

# HOTEL MARKET UPDATE

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NORDIC HOTEL MARKET TRENDS AND ECONOMIC INDICATORS

Nov/22

*Light a candle to read this report and save  
a buck on electricity.*



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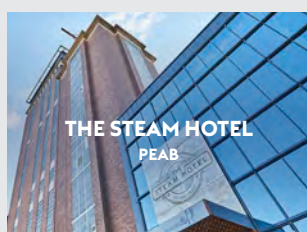


## Annordia advised Anders Bodin Fastigheter on the acquisition of Hotel Diplomat in Stockholm

Annordia is pleased to have advised Anders Bodin Fastigheter on the acquisition of the property with Hotel Diplomat in Stockholm. The property Klippan 10, is located at Strandvägen 7 in Stockholm and comprises 5,600 square meters of lettable area and houses Hotel Diplomat with 130 rooms, meeting facilities, and a restaurant and bar.

The seller was the Malmström family, who has owned the property since 1917 and will continue to operate the hotel and restaurant on a twenty-year lease.

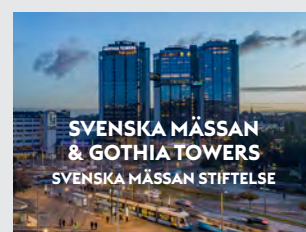
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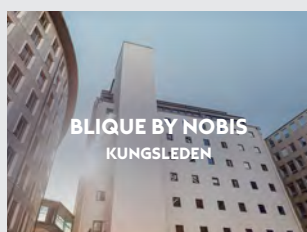
**Market analysis**  
Establish the feasibility of a potential hotel investment.



**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.

## 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.

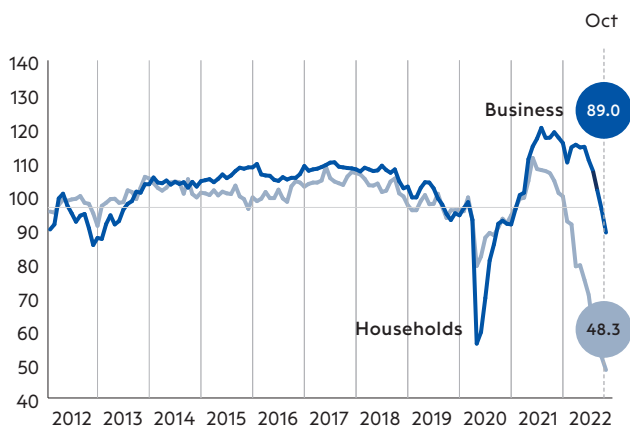
### TALKING POINTS OF THE MONTH

Confidence indicators continued to decline in October for both households and businesses. The household confidence indicator has now reached historically low levels that surpass all declines since 1996. However, even though the outlook may be induced with negativity, the hotel market is still performing well and showing strong key figures. The RevPAR in September this year increased by approximately 64 percent compared to the corresponding month of 2021 and the number of rooms sold has increased by about 31 percent during the same period.

- The household confidence indicator has continued to fall in October and has now reached the lowest level since 1996, which is the earliest available statistics – see confidence indicators on page 2.
- In October 2022, the inflation stabilized at 10.8 percent and the unemployment rate has subsided to pre-pandemic levels – see macro indicators, page 2.
- The expectations of demand shown by hotel companies in three month' time has declined to negative levels with only 2 of 10 companies expecting increased demand – see hotel companies' expectations on page 3.
- The Swedish economy is forecasted to have very limited growth during 2023 of almost 0 percent – see growth forecasts on page 3.
- The RevPAR for Stockholm increased by approximately 129 percent from September 2021 to September 2022 – see page 7.

## MACRO INDICATORS IN SWEDEN

Both business and household confidence indicators continued to decline in October. Household pessimism, displayed by the household indicator, has reached the lowest level since 1996. Consequently, significantly lower than two large-scale financial crises and the Covid-19 pandemic during said time.

