HOTEL MARKET UPDATE

NORDIC HOTEL MARKET TRENDS AND ECONOMIC INDICATORS

May/21

When the migratory birds return in the spring, they signal hope that we will be able to travel again soon.

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.

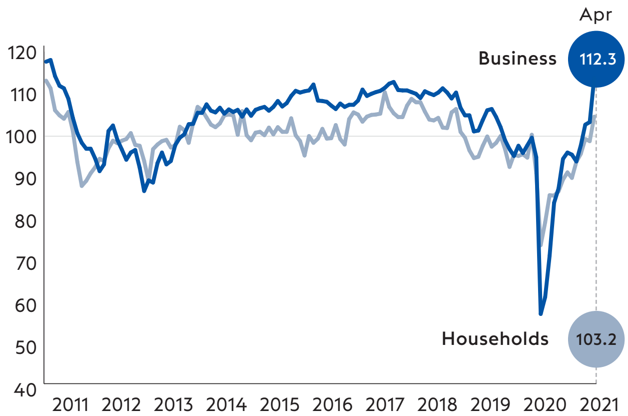
TALKING POINTS OF THE MONTH

After a year with negative figures, the tables are now showing some much needed optimism in the Swedish hotel market. However, please note that the comparison is made against a month with extremely low levels as the Covid-19 outbreak hit Sweden in mid-March last year. This will also apply to the coming months.

- The business confidence indicator rose in April to its highest level since March 2011 - see confidence indicators on page 2.
- Hotel companies' expectations of demand for hotel services over the forthcoming three months continues to improve. 6 out of 10 hotels expect increased demand for their services in three months′ time – see hotel companies' expectations on page 3.
- The demand for hotel rooms was overall lower in Sweden in March 2021 compared with the corresponding month in 2020. However, some municipalities surprinsingly showed an increase in demand. The largest decline was felt in Sigtuna (-42 percent), whilst the most positive change was in Gotland (+ 21 percent) - see page 5.
- Our Nordic neighbors experienced, like Sweden, a decrease in both demand and ADR in March. RevPAR decreased by 63 percent in Oslo, which was the most negative change out of all the Nordic capitals - see page 7.

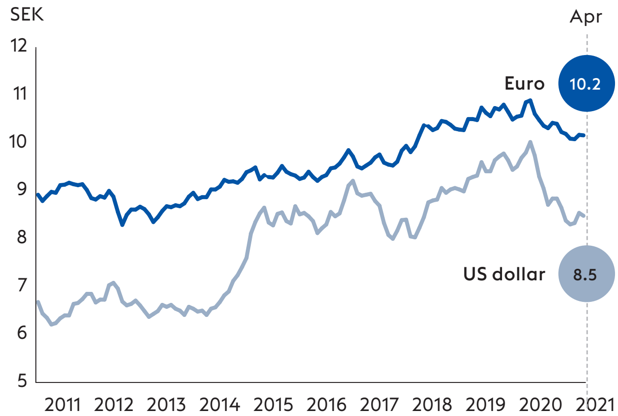
MACRO INDICATORS IN SWEDEN

The overall perceptions and expectations of businesses as well as among households improved sharply during April. The business confidence indicator rose to its highest level since March 2011 and households were well above the historical average.



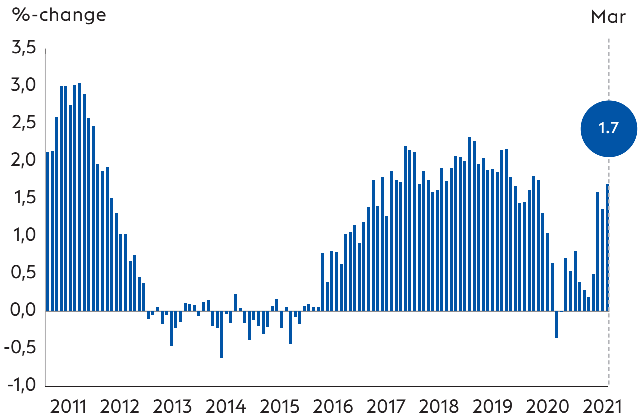
Confidence indicators for business and households in Sweden, up to and including April.
Source: The National Institute of Economic Research
Confidence indicators are an overall measure of the overall perceptions and expectations of business and households.

Exchange rates against both the Euro and the US dollar were largely unchanged compared with March. Compared with April 2020, however, the value of the krona has risen by 7 percent against the Euro and 15 percent against the US dollar.



