

HOTEL MARKET UPDATE

24/11

NORDIC
HOTEL
MARKET
TRENDS
AND
ECONOMIC
INDICATORS





Annordia advised Varbergs Fastighets AB on the letting of two landmarks in Varberg

Annordia is pleased to have advised the property owner Varbergs Fastighets AB on the letting of two landmarks in Varberg: Tullhuset and Kallbadhuset. Locally rooted entrepreneur Marina Evertsson has been appointed as operator.

Kallbadhuset will retain its original function as a place for experiences within the spa tradition, while Tullhuset is planned to house a hotel with 19 rooms and a large restaurant operation. The ambition is for the hotel to open in the spring of 2027.

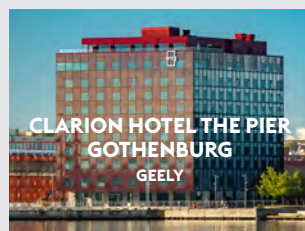
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OUR SERVICES



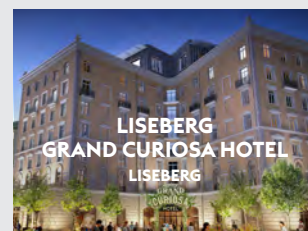
Market analysis

Establish the feasibility of a potential hotel investment.



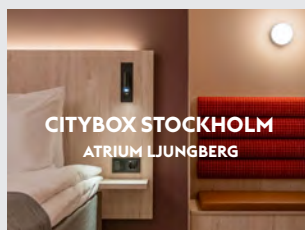
Concept development

Hotel planning and optimisation based on market characteristics.



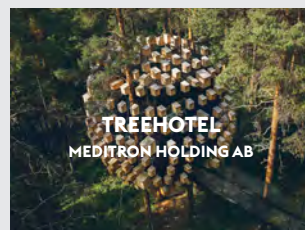
Lease advisory

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.

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

There were only small changes in the key indicators for the Swedish hotel market in September 2024 compared to the same month in 2023. The number of rooms sold increased by 0.8 percent and the occupancy rate decreased by 0.7 percent. The ADR increased by 2.1 percent which led to an increase of 1.5 percent in RevPAR.

In the two largest municipalities, there were some significant changes. Stockholm in general had positive developments in their key indicators with a 6 percent increase in ADR, which together with a slight increase in occupancy rate led to an increase of 7.4 percent in RevPAR. Gothenburg, on the other hand, saw a decrease in RevPAR of 8.3 percent.

Luleå saw the most positive development among the 25 largest hotel municipalities in Sweden with increases of around 20 percent in the number of rooms sold, occupancy rate and RevPAR, while Gotland saw the largest downturn in the same indicators.

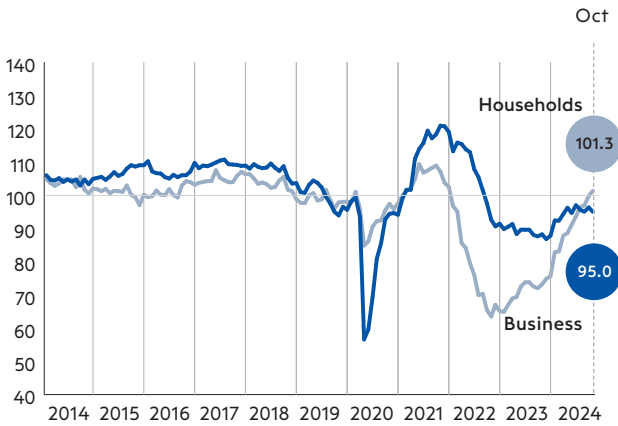
Looking at the macroeconomic indicators, the Swedish Krona weakened against the Euro and the US dollar, and the unemployment rate reached its highest level since the pandemic.

Most key indicators in Finland developed negatively in September 2024 compared to the same month in 2023. The development was generally positive in the other three Nordic countries and their capitals.

- The value of the Swedish Krona decreased relative to both the Euro and the US Dollar – see exchange rates on page 2.
- The unemployment rate increased for the 21st consecutive month and reached 8.5 percent in September – see unemployment rate on page 2.
- Neutral expectations for future demand in the hotel industry.

