

HOTEL MARKET UPDATE

NORDIC HOTEL MARKET TRENDS AND ECONOMIC INDICATORS

Nov/21



Step by step, closer to normal.

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The Iconic Hotel Billingeus has a new owner Annordia advised on the transaction

Annordia is pleased to have advised Host Property AB on the sale of First Hotel Billingeus in Skövde. Lotus Hotel Group, owned by Anna Riis and Lars-Olof Oskarsson, has acquired the shares in the property company Host Billingeus i Skövde AB and the relevant assets in the operating company.

The buyer plans to close Billingeus in March 2022 to undergo extensive refurbishment and with the aim to reopen in 2023. Billingeus currently has 240 keys, 23 conference rooms and large food and beverage facilities, on a floor area of almost 18,000 square meters.

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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.

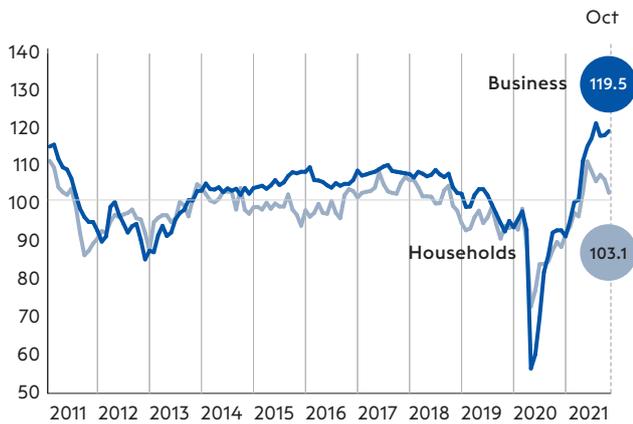
TALKING POINTS OF THE MONTH

Gradually, the demand for hotel rooms is approaching more normal levels. In September, the number of occupied hotel rooms were close to 2 million, more than 80 percent of the level of September 2019. Outside the three big cities the level was 94 percent. Now, when all corona-related restrictions are lifted we expect the level of demand, even in the big cities, to get even closer to normal levels the coming months.

- The household confidence indicator fell in October but is still above the historical average. The business confidence indicator is still at a very high level – see confidence indicators on page 2.
- The hotels' expectations of demand were very positive in October and based on months where demand for hotel services already were high - see hotel companies' expectations on page 3.
- Demand in September for hotel rooms was around 35 percent higher than the corresponding month last year. Demand from conference guests was more than 90 percent higher, albeit from very low levels - see page 4.
- Increases in RevPAR were very strong in the Nordic countries in September compared with the corresponding month in 2020. The increase in Oslo was higher than 130 percent, but from a very low level. - see page 7.

MACRO INDICATORS IN SWEDEN

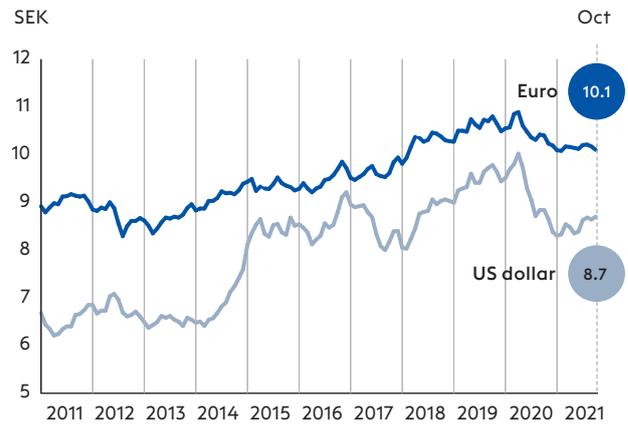
The household confidence indicator fell in October. However, the level was still above the historical average. The business sector indicator was still at a very high level, which signaled continued optimism about the Swedish economy.



