

HOTEL MARKET UPDATE

NORDIC HOTEL MARKET TRENDS AND ECONOMIC INDICATORS

Aug/22



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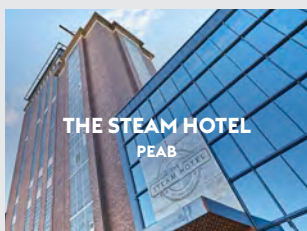
Annordia advised on the acquisition of Treehotel in Harads, Norrbotten

Annordia is pleased to have advised Jonas Olsson, owner of Balticgruppen, on the acquisition of Treehotel in Harads, Norrbotten. Treehotel is considered one of the world's foremost travel destinations due to the unique accommodations high up in the treetops, surrounded by spectacular nature. It has eight uniquely designed tree houses, all 4-6 metres above ground, and a guest house with six rooms. The new owner and operator is Jonas Olsson's company Meditron Holding AB, which will take possession of Treehotel on 1 September 2022.

-Treehotel is something very special. Visitors come here from all over the world to experience the unique accommodations, says Hans Åke Petersson, CEO & Partner at Annordia.

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Market analysis

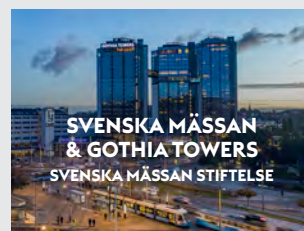
Establish the feasibility of a potential hotel investment.



CLARION HOTEL
SÖDERTÄLJE
STADSRUM

Concept development

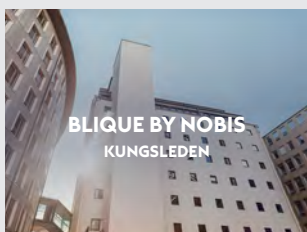
Hotel planning and optimisation based on market characteristics.



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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.

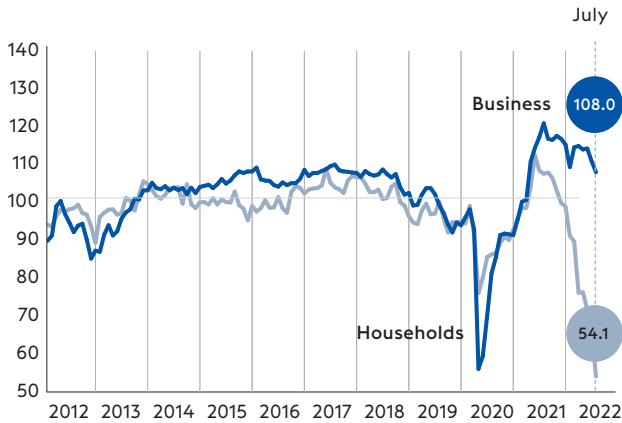
TALKING POINTS OF THE MONTH

Despite deteriorating macroeconomic prospects and households' gloomy view of Swedish economy, demand for hotel rooms was very high in June. The level of occupied rooms and the average daily rate were well above the level in June 2019, the year before the global pandemic. Despite this, 5 out of 10 hotel companies expect demand to continue to increase in the upcoming three-month period. The average daily rate in June 2022 was 32 percent higher than June 2021 and 10 percent higher than in June 2019. Despite the positive figures, there is reason to feel some concern about the future development. High inflation, higher interest rates and lower asset values can hold back households' demand in the upcoming months.

- Inflation was 8.5 percent in July 2022. The household confidence indicator has continued downward during the summer and is at a historically low level - see macro indicators on page 2.
- 5 out of 10 hotel companies expect increased demand in three months' time, while only 1 out of 10 companies expect reduced demand – see hotel companies' expectations on page 3.
- The demand for hotel rooms in June in Sweden was 78 percent higher than in June 2021. The level was also 6 percent higher than in June 2019 – see page 4.
- Occupied hotel rooms increased by between 48 percent and 103 percent in the Nordic countries between June this year and June 2021. The occupancy rate was 77 percent in Denmark in June – see page 7.