MACRO INDICATORS IN SWEDEN

The confidence indicator for households increased above 100 units for the first time since December 2021, which continues the generally positive trend that has been ongoing since early 2023.

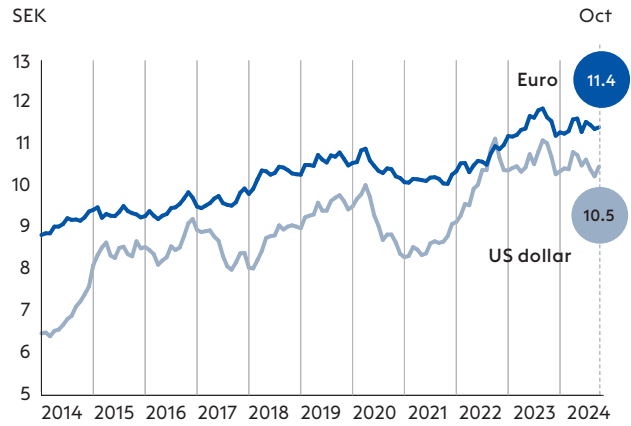


Confidence indicators for business and households in Sweden, up to and including October.

Source: The National Institute of Economic Research

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

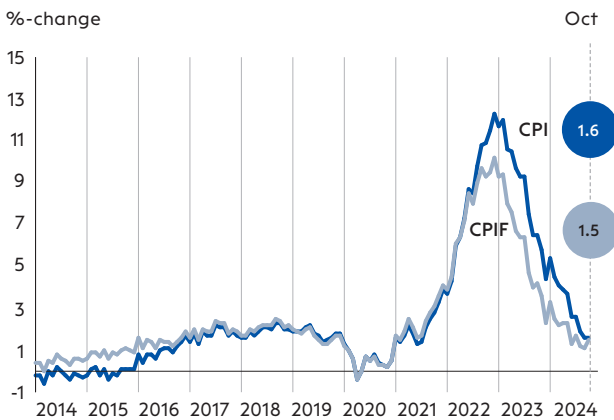
In October, the Swedish Krona weakened slightly against the Euro and significantly against the US dollar. However, the Swedish Krona is far stronger than a year ago compared to both the Euro and the US dollar.



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

Source: The Central Bank of Sweden

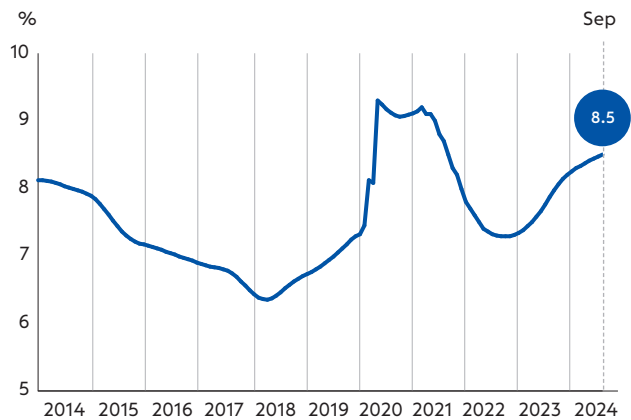
The inflation rate according to the Consumer Price Index (CPI) remained at 1.6 percent in October, while the Consumer Price Index with fixed interest rates (CPIF) increased from 1.1 percent in September to 1.5 percent in October.



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

Source: Statistics Sweden

The unemployment rate in Sweden reached 8.5 percent in September which is the highest level since October 2021. The increase has slowed down compared to the beginning of 2024.



