

HOTEL MARKET UPDATE

25/01

NORDIC
HOTEL
MARKET
TRENDS
AND
ECONOMIC
INDICATORS



Annordia

HOSPITALITY CONSULTING

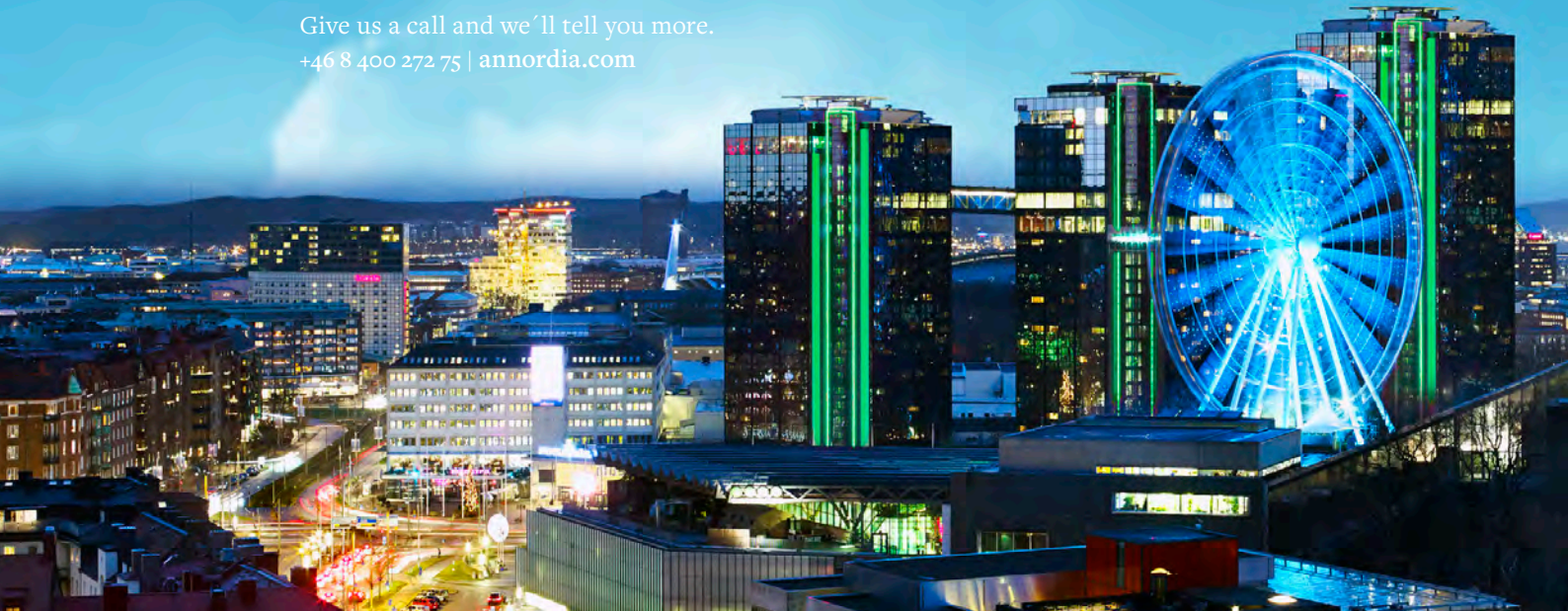
A full-service advisor for hotel investments in real estate

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.

Annordia deploys its extensive experience and international network to not only increase property values but also to enhance the local environment.

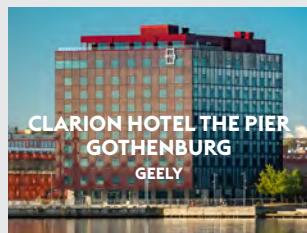
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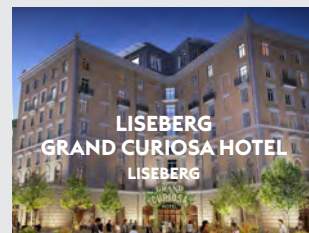
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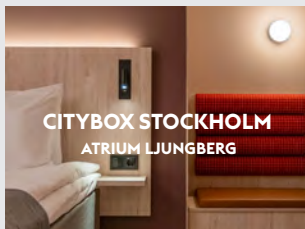
Market analysis
Establish the feasibility of a potential hotel investment.