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

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

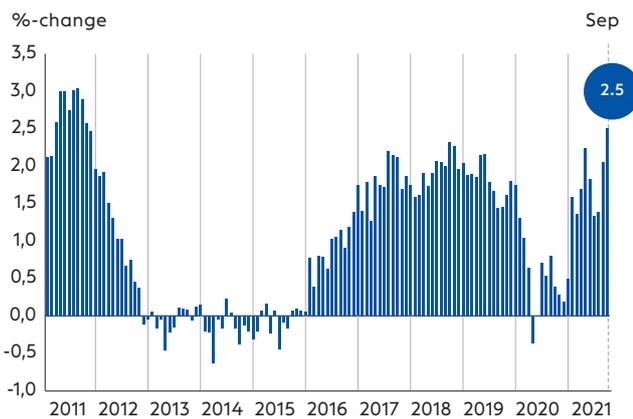
The value of the Swedish krona was largely unchanged against the US dollar in October. Against the Euro there was some strengthening and the level is now approaching SEK 10 per Euro, its highest level in three and a half years.



The development of the Swedish krona against the Euro and the US dollar, up to and including Oktober.

Source: The Central Bank of Sweden

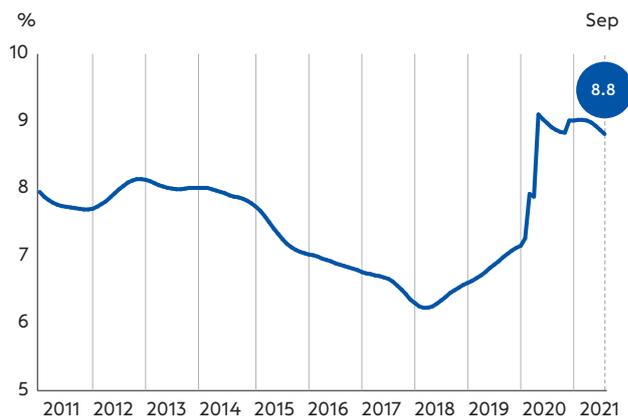
The one-year inflation rate was 2.5 percent in September. This is above the Riksbank's inflation target of two percent. The major reason for the higher inflation rate was increased electricity prices leading to higher costs of housing.



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

Source: Statistics Sweden

The unemployment rate has decreased in recent months. According to the trend, the level was down to 8.8 percent in September and has fallen for five months in a row, albeit in small steps.



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

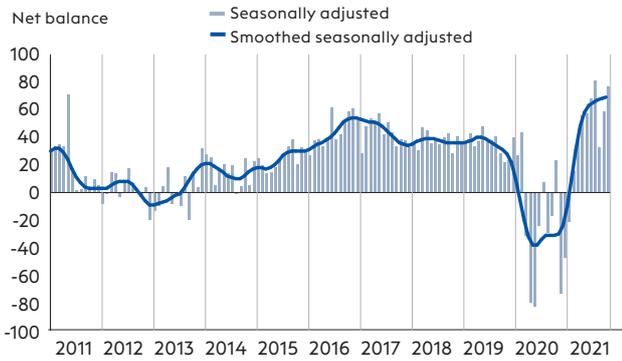
Source: The laborforce survey (Statistics Sweden)

2.5%

SEPTEMBER INFLATION RATE

SWEDISH HOTEL MARKET SUMMARY

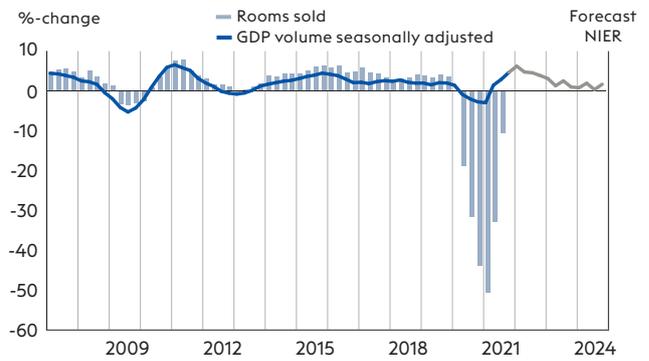
The hotels 'expectations of demand in three months' time were very positive with 7 out of 10 hotel companies expecting higher demand. To be noted is that expectations were set based on months where demand for hotel services already washigh.