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

Source: The laborforce survey (Statistics Sweden)

1.6%

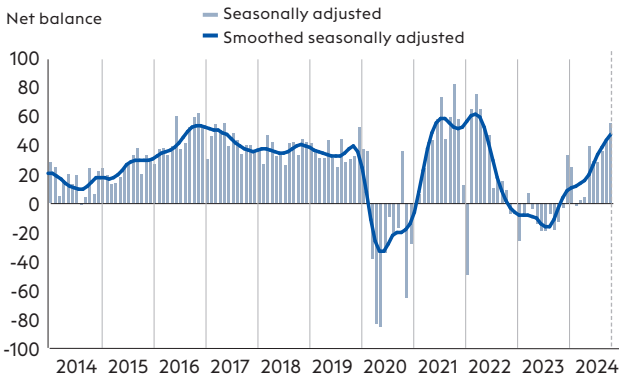
OCTOBER INFLATION RATE CPI

1.5%

OCTOBER INFLATION RATE CPIF

SWEDISH HOTEL MARKET SUMMARY

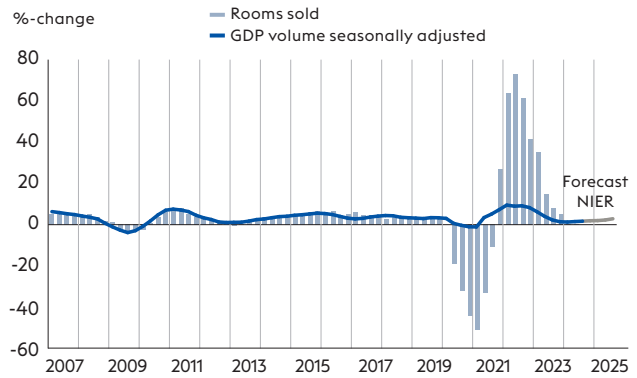
Half of the companies surveyed in October expect no change in the demand for their services for the next three months. The seasonally adjusted and smoothed expectations of future demand increased to 48 units.



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

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

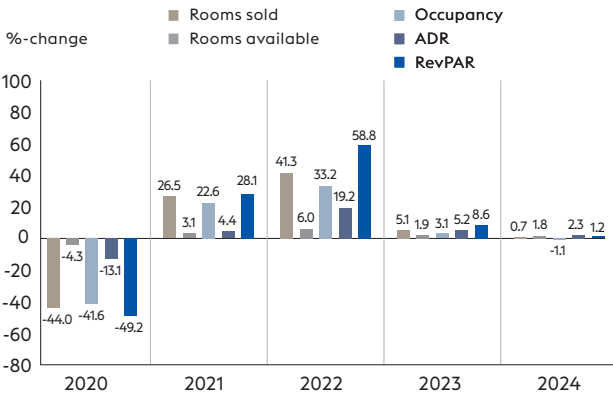
The GDP forecast anticipates a slow positive trend for the coming few quarters. Historically, the connection between GDP and the hotel industry has been strong.



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

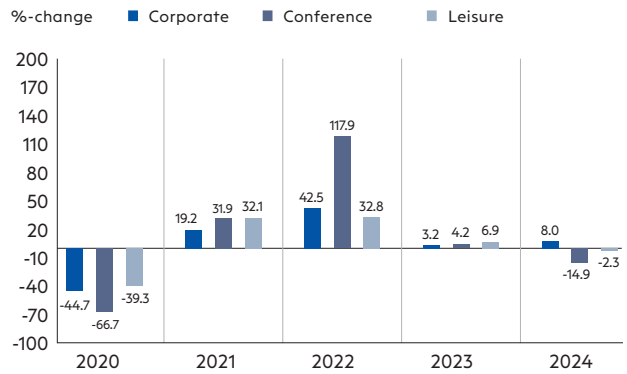
The key indicators for the period January to September 2024 were very similar to the same period last year. The number of rooms sold increased by less than 1 percent while the occupancy rate decreased by 1.1 percentage points. ADR increased by 2.3 percent.



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

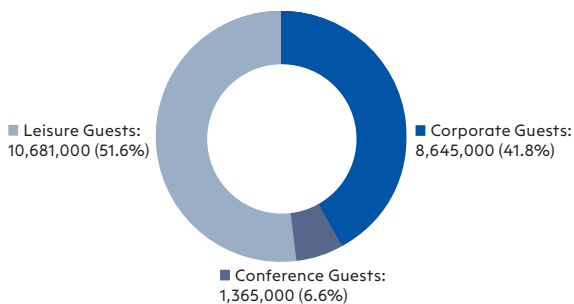
Source: The Swedish Growth Agency/Statistics Sweden

The number of occupied rooms by conference guests between January and September 2024 decreased by almost 15 percent compared to the same period in 2023. The leisure segment also decreased - although only slightly - while the number of rooms occupied by corporate guests increased.