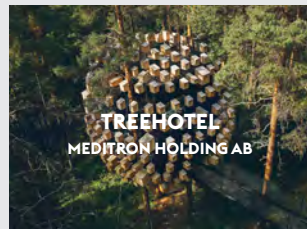
Concept development
Hotel planning and optimisation based on market characteristics.



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

The number of rooms sold in Sweden increased by 1.7 percent in November 2024, while the occupancy rate and the ADR increased by less than 1 percent compared to the same month in 2023.

Stockholm and Gothenburg saw positive key indicators, with a significant increase in the number of rooms sold (more than 5 percent). The occupancy rate and the ADR increased as well, leading to an increase in RevPAR of 4.7 percent in Stockholm and 3.6 percent in Gothenburg. However, a majority of the 25 largest hotel municipalities in Sweden saw negative trends in their key indicators in November compared to November 2023.

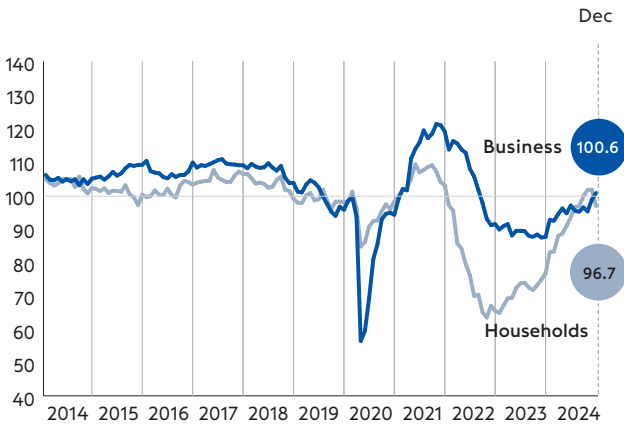
Inflation in Sweden decreased in December and has been steady below Riksbanken's target of 2 percent since the summer of 2024. However, the unemployment rate remains relatively high and the Swedish Krona is still weak compared to the euro and the US dollar.

In general, the Nordic countries saw significant increases in the key indicators in November compared to the same month last year. RevPAR increased by 12.9 percent in Norway and 16.2 percent in Oslo, mainly driven by high ADR:s, while 12.7 percent more rooms were sold in Helsinki where the occupancy rate increased from 59.7 to 65.0 percent.

- The value of the Swedish Krona continued to decrease relative to the US dollar but increased slightly relative to the euro – see exchange rates on page 2.
- The unemployment rate increased for the 24th consecutive month and reached 8.5 percent in November – see unemployment rate on page 2.
- There is increased positivity in the business sector according to the confidence indicator – see confidence indicators on page 2.

MACRO INDICATORS IN SWEDEN

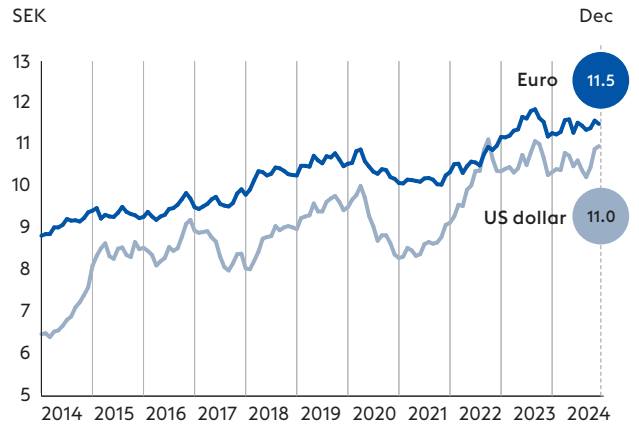
The household indicator decreased by almost five units after having reached its highest level in almost three years in November. The business indicator continued its positive trend and reached above 100 units for the first time since August 2022.



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

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

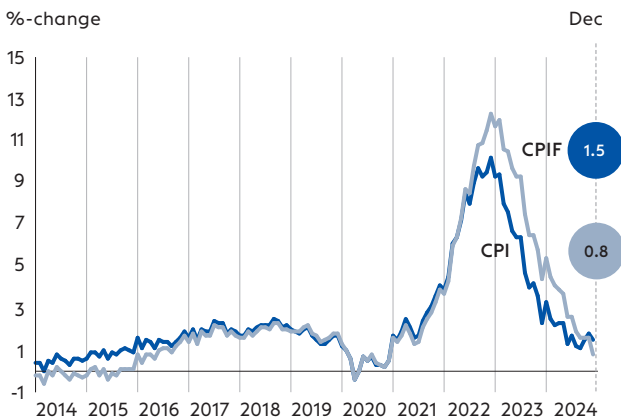
In December, the US dollar reached its highest level against the Swedish Krona in all of 2024. The Swedish Krona strengthened slightly against the euro but was still much weaker than in the beginning of 2024.