MACRO INDICATORS IN SWEDEN

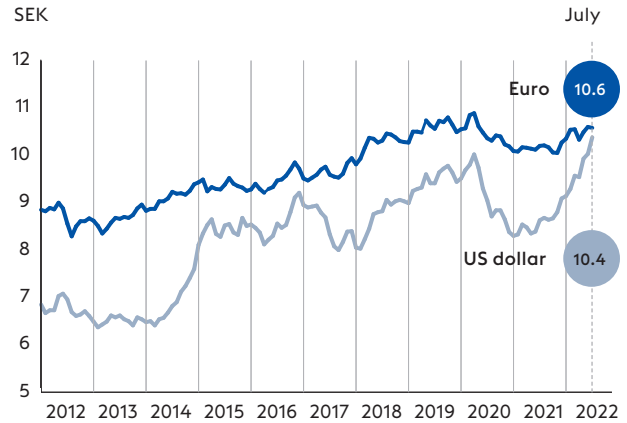
The household confidence indicator has continued to fall and is at its lowest level during the entire 2000s. However, the business sector indicator continues to be high and the difference between the two indicators has never been greater.



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

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

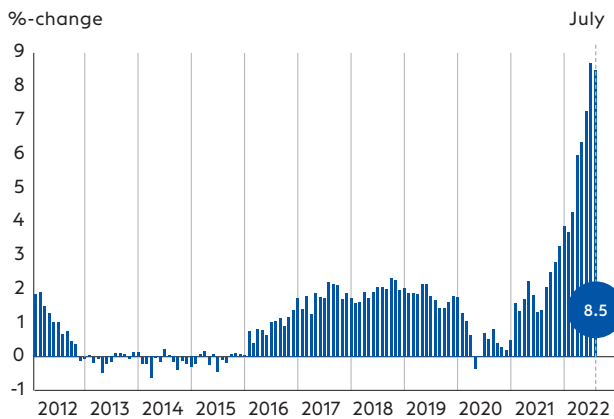
The value of the Swedish krona has weakened against both the Euro and the US dollar during both June and July. The krona's value against both the US dollar and the Euro is at historically low levels.



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

Source: The Central Bank of Sweden

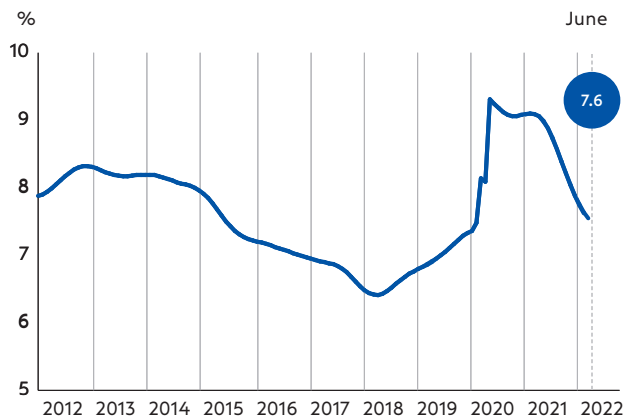
The rate of price increase, according to the CPI, fell slightly in July. The rate of increase was 8.5 percent between July 2022 and July 2021, down from 8.7 percent the previous month. The level last month was the highest since 1991.



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

Source: Statistics Sweden

Unemployment, according to trend, was 7.6 percent in June. The level continues to decrease month by month and is largely back to the pre-pandemic level. However, the labor shortage is already at record levels.



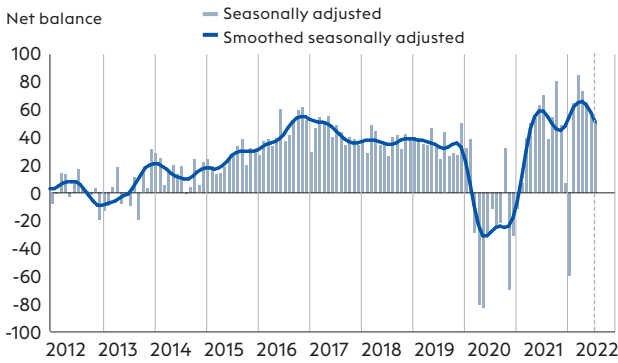
Unemployment (trend) as a percentage of the Swedish market up to and including June.