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

Source: The Swedish Growth Agency/Statistics Sweden



The leisure segment accounted for 51.6 percent of the occupied rooms between January and September 2024.

Distribution of occupied hotel rooms between different demand segments in the Swedish hotel market, January-September 2024.

Source: The Swedish Growth Agency/Statistics Sweden

TRENDS IN SWEDEN'S 25 LARGEST HOTEL MUNICIPALITIES

	MONTH SEPTEMBER											
	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2024	2023		2024	2023		2024	2023		2024	2023	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	538	523	3.0	78.4	77.3	1.4	1,673	1,580	5.9	1,311	1,220	7.4
GOTHENBURG	241	237	1.7	70.8	74.4	-4.9	1,253	1,299	-3.5	887	967	-8.3
MALMÖ	122	122	-0.1	74.9	75.6	-0.9	1,126	1,072	5.0	843	811	4.1
SIGTUNA	80	84	-4.1	73.3	75.0	-2.3	1,113	1,071	3.9	815	803	1.5
SOLNA	61	57	7.2	69.5	64.8	7.2	1,128	1,130	-0.2	784	733	7.1
JÖNKÖPING	42	44	-5.5	60.7	64.3	-5.7	1,058	1,131	-6.4	642	727	-11.7
HELSINGBORG	41	41	-1.6	65.1	65.3	-0.2	1,102	1,123	-1.8	718	733	-2.1
UMEÅ	40	42	-5.1	62.9	66.4	-5.3	926	987	-6.2	582	656	-11.2
UPPSALA	42	42	-0.7	71.4	71.6	-0.3	1,051	1,086	-3.2	750	778	-3.5
LINKÖPING	43	43	-0.1	68.7	69.0	-0.5	1,028	995	3.2	706	687	2.7
LUND	37	35	5.5	69.5	67.1	3.7	1,120	1,071	4.6	779	718	8.5
KARLSTAD	33	33	1.6	71.3	77.9	-8.5	1,105	1,079	2.4	788	841	-6.3
ÖREBRO	35	34	2.9	70.8	68.9	2.8	1,236	1,180	4.7	875	813	7.7
VÄSTERÅS	32	34	-5.8	73.8	79.0	-6.6	1,204	1,149	4.7	889	908	-2.1
SUNDSVALL	32	33	-2.3	61.2	61.9	-1.1	958	978	-2.0	586	605	-3.1
NORRKÖPING	31	31	2.1	63.2	63.6	-0.6	1,105	1,125	-1.8	699	715	-2.3
LULEÅ	27	22	19.5	72.2	60.9	18.6	1,077	1,038	3.8	777	632	23.0
GOTLAND	26	29	-12.2	50.5	58.7	-14.0	1,135	1,226	-7.5	573	720	-20.4
NACKA	28	29	-2.9	70.4	68.2	3.2	1,424	1,374	3.6	1,002	937	6.9
HALMSTAD	27	27	-2.0	59.0	61.9	-4.8	1,186	1,235	-3.9	699	764	-8.5
GÄVLE	22	23	-2.6	70.5	71.0	-0.7	1,195	1,102	8.4	843	783	7.6
ÖSTERSUND	18	18	-2.3	64.7	67.0	-3.4	959	946	1.4	620	634	-2.1
VÄXJÖ	18	18	-2.5	63.0	64.8	-2.8	1,130	1,140	-0.8	712	739	-3.6
KALMAR	20	20	3.8	73.4	72.3	1.5	1,124	1,075	4.5	825	778	6.1
SÖDERTÄLJE	18	19	-4.5	58.3	61.1	-4.5	1,097	1,149	-4.6	640	702	-8.8
SWEDEN	2,537	2,517	0.8	63.9	64.3	-0.7	1,258	1,232	2.1	804	793	1.5

The most positive rate of change for each variable is highlighted in grey.

