

HOTEL MARKET UPDATE

NORDIC HOTEL MARKET TRENDS AND ECONOMIC INDICATORS

Oct/22



MACRO INDICATORS IN SWEDEN 2

SWEDISH HOTEL MARKET SUMMARY 3

TRENDS IN SWEDEN'S 25 LARGEST HOTEL MUNICIPALITIES 4

NORDIC HOTEL MARKET – COUNTRIES AND CAPITAL CITIES 7



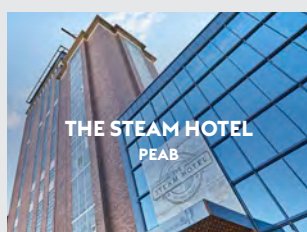
Annordia advised Atrium Ljungberg on a new hotel in Katarinahuset in Stockholm

Annordia is pleased to have advised Atrium Ljungberg on the lease of a new hotel in Stockholm. Atrium Ljungberg is developing the iconic Katarinahuset at Slussen with modern offices and a new hotel, for which a lease has been signed with the Norwegian hotel chain Citybox.

Citybox is a modern and innovative hotel brand that offers well-designed, functional, and affordable rooms with self-service check-in, at city centre locations.

The hotel in Katarinahuset will cover 4,000 square meters and contain 104 rooms in the absolute centre of Stockholm. It is expected to open in the spring of 2024.

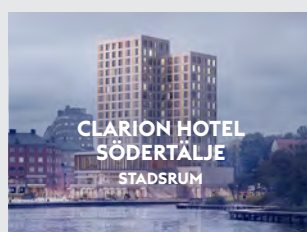
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THE STEAM HOTEL
PEAB

Market analysis

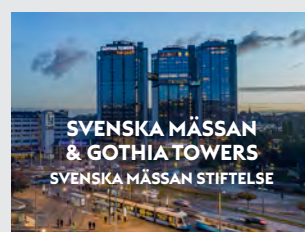
Establish the feasibility of a potential hotel investment.



CLARION HOTEL
SÖDERTÄLJE
STADSNUM

Concept development

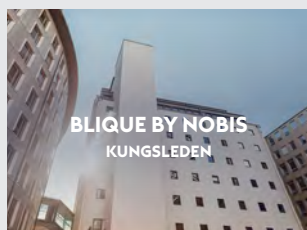
Hotel planning and optimisation based on market characteristics.



SVENSKA MÄSSAN
& GOTHIA TOWERS
SVENSKA MÄSSAN STIFTELSE

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Adding value in rent review, lease renewals and valuations.



BLIQUE BY NOBIS
KUNGSLEDEN

Operator search

Recruitment of suitable hotel operators on favourable terms.



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For acquisitions, year-end accounting and secured lending.



BILLINGEHUS
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For owners and operators in the hospitality industry.



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.

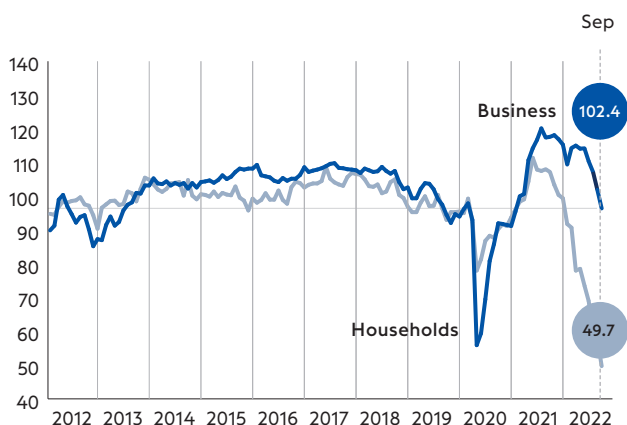
TALKING POINTS OF THE MONTH

The pessimism regarding the future of Sweden's economy is not yet visible in the statistics from the hotel market. However, the hotel companies' expectations of demand for the next three months have been precariously subdued from the summer onwards. Confidence indicators from both households and businesses continued downward during September. In August, the demand for hotel rooms remained high and so did the average room rate. The average room rate in August was significantly higher than both the level from last year and 2019, which was the year before the pandemic.

- In September 2022, the inflation reached 10.8 percent and the household confidence indicator continued downward – see macro indicators on page 4.
- The expectations of demand shown by hotel companies in three months' time has fallen down to neutral levels in September with 3 out of 10 companies expecting increased demand – see hotel companies' expectations on page 5.
- The demand for hotel rooms in August was both 22 percent higher than in August 2021 and 3 percent higher than in August 2019 – see page 6.
- The occupancy rate in August was 66 percent in both Sweden and Norway. In Finland it was 57 percent and in Denmark it was 77 percent – see page 9.