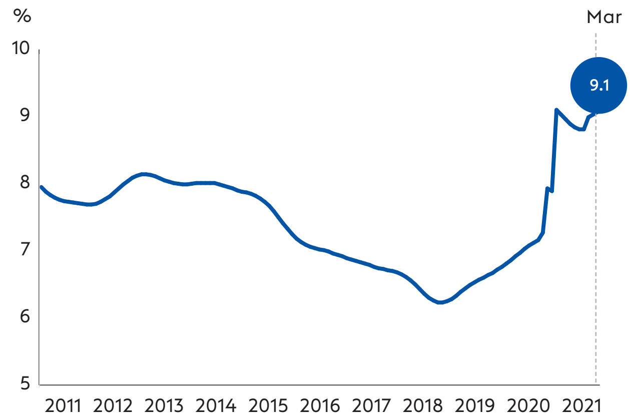
The development of the Swedish krona against the Euro and the US dollar, up to and including April.
Source: The Central Bank of Sweden

The inflation rate was 1.7 percent between April 2020 and April 2021. The rate has risen gradually month by month during the first quarter of 2021 and is approaching the Riksbank's target of two percent.



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

Unemployment remained at around nine percent in March. The level has been largely unchanged since the beginning of 2020 and is still at a very high level.



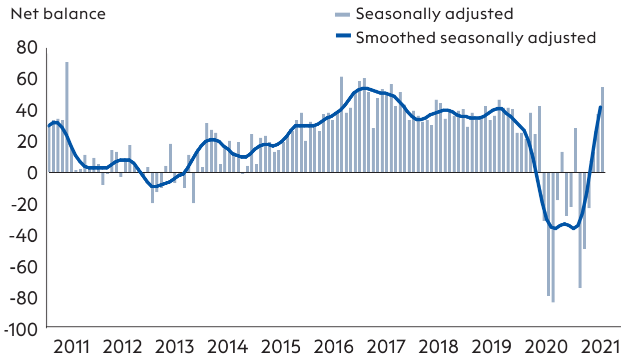
Unemployment (trend) as a percentage of the Swedish market up to and including March.
Source: The laborforce survey (Statistics Sweden)

1.7%

MARCH INFLATION LEVEL

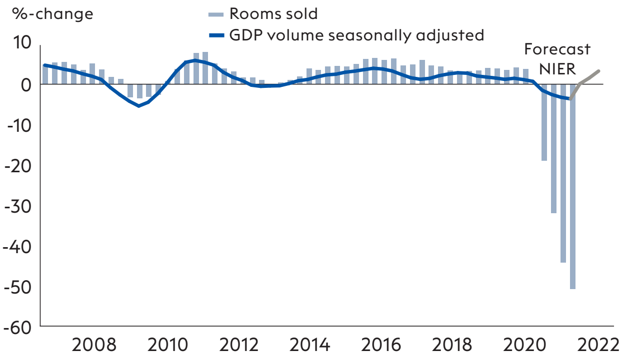
SWEDISH HOTEL MARKET SUMMARY

The Swedish hotel companies' expectations of demand continues to improve. 6 out of 10 hotels expect increased demand for their services in three months' time. Only a few percent expect a reduced demand.



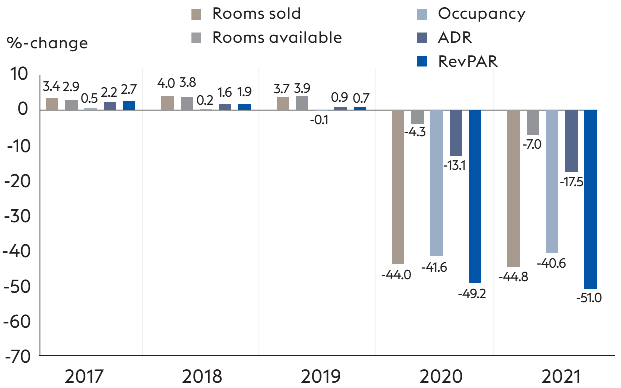
Swedish hotel companies' expectations of demand for their services in the next 3 months, up to and including April.
Source: The National Institute of Economic Research
Net balance: See definitions on page 8

Growth in the Swedish economy is expected to be strong in 2021 and 2022. The availability of effective vaccines gives optimism of an end to the pandemic and hope that a recovery in the Swedish hotel market can begin in earnest this summer.