Source: The Swedish Agency for Economic and Regional Growth/Statistics Sweden

	YEAR-TO-DATE, JANUARY - SEPTEMBER											
	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2024	2023		2024	2023		2024	2023		2024	2023	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	4,354	4,253	2.4	70.1	69.9	0.4	1,541	1,421	8.5	1,081	993	8.9
GOTHENBURG	2,006	1,990	0.8	66.5	69.4	-4.2	1,204	1,346	-10.6	801	934	-14.3
MALMÖ	995	1,000	-0.6	68.2	68.5	-0.5	1,078	1,016	6.2	735	696	5.6
SIGTUNA	604	612	-1.3	62.4	64.0	-2.6	1,056	1,049	0.6	659	672	-1.9
SOLNA	462	440	4.8	59.3	54.8	8.2	1,085	1,035	4.9	643	567	13.5
JÖNKÖPING	362	340	6.3	58.3	56.0	4.0	1,061	1,033	2.8	618	578	6.9
HELSINGBORG	340	340	0.0	58.5	60.0	-2.4	1,133	1,136	-0.3	663	681	-2.6
UMEÅ	346	355	-2.6	59.4	62.1	-4.3	923	934	-1.1	549	579	-5.3
UPPSALA	329	340	-3.0	62.3	64.2	-3.0	978	1,024	-4.5	609	658	-7.4
LINKÖPING	333	324	2.8	59.5	58.0	2.6	940	915	2.7	559	531	5.4
LUND	295	279	5.9	60.3	59.6	1.2	1,070	1,045	2.4	646	623	3.6
KARLSTAD	272	253	7.2	66.8	66.4	0.5	1,070	993	7.8	715	659	8.4
ÖREBRO	284	280	1.5	63.0	62.7	0.4	1,088	1,077	1.0	685	676	1.4
VÄSTERÅS	269	271	-0.9	67.3	69.4	-3.0	1,133	1,065	6.4	763	739	3.2
SUNDSVALL	260	264	-1.4	53.7	54.2	-0.8	939	941	-0.3	505	510	-1.0
NORRKÖPING	257	244	5.2	58.3	56.3	3.5	1,119	1,145	-2.2	652	645	1.1
LULEÅ	221	213	3.9	65.9	64.0	3.0	1,061	1,018	4.2	699	651	7.3
GOTLAND	220	228	-3.5	51.9	55.0	-5.7	1,407	1,407	0.0	730	774	-5.7
NACKA	229	212	7.8	63.4	57.1	11.1	1,362	1,463	-6.9	864	835	3.5
HALMSTAD	227	215	5.6	57.1	56.0	2.0	1,223	1,315	-7.0	698	736	-5.1
GÄVLE	175	184	-4.8	63.0	64.1	-1.7	1,064	1,014	4.9	670	650	3.1
ÖSTERSUND	167	166	1.0	67.1	67.3	-0.3	980	975	0.5	658	656	0.2
VÄXJÖ	152	156	-2.7	59.6	61.7	-3.4	1,052	1,040	1.2	626	641	-2.3
KALMAR	155	158	-2.1	63.3	66.5	-4.8	1,209	1,163	3.9	765	774	-1.1
SÖDERTÄLJE	136	143	-5.2	51.5	50.5	1.9	1,103	1,036	6.4	568	524	8.5
SWEDEN	20,692	20,543	0.7	58.1	58.7	-1.1	1,216	1,188	2.3	706	698	1.2

The most positive rate of change for each variable is highlighted in grey.