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

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

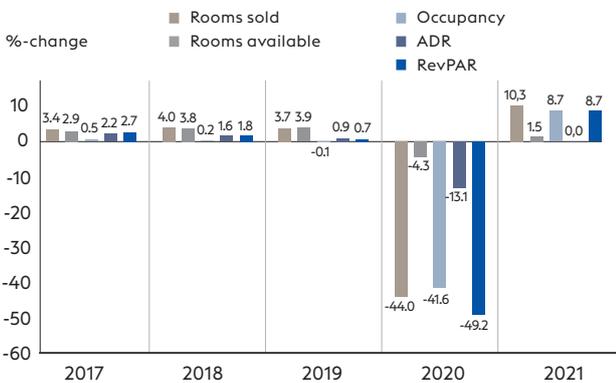
Expected strong economic growth for the rest of this year and next year will provide support for a positive development in the hotel market. Historically, the connection between growth in the economy and growth in the hotel industry has been strong.



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 was just over 35 percent higher in September compared with September last year. So far this year, the level is almost 9 percent higher than the corresponding period last year.



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

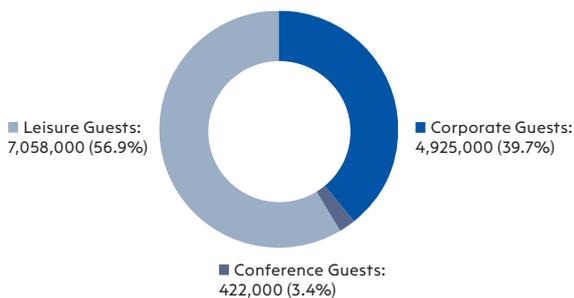
Source: The Swedish Growth Agency/Statistics Sweden

Over 20 percent more rooms have been occupied by leisure guests so far this year compared with the corresponding period last year. Compared with 2019, however, the volume is still 25 percent lower.



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

Source: The Swedish Growth Agency/Statistics Sweden



The leisure segment has accounted for approximately 7 million hotel rooms during the first nine months of the year.

Distribution of occupied hotel rooms between different demand segments in the Swedish hotel market, Jan-Sep 2021.

Source: The Swedish Growth Agency/Statistics Sweden

TRENDS IN SWEDEN'S 25 LARGEST HOTEL MUNICIPALITIES

MONTH SEPTEMBER

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	335	207	62.2	50.9	32.8	54.9	975	887	10.0	496	291	70.4
GOTHENBURG	145	99	46.4	52.6	39.7	32.4	1,029	848	21.3	541	337	60.6
MALMÖ	80	53	50.5	52.2	38.0	37.4	803	774	3.7	419	294	42.4
SIGTUNA	46	24	90.8	44.6	25.7	73.6	912	815	11.8	406	209	94.1
SOLNA	28	23	20.6	35.0	36.0	-2.8	811	722	12.4	284	260	9.2
JÖNKÖPING	34	27	24.7	60.0	50.2	19.5	920	822	11.8	552	413	33.7
HELSINGBORG	32	24	30.4	54.7	47.5	15.1	912	789	15.5	498	375	32.9
UMEÅ	39	29	32.2	68.6	53.2	28.9	716	738	-3.0	491	393	25.0
UPPSALA	32	23	37.5	60.7	46.1	31.7	819	829	-1.2	497	382	30.1
LINKÖPING	35	28	26.4	58.5	49.5	18.0	729	749	-2.6	426	371	14.9
LUND	26	20	26.9	51.3	47.2	8.7	810	800	1.2	415	378	9.9
KARLSTAD	23	20	14.5	57.1	51.1	11.8	837	816	2.5	478	417	14.6
ÖREBRO	27	24	14.4	61.4	54.1	13.6	924	841	9.9	568	455	24.9
VÄSTERÅS	30	22	37.9	69.4	52.8	31.5	933	928	0.5	648	490	32.2
SUNDSVALL	28	25	9.8	56.5	51.8	9.1	781	766	2.0	442	397	11.2
NORRKÖPING	22	20	12.1	50.0	43.9	13.9	1,022	993	3.0	511	435	17.3
LULEÅ	22	18	20.9	59.9	48.1	24.4	800	786	1.7	479	379	26.5
GOTLAND	27	23	15.1	52.4	48.0	9.1	1,125	961	17.0	589	461	27.7
NACKA	17	10	68.8	46.6	35.4	31.5	1,363	1,250	9.1	635	442	43.5
HALMSTAD	27	18	49.5	60.1	54.6	10.0	1,064	1,118	-4.8	639	611	4.6
GÄVLE	27	19	42.3	81.4	60.0	35.6	951	890	6.9	774	534	44.9
ÖSTERSUND	17	12	40.2	63.2	44.6	41.6	813	760	7.0	514	339	51.5
VÄXJÖ	17	13	27.6	58.6	51.0	15.0	881	839	5.0	516	428	20.7
KALMAR	16	16	4.4	63.8	62.7	1.8	886	884	0.2	565	554	2.0
SÖDERTÄLJE	12	10	24.0	50.0	41.6	20.3	832	768	8.4	416	319	30.3
SWEDEN	1,940	1,428	35.9	51.8	40.7	27.5	946	882	7.3	490	358	36.7