Source: The laborforce survey (Statistics Sweden)

8.5%
JULY INFLATION RATE

SWEDISH HOTEL MARKET SUMMARY

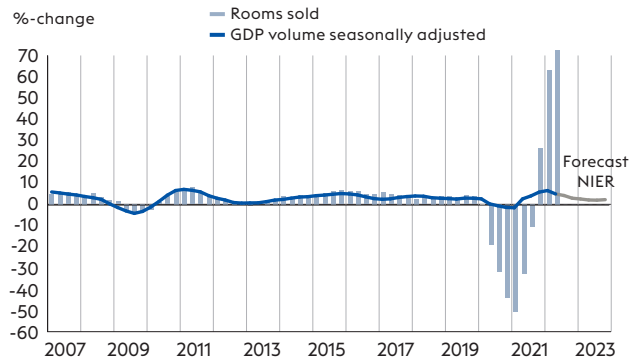
Hotel companies' expectations for demand in the next three months are still at high levels but have fallen somewhat since the peak in first quarter of 2022. 5 out of 10 companies believe in increased demand despite demand already being at a high level.



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

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

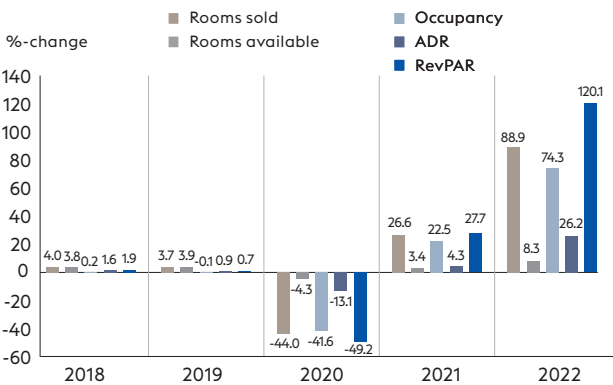
The Swedish economy is expected to grow by roughly two percent in 2022, which will support the growth in the hotel market. Historically, the connection between growth in the economy and in the hotel industry has been strong.



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

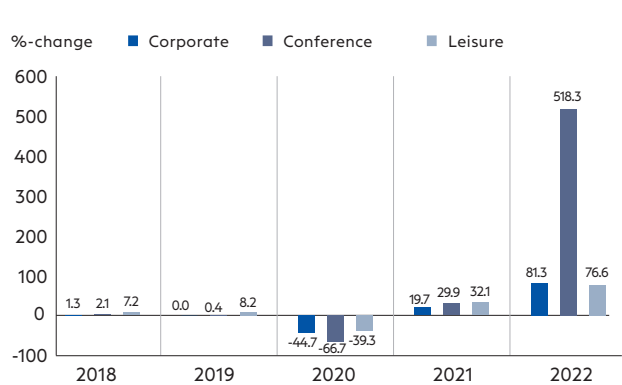
The RevPAR level was 120 percent higher year-to-date 2022 compared to the corresponding period last year. However, compared to the corresponding period in 2019, the RevPAR level is still 6 percent lower.



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

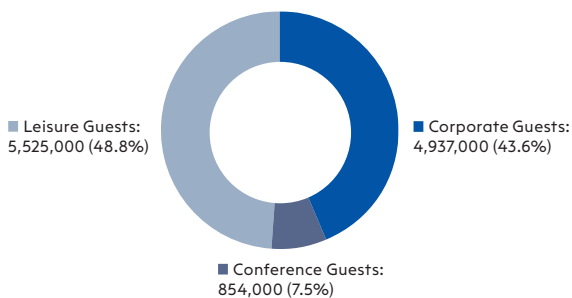
Source: The Swedish Growth Agency/Statistics Sweden

Occupied hotel rooms from business and conference guests together was 102 percent higher in the first half of 2022 compared to the same period in 2021. However, the number is still 12 percent lower than in the same period in 2019.



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

Source: The Swedish Growth Agency/Statistics Sweden



The leisure segment accounted for 49 percent of the demand for hotel rooms in the country during the first half of 2022.

Distribution of occupied hotel rooms between different demand segments in the Swedish hotel market, June 2022.

