

HOTEL MARKET UPDATE

NORDIC HOTEL MARKET TRENDS AND ECONOMIC INDICATORS

May/23

*The key figures for March show
a strong hotel market.*



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Illustration: Millimeter Arkitekter

New well-designed hotel in expansive Kungens kurva

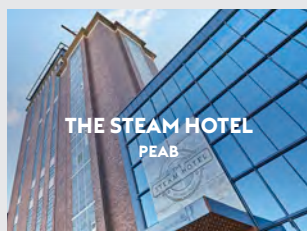
Annordia is pleased to have advised the property developer AB Properties on the letting of their new hotel in the expansive Kungens kurva, south of Stockholm. The hotel will be operated by Got City Center Hotels and be part of the BWH Hotel Group.

Best Western Plus Kungens Kurva covers 2,850 sqm and will have 93 rooms, a restaurant, a gym, a relaxation area, and a terrace with a spa bath. It will open on November 1, 2023.

– It is gratifying to be involved in a new hotel in Stockholm with a good operator and brand. It is yet another example that the hotel market is going strong and that many operators are looking for expansion opportunities, says Hans Åke Petersson, CEO & Partner at Annordia.

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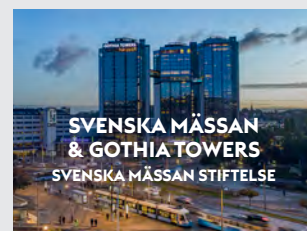
OUR SERVICES



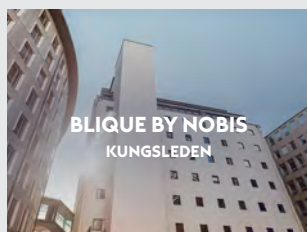
Market analysis
Establish the feasibility of a potential hotel investment.



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

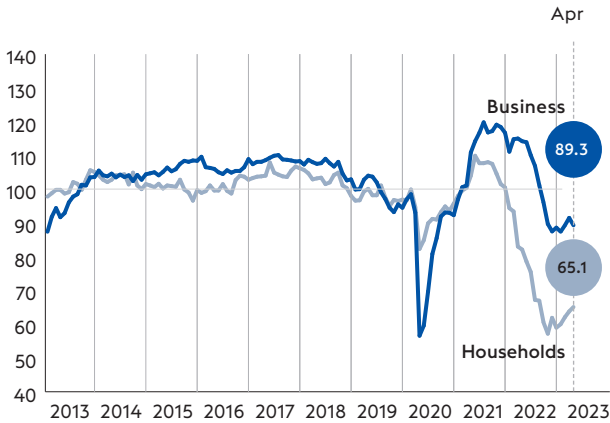
Because of the Covid-19 restrictions, which still were in place during the first two months of 2022, it has been difficult to compare the statistics to January and February 2023. Therefore, the March statistics are more comparable and easier to assess. The number of sold rooms in Sweden in March 2023 compared to March 2022 was 12.5 percent higher, the occupancy rate was 8.3 percent higher and the RevPAR was 19.5 percent higher. However, the positive development is not true for all regions of Sweden, 8 out of the 25 largest municipalities have had some negative development of their key figures compared to March 2022.

Furthermore, multiple additional key figures have had a positive development this month. Among these, the unemployment rate has subsided to 7.3 percent, the lowest displayed value since 2019 and an economic recovery is forecasted to commence during the 3rd quarter of 2024.

- The value of the Swedish Krona continued to decrease compared to the Euro and is now the lowest value in over 10 years – see exchange rates on page 2.
- The inflation rate has continued to decline and has in April subsided to 10.5 percent - see inflation rate on page 2.
- The unemployment rate has decreased further and is now exhibiting the lowest value since 2019 – see the unemployment rate on page 2.
- Almost 50 percent of all hotels expect increased demand next three months – see expectations on page 3.