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

YEAR-TO-DATE JANUARY – SEPTEMBER

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	1,940	1,817	6.8	35.1	31.8	10.3	844	967	-12.8	296	308	-3.8
GOTHENBURG	944	877	7.6	39.4	37.8	4.3	951	915	4.0	375	346	8.4
MALMÖ	500	505	-1.1	37.2	37.7	-1.6	770	790	-2.5	286	298	-4.1
SIGTUNA	222	226	-1.7	25.6	27.9	-8.4	799	897	-10.8	204	250	-18.3
SOLNA	178	188	-5.2	26.1	31.9	-18.2	651	787	-17.3	170	251	-32.4
JÖNKÖPING	205	200	2.3	41.9	40.4	3.7	881	837	5.2	369	338	9.1
HELSINGBORG	223	199	12.2	43.6	43.3	0.8	929	852	9.1	405	369	9.9
UMEÅ	234	205	14.1	47.2	42.8	10.3	712	751	-5.3	336	321	4.5
UPPSALA	181	162	11.9	38.3	37.9	1.2	711	837	-15.0	273	317	-14.0
LINKÖPING	215	190	13.4	42.1	38.1	10.6	700	766	-8.7	295	292	1.0
LUND	163	148	9.7	40.1	39.8	1.0	792	827	-4.2	318	329	-3.3
KARLSTAD	152	151	0.6	41.8	41.6	0.4	796	789	0.9	333	328	1.4
ÖREBRO	169	170	-0.6	43.2	44.8	-3.6	828	852	-2.9	357	382	-6.4
VÄSTERÅS	192	184	4.4	50.2	48.0	4.4	885	919	-3.7	444	442	0.5
SUNDSVALL	198	177	11.9	45.2	41.3	9.2	766	806	-4.9	346	333	3.8
NORRKÖPING	171	157	8.6	44.0	40.0	10.2	1,052	962	9.3	463	385	20.4
LULEÅ	145	141	2.7	46.6	40.4	15.4	773	824	-6.2	360	333	8.2
GOTLAND	208	152	37.0	52.6	41.0	28.4	1,325	1,115	18.8	697	457	52.6
NACKA	110	91	21.4	38.4	35.6	8.0	1,283	1,194	7.5	493	425	16.0
HALMSTAD	167	137	21.8	50.5	44.1	14.5	1,195	1,227	-2.6	603	541	11.5
GÄVLE	154	136	13.6	54.2	47.9	13.2	889	879	1.1	482	421	14.4
ÖSTERSUND	115	103	12.1	46.9	40.4	16.1	760	836	-9.0	357	338	5.7
VÄXJÖ	99	100	-0.9	42.5	43.5	-2.3	866	862	0.4	368	375	-2.0
KALMAR	126	112	13.0	56.0	50.3	11.3	957	904	5.9	536	455	17.9
SÖDERTÄLJE	77	69	11.0	38.1	31.8	19.8	732	791	-7.6	279	252	10.7
SWEDEN	12,405	11,244	10.3	38.8	35.7	8.7	919	919	0.0	356	328	8.7