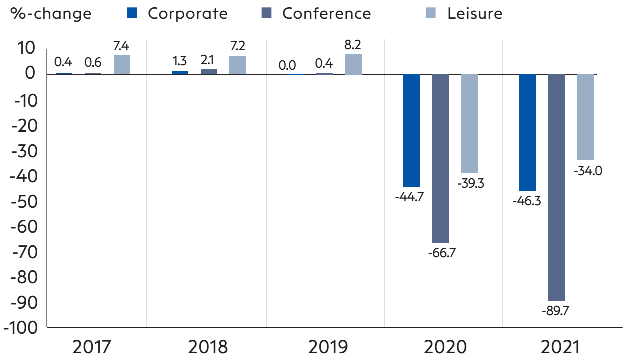
Development of occupied hotel rooms and GDP (volume) in Sweden, 4-quarter rolling averages.
Source: The Swedish Growth Agency/Statistics Sweden & the National Institute of Economic Research

RevPAR decreased by 51 percent up to and including March 2021 compared with the corresponding period last year. This is a result of a massive loss in demand combined with lower ADR.

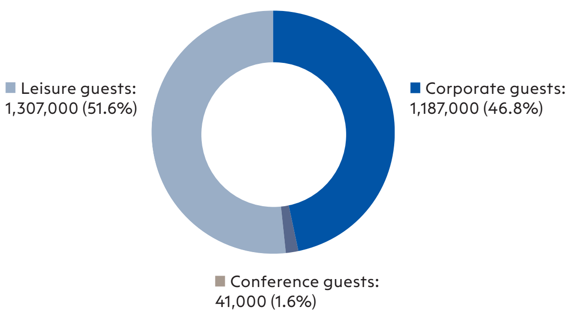


Development of key performance indicators in the Swedish hotel market, compared with the previous year, up to and including March.
Source: The Swedish Growth Agency/Statistics Sweden

The largest decrease during the first three months of 2021 have been the among overnight conference guests. Approximately ten percent of the rooms sold in the segment up to and including March last year were sold in 2021.



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



Just over 460,000 hotel rooms were occupied by corporate guests in March, which corresponded to 47 percent of all occupied rooms. The leisure guests occupied nearly 500,000 rooms during the same period.

Distribution of occupied hotel rooms between different demand segments in the Swedish hotel market, Jan-Mar 2021.
Source: The Swedish Growth Agency/Statistics Sweden

TRENDS IN SWEDEN'S 25 LARGEST HOTEL MUNICIPALITIES

MONTH MARCH

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	157	197	-20.3	25.2	28.1	-10.5	730	1,108	-34.1	184	312	-41.0
GOTHENBURG	60	81	-25.9	22.8	29.1	-21.7	777	1,081	-28.1	177	314	-43.7
MALMÖ	35	51	-31.8	22.9	31.9	-28.2	697	908	-23.2	160	290	-44.8
SIGTUNA	18	31	-41.7	18.2	30.5	-40.4	722	981	-26.4	132	300	-56.1
SOLNA	20	19	2.8	26.2	27.9	-6.2	590	1,001	-41.1	154	280	-44.7
JÖNKÖPING	14	17	-20.2	26.1	30.4	-14.0	782	865	-9.6	204	263	-22.3
HELSINGBORG	13	15	-10.7	27.0	28.3	-4.9	697	896	-22.2	188	254	-26.0
UMEÅ	19	20	-5.7	33.2	34.2	-2.8	670	807	-17.1	223	276	-19.4
UPPSALA	15	16	-8.2	27.3	32.5	-15.9	664	1,019	-34.8	181	331	-45.2
LINKÖPING	16	17	-7.0	27.6	29.3	-5.8	682	833	-18.1	189	244	-22.8
LUND	13	15	-16.8	28.9	33.6	-14.0	705	964	-26.9	203	324	-37.1
KARLSTAD	12	14	-11.2	30.1	33.3	-9.6	704	921	-23.6	212	307	-30.9
ÖREBRO	14	15	-9.6	32.0	34.7	-7.7	777	1,057	-26.5	249	366	-32.1
VÄSTERÅS	17	18	-6.4	37.9	40.1	-5.7	871	1,100	-20.7	330	441	-25.3
SUNDSVALL	15	15	6.1	31.1	30.4	2.5	743	894	-16.9	231	272	-14.8
NORRKÖPING	13	14	-10.3	27.8	32.8	-15.4	812	881	-7.8	226	289	-22.0
LULEÅ	11	14	-23.8	31.1	34.9	-10.8	705	932	-24.4	219	325	-32.6
GOTLAND	8	7	20.6	24.9	22.9	8.6	660	744	-11.2	164	171	-3.6
NACKA	9	8	6.6	29.1	23.7	22.5	1,125	1,259	-10.6	327	299	9.5
HALMSTAD	10	11	-15.3	29.5	30.6	-3.4	1,118	1,123	-0.4	330	343	-3.8
GÄVLE	12	12	-2.1	37.0	37.5	-1.2	792	940	-15.8	293	352	-16.9
ÖSTERSUND	12	11	10.3	42.0	36.8	14.2	733	989	-25.9	308	364	-15.3
VÄXJÖ	8	10	-24.8	29.5	36.5	-19.1	849	1,077	-21.2	251	393	-36.2
KALMAR	9	9	-4.2	34.2	38.0	-10.0	752	861	-12.7	257	327	-21.4
SÖDERTÄLJE	7	7	-1.8	29.3	27.3	7.4	675	945	-28.6	198	258	-23.3
SWEDEN	**968**	**1,074**	**-9.8**	**27.2**	**29.0**	**-6.5**	**824**	**1,000**	**-17.5**	**224**	**290**	**-22.9**