MACRO INDICATORS IN SWEDEN

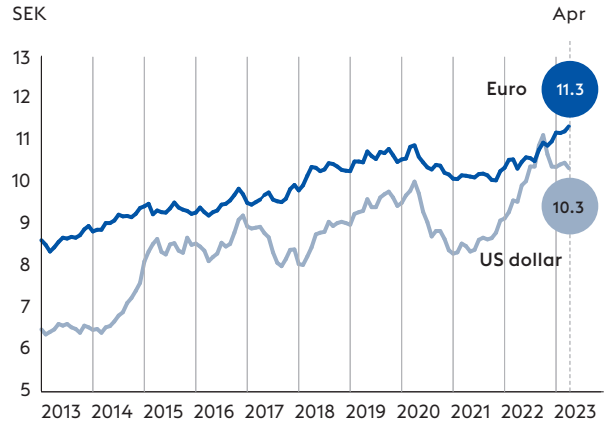
The confidence indicator for households increased in April, making it the 4th consecutive month of continued incline. However, the confidence indicator for businesses subsided to a current value of 89.3. Nevertheless, the indicator for businesses remains significantly higher than for households.



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

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

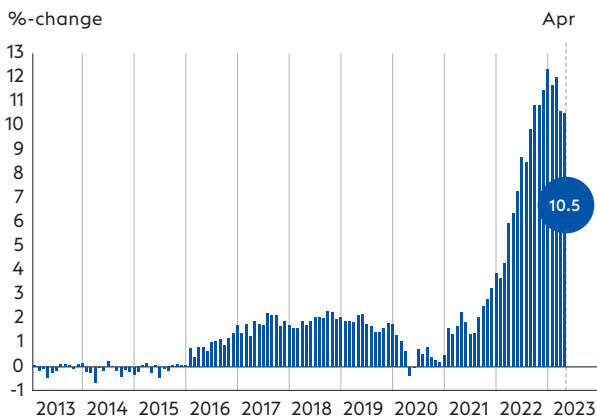
Compared to the Euro, the value of the Swedish Krona continued to decrease in April 2023. During this month, 1 Euro equaled 10.34 Kronor which is the lowest exhibited value in over 10 years. The Swedish Krona did however increase in comparison to the US Dollar by 1.3 percent.



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

Source: The Central Bank of Sweden

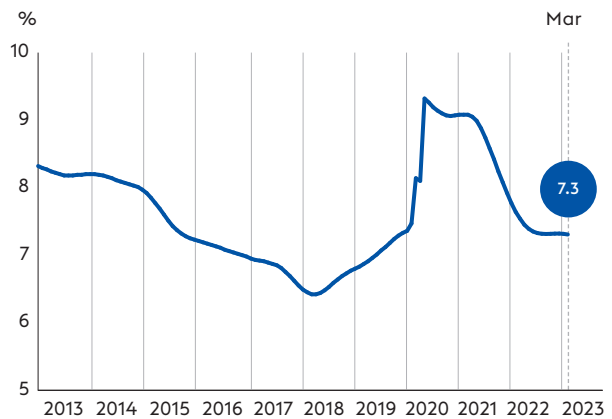
According to CPI, the rate of price increase decreased to 10.5 percent in April, compared to the same period last year. Thus, making it two consecutive months of decline.



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

Source: Statistics Sweden

According to trend, the unemployment rate decreased in March 2023 to approximately 7.3 percent. This is the lowest value since 2019 in Sweden.



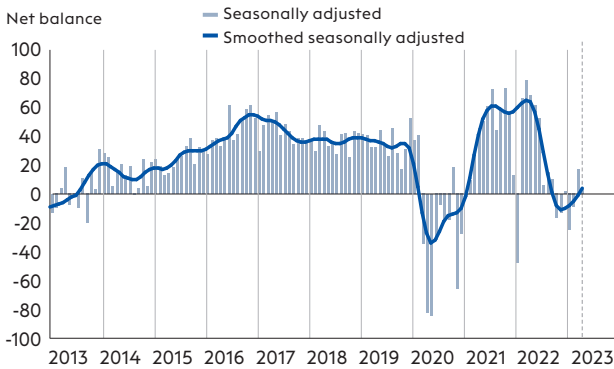
Unemployment (trend) as a percentage of the Swedish market up to and including March.

Source: The laborforce survey (Statistics Sweden)

10.5%
APRIL INFLATION RATE

SWEDISH HOTEL MARKET SUMMARY

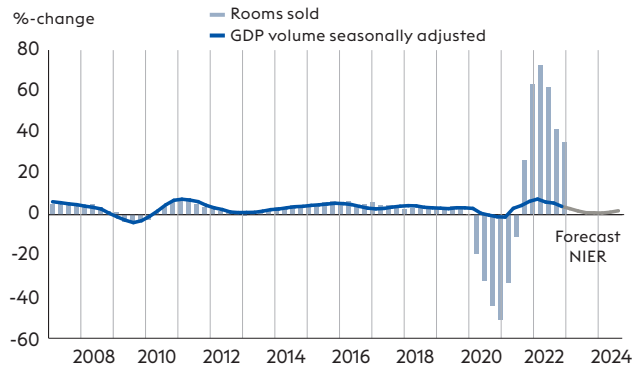
The expectations of demand expressed by hotels for their services have seasonally subsided but increased by the smoothed seasonally adjusted criteria. Nevertheless, almost 50 percent of all hotels expect an increased demand henceforth.