The development of the Swedish Krona against the euro and the US dollar, up to and including December.

Source: The Central Bank of Sweden

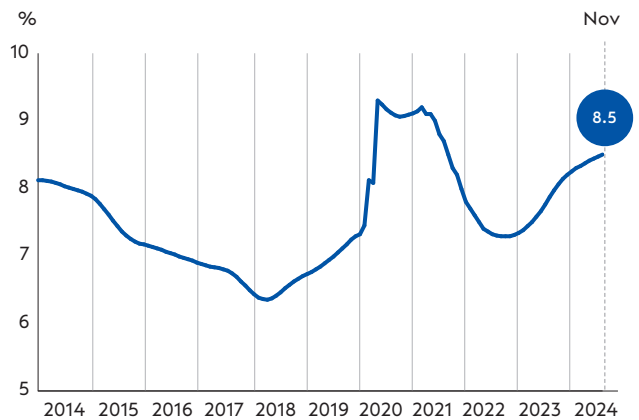
The inflation rate according to the CPI dropped significantly from 1.6 to 0.8 percent, which is the lowest level since December 2020. The Consumer Price Index with Fixed interest rates (CPIF) decreased to 1.5 percent, which is well below the 2.0-percent target set by Riksbanken.



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

Source: Statistics Sweden

The unemployment rate remained at around 8.5 percent in November, which is the highest level since the pandemic. The unemployment rate has increased for 24 consecutive months, though the increase has been very limited in recent months.



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

Source: The laborforce survey (Statistics Sweden)

0.8%

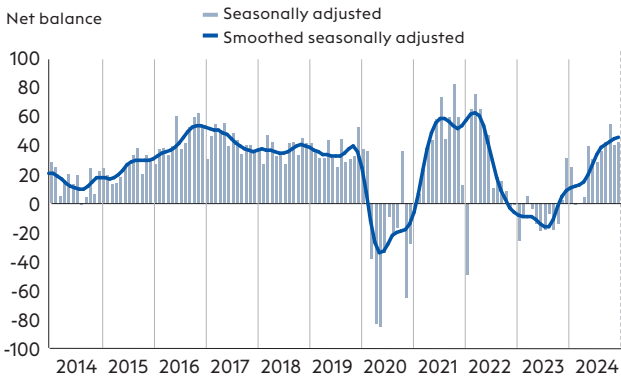
DECEMBER INFLATION RATE CPI

1.5%

DECEMBER INFLATION RATE CPIF

SWEDISH HOTEL MARKET SUMMARY

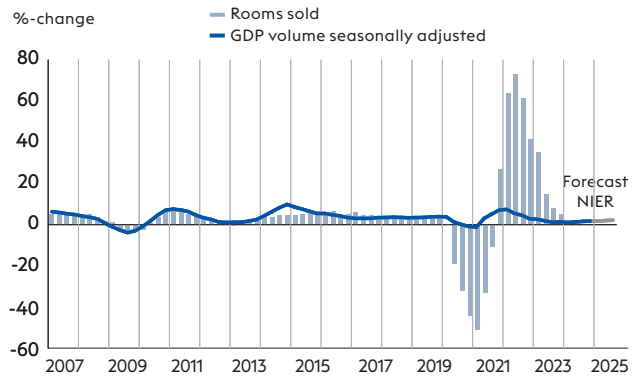
The seasonally adjusted and smoothed expectations of future demand increased from 45 to 46 units. Among the companies surveyed, unchanged future demand was the most common response by a large margin.