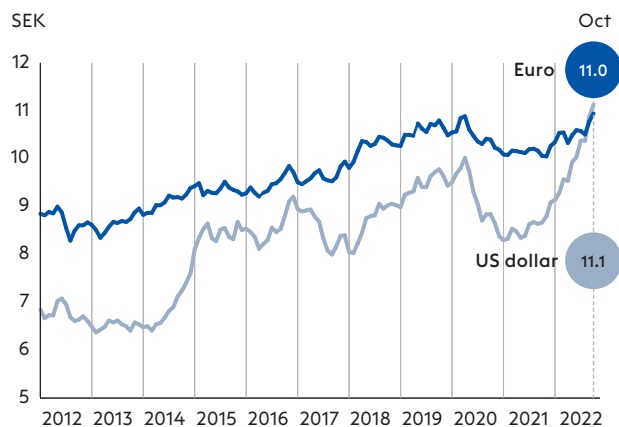


Confidence indicators for business and households in Sweden, up to and including October.

Source: The National Institute of Economic Research

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

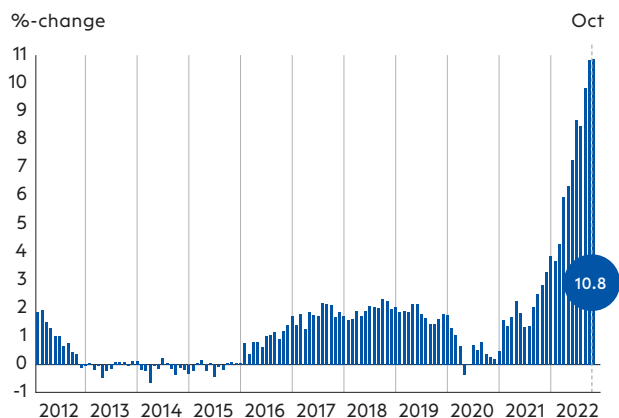
The value of the Swedish krona continued to fall against both the Euro and the US dollar in October. This decline in value for the Swedish krona has now reached the lowest measured value against both the Euro and the US dollar in 10 years.



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

Source: The Central Bank of Sweden

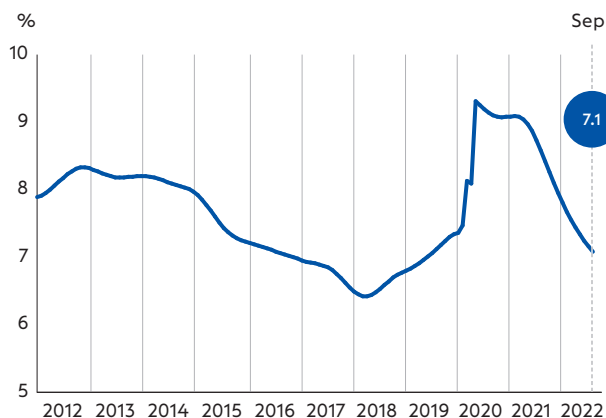
The rate of price increase, according to the CPI, stabilized at 10.8 percent in October. However, the rate of increase was still historically high between October 2022 and the corresponding month 2021.



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

Source: Statistics Sweden

The unemployment rate, according to trend, was 7.1 percent in September. This concludes that the level has continued to subside and has reached pre-pandemic levels.