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

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

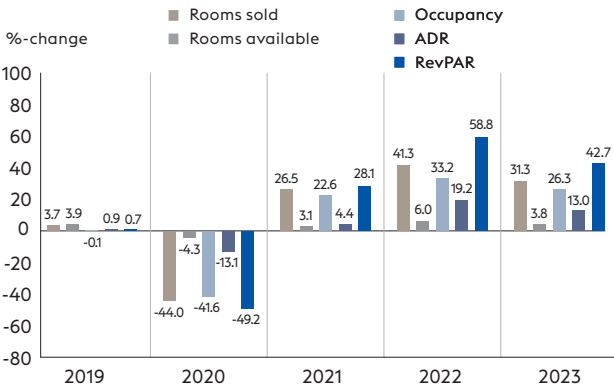
The GDP is forecasted to increase in the 3rd quarter of 2024, marking the beginning of an economic recovery following the projected recession of 2023/2024. Historically, the connection between GDP and the hotel industry has been strong.



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

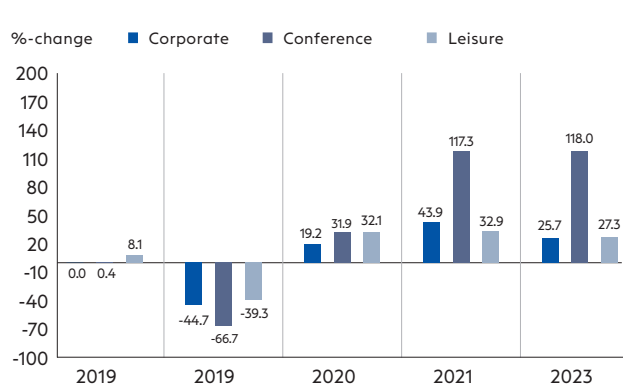
The RevPAR level and occupancy rate were 42.7 percent respectively 26.3 percent higher Jan-Mar 2023 compared to Jan-Mar 2022. However, the strong development was affected by the restrictions that still were in place at the beginning of 2022.



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

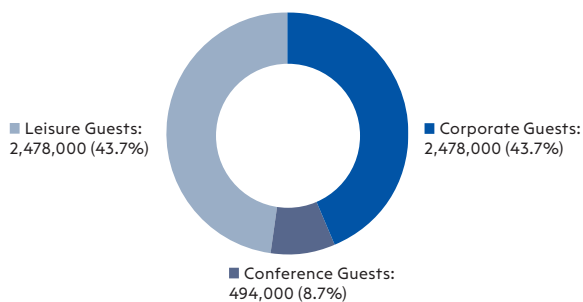
Source: The Swedish Growth Agency/Statistics Sweden

The conference segment year-to-date 2023 compared to the same period in 2022 increased by 118 percent which mainly can be derived from Covid-19 restrictions. Compared to the same period in 2019, the conference segment decreased by 5.4 percent.



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

Source: The Swedish Growth Agency/Statistics Sweden



The leisure segment accounted for 47.6 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-Mar 2023.