Source: The Swedish Agency for Economic and Regional Growth/Statistics Sweden

	12-MONTH ROLLING, AVERAGE OCTOBER – SEPTEMBER											
	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2024	2023		2024	2023		2024	2023		2024	2023	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	5,709	5,636	1.3	69.2	69.1	0.3	1,512	1,400	8.0	1,047	967	8.3
GOTHENBURG	2,664	2,593	2.7	66.2	68.4	-3.2	1,200	1,321	-9.2	795	904	-12.1
MALMÖ	1,301	1,291	0.7	66.7	66.2	0.7	1,061	1,003	5.9	708	664	6.6
SIGTUNA	801	802	-0.1	61.6	63.2	-2.6	1,055	1,049	0.5	650	663	-2.0
SOLNA	605	585	3.4	58.0	53.9	7.7	1,084	1,030	5.2	629	555	13.3
JÖNKÖPING	467	445	5.0	56.4	55.1	2.4	1,077	1,057	1.9	607	582	4.3
HELSINGBORG	435	430	1.0	56.2	57.0	-1.3	1,105	1,104	0.1	621	629	-1.3
UMEÅ	460	471	-2.4	59.6	61.6	-3.4	934	927	0.7	556	571	-2.6
UPPSALA	439	443	-0.8	62.2	64.1	-3.0	1,000	1,015	-1.5	622	651	-4.5
LINKÖPING	433	425	1.7	59.0	57.4	2.8	943	912	3.3	556	524	6.2
LUND	383	361	6.3	59.0	57.3	3.1	1,067	1,050	1.7	630	601	4.8
KARLSTAD	357	330	8.3	66.8	64.8	3.1	1,065	1,001	6.5	712	649	9.8
ÖREBRO	373	370	0.7	62.4	62.5	-0.2	1,098	1,077	1.9	685	674	1.7
VÄSTERÅS	361	361	0.1	67.8	68.7	-1.4	1,136	1,069	6.3	770	735	4.8
SUNDSVALL	346	352	-1.6	53.4	54.1	-1.2	945	935	1.1	505	506	-0.1
NORRKÖPING	335	320	4.7	57.3	55.5	3.2	1,118	1,125	-0.6	640	624	2.6
LULEÅ	286	284	1.0	64.2	63.2	1.7	1,051	990	6.2	675	625	7.9
GOTLAND	261	272	-4.2	48.4	51.6	-6.0	1,327	1,324	0.3	643	682	-5.8
NACKA	300	286	4.8	61.8	57.3	7.9	1,393	1,459	-4.5	860	835	3.0
HALMSTAD	287	279	2.8	54.7	54.4	0.6	1,210	1,264	-4.3	662	687	-3.7
GÄVLE	234	245	-4.7	62.6	63.7	-1.8	1,064	1,009	5.5	666	643	3.6
ÖSTERSUND	216	218	-0.9	66.3	66.4	-0.1	991	963	2.9	657	639	2.8
VÄXJÖ	203	209	-2.8	59.9	62.0	-3.3	1,060	1,041	1.8	635	645	-1.5
KALMAR	197	204	-3.1	60.8	63.8	-4.6	1,154	1,112	3.8	702	709	-1.0
SÖDERTÄLJE	176	187	-6.1	51.5	50.8	1.4	1,105	1,033	7.0	569	524	8.6
SWEDEN	26,921	26,792	0.5	57.0	57.6	-1.1	1,204	1,174	2.5	686	677	1.4

The most positive rate of change for each variable is highlighted in grey.

Source: The Swedish Agency for Economic and Regional Growth/Statistics Sweden

NORDIC HOTEL MARKET – COUNTRIES AND CAPITAL CITIES

MONTH SEPTEMBER

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2024	2023		2024	2023		2024	2023		2024	2023	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	2,537	2,517	0.8	63.9	64.3	-0.7	1,258	1,232	2.1	804	793	1.5
DENMARK	1,376	1,339	2.8	68.0	68.0	0.0	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	942	1,008	-6.5	54.5	57.8	-5.7	1,188	1,232	0.6	648	712	-5.1
NORWAY	1,713	1,647	4.0	63.0	61.9	1.8	1,355	1,365	6.4	854	845	8.4
STOCKHOLM	538	523	3.0	78.4	77.3	1.4	1,673	1,580	5.9	1,311	1,220	7.4
COPENHAGEN	615	588	4.6	84.0	81.0	3.7	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	247	249	-1.0	64.0	67.6	-5.3	1,317	1,361	1.0	843	920	-4.4
OSLO	360	354	1.8	79.9	77.1	3.6	1,561	1,601	4.5	1,247	1,235	8.2