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		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	412	988	-58.3	23.0	47.5	-51.7	714	1,106	-35.4	164	526	-68.8
GOTHENBURG	162	421	-61.4	21.8	50.9	-57.3	779	1,016	-23.3	169	517	-67.2
MALMÖ	93	236	-60.8	21.3	50.1	-57.5	684	862	-20.6	146	432	-66.3
SIGTUNA	49	137	-64.1	18.1	48.8	-62.9	718	988	-27.3	130	482	-73.0
SOLNA	50	89	-43.5	23.9	46.1	-48.1	586	972	-39.7	140	448	-68.7
JÖNKÖPING	36	70	-49.4	23.2	42.5	-45.5	759	857	-11.4	176	364	-51.7
HELSINGBORG	35	66	-47.7	25.1	42.7	-41.1	693	849	-18.4	174	362	-51.9
UMEÅ	53	87	-39.4	32.6	50.1	-34.9	681	806	-15.5	222	404	-45.0
UPPSALA	39	73	-45.8	26.0	48.7	-46.6	651	927	-29.7	169	451	-62.5
LINKÖPING	43	72	-39.7	26.2	42.8	-38.8	683	867	-21.3	179	371	-51.8
LUND	34	61	-44.0	27.6	44.9	-38.6	691	935	-26.0	191	420	-54.6
KARLSTAD	31	60	-48.4	26.9	49.2	-45.3	702	855	-17.9	189	420	-55.1
ÖREBRO	37	67	-44.9	29.0	49.9	-42.0	767	946	-18.9	222	472	-52.9
VÄSTERÅS	45	74	-38.9	35.4	55.7	-36.5	851	989	-13.9	301	550	-45.3
SUNDSVALL	45	62	-26.9	31.5	43.0	-26.7	732	877	-16.5	231	377	-38.8
NORRKÖPING	32	50	-35.2	25.4	39.5	-35.6	817	871	-6.2	208	344	-39.6
LULEÅ	28	63	-55.1	28.8	53.9	-46.6	704	946	-25.6	203	510	-60.2
GOTLAND	18	20	-12.4	20.8	26.7	-22.3	617	705	-12.4	128	188	-31.9
NACKA	23	40	-42.3	25.7	38.5	-33.3	1,208	1,253	-3.6	310	482	-35.7
HALMSTAD	24	42	-43.3	25.3	38.8	-35.0	1,132	1,115	1.6	286	433	-34.0
GÄVLE	33	49	-32.2	36.8	51.6	-28.7	801	909	-11.9	295	469	-37.1
ÖSTERSUND	27	44	-38.0	34.8	52.6	-34.0	711	958	-25.8	247	504	-51.0
VÄXJÖ	20	41	-51.2	26.6	48.8	-45.5	817	959	-14.8	217	467	-53.6
KALMAR	25	32	-23.6	33.5	42.4	-21.0	704	839	-16.1	236	355	-33.7
SÖDERTÄLJE	19	30	-34.9	30.3	39.7	-23.7	668	905	-26.2	202	359	-43.7
SWEDEN	**2,535**	**4,590**	**-44.8**	**25.1**	**42.3**	**-40.6**	**818**	**992**	**-17.5**	**206**	**420**	**-51.0**