Source: The Swedish Growth Agency/Statistics Sweden

TRENDS IN SWEDEN'S 25 LARGEST HOTEL MUNICIPALITIES

MONTH JUNE

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2022	2021		2022	2021		2022	2021		2022	2021	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	525	197	166.6	75.6	32.5	132.3	1,448	844	71.5	1,095	275	298.5
GOTHENBURG	218	102	114.2	77.3	38.0	103.1	1,324	919	44.0	1,023	350	192.6
MALMÖ	111	48	132.2	70.5	32.0	120.5	969	750	29.2	683	240	184.9
SIGTUNA	59	23	150.7	64.6	23.8	171.2	1,068	778	37.4	690	185	272.6
SOLNA	56	19	198.6	60.4	21.4	182.4	978	636	53.9	591	136	334.6
JÖNKÖPING	38	22	73.4	66.2	42.6	55.6	1,109	843	31.6	734	359	104.7
HELSINGBORG	43	24	78.9	68.2	41.6	64.1	1,325	902	46.8	904	375	140.8
UMEÅ	36	24	47.5	62.8	43.5	44.5	921	705	30.7	579	306	88.9
UPPSALA	35	19	89.0	65.5	35.7	83.3	1,042	703	48.4	682	251	172.0
LINKÖPING	41	23	76.2	67.8	40.5	67.4	940	676	39.1	637	274	132.8
LUND	33	17	100.4	61.9	38.0	62.8	1,021	767	33.1	632	291	116.8
KARLSTAD	26	14	82.2	63.5	35.2	80.5	987	746	32.3	626	262	138.8
ÖREBRO	29	17	76.6	59.9	38.9	53.7	1,075	802	34.2	644	312	106.3
VÄSTERÅS	31	20	51.9	69.6	47.6	46.3	993	886	12.1	692	422	64.0
SUNDSVALL	30	21	42.3	56.0	42.9	30.5	852	711	19.8	477	305	56.3
NORRKÖPING	30	21	39.8	61.0	48.5	25.7	1,297	1,071	21.1	791	519	52.3
LULEÅ	23	22	3.6	61.8	66.0	-6.5	889	831	6.9	549	549	0.0
GOTLAND	41	34	18.6	67.3	59.3	13.5	1,416	1,212	16.8	954	719	32.6
NACKA	24	13	91.3	67.2	33.6	99.8	1,384	1,193	16.0	930	401	131.8
HALMSTAD	26	18	44.0	59.9	51.7	15.9	1,234	1,155	6.8	739	597	23.8
GÄVLE	21	17	26.2	67.0	52.8	26.7	1,023	867	18.0	685	458	49.5
ÖSTERSUND	18	13	40.6	66.6	46.0	44.9	907	702	29.3	604	323	87.3
VÄXJÖ	17	11	63.5	60.1	39.6	51.6	1,082	836	29.4	650	331	96.2
KALMAR	20	16	29.1	75.3	59.5	26.5	1,058	910	16.3	796	541	47.2
SÖDERTÄLJE	18	9	93.8	67.7	40.1	69.0	942	734	28.4	638	294	117.0
SWEDEN	2,423	1,363	77.8	63.1	37.9	66.4	1,183	899	31.7	746	341	119.1

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

YEAR-TO-DATE JANUARY - JUNE

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2022	2021		2022	2021		2022	2021		2022	2021	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	2,319	923	151.2	56.5	26.0	117.0	1,219	765	59.4	688	199	245.8
GOTHENBURG	954	408	134.1	56.6	26.3	114.8	1,147	831	38.0	649	219	196.4
MALMÖ	504	219	130.3	54.2	25.0	116.8	911	717	26.9	493	179	175.2
SIGTUNA	311	110	183.7	52.2	19.3	170.6	964	727	32.6	504	140	258.9
SOLNA	233	101	129.7	41.9	22.2	89.1	929	609	52.5	389	135	188.2
JÖNKÖPING	175	92	90.5	51.8	29.1	78.3	1,035	810	27.7	536	236	127.8
HELSINGBORG	179	99	80.1	50.2	30.3	65.7	1,064	804	32.3	534	244	119.3
UMEÅ	216	116	85.9	64.2	36.2	77.7	853	692	23.4	548	250	119.2
UPPSALA	185	88	110.9	58.1	28.4	104.3	943	668	41.0	548	190	188.2
LINKÖPING	193	106	81.1	53.9	32.1	67.9	841	669	25.6	453	215	111.0
LUND	146	80	84.0	46.8	30.8	51.6	942	734	28.4	441	226	94.7
KARLSTAD	138	72	93.2	56.1	30.3	85.4	958	724	32.4	538	219	145.5
ÖREBRO	154	82	88.7	54.6	32.4	68.5	1,041	783	33.0	569	254	124.1
VÄSTERÅS	173	102	69.2	64.5	40.5	59.0	959	872	10.0	618	353	74.9
SUNDSVALL	159	99	60.4	49.4	34.2	44.3	853	716	19.2	421	245	72.0
NORRKÖPING	137	84	63.3	48.1	33.4	43.8	1,066	911	17.1	513	305	68.4
LULEÅ	119	80	49.8	53.8	40.5	33.1	862	779	10.7	464	315	47.3
GOTLAND	120	79	51.2	49.3	36.5	34.9	1,117	960	16.3	550	351	56.9
NACKA	105	49	114.1	49.9	28.9	72.4	1,369	1,319	3.8	683	381	79.0
HALMSTAD	123	72	69.2	47.6	36.9	28.8	1,084	1,013	7.1	516	374	38.0
GÄVLE	113	76	48.3	59.5	41.1	44.9	966	826	17.0	575	339	69.5
ÖSTERSUND	90	56	61.4	55.8	34.6	61.3	861	710	21.3	480	246	95.6
VÄXJÖ	92	47	94.7	55.6	31.4	77.2	988	846	16.8	549	265	106.9
KALMAR	87	63	39.8	56.6	42.0	34.6	920	790	16.4	520	332	56.6
SÖDERTÄLJE	74	42	75.4	47.7	31.7	50.2	906	696	30.2	432	221	95.6
SWEDEN	11,317	5,940	90.5	50.2	28.9	73.8	1,065	842	26.5	535	243	119.8