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

YEAR-TO-DATE JANUARY – SEPTEMBER

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2024	2023		2024	2023		2024	2023		2024	2023	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	20,692	20,543	0.7	58.1	58.7	-1.1	1,216	1,188	2.3	706	698	1.2
DENMARK	10,854	10,548	2.9	60.6	59.7	1.5	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	8,458	8,429	0.3	53.4	53.4	0.0	1,244	1,269	2.2	665	678	2.2
NORWAY	13,836	13,188	4.9	57.6	55.0	4.8	1,332	1,344	6.2	767	739	11.3
STOCKHOLM	4,354	4,253	2.4	70.1	69.9	0.4	1,541	1,421	8.5	1,081	993	8.9
COPENHAGEN	4,786	4,588	4.3	72.2	69.8	3.5	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	2,066	1,930	7.1	59.1	57.2	3.4	1,301	1,327	2.2	769	759	5.7
OSLO	2,816	2,720	3.5	68.8	65.5	5.1	1,442	1,505	2.7	992	986	7.9

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 OCTOBER – SEPTEMBER

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2024	2023		2024	2023		2024	2023		2024	2023	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	26,921	26,792	0.5	57.0	57.6	-1.1	1,204	1,174	2.5	686	677	1.4
DENMARK	13,990	13,627	2.7	58.9	58.2	1.2	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	11,062	11,051	0.1	52.5	52.5	0.0	1,255	1,278	2.4	659	671	2.4
NORWAY	17,574	16,866	4.2	55.6	52.8	5.2	1,309	1,322	6.1	727	699	11.6
STOCKHOLM	5,709	5,636	1.3	69.2	69.1	0.3	1,512	1,400	8.0	1,047	967	8.3
COPENHAGEN	6,236	5,966	4.5	70.7	68.0	3.9	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	2,696	2,556	5.5	58.1	56.4	2.8	1,305	1,335	1.9	758	754	4.8
OSLO	3,680	3,544	3.8	67.6	63.9	5.9	1,418	1,484	2.5	959	948	8.5

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

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.

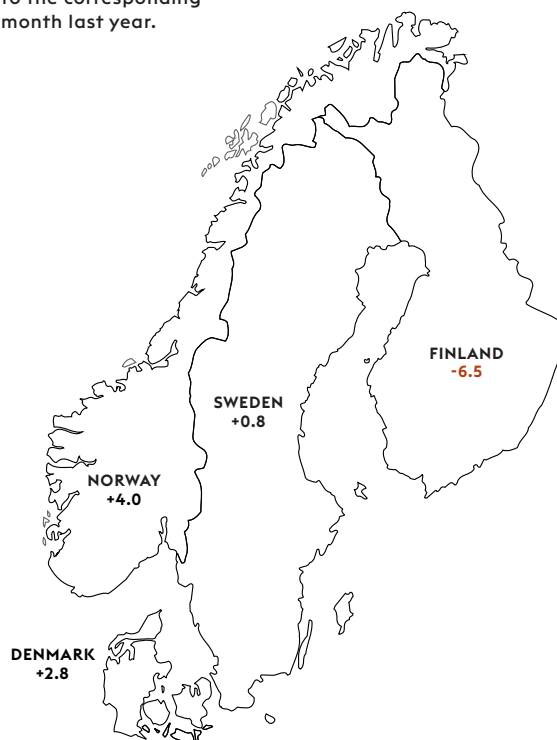
ADR: Accommodation revenue/Rooms sold.

RevPAR: Occupancy x ADR.

N/A: Not available.

ROOMS SOLD IN THE NORDICS IN SEPTEMBER

%-change compared to the corresponding month last year.



3.0%

INCREASE IN NUMBER OF ROOMS SOLD
IN STOCKHOLM, SEPTEMBER 2024

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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We'll be back again in December 2024.

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