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

12-MONTH ROLLING AVERAGE APRIL – MARCH

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	1,746	5,793	-69.9	23.9	68.3	-65.0	789	1,239	-36.3	189	846	-77.7
GOTHENBURG	847	2,354	-64.0	28.3	70.0	-59.6	815	1,134	-28.1	231	794	-70.9
MALMÖ	489	1,259	-61.1	28.2	67.2	-58.0	725	860	-15.7	204	578	-64.6
SIGTUNA	195	650	-70.1	18.4	63.4	-71.0	751	1,028	-26.9	138	652	-78.8
SOLNA	204	491	-58.5	25.4	64.2	-60.3	623	981	-36.5	158	629	-74.8
JÖNKÖPING	214	407	-47.4	33.3	59.1	-43.7	811	919	-11.7	270	543	-50.3
HELSINGBORG	215	386	-44.4	36.4	62.4	-41.6	817	903	-9.6	297	563	-47.2
UMEÅ	235	407	-42.4	37.1	58.6	-36.7	707	818	-13.6	262	479	-45.3
UPPSALA	175	357	-50.9	30.2	58.3	-48.2	720	948	-24.0	218	553	-60.6
LINKÖPING	217	378	-42.7	32.7	56.1	-41.7	711	877	-18.9	233	492	-52.7
LUND	164	336	-51.3	33.4	60.0	-44.3	742	975	-24.0	248	585	-57.7
KARLSTAD	161	328	-51.0	34.1	66.9	-49.1	741	846	-12.4	252	566	-55.4
ÖREBRO	188	344	-45.4	37.3	63.6	-41.4	791	919	-13.9	295	585	-49.5
VÄSTERÅS	208	338	-38.4	41.3	64.1	-35.5	878	978	-10.2	363	627	-42.1
SUNDSVALL	219	298	-26.4	38.2	53.5	-28.6	763	879	-13.2	291	470	-38.1
NORRKÖPING	186	303	-38.5	35.6	54.8	-35.0	970	1,021	-5.0	345	559	-38.2
LULEÅ	146	255	-42.6	33.0	60.7	-45.7	728	889	-18.1	240	540	-55.6
GOTLAND	182	254	-28.4	37.9	51.5	-26.4	1,049	1,129	-7.1	398	581	-31.6
NACKA	98	226	-56.6	30.1	55.8	-46.0	1,206	1,253	-3.7	363	699	-48.1
HALMSTAD	150	221	-32.0	38.4	54.6	-29.5	1,231	1,203	2.3	473	657	-27.9
GÄVLE	164	228	-28.1	44.0	60.6	-27.4	840	919	-8.6	369	557	-33.7
ÖSTERSUND	113	209	-46.1	34.2	62.4	-45.2	732	925	-20.9	250	577	-56.7
VÄXJÖ	106	194	-45.2	35.3	57.1	-38.2	808	911	-11.4	285	520	-45.2
KALMAR	131	195	-32.9	44.9	62.1	-27.7	866	954	-9.2	389	592	-34.4
SÖDERTÄLJE	81	169	-52.3	29.8	56.1	-46.9	702	937	-25.1	209	526	-60.2
SWEDEN	**12,196**	**24,691**	**-50.6**	**29.7**	**56.1**	**-47.0**	**852**	**1,041**	**-18.2**	**253**	**584**	**-56.6**

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 MARCH

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	968	1,074	**-9.8**	27.2	29.0	**-6.5**	824	1,000	**-17.5**	224	290	**-22.9**
DENMARK	232	308	**-24.6**	14.0	20.0	**-30.0**	N/A	N/A	**N/A**	N/A	N/A	N/A
FINLAND	381	525	**-27.5**	25.4	31.2	**-18.6**	909	1,107	**-12.3**	231	345	**-28.6**
NORWAY	482	606	**-20.4**	24.0	28.0	**-14.3**	900	960	**-9.9**	216	269	**-22.8**
STOCKHOLM	157	197	**-20.3**	25.2	28.1	**-10.5**	730	1,108	**-34.1**	184	312	**-41.0**
COPENHAGEN	89	124	**-28.2**	14.0	21.0	**-33.3**	N/A	N/A	**N/A**	N/A	N/A	**N/A**
HELSINKI	40	90	**-55.1**	15.2	30.2	**-49.7**	861	1,159	**-20.7**	131	350	**-60.1**
OSLO	39	112	**-65.1**	15.0	29.0	**-48.3**	743	996	**-28.3**	111	289	**-62.9**