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 JULY – JUNE

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2022	2021		2022	2021		2022	2021		2022	2021	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	4,491	1,976	127.3	55.7	27.3	104.3	1,111	796	39.6	619	217	185.2
GOTHENBURG	1,987	962	106.5	58.8	31.5	86.9	1,113	833	33.6	654	262	149.7
MALMÖ	1,046	540	93.7	55.9	31.1	79.5	882	728	21.1	493	227	117.3
SIGTUNA	581	226	157.5	48.1	20.6	133.0	920	749	22.9	443	155	186.3
SOLNA	420	220	90.9	38.4	25.9	47.9	866	624	38.8	332	162	105.3
JÖNKÖPING	375	233	60.5	55.1	36.4	51.5	992	820	21.0	547	298	83.2
HELSINGBORG	383	243	58.0	54.1	38.3	41.4	1,022	841	21.6	553	322	71.9
UMEÅ	456	260	75.6	67.2	40.6	65.5	803	705	13.9	540	286	88.5
UPPSALA	375	195	92.9	58.2	32.4	79.8	863	707	22.2	502	229	119.6
LINKÖPING	400	242	65.4	56.0	36.4	54.1	798	701	13.7	447	255	75.3
LUND	307	182	68.8	49.2	35.9	36.9	903	750	20.4	444	270	64.8
KARLSTAD	289	177	63.3	58.4	37.2	56.8	921	748	23.0	537	279	92.9
ÖREBRO	320	202	58.8	58.0	39.5	46.9	983	794	23.8	570	314	81.9
VÄSTERÅS	350	226	54.9	65.5	45.0	45.6	954	894	6.7	625	402	55.3
SUNDSVALL	349	240	45.6	53.6	41.2	30.0	841	756	11.3	451	311	44.7
NORRKÖPING	300	205	46.5	53.6	39.3	36.4	1,091	983	11.0	584	386	51.4
LULEÅ	251	174	44.1	56.1	40.7	37.8	827	753	9.8	464	306	51.4
GOTLAND	291	217	34.6	55.7	44.6	24.9	1,273	1,069	19.1	709	477	48.8
NACKA	219	108	102.6	50.1	32.4	54.6	1,344	1,277	5.3	673	413	62.8
HALMSTAD	277	172	60.6	53.6	44.0	21.9	1,167	1,170	-0.2	626	514	21.7
GÄVLE	255	180	41.1	66.4	48.3	37.4	960	846	13.4	637	409	55.8
ÖSTERSUND	200	123	61.7	60.6	37.6	60.9	859	727	18.1	520	274	90.1
VÄXJÖ	193	115	67.2	58.1	37.4	55.4	940	823	14.3	546	308	77.6
KALMAR	196	147	33.7	62.3	49.1	26.8	974	874	11.5	607	429	41.4
SÖDERTÄLJE	144	89	61.3	48.2	33.6	43.6	862	707	22.0	415	237	75.2
SWEDEN	23,402	13,557	72.6	51.9	32.8	58.4	1,028	863	19.1	533	283	88.7