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

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

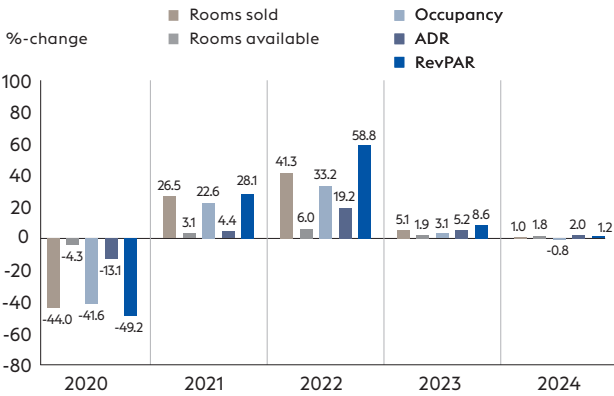
The GDP forecast anticipates a slow positive trend for the coming few quarters. Historically, the connection between GDP and the hotel industry has been strong.



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

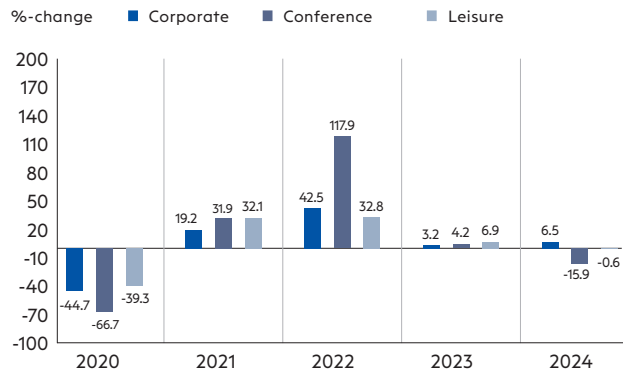
The key indicators for the period January to November 2024 were similar to the same period last year. The number of rooms sold increased by 1 percent while the occupancy rate decreased by 0.8 percentage points. ADR increased by 2 percent, which led to an increase in RevPAR by 1.2 percent.



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

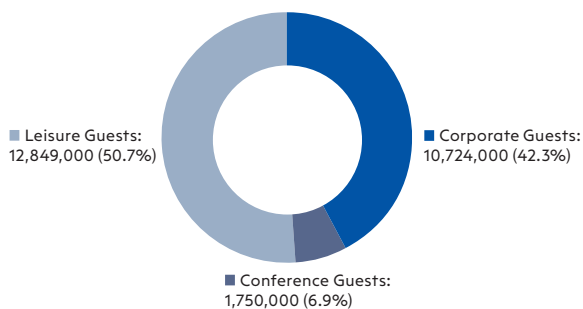
Source: The Swedish Growth Agency/Statistics Sweden

The number of rooms occupied by conference guests between January and November 2024 decreased by almost 16 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 November.

Source: The Swedish Growth Agency/Statistics Sweden



The leisure segment accounted for almost 51 percent of the occupied rooms between January and November 2024.

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

Source: The Swedish Growth Agency/Statistics Sweden

TRENDS IN SWEDEN'S 25 LARGEST HOTEL MUNICIPALITIES

	MONTH NOVEMBER											
	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2024	2023		2024	2023		2024	2023		2024	2023	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	497	472	5.3	71.5	70.4	1.5	1,507	1,461	3.1	1,077	1,029	4.7
GOTHENBURG	230	218	5.4	67.7	66.0	2.6	1,192	1,180	1.0	807	778	3.6
MALMÖ	106	107	-1.5	66.3	67.0	-1.1	1,011	1,034	-2.2	670	693	-3.3
SIGTUNA	66	68	-1.8	60.9	59.5	2.4	1,085	1,053	3.0	660	626	5.4
SOLNA	56	52	7.2	64.9	60.4	7.6	1,100	1,101	-0.1	714	664	7.5
JÖNKÖPING	36	43	-15.6	53.3	61.6	-13.5	1,149	1,292	-11.1	612	796	-23.1
HELSINGBORG	36	35	3.9	57.9	54.5	6.3	965	1,054	-8.5	558	574	-2.7
UMEÅ	40	42	-4.2	62.4	65.5	-4.7	918	1,029	-10.8	573	674	-15.0
UPPSALA	39	41	-3.4	66.9	69.0	-3.1	1,024	1,088	-5.9	685	751	-8.8
LINKÖPING	40	35	13.5	63.9	64.7	-1.3	967	984	-1.7	618	636	-2.9
LUND	33	32	3.5	61.5	60.4	1.9	1,043	1,084	-3.8	642	655	-2.0
KARLSTAD	30	30	-1.5	64.2	71.5	-10.2	1,121	1,069	4.9	720	765	-5.8
ÖREBRO	30	30	-0.4	61.9	62.0	-0.2	1,122	1,155	-2.8	695	716	-3.0
VÄSTERÅS	31	33	-6.7	70.0	75.3	-7.1	1,214	1,180	2.8	849	889	-4.5
SUNDSVALL	29	29	1.1	54.7	53.0	3.2	975	941	3.6	534	499	7.0
NORRKÖPING	29	29	-0.1	60.2	60.1	0.2	1,073	1,157	-7.3	646	695	-7.1
LULEÅ	29	24	21.7	69.4	64.6	7.3	1,111	1,058	5.0	771	684	12.7
GOTLAND	11	11	0.5	30.6	30.5	0.4	746	787	-5.2	228	240	-4.9
NACKA	24	26	-5.6	59.5	62.2	-4.4	1,306	1,352	-3.4	777	841	-7.6
HALMSTAD	21	22	-4.6	47.7	51.8	-7.8	1,058	1,159	-8.7	505	600	-15.9
GÄVLE	23	21	8.2	70.4	67.7	3.9	1,078	1,096	-1.7	758	742	2.1
ÖSTERSUND	17	15	12.8	63.8	70.2	-9.1	1,007	1,031	-2.3	643	723	-11.1
VÄXJÖ	17	18	-4.5	61.8	64.6	-4.4	1,122	1,097	2.3	693	708	-2.2
KALMAR	16	15	10.4	59.0	55.2	6.9	994	954	4.2	587	526	11.4
SÖDERTÄLJE	14	15	-4.2	55.4	58.3	-4.8	1,087	1,144	-5.0	603	667	-9.6
SWEDEN	2,215	2,178	1.7	57.1	57.0	0.3	1,182	1,175	0.6	675	670	0.9