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

Source: The laborforce survey (Statistics Sweden)

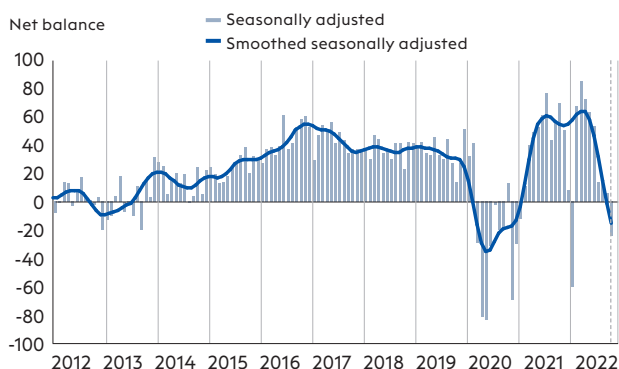
# 10.8%

OCTOBER INFLATION RATE



## SWEDISH HOTEL MARKET SUMMARY

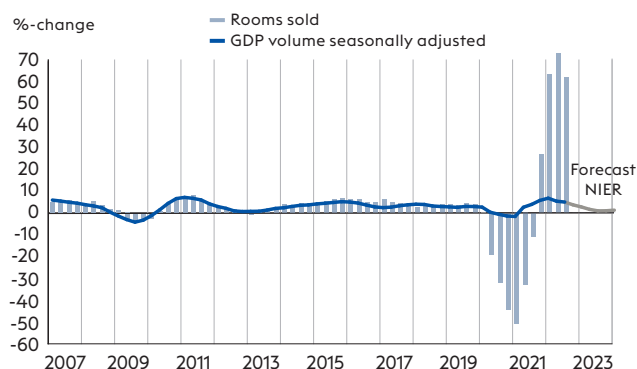
The expectations expressed by the hotel companies of demand for the next three months have continued to decline. 4 out of 10 hotels expect reduced demand in three months' time while only 2 out of 10 hotels expect increased demand.



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

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

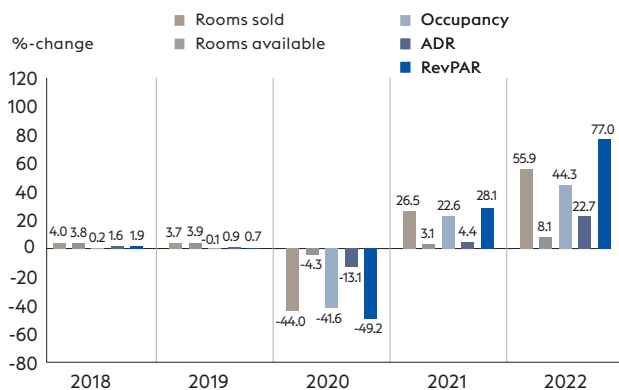
The Swedish economy is expected to grow by approximately 2.8 percent in 2022 and about 0.6 percent in 2023, which is a significant decrease in growth. Historically, the connection between GDP and the hotel industry has been strong.



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

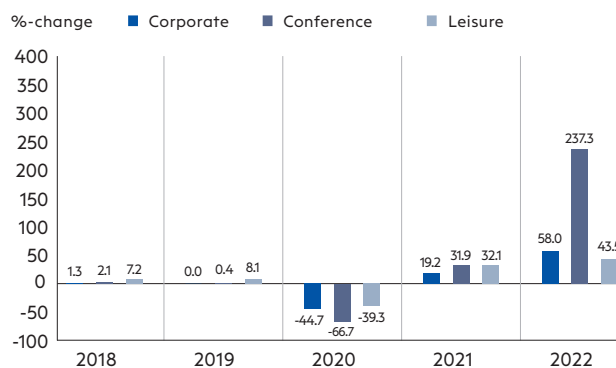
RevPAR continued to increase and was 77 percent higher year-to-date this year compared to the corresponding period 2021. However, compared to the corresponding period in 2019, the RevPAR level was only about 2 percent higher.



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

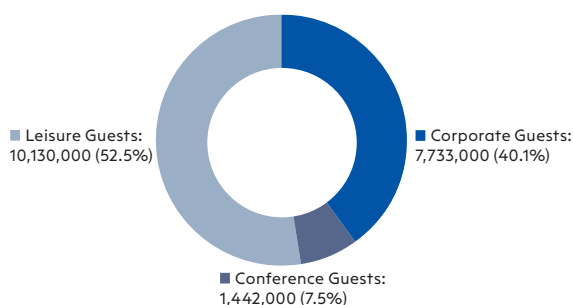
Source: The Swedish Growth Agency/Statistics Sweden

Occupied rooms from all segments increased in 2022 compared to 2021 in the Swedish hotel market. The combined number of occupied hotel rooms from corporate and conference guests was approximately 72 percent higher during Jan-Sep 2022 compared to the same period 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 September.