MACRO INDICATORS IN SWEDEN

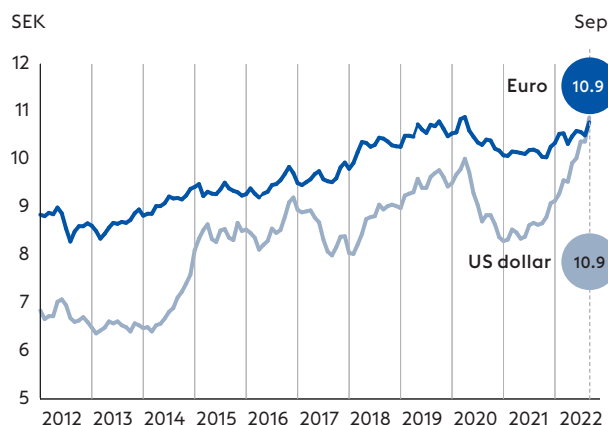
The household and business sector confidence indicators continued to fall in September. The household confidence indicator remains at the lowest level throughout the 2000s.



Source: The National Institute of Economic Research

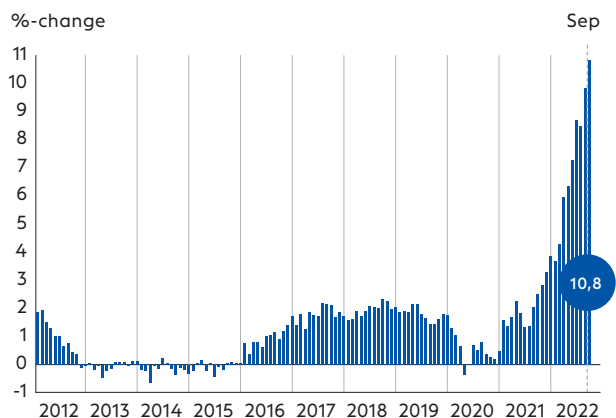
Confidence indicators are an overall measure of the overall perceptions and expectations of business and households.

The value of the Swedish krona has weakened against both the Euro and the US dollar during September down to historically low levels.



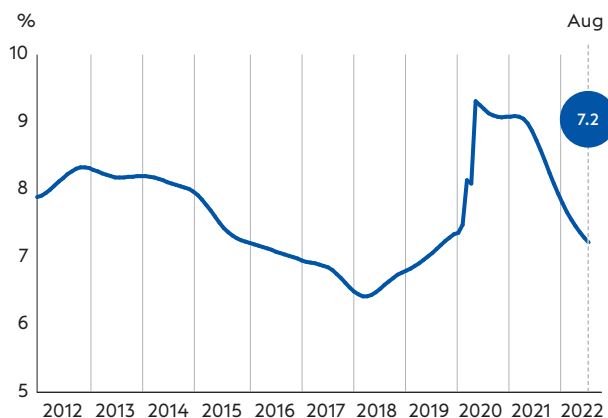
Source: The Central Bank of Sweden

According to the CPI, the rate of price increase continued to rise in September. The rate of increase was 10.8 % between September 2022 and September 2021 which is the highest increase since 1991.



Source: Statistics Sweden

Unemployment, according to trend, was 7.2 percent in August. The level continues to decrease with each passing month and starts to approach the unemployment rate from before the pandemic.



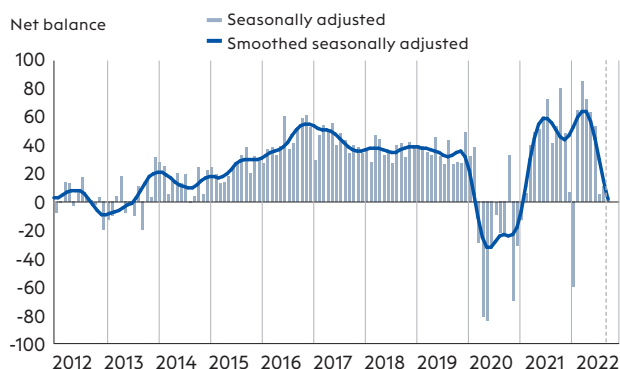
Source: The laborforce survey (Statistics Sweden)