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 OCTOBER – SEPTEMBER

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	2,446	3,313	-26.2	33.1	42.3	-21.9	840	1,078	-22.0	278	456	-39.1
GOTHENBURG	1,173	1,466	-20.0	37.2	46.3	-19.6	927	988	-6.1	345	458	-24.5
MALMÖ	627	815	-23.1	35.3	45.1	-21.8	766	821	-6.7	270	370	-27.0
SIGTUNA	279	393	-29.0	24.7	37.0	-33.1	794	974	-18.5	196	360	-45.5
SOLNA	232	316	-26.4	26.5	40.5	-34.5	653	891	-26.8	173	361	-52.1
JÖNKÖPING	253	295	-14.0	39.1	44.4	-12.0	867	890	-2.6	339	395	-14.4
HELSINGBORG	271	289	-6.3	41.0	47.0	-12.7	908	860	5.5	372	404	-7.9
UMEÅ	298	310	-3.9	45.0	47.5	-5.1	713	781	-8.7	321	371	-13.3
UPPSALA	228	256	-11.0	36.6	44.0	-16.9	708	888	-20.2	259	390	-33.7
LINKÖPING	271	284	-4.9	40.0	42.8	-6.6	709	819	-13.4	284	351	-19.1
LUND	205	234	-12.4	38.4	45.7	-15.9	786	907	-13.3	302	414	-27.2
KARLSTAD	191	230	-16.9	39.8	47.5	-16.2	789	806	-2.1	314	383	-18.0
ÖREBRO	217	256	-15.1	41.5	49.6	-16.4	823	882	-6.6	342	438	-21.9
VÄSTERÅS	245	275	-10.9	48.2	53.2	-9.3	891	943	-5.5	429	501	-14.3
SUNDSVALL	257	254	1.0	43.9	44.7	-1.8	769	840	-8.4	337	375	-10.1
NORRKÖPING	217	228	-4.6	42.1	42.9	-1.9	1,040	951	9.4	437	408	7.3
LULEÅ	185	203	-9.0	43.5	45.1	-3.5	767	846	-9.3	334	381	-12.4
GOTLAND	241	188	27.9	48.6	39.4	23.3	1,249	1,044	19.6	607	412	47.5
NACKA	135	150	-10.0	36.1	41.8	-13.4	1,291	1,230	5.0	467	514	-9.1
HALMSTAD	198	184	7.4	46.7	45.3	3.0	1,191	1,200	-0.8	556	544	2.2
GÄVLE	198	196	1.2	52.3	51.9	0.8	875	891	-1.8	458	463	-1.1
ÖSTERSUND	142	158	-10.2	43.5	46.7	-6.7	754	870	-13.3	328	406	-19.2
VÄXJÖ	126	150	-15.8	40.2	47.8	-15.7	857	888	-3.5	345	424	-18.7
KALMAR	153	156	-2.0	51.4	52.1	-1.2	934	897	4.1	481	467	2.9
SÖDERTÄLJE	99	111	-11.0	37.1	37.9	-2.1	730	869	-16.0	271	330	-17.8
SWEDEN	15,412	17,249	-10.6	36.5	40.7	-10.3	904	959	-5.7	330	390	-15.5

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

NORDIC HOTEL MARKET – COUNTRIES AND CAPITAL CITIES

MONTH SEPTEMBER

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	1,940	1,428	35.9	51.8	40.7	27.5	946	882	7.3	490	358	36.7
DENMARK	1,050	622	68.9	64.0	39.0	64.1	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	795	574	38.4	46.0	37.1	24.0	924	880	7.6	425	326	33.4
NORWAY	1,349	902	49.6	54.0	36.0	50.0	1,057	927	10.7	571	334	66.0
STOCKHOLM	335	207	62.2	50.9	32.8	54.9	975	887	10.0	496	291	70.4
COPENHAGEN	375	163	129.8	57.0	27.0	111.1	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	120	66	82.7	34.1	25.1	35.9	987	911	11.0	337	229	50.8
OSLO	213	125	70.9	55.0	29.0	89.7	1,057	833	23.1	581	241	133.5