Source: The Swedish Growth Agency/Statistics Sweden



The leisure segment accounted for 52.5 percent of the occupied hotel rooms in the country Jan-Sep 2022.

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

Source: The Swedish Growth Agency/Statistics Sweden

## TRENDS IN SWEDEN'S 25 LARGEST HOTEL MUNICIPALITIES

MONTH SEPTEMBER												
	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2022	2021		2022	2021		2022	2021		2022	2021	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	527	333	58.5	75.8	51.5	47.3	1,510	971	55.5	1,145	500	129.1
GOTHENBURG	230	142	62.2	77.7	51.5	50.8	1,354	1,052	28.7	1,052	542	94.1
MALMÖ	122	79	53.3	76.6	51.5	48.7	1,044	815	28.0	800	420	90.4
SIGTUNA	73	47	57.4	68.4	45.7	49.7	1,138	896	27.1	778	409	90.2
SOLNA	59	29	102.9	63.3	32.3	96.1	1,141	823	38.6	722	266	171.9
JÖNKÖPING	41	33	22.5	63.6	58.6	8.4	1,145	933	22.7	728	547	33.0
HELSINGBORG	39	33	19.8	61.9	56.9	8.8	1,141	905	26.0	706	515	37.1
UMEÅ	39	39	-0.6	68.5	69.4	-1.3	1,030	707	45.6	706	491	43.7
UPPSALA	41	32	28.5	74.8	59.9	25.0	1,113	785	41.8	833	470	77.2
LINKÖPING	41	35	14.8	67.1	58.6	14.5	957	756	26.6	642	443	45.0
LUND	34	26	29.8	62.9	51.5	22.2	1,038	821	26.5	653	423	54.5
KARLSTAD	32	23	35.5	76.4	57.1	33.8	1,128	837	34.8	862	478	80.4
ÖREBRO	34	27	24.4	68.5	60.7	12.7	1,119	926	20.8	766	562	36.2
VÄSTERÅS	35	30	19.5	79.3	68.0	16.6	1,044	933	11.9	827	634	30.4
SUNDSVALL	34	31	7.4	63.4	54.9	15.5	909	791	14.8	576	434	32.6
NORRKÖPING	32	23	43.9	66.1	50.8	30.2	1,166	1,015	15.0	772	515	49.7
LULEÅ	26	22	19.6	62.3	59.6	4.5	923	803	15.0	575	478	20.2
GOTLAND	29	27	8.5	56.7	53.7	5.5	1,249	1,111	12.4	708	597	18.6
NACKA	25	17	45.7	71.0	46.7	52.2	1,579	1,363	15.9	1,121	636	76.3
HALMSTAD	28	27	2.8	61.7	60.2	2.5	1,134	1,087	4.3	699	654	6.9
GÄVLE	23	25	-8.9	71.7	81.1	-11.6	1,099	951	15.6	788	771	2.2
ÖSTERSUND	18	17	3.4	65.7	63.1	4.2	907	812	11.8	597	512	16.5
VÄXJÖ	19	16	18.3	67.5	58.1	16.1	1,021	898	13.8	689	522	32.2
KALMAR	18	17	5.4	65.4	64.0	2.2	975	874	11.5	637	560	13.9
SÖDERTÄLJE	17	12	44.8	65.2	50.3	29.5	1,050	830	26.6	685	418	63.9
SWEDEN	2,526	1,930	30.9	64.9	51.8	25.3	1,241	950	30.6	805	492	63.6