Source: The Swedish Growth Agency/Statistics Sweden

TRENDS IN SWEDEN'S 25 LARGEST HOTEL MUNICIPALITIES

	MONTH MARCH											
	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2023	2022		2023	2022		2023	2022		2023	2022	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	461	381	21.0	65.3	54.7	19.3	1,229	1,070	14.9	803	585	37.1
GOTHENBURG	204	156	30.9	64.4	54.3	18.7	1,111	988	12.4	715	536	33.5
MALMÖ	98	84	17.1	58.8	52.7	11.6	933	859	8.7	549	452	21.3
SIGTUNA	64	53	20.5	61.1	52.5	16.4	1,030	927	11.1	630	487	29.3
SOLNA	49	41	20.6	51.4	42.8	20.0	1,102	910	21.1	566	389	45.3
JÖNKÖPING	31	32	-0.8	46.1	52.8	-12.6	987	1,037	-4.9	455	547	-16.8
HELSINGBORG	30	29	6.6	48.1	48.3	-0.4	960	901	6.6	462	435	6.2
UMEÅ	38	39	-0.4	58.7	67.6	-13.2	869	816	6.6	510	551	-7.5
UPPSALA	35	34	5.4	63.3	61.9	2.2	985	957	2.9	624	593	5.2
LINKÖPING	36	32	11.7	57.1	52.8	8.1	914	787	16.0	522	416	25.5
LUND	29	24	19.1	52.9	44.2	19.6	1,023	875	16.9	542	387	39.9
KARLSTAD	27	27	0.9	61.7	62.9	-1.9	981	924	6.2	605	581	4.1
ÖREBRO	33	26	24.8	65.0	58.7	10.7	1,057	1,020	3.6	687	599	14.6
VÄSTERÅS	33	32	0.6	71.7	71.5	0.3	1,077	864	24.7	773	618	25.0
SUNDSVALL	30	29	0.8	53.8	54.1	-0.6	938	875	7.2	504	473	6.6
NORRKÖPING	24	23	7.3	49.6	46.6	6.4	971	903	7.5	482	421	14.4
LULEÅ	29	23	28.2	68.0	60.2	12.9	1,001	878	14.0	680	529	28.7
GOTLAND	12	12	-1.3	33.7	37.3	-9.8	767	777	-1.3	258	290	-11.0
NACKA	19	17	16.8	44.5	44.8	-0.8	1,515	1,309	15.7	673	587	14.7
HALMSTAD	23	21	11.5	51.5	49.9	3.1	1,083	1,025	5.7	558	512	9.0
GÄVLE	22	22	-1.5	66.8	67.8	-1.4	1,046	953	9.8	699	646	8.3
ÖSTERSUND	20	16	24.0	70.0	57.7	21.3	1,042	829	25.7	729	478	52.4
VÄXJÖ	19	18	8.5	68.1	61.3	11.1	1,074	988	8.7	731	605	20.8
KALMAR	15	14	12.6	56.8	51.5	10.2	993	860	15.5	564	443	27.3
SÖDERTÄLJE	15	11	30.3	46.7	43.3	7.9	1,004	899	11.7	469	389	20.5
SWEDEN	2,169	1,927	12.5	54.3	50.2	8.3	1,099	996	10.3	597	500	19.5

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

	YEAR-TO-DATE JANUARY - MARCH											
	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2023	2022		2023	2022		2023	2022		2023	2022	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	1,161	828	40.3	57.7	41.2	39.9	1,210	989	22.4	698	408	71.2
GOTHENBURG	541	339	59.8	59.2	40.8	45.1	1,089	949	14.8	645	387	66.5
MALMÖ	269	181	48.6	57.5	40.0	43.9	931	811	14.8	536	324	65.2
SIGTUNA	171	124	37.9	57.7	41.8	38.1	1,125	883	27.4	649	369	76.0
SOLNA	124	78	59.9	45.0	28.4	58.3	1,041	820	27.0	469	233	101.1
JÖNKÖPING	83	64	29.7	44.1	37.3	18.4	989	946	4.6	437	353	23.9
HELSINGBORG	81	62	31.0	44.8	36.5	22.9	926	863	7.3	415	314	31.9
UMEÅ	110	101	9.2	58.5	60.9	-4.0	937	825	13.6	548	502	9.0
UPPSALA	94	74	26.6	59.5	47.6	25.0	926	865	7.1	551	411	33.8
LINKÖPING	94	73	28.8	51.9	41.9	24.0	878	771	13.8	456	323	41.1
LUND	70	53	30.0	47.2	35.7	32.0	985	824	19.5	465	295	57.8
KARLSTAD	72	57	26.2	57.4	46.7	22.9	953	874	9.0	547	408	33.9
ÖREBRO	82	57	43.6	56.7	45.2	25.6	1,015	944	7.5	576	426	35.1
VÄSTERÅS	83	75	11.3	64.2	57.1	12.5	1,063	874	21.6	683	499	36.8
SUNDSVALL	78	66	17.7	49.2	41.1	19.8	925	859	7.7	455	353	29.0
NORRKÖPING	61	49	24.5	44.6	35.8	24.3	948	897	5.6	423	322	31.3
LULEÅ	86	54	59.5	68.9	49.1	40.2	995	834	19.2	685	410	67.2
GOTLAND	31	25	20.7	30.6	30.9	-0.9	741	778	-4.7	227	240	-5.6
NACKA	57	37	51.2	45.3	36.4	24.5	1,462	1,348	8.4	663	491	35.0
HALMSTAD	54	44	23.7	45.6	35.5	28.4	1,059	1,016	4.2	482	360	33.8
GÄVLE	59	51	14.2	61.3	54.7	12.1	978	921	6.2	599	503	19.1
ÖSTERSUND	57	40	42.9	68.3	49.9	37.0	961	835	15.1	657	417	57.6
VÄXJÖ	49	38	28.4	60.0	47.5	26.5	1,028	927	10.8	617	440	40.2
KALMAR	36	31	16.4	48.9	42.1	16.2	929	815	13.9	454	343	32.4
SÖDERTÄLJE	39	26	45.6	41.5	35.0	18.5	1,020	840	21.5	423	294	43.9
SWEDEN	5,675	4,328	31.1	50.0	39.6	26.3	1,087	962	13.0	544	381	42.7