10.8%

SEPTEMBER INFLATION RATE

SWEDISH HOTEL MARKET SUMMARY

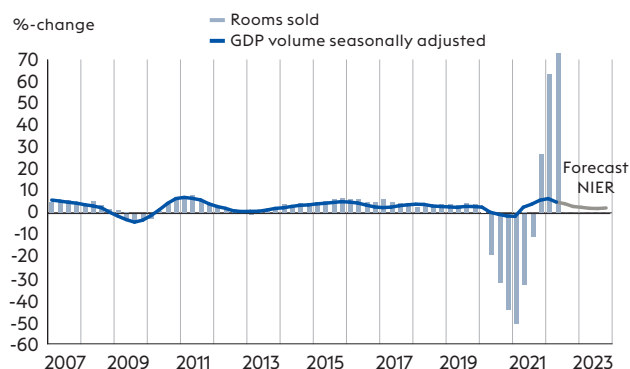
Hotel companies' expectations of demand for the next three months have fallen since the summer. Increased uncertainty surrounding the economy and the high level of demand are assumed to have dampened the expectations.



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

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

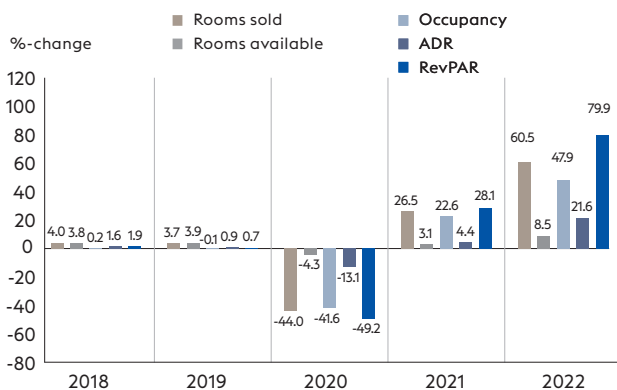
The Swedish economy is expected to grow by roughly two percent in 2022. Historically, the connection between growth in the economy and in the hotel industry has been strong.



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

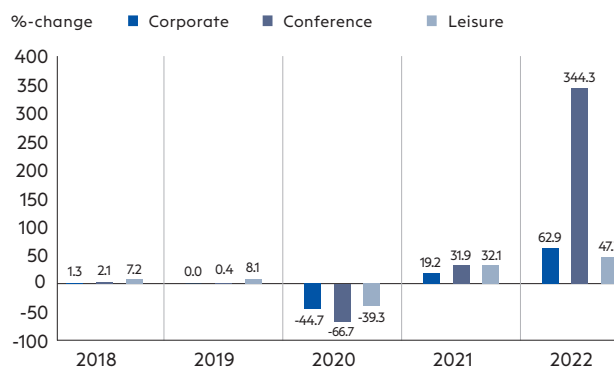
The RevPAR level was 80 percent higher year-to-date this year compared to the corresponding period 2021. Compared to the corresponding period in 2019, the RevPAR level was 1 percent higher and the average room rate was 8 percent higher.



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

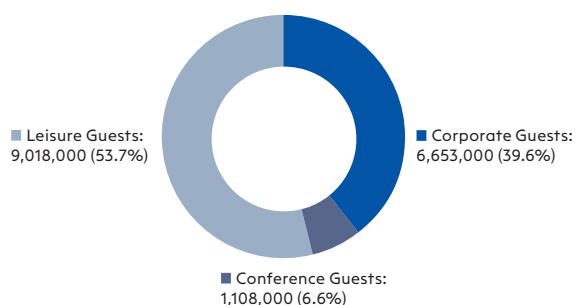
Source: The Swedish Growth Agency/Statistics Sweden

The number of occupied hotel rooms from corporate and conference guests was 79 percent higher during Jan–Aug 2022 compared to the same period in 2021. The number is however still 9 percent lower than during 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 August.

Source: The Swedish Growth Agency/Statistics Sweden



The corporate segment accounted for 39.6 percent of the occupied hotel rooms in the country Jan-Aug 2022.