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

YEAR-TO-DATE JANUARY – SEPTEMBER												
	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2022	2021		2022	2021		2022	2021		2022	2021	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	3,910	1,931	102.5	62.7	35.3	77.7	1,275	843	51.3	800	297	168.8
GOTHENBURG	1,703	936	82.0	65.4	39.1	67.3	1,312	956	37.3	858	374	129.7
MALMÖ	883	499	77.0	62.4	37.1	68.3	954	772	23.6	595	286	108.0
SIGTUNA	524	230	128.1	57.8	26.4	118.6	981	775	26.7	567	205	176.9
SOLNA	379	184	106.2	45.1	25.5	77.2	967	651	48.6	437	166	163.3
JÖNKÖPING	304	205	48.2	58.2	42.0	38.7	1,083	878	23.3	631	369	71.0
HELSINGBORG	322	221	45.8	58.5	43.7	33.8	1,157	927	24.8	677	405	67.0
UMEÅ	338	236	43.0	66.4	47.9	38.6	881	706	24.9	585	338	73.1
UPPSALA	299	180	66.6	61.8	38.0	62.7	966	707	36.7	597	268	122.4
LINKÖPING	310	216	43.8	57.0	42.2	35.0	868	704	23.2	494	297	66.3
LUND	245	166	47.8	51.3	40.4	27.0	973	794	22.4	499	321	55.5
KARLSTAD	240	152	58.0	64.3	41.8	53.7	997	796	25.2	641	333	92.5
ÖREBRO	254	165	54.5	58.8	42.5	38.4	1,043	829	25.8	613	352	74.1
VÄSTERÅS	275	189	45.2	67.9	49.4	37.4	970	894	8.4	659	442	49.0
SUNDSVALL	267	201	33.0	55.0	45.1	21.9	883	767	15.1	486	346	40.3
NORRKÖPING	240	171	40.5	54.9	44.0	24.6	1,164	1,047	11.2	639	461	38.5
LULEÅ	200	145	37.8	58.9	46.9	25.8	870	771	12.9	513	361	42.0
GOTLAND	246	209	17.4	58.9	53.5	10.2	1,435	1,327	8.2	846	710	19.2
NACKA	180	109	65.0	56.3	38.1	47.5	1,395	1,285	8.6	785	490	60.1
HALMSTAD	210	166	26.4	53.7	50.6	6.2	1,260	1,194	5.5	677	604	12.1
GÄVLE	185	153	20.8	64.2	54.3	18.3	1,011	889	13.8	650	483	34.6
ÖSTERSUND	155	115	34.6	63.1	46.9	34.5	930	763	21.8	586	358	63.9
VÄXJÖ	151	99	51.9	59.2	42.6	39.0	977	871	12.2	579	371	55.9
KALMAR	155	128	21.8	65.3	55.6	17.6	1,059	962	10.2	692	534	29.5
SÖDERTÄLJE	122	77	58.1	51.5	38.3	34.4	923	732	26.1	475	280	69.5
SWEDEN	19,306	12,385	55.9	56.1	38.9	44.3	1,128	919	22.7	632	357	77.0

