	242	87.7	50.6	29.5	71.6	1,237	1,031	23.1	626	304	111.2

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

12-MONTH ROLLING AVERAGE MARCH - FEBRUARY

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2023	2022		2023	2022		2023	2022		2023	2022	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	26,579	18,870	40.9	57.8	43.1	34.1	1,134	953	19.0	656	411	59.6
DENMARK	13,527	9,102	48.6	58.9	41.4	42.1	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	10,867	7,945	36.8	51.9	40.8	27.0	1,194	1,005	12.0	619	410	42.3
NORWAY	16,662	11,612	43.5	52.6	41.2	27.7	1,239	1,119	13.6	652	461	45.0
STOCKHOLM	5,543	3,288	68.6	67.1	42.9	56.5	1,312	943	39.2	880	404	117.8
COPENHAGEN	5,651	2,975	89.9	65.5	38.0	72.6	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	2,452	1,282	91.2	55.1	33.3	65.4	1,257	1,002	18.3	692	334	95.5
OSLO	3,380	1,709	97.8	63.4	39.9	58.8	1,377	1,075	31.4	873	429	108.7

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.

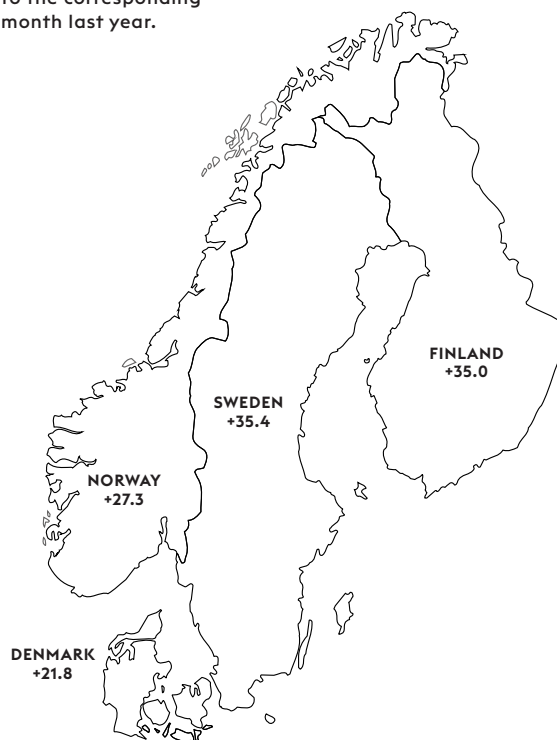
ADR: Accommodation revenue/Rooms sold.

RevPAR: Occupancy x ADR.

N/A: Not available.

ROOMS SOLD IN THE NORDICS IN FEBRUARY

%-change compared to the corresponding month last year.



86.7%

INCREASE IN REVPAR
IN STOCKHOLM, FEBRUARY 2023/2022

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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