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 - NOVEMBER											
	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2024	2023		2024	2023		2024	2023		2024	2023	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	5,382	5,228	3.0	70.6	70.1	0.7	1,533	1,428	7.3	1,082	1,001	8.1
GOTHENBURG	2,477	2,449	1.1	66.8	69.2	-3.5	1,201	1,316	-8.8	803	912	-11.9
MALMÖ	1,211	1,223	-1.0	67.9	68.4	-0.8	1,069	1,020	4.8	725	698	3.9
SIGTUNA	745	757	-1.5	62.7	63.8	-1.8	1,061	1,054	0.6	665	673	-1.2
SOLNA	575	545	5.5	60.2	55.6	8.4	1,083	1,048	3.3	652	582	11.9
JÖNKÖPING	437	421	4.0	57.6	56.2	2.4	1,071	1,065	0.6	617	599	3.0
HELSINGBORG	411	408	0.5	58.1	58.7	-1.2	1,102	1,119	-1.5	640	657	-2.6
UMEÅ	433	441	-1.8	60.8	62.9	-3.3	925	946	-2.2	562	595	-5.4
UPPSALA	413	422	-2.1	63.7	65.0	-2.1	991	1,039	-4.5	631	675	-6.5
LINKÖPING	416	399	4.3	60.6	58.9	2.9	944	927	1.9	572	546	4.8
LUND	362	343	5.6	60.7	59.8	1.4	1,067	1,052	1.4	647	630	2.8
KARLSTAD	334	318	4.9	66.6	68.0	-2.1	1,079	1,009	7.0	719	686	4.7
ÖREBRO	351	347	1.2	63.7	63.5	0.3	1,097	1,092	0.4	699	694	0.7
VÄSTERÅS	332	339	-1.9	68.0	70.6	-3.6	1,150	1,083	6.1	782	765	2.3
SUNDSVALL	324	328	-1.1	54.7	54.9	-0.4	946	946	0.0	517	519	-0.3
NORRKÖPING	319	303	5.2	59.2	57.1	3.7	1,112	1,147	-3.1	658	655	0.4
LULEÅ	276	258	6.9	66.3	63.8	4.0	1,067	1,022	4.3	707	652	8.5
GOTLAND	252	260	-3.3	49.7	52.4	-5.1	1,343	1,346	-0.2	667	705	-5.3
NACKA	279	264	5.9	63.0	58.0	8.6	1,357	1,483	-8.5	855	861	-0.6
HALMSTAD	271	261	4.1	55.6	55.2	0.7	1,199	1,291	-7.1	666	712	-6.5
GÄVLE	221	227	-2.6	64.4	64.6	-0.2	1,070	1,026	4.3	689	662	4.1
ÖSTERSUND	203	200	1.5	66.5	67.5	-1.4	983	979	0.4	654	661	-1.0
VÄXJÖ	186	193	-3.3	59.8	62.2	-3.9	1,065	1,053	1.2	637	655	-2.8
KALMAR	191	190	0.5	63.6	65.0	-2.2	1,171	1,130	3.6	745	735	1.4
SÖDERTÄLJE	168	173	-2.9	52.2	51.3	1.7	1,100	1,054	4.4	574	541	6.1
SWEDEN	25,324	25,083	1.0	58.2	58.6	-0.8	1,209	1,186	2.0	703	695	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 DECEMBER – NOVEMBER