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

Source: The Swedish Growth Agency/Statistics Sweden

TRENDS IN SWEDEN'S 25 LARGEST HOTEL MUNICIPALITIES

MONTH AUGUST												
	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2022	2021		2022	2021		2022	2021		2022	2021	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	540	351	53.8	75.0	53.4	40.5	1,347	914	47.3	1,010	488	106.9
GOTHENBURG	245	181	35.4	80.1	63.5	26.1	1,572	1,025	53.3	1,259	651	93.3
MALMÖ	126	93	34.8	76.8	58.4	31.3	1,029	805	27.8	790	470	67.9
SIGTUNA	64	39	64.1	60.5	36.9	63.9	1,013	803	26.2	613	296	106.8
SOLNA	45	28	59.8	46.6	30.8	51.0	956	656	45.9	445	202	120.3
JÖNKÖPING	43	37	17.0	70.6	62.5	12.8	1,233	925	33.3	870	578	50.4
HELSINGBORG	48	41	17.7	72.6	67.4	7.7	1,229	999	23.0	893	674	32.5
UMEÅ	39	43	-9.7	66.4	73.8	-10.0	871	720	21.0	578	531	8.9
UPPSALA	37	31	17.0	65.6	56.0	17.1	965	735	31.3	633	411	53.8
LINKÖPING	38	36	4.3	59.5	60.5	-1.5	851	722	17.9	507	437	16.1
LUND	32	32	2.3	58.1	57.6	0.8	993	884	12.4	576	509	13.3
KARLSTAD	32	27	19.5	75.1	62.0	21.1	964	853	13.0	724	529	36.9
ÖREBRO	34	27	26.9	66.9	58.4	14.5	1,052	858	22.6	703	501	40.4
VÄSTERÅS	33	29	12.0	70.5	66.2	6.6	957	904	5.9	675	598	12.9
SUNDSVALL	35	32	9.2	63.9	63.8	0.3	887	808	9.8	567	515	10.1
NORRKÖPING	33	29	14.8	65.4	62.4	4.8	1,266	1,189	6.5	828	742	11.6
LULEÅ	25	21	15.9	65.0	56.2	15.6	878	738	18.9	571	415	37.5
GOTLAND	46	48	-5.2	72.2	77.4	-6.8	1,685	1,581	6.6	1,216	1,224	-0.7
NACKA	25	20	24.3	67.1	53.9	24.5	1,434	1,269	13.0	962	684	40.7
HALMSTAD	29	30	-1.4	65.5	65.5	0.0	1,394	1,269	9.8	914	832	9.9
GÄVLE	22	24	-8.5	66.7	73.8	-9.7	1,036	936	10.7	691	691	-0.1
ÖSTERSUND	22	19	13.9	76.4	66.4	15.0	982	788	24.6	751	524	43.3
VÄXJÖ	21	17	19.6	69.4	62.3	11.4	973	883	10.2	675	550	22.7
KALMAR	24	22	6.2	84.3	81.6	3.2	1,291	1,119	15.4	1,088	914	19.1
SÖDERTÄLJE	15	12	24.3	53.6	49.2	8.9	937	782	19.8	502	385	30.5
SWEDEN	2,664	2,186	21.9	66.0	56.6	16.6	1,206	982	22.8	796	556	43.1

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 – AUGUST												
	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2022	2021		2022	2021		2022	2021		2022	2021	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	3,383	1,598	111.7	61.1	33.1	84.4	1,238	816	51.7	756	270	179.7
GOTHENBURG	1,474	794	85.5	63.9	37.5	70.3	1,306	938	39.1	834	352	136.9
MALMÖ	761	419	81.4	60.6	35.2	72.1	940	764	23.1	569	269	111.8
SIGTUNA	451	183	146.0	56.4	23.9	136.1	956	744	28.5	539	178	203.3
SOLNA	320	155	106.9	42.9	24.5	74.9	935	619	51.2	401	152	164.5
JÖNKÖPING	263	172	53.1	57.5	39.8	44.4	1,073	867	23.7	617	345	78.7
HELSINGBORG	283	188	50.3	58.0	42.0	38.1	1,159	931	24.5	673	391	72.0
UMEÅ	300	198	51.5	66.1	45.1	46.4	862	705	22.3	570	318	79.0
UPPSALA	258	148	74.8	60.1	35.2	70.8	942	690	36.6	567	243	133.4
LINKÖPING	269	180	49.5	55.7	40.0	39.3	854	694	23.0	476	277	71.4
LUND	211	140	51.1	49.8	38.8	28.3	962	790	21.9	479	307	56.4
KARLSTAD	208	128	62.1	62.7	39.9	57.4	977	789	23.9	613	314	95.0
ÖREBRO	221	138	60.4	57.5	40.1	43.5	1,032	810	27.3	594	325	82.7
VÄSTERÅS	239	160	50.0	66.5	47.0	41.3	959	887	8.1	638	417	52.8
SUNDSVALL	234	170	37.7	54.0	43.7	23.6	880	763	15.3	475	333	42.5
NORRKÖPING	208	149	40.0	53.5	43.2	23.8	1,163	1,052	10.6	622	454	37.0
LULEÅ	174	123	41.1	58.5	45.1	29.5	862	765	12.7	504	345	46.0
GOTLAND	217	182	18.7	59.3	53.5	10.8	1,461	1,359	7.5	866	726	19.2
NACKA	155	92	68.6	54.4	36.9	47.6	1,365	1,270	7.5	743	468	58.6
HALMSTAD	182	139	31.0	52.7	49.0	7.4	1,279	1,215	5.2	674	596	13.0
GÄVLE	162	128	26.7	63.3	50.9	24.2	999	876	14.0	632	446	41.6
ÖSTERSUND	137	98	40.1	62.8	44.9	39.9	933	754	23.6	585	338	73.0
VÄXJÖ	131	83	58.6	58.2	40.5	43.7	971	866	12.1	565	350	61.1
KALMAR	138	111	24.3	65.3	54.5	19.9	1,070	975	9.8	699	531	31.7
SÖDERTÄLJE	104	65	60.5	49.8	36.7	35.6	902	714	26.3	449	262	71.2
SWEDEN	16,780	10,455	60.5	54.9	37.1	47.9	1,111	914	21.6	610	339	79.9