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 FEBRUARY - MARCH

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2023	2022		2023	2022		2023	2022		2023	2022	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	5,623	3,517	59.9	68.0	45.3	50.0	1,322	966	36.8	898	438	105.3
GOTHENBURG	2,506	1,618	54.9	69.5	48.6	42.9	1,296	1,021	26.9	901	496	81.4
MALMÖ	1,267	851	48.9	65.8	46.2	42.3	973	829	17.4	640	383	67.1
SIGTUNA	767	452	69.8	63.1	37.5	68.1	1,043	859	21.3	658	323	103.9
SOLNA	572	318	80.0	50.9	29.9	70.0	1,008	769	31.0	513	230	122.7
JÖNKÖPING	443	320	38.4	57.8	47.3	22.3	1,101	934	17.9	637	442	44.1
HELSINGBORG	432	327	31.9	57.6	47.1	22.3	1,121	937	19.6	645	441	46.3
UMEÅ	464	407	14.1	64.1	60.5	5.9	900	765	17.7	577	463	24.6
UPPSALA	425	313	35.5	65.4	49.0	33.6	965	789	22.4	632	386	63.5
LINKÖPING	433	342	26.5	59.0	48.9	20.7	895	744	20.3	528	364	45.3
LUND	343	259	32.6	54.0	43.7	23.6	1,019	842	21.1	551	368	49.6
KARLSTAD	331	249	33.1	65.8	50.5	30.3	1,015	860	18.1	668	434	53.9
ÖREBRO	360	270	33.4	62.4	51.4	21.3	1,062	909	16.8	663	468	41.7
VÄSTERÅS	373	310	20.2	69.8	58.7	18.9	1,037	919	12.9	724	539	34.2
SUNDSVALL	366	311	18.0	56.7	48.6	16.7	903	816	10.7	512	397	29.2
NORRKÖPING	327	264	24.1	56.6	49.0	15.5	1,137	1,044	9.0	644	511	25.8
LULEÅ	300	237	26.9	64.5	54.4	18.6	920	810	13.6	594	441	34.7
GOTLAND	292	261	12.2	53.5	51.9	3.1	1,326	1,237	7.2	710	642	10.5
NACKA	280	181	54.8	58.0	42.6	36.3	1,428	1,321	8.1	828	562	47.3
HALMSTAD	288	243	18.5	56.0	50.1	11.8	1,207	1,164	3.7	675	583	15.9
GÄVLE	253	236	7.2	65.1	61.6	5.6	1,018	927	9.8	663	572	16.0
ÖSTERSUND	225	178	26.2	67.7	53.8	25.8	952	828	15.1	645	446	44.7
VÄXJÖ	214	166	28.8	63.1	51.6	22.5	1,015	899	13.0	641	463	38.4
KALMAR	207	178	15.7	64.5	57.3	12.6	1,045	945	10.5	674	542	24.4
SÖDERTÄLJE	178	119	49.6	52.5	41.2	27.2	980	802	22.1	514	331	55.3
SWEDEN	26,820	19,847	35.1	58.1	45.0	29.2	1,142	963	18.5	664	434	53.1