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2024	2023		2024	2023		2024	2023		2024	2023	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	5,762	5,611	2.7	69.5	69.0	0.7	1,518	1,418	7.1	1,055	978	7.9
GOTHENBURG	2,676	2,618	2.2	66.2	68.1	-2.7	1,200	1,308	-8.3	794	890	-10.8
MALMÖ	1,295	1,301	-0.5	66.4	66.7	-0.4	1,059	1,012	4.7	704	675	4.2
SIGTUNA	798	810	-1.5	61.8	62.9	-1.9	1,056	1,050	0.5	652	661	-1.3
SOLNA	614	582	5.5	58.9	54.2	8.7	1,078	1,038	3.9	635	563	12.9
JÖNKÖPING	462	445	3.7	55.9	54.8	2.1	1,062	1,057	0.5	594	579	2.6
HELSINGBORG	437	434	0.7	56.6	57.4	-1.3	1,092	1,109	-1.6	618	636	-2.8
UMEÅ	462	469	-1.6	59.7	61.4	-2.9	922	941	-2.1	550	578	-4.9
UPPSALA	440	448	-1.7	62.4	63.8	-2.2	990	1,030	-3.9	617	657	-6.0
LINKÖPING	441	422	4.4	59.5	57.4	3.6	940	921	2.0	559	529	5.7
LUND	386	366	5.5	59.3	58.5	1.4	1,062	1,050	1.2	630	614	2.6
KARLSTAD	355	339	4.6	65.3	66.5	-1.8	1,074	1,007	6.7	701	669	4.7
ÖREBRO	373	370	0.6	62.4	62.2	0.2	1,095	1,085	0.9	683	675	1.1
VÄSTERÅS	358	364	-1.6	67.0	69.3	-3.3	1,147	1,080	6.2	769	748	2.7
SUNDSVALL	346	351	-1.5	53.6	53.9	-0.7	948	945	0.3	508	510	-0.4
NORRKÖPING	338	321	5.1	57.7	55.7	3.6	1,105	1,138	-2.9	638	634	0.6
LULEÅ	296	278	6.4	65.2	62.8	3.7	1,060	1,014	4.5	690	637	8.4
GOTLAND	261	270	-3.5	48.4	51.0	-5.2	1,326	1,327	-0.1	641	677	-5.2
NACKA	299	284	5.0	61.6	57.4	7.4	1,352	1,476	-8.4	833	847	-1.6
HALMSTAD	286	277	3.2	54.2	53.9	0.6	1,194	1,281	-6.8	647	690	-6.3
GÄVLE	237	244	-3.0	63.3	63.5	-0.4	1,068	1,019	4.8	676	647	4.3
ÖSTERSUND	218	214	1.6	65.7	66.3	-0.9	990	974	1.7	650	645	0.8
VÄXJÖ	201	206	-2.6	59.3	61.3	-3.4	1,063	1,050	1.2	630	644	-2.2
KALMAR	202	201	0.4	61.9	63.0	-1.7	1,158	1,117	3.6	717	704	1.8
SÖDERTÄLJE	178	186	-4.0	51.5	50.4	2.2	1,097	1,052	4.2	565	531	6.5
SWEDEN	27,013	26,759	1.0	57.1	57.5	-0.7	1,204	1,181	2.0	687	678	1.3