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

YEAR-TO-DATE JANUARY - MARCH

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	2,535	4,590	**-44.8**	25.1	42.3	**-40.6**	818	992	**-17.5**	206	420	**-51.0**
DENMARK	577	1,654	**-65.1**	12.7	37.0	**-65.7**	N/A	N/A	**N/A**	N/A	N/A	**N/A**
FINLAND	1,111	2,274	**-51.1**	25.7	46.1	**-44.3**	889	1,126	**-15.7**	228	519	**-53.0**
NORWAY	1,409	2,983	**-52.8**	23.2	42.8	**-45.7**	892	943	**-9.1**	207	403	**-50.6**
STOCKHOLM	412	988	**-58.3**	23.0	47.5	**-51.7**	714	1,106	**-35.4**	164	526	**-68.8**
COPENHAGEN	228	751	**-69.6**	12.7	43.4	**-70.8**	N/A	N/A	**N/A**	N/A	N/A	**N/A**
HELSINKI	132	474	**-72.2**	17.2	53.5	**-67.9**	867	1,144	**-19.1**	149	612	**-74.0**
OSLO	134	623	**-78.4**	15.6	50.2	**-69.0**	756	913	**-20.4**	118	459	**-75.3**

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 APRIL – MARCH

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	12,196	24,691	**-50.6**	29.7	56.1	**-47.0**	852	1,041	**-18.2**	253	584	**-56.6**
DENMARK	4,492	10,495	**-57.2**	23.7	58.1	**-59.2**	N/A	N/A	**N/A**	N/A	N/A	**N/A**
FINLAND	5,075	10,793	**-53.0**	31.0	54.1	**-42.7**	868	1,090	**-14.9**	269	590	**-51.3**
NORWAY	8,073	16,072	**-49.8**	32.6	54.0	**-39.6**	965	951	**-2.5**	314	514	**-41.2**
STOCKHOLM	1,746	5,793	**-69.9**	23.9	68.3	**-65.0**	789	1,239	**-36.3**	189	846	**-77.7**
COPENHAGEN	1,267	4,837	**-73.8**	17.3	70.6	**-75.5**	N/A	N/A	**N/A**	N/A	N/A	**N/A**
HELSINKI	614	2,665	**-77.0**	22.7	71.5	**-68.2**	875	1,264	**-26.1**	199	903	**-76.5**
OSLO	973	3,426	**-71.6**	26.0	66.3	**-60.8**	833	1,009	**-20.7**	217	669	**-68.9**

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.

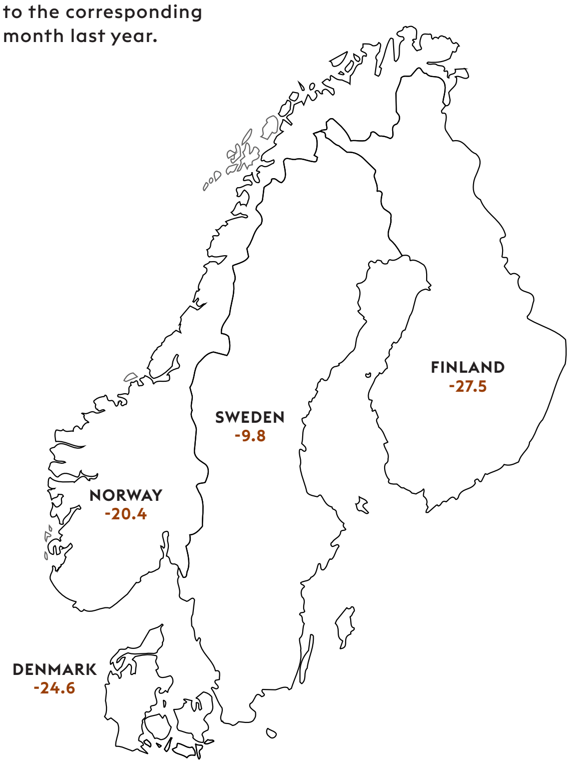
N/A: Not available.

-65.1%

DECREASE IN ROOMS SOLD
IN OSLO, MARCH 2021

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 the Nordic region's leading hotel investment and development consultancy. 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 hatch new figures next month.
And the one after that...

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