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

12-MONTH ROLLING AVERAGE SEPTEMBER – AUGUST												
	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2022	2021		2022	2021		2022	2021		2022	2021	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	4,880	2,310	111.2	59.4	31.5	88.4	1,179	825	42.9	700	260	169.3
GOTHENBURG	2,120	1,122	88.9	61.8	36.0	71.8	1,243	908	36.8	768	327	135.1
MALMÖ	1,103	600	83.8	58.6	34.0	72.3	921	762	20.9	540	259	108.4
SIGTUNA	647	264	145.5	53.4	23.6	126.2	941	757	24.4	502	178	181.5
SOLNA	454	232	95.8	40.8	26.1	56.4	910	638	42.6	371	167	122.9
JÖNKÖPING	383	248	54.5	56.0	38.4	45.9	1,041	851	22.3	582	326	78.4
HELSINGBORG	399	260	53.3	55.4	40.2	38.0	1,089	895	21.7	604	360	67.9
UMEÅ	458	290	57.9	67.5	44.1	52.8	832	712	16.9	561	314	78.6
UPPSALA	389	218	78.5	60.3	35.1	71.9	900	706	27.4	543	248	119.0
LINKÖPING	403	263	52.9	55.9	39.1	42.9	827	711	16.3	462	278	66.2
LUND	312	203	53.9	49.2	38.0	29.4	932	785	18.8	459	299	53.7
KARLSTAD	302	188	60.8	61.0	39.3	55.5	951	786	21.0	581	309	88.2
ÖREBRO	331	210	57.7	58.9	40.4	45.7	1,011	814	24.2	595	329	81.0
VÄSTERÅS	359	234	53.1	66.6	46.3	43.9	961	897	7.2	640	415	54.3
SUNDSVALL	353	254	39.2	53.2	43.4	22.5	864	767	12.7	460	333	38.0
NORRKÖPING	306	215	42.5	53.6	41.5	29.3	1,121	1,035	8.3	601	429	40.0
LULEÅ	262	182	44.0	58.5	42.7	37.1	849	763	11.2	497	326	52.5
GOTLAND	285	238	19.7	54.7	48.7	12.3	1,339	1,239	8.1	733	603	21.5
NACKA	226	126	78.8	52.3	34.8	50.4	1,371	1,280	7.2	718	445	61.2
HALMSTAD	270	189	43.0	52.1	45.9	13.6	1,214	1,198	1.4	633	550	15.2
GÄVLE	252	190	32.4	65.6	50.6	29.5	984	866	13.6	645	438	47.2
ÖSTERSUND	205	137	49.2	62.0	42.0	47.7	917	750	22.3	568	315	80.7
VÄXJÖ	197	123	59.9	58.1	39.6	46.8	947	854	10.9	550	338	62.8
KALMAR	198	153	29.1	62.6	51.0	22.8	1,006	940	7.1	630	479	31.6
SÖDERTÄLJE	151	97	56.4	49.0	36.5	34.4	885	722	22.6	434	263	64.8
SWEDEN	24,350	14,890	63.5	53.5	35.5	50.7	1,071	896	19.5	573	318	80.2