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 NOVEMBER

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2024	2023		2024	2023		2024	2023		2024	2023	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	2,215	2,178	1.7	57.1	57.0	0.3	1,182	1,175	0.6	675	670	0.9
DENMARK	1,128	1,095	3.0	57.0	57.0	0.0	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	908	875	3.7	53.0	51.1	3.7	1,338	1,294	3.1	709	661	7.0
NORWAY	1,454	1,362	6.8	56.2	53.3	5.4	1,344	1,245	7.1	755	663	12.9
STOCKHOLM	497	472	5.3	71.5	70.4	1.5	1,507	1,461	3.1	1,077	1,029	4.7
COPENHAGEN	512	493	3.9	70.0	69.0	1.4	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	251	223	12.7	65.0	59.7	8.9	1,463	1,498	-2.5	951	894	6.1
OSLO	327	315	3.8	73.3	69.5	5.5	1,516	1,365	10.2	1,111	949	16.2

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 – NOVEMBER

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2024	2023		2024	2023		2024	2023		2024	2023	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	25,324	25,083	1.0	58.2	58.6	-0.8	1,209	1,186	2.0	703	695	1.2
DENMARK	13,276	12,859	3.2	60.4	59.5	1.6	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	10,273	10,189	0.8	53.3	52.9	0.7	1,268	1,237	2.3	676	655	3.0
NORWAY	16,795	15,963	5.2	57.3	54.6	4.9	1,357	1,267	6.3	778	692	11.5
STOCKHOLM	5,382	5,228	3.0	70.6	70.1	0.7	1,533	1,428	7.3	1,082	1,001	8.1
COPENHAGEN	5,877	5,615	4.7	72.4	70.0	3.5	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	2,565	2,369	8.3	59.9	57.3	4.6	1,335	1,307	1.8	800	749	6.5
OSLO	3,482	3,353	3.9	69.7	66.1	5.5	1,481	1,416	3.8	1,032	936	9.5

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

12-MONTH ROLLING AVERAGE DECEMBER – NOVEMBER

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2024	2023		2024	2023		2024	2023		2024	2023	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	27,013	26,759	1.0	57.1	57.5	-0.7	1,204	1,181	2.0	687	678	1.3
DENMARK	14,101	13,673	3.1	59.0	58.3	1.3	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	11,118	11,025	0.8	52.8	52.4	0.7	1,285	1,249	2.6	678	655	3.4
NORWAY	17,758	16,894	5.1	56.1	53.0	5.8	1,353	1,263	6.3	758	669	12.5
STOCKHOLM	5,762	5,611	2.7	69.5	69.0	0.7	1,518	1,418	7.1	1,055	978	7.9
COPENHAGEN	6,300	6,034	4.4	71.1	68.9	3.3	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	2,755	2,550	8.1	59.0	56.4	4.7	1,332	1,304	1.9	786	735	6.7
OSLO	3,714	3,574	3.9	68.5	64.5	6.2	1,473	1,409	3.7	1,008	909	10.1

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.

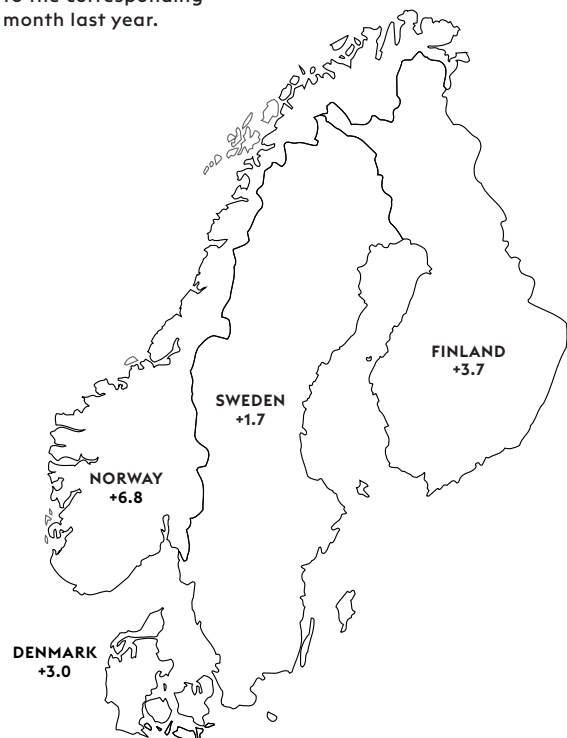
N/A: Not available.

12.7%

INCREASE IN NUMBER OF ROOMS SOLD
IN HELSINKI, NOVEMBER 2024

ROOMS SOLD IN THE NORDICS IN NOVEMBER

%-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.

CONTACT

Hans Åke Petersson
CEO & Partner
hansake.petersson@annordia.com
+46 70 699 37 51

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