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 MARCH

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2023	2022		2023	2022		2023	2022		2023	2022	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	2,169	1,927	12.5	54.3	50.2	8.3	1,099	996	10.3	597	500	19.5
DENMARK	1,007	935	7.7	51.0	49.0	4.1	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	945	841	12.3	52.7	48.0	9.8	1,239	1,095	6.4	653	526	16.8
NORWAY	1,381	1,308	5.6	51.7	49.1	5.4	1,215	1,172	12.9	628	575	19.0
STOCKHOLM	461	381	21.0	65.3	54.7	19.3	1,229	1,070	14.9	803	585	37.1
COPENHAGEN	431	349	23.6	58.0	49.0	18.4	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	190	140	35.5	49.4	39.8	24.1	1,188	1,056	5.8	587	420	31.4
OSLO	277	251	10.2	58.8	56.5	4.1	1,262	1,195	15.0	742	675	19.7

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 – MARCH

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2023	2022		2023	2022		2023	2022		2023	2022	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	5,675	4,321	31.3	50.0	39.5	26.5	1,087	963	12.8	544	381	42.7
DENMARK	2,542	2,010	26.5	45.5	38.1	19.3	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	2,589	1,952	32.6	50.0	39.1	28.1	1,253	1,094	7.7	626	427	37.9
NORWAY	3,587	2,846	26.1	46.6	37.8	23.3	1,195	1,132	14.9	556	428	41.6
STOCKHOLM	1,161	828	40.3	57.7	41.2	39.9	1,210	989	22.3	698	408	71.2
COPENHAGEN	1,084	750	44.6	50.4	38.0	32.5	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	515	285	80.9	46.2	28.4	62.7	1,190	1,045	7.1	550	297	74.3
OSLO	732	494	48.2	53.4	39.0	37.1	1,227	1,131	18.0	655	441	61.8

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 - MARCH

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2023	2022		2023	2022		2023	2022		2023	2022	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	26,820	19,840	35.2	58.1	45.0	29.2	1,142	964	18.5	664	434	53.1
DENMARK	13,603	9,766	39.3	59.0	44.2	33.3	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	10,971	8,405	30.5	52.3	42.6	22.6	1,204	1,017	11.3	629	434	36.4
NORWAY	16,735	12,438	34.5	52.8	43.1	22.4	1,218	1,166	13.8	643	503	39.3
STOCKHOLM	5,623	3,517	59.9	68.0	45.3	50.0	1,322	966	36.8	898	438	105.3
COPENHAGEN	5,739	3,233	77.5	66.2	40.9	61.9	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	2,502	1,382	81.0	55.8	35.1	58.9	1,263	1,012	17.5	705	355	86.6
OSLO	3,406	1,921	77.2	63.5	43.1	47.6	1,353	1,128	30.5	860	486	92.6

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.

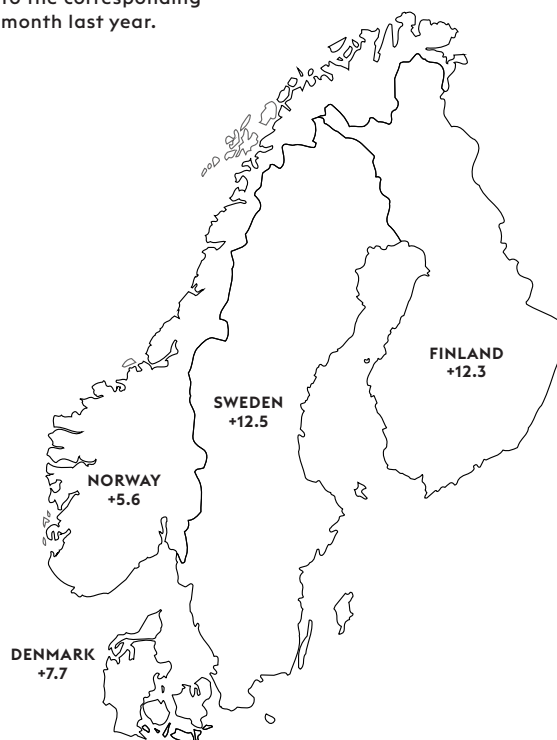
RevPAR: Occupancy x ADR.

N/A: Not available.

37.1%
 INCREASE IN REVPAR
 IN STOCKHOLM, MARCH 2023/2022

ROOMS SOLD IN THE NORDICS IN MARCH

%-change compared to the corresponding month last year.



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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