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

NORDIC HOTEL MARKET – COUNTRIES AND CAPITAL CITIES

MONTH JUNE

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2022	2021		2022	2021		2022	2021		2022	2021	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	2,423	1,363	77.8	63.1	37.9	66.4	1,183	899	31.7	746	341	119.1
DENMARK	1,302	643	102.5	77.0	39.0	97.4	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	946	637	48.5	54.4	39.7	37.0	1,115	892	19.3	606	354	63.5
NORWAY	1,748	948	84.4	65.0	42.0	54.8	1,330	1,058	21.9	865	444	88.6
STOCKHOLM	525	197	166.6	75.6	32.5	132.3	1,448	844	71.5	1,095	275	298.5
COPENHAGEN	571	174	228.6	82.0	27.0	203.7	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	222	82	169.5	60.6	25.9	134.0	1,303	875	42.1	790	227	232.5
OSLO	338	100	238.2	80.0	35.0	128.6	1,611	888	75.8	1,289	311	301.7

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 – JUNE

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2022	2021		2022	2021		2022	2021		2022	2021	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	11,317	5,940	90.5	50.2	28.9	73.8	1,065	842	26.5	535	243	119.8
DENMARK	5,304	1,944	172.9	54.1	20.6	163.3	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	4,562	2,545	79.2	44.8	28.7	56.1	1,094	869	20.1	490	249	87.5
NORWAY	7,144	3,362	112.5	46.5	27.6	68.1	1,182	951	20.5	549	263	102.7
STOCKHOLM	2,319	923	151.2	56.5	26.0	117.0	1,219	765	59.4	688	199	245.8
COPENHAGEN	2,291	605	278.5	56.4	16.1	249.9	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	907	316	187.0	43.4	19.3	124.7	1,161	873	27.0	504	169	185.3
OSLO	1,361	328	314.3	54.2	19.5	177.7	1,321	810	58.1	716	158	338.9

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 JULY – JUNE

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2022	2021		2022	2021		2022	2021		2022	2021	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	23,402	13,557	72.6	51.9	32.8	58.4	1,028	863	19.1	533	283	88.7
DENMARK	10,824	5,254	106.0	55.0	27.6	98.9	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	9,581	5,912	62.1	47.1	32.7	43.8	1,059	869	16.3	498	284	67.2
NORWAY	14,784	8,713	69.7	48.2	33.3	44.7	1,160	970	15.9	559	323	67.7
STOCKHOLM	4,491	1,976	127.3	55.7	27.3	104.3	1,111	796	39.6	619	217	185.2
COPENHAGEN	4,390	1,492	194.3	54.4	20.0	171.3	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	1,820	738	146.6	43.8	22.9	91.2	1,093	874	19.4	479	200	128.2
OSLO	2,594	1,002	159.0	53.2	25.4	109.3	1,216	826	42.8	647	210	198.9

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.

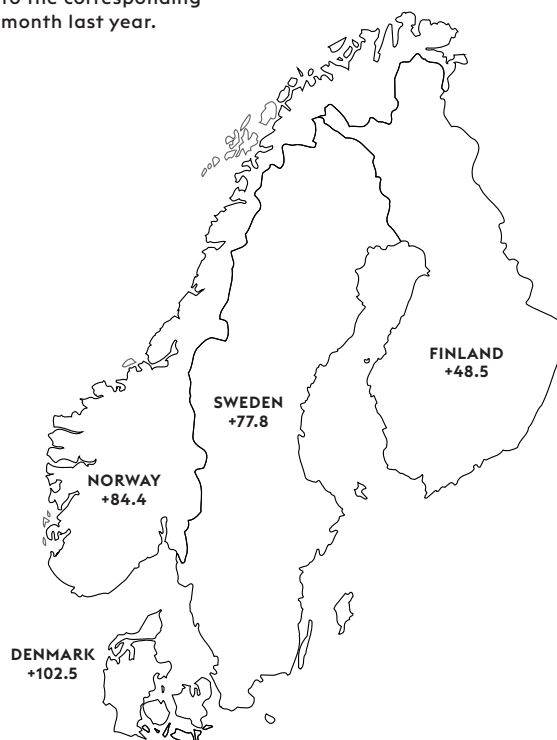
ADR: Accommodation revenue/Rooms sold.

RevPAR: Occupancy x ADR.

N/A: Not available.

ROOMS SOLD IN THE NORDICS IN JUNE

%-change compared to the corresponding month last year.



298.5%

INCREASE IN REVPAR
IN STOCKHOLM, JUNE 2022

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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