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 - SEPTEMBER

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	12,405	11,244	10.3	38.8	35.7	8.7	919	919	0.0	356	328	8.7
DENMARK	5,035	4,398	14.5	34.6	31.1	11.3	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	5,223	4,890	6.8	37.3	39.6	-5.9	910	976	-4.5	340	387	-10.1
NORWAY	7,683	7,786	-1.3	39.0	40.8	-4.5	1,066	966	7.1	416	395	2.2
STOCKHOLM	1,940	1,817	6.8	35.1	31.8	10.3	844	967	-12.8	296	308	-3.8
COPENHAGEN	1,637	1,452	12.7	28.5	26.8	6.4	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	746	783	-4.7	28.0	39.2	-28.6	893	1,019	-10.3	250	400	-35.9
OSLO	944	1,212	-22.2	33.5	40.1	-16.4	951	881	4.7	318	353	-12.5

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 OCTOBER – SEPTEMBER

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2021	2020		2021	2020		2021	2020		2021	2020	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	15,412	17,249	-10.6	36.5	40.7	-10.3	904	959	-5.7	330	390	-15.5
DENMARK	6,206	6,964	-10.9	32.2	37.3	-13.8	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	6,570	7,583	-13.4	35.3	43.8	-19.5	900	1,012	-8.9	317	443	-26.7
NORWAY	9,543	11,442	-16.6	36.3	43.3	-16.3	1,033	957	4.7	375	415	-12.3
STOCKHOLM	2,446	3,313	-26.2	33.1	42.3	-21.9	840	1,078	-22.0	278	456	-39.1
COPENHAGEN	1,975	2,704	-26.9	26.0	37.7	-30.9	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	920	1,479	-37.8	26.3	50.2	-47.6	890	1,123	-18.7	234	564	-57.4
OSLO	1,193	2,082	-42.7	30.5	48.1	-36.6	915	928	-4.3	279	447	-39.3

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

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.

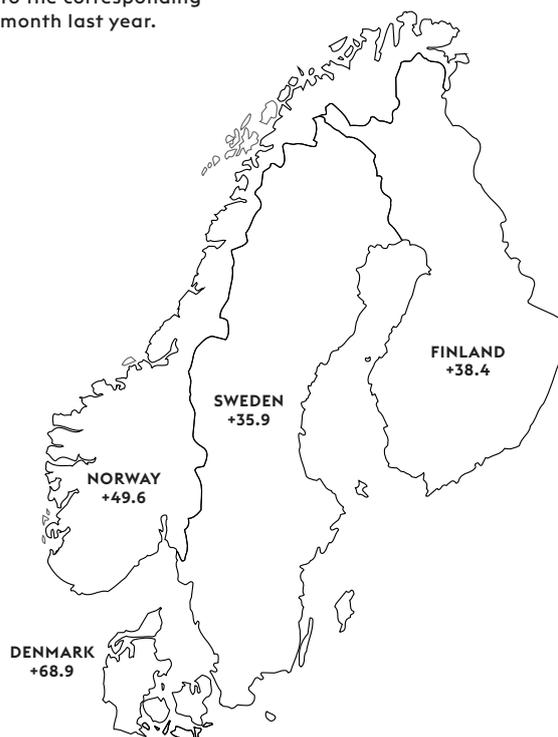
ADR: Accommodation revenue/Rooms sold.

RevPAR: Occupancy x ADR.

N/A: Not available.

ROOMS SOLD IN THE NORDICS IN SEPTEMBER

%-change compared to the corresponding month last year.



133.5%
INCREASE IN REVPAR
IN OSLO, SEPTEMBER 2021

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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in December.*

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