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 AUGUST

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2022	2021		2022	2021		2022	2021		2022	2021	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	2,664	2,186	21.9	66.0	56.6	16.6	1,206	982	22.8	796	556	43.1
DENMARK	1,369	1,044	31.2	77.0	61.0	26.2	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	1,041	838	24.3	57.5	49.1	17.1	1,088	922	14.7	626	453	34.4
NORWAY	1,842	1,444	27.6	66.0	56.0	17.9	1,362	1,107	12.8	899	620	33.0
STOCKHOLM	540	351	53.8	75.0	53.4	40.5	1,347	914	47.3	1,010	488	106.9
COPENHAGEN	617	360	71.3	83.0	54.0	53.7	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	252	148	69.9	66.8	43.1	55.0	1,235	898	33.7	825	387	107.2
OSLO	353	209	68.7	79.0	53.0	49.1	1,487	1,013	34.6	1,175	537	100.7

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 – AUGUST

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2022	2021		2022	2021		2022	2021		2022	2021	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	16,780	10,455	60.5	54.9	37.1	47.9	1,111	914	21.6	610	339	79.9
DENMARK	7,810	3,902	100.1	58.4	30.3	92.5	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	6,713	4,428	51.6	48.7	36.1	34.8	1,092	911	16.5	531	329	57.1
NORWAY	10,690	6,333	68.8	51.1	36.8	38.9	1,271	1,049	11.2	650	386	54.4
STOCKHOLM	3,383	1,598	111.7	61.1	33.1	84.4	1,238	816	51.7	756	270	179.7
COPENHAGEN	3,468	1,240	179.6	62.4	24.4	156.0	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	1,401	626	123.6	49.3	27.1	82.0	1,158	878	28.2	571	238	133.3
OSLO	2,013	730	175.6	59.1	30.1	96.6	1,395	903	41.6	824	272	178.3

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 SEPTEMBER – AUGUST

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2022	2021		2022	2021		2022	2021		2022	2021	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	24,350	14,890	63.5	53.5	35.5	50.7	1,071	896	19.5	573	318	80.2
DENMARK	11,372	5,694	99.7	57.3	29.7	92.6	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	9,849	6,350	55.1	47.9	34.4	39.1	1,075	897	16.5	515	309	62.1
NORWAY	15,358	9,096	68.8	49.3	34.6	42.7	1,225	1,004	11.9	604	347	59.7
STOCKHOLM	4,880	2,310	111.2	59.4	31.5	88.4	1,179	825	42.9	700	260	169.3
COPENHAGEN	4,932	1,742	183.1	59.9	23.1	159.2	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	2,003	866	131.3	47.4	25.4	86.4	1,133	880	25.2	537	224	133.3
OSLO	2,844	1,105	157.5	56.6	27.9	102.6	1,330	866	40.9	753	242	185.5

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.

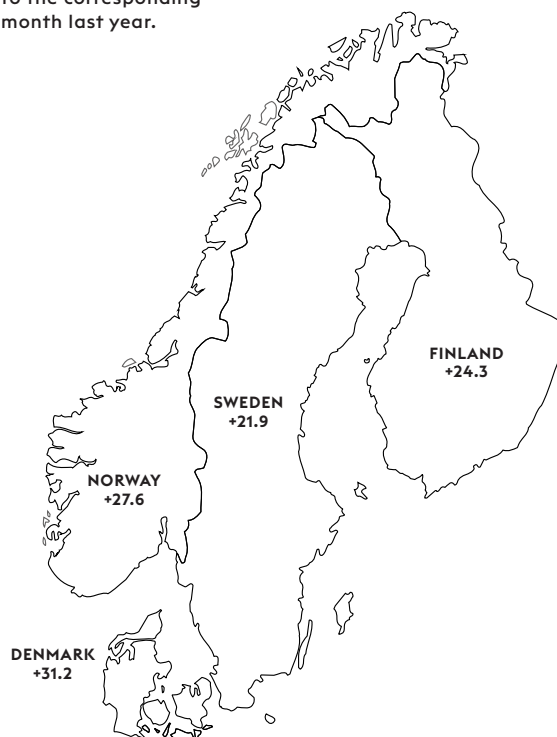
ADR: Accommodation revenue/Rooms sold.

RevPAR: Occupancy x ADR.

N/A: Not available.

ROOMS SOLD IN THE NORDICS IN AUGUST

%-change compared to the corresponding month last year.



106.9%

INCREASE IN REVPAR
IN STOCKHOLM, AUGUST 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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*We'll be back again
in November.*

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