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 OCTOBER – SEPTEMBER												
	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2022	2021		2022	2021		2022	2021		2022	2021	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	5,075	2,437	108.3	61.4	33.2	85.2	1,227	840	46.1	754	279	170.5
GOTHENBURG	2,208	1,165	89.6	64.0	37.0	72.8	1,267	931	36.1	810	345	135.1
MALMÖ	1,145	626	83.0	60.7	35.2	72.4	941	767	22.7	571	270	111.5
SIGTUNA	674	286	135.4	55.3	25.4	117.7	966	774	24.7	534	197	171.5
SOLNA	484	238	103.7	43.4	26.0	66.8	943	653	44.5	409	170	141.0
JÖNKÖPING	390	254	53.8	56.4	39.1	44.2	1,061	865	22.7	599	338	76.9
HELSINGBORG	405	268	51.0	55.9	41.1	36.0	1,109	906	22.5	620	372	66.6
UMEÅ	458	300	52.8	67.4	45.5	48.0	859	709	21.2	579	323	79.4
UPPSALA	398	226	75.9	61.6	36.3	69.6	931	705	32.2	573	256	124.1
LINKÖPING	408	271	50.5	56.6	40.0	41.5	846	713	18.6	479	285	67.9
LUND	319	208	53.4	50.2	38.6	30.2	953	788	20.9	478	304	57.4
KARLSTAD	311	191	62.7	62.7	39.8	57.4	978	789	23.9	613	314	95.1
ÖREBRO	338	213	58.5	59.6	41.0	45.3	1,028	825	24.7	612	338	81.2
VÄSTERÅS	365	242	50.7	67.6	47.6	41.9	971	898	8.1	656	428	53.4
SUNDSVALL	356	260	36.9	53.9	43.9	22.8	875	770	13.6	471	338	39.6
NORRKÖPING	316	218	45.3	54.9	42.1	30.5	1,133	1,036	9.3	622	436	42.7
LULEÅ	266	185	43.5	58.8	43.7	34.6	860	766	12.3	506	334	51.2
GOTLAND	287	242	18.7	55.0	49.3	11.6	1,352	1,251	8.1	743	617	20.6
NACKA	234	133	75.3	54.3	35.9	51.3	1,394	1,293	7.8	758	464	63.1
HALMSTAD	271	197	37.1	52.3	46.7	11.9	1,219	1,190	2.4	637	556	14.6
GÄVLE	250	197	26.7	64.8	52.4	23.7	998	874	14.1	647	458	41.2
ÖSTERSUND	205	142	44.4	62.2	43.5	43.0	925	756	22.3	575	329	74.8
VÄXJÖ	200	126	58.0	58.9	40.3	46.1	958	861	11.3	564	347	62.6
KALMAR	199	155	28.7	62.7	51.1	22.7	1,015	938	8.2	637	480	32.7
SÖDERTÄLJE	157	99	58.0	50.3	37.3	35.0	907	730	24.2	456	272	67.7
SWEDEN	24,946	15,392	62.1	54.6	36.5	49.6	1,098	904	21.4	600	330	81.6

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 SEPTEMBER

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2022	2021		2022	2021		2022	2021		2022	2021	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
<b>SWEDEN</b>	2,526	1,930	<b>30.9</b>	64.9	51.8	<b>25.3</b>	1,241	950	<b>30.6</b>	805	492	<b>63.6</b>
<b>DENMARK</b>	1,323	1,127	<b>17.4</b>	71.0	62.0	<b>14.5</b>	N/A	N/A	<b>N/A</b>	N/A	N/A	<b>N/A</b>
<b>FINLAND</b>	999	769	<b>29.9</b>	57.2	46.0	<b>24.3</b>	1,118	924	<b>14.1</b>	639	425	<b>41.9</b>
<b>NORWAY</b>	1,625	1,349	<b>20.5</b>	62.4	54.0	<b>15.6</b>	1,312	1,057	<b>16.7</b>	819	571	<b>35.0</b>
STOCKHOLM	527	351	<b>50.1</b>	75.8	54.3	<b>39.6</b>	1,510	920	<b>64.1</b>	1,145	500	<b>129.1</b>
COPENHAGEN	563	371	<b>51.8</b>	78.0	56.0	<b>39.3</b>	N/A	N/A	<b>N/A</b>	N/A	N/A	<b>N/A</b>
HELSINKI	245	116	<b>111.7</b>	65.3	34.1	<b>91.5</b>	1,278	987	<b>22.2</b>	835	337	<b>133.9</b>
OSLO	331	213	<b>55.4</b>	72.9	55.0	<b>32.6</b>	1,573	1,057	<b>39.9</b>	1,146	581	<b>85.4</b>

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		
	2022	2021		2022	2021		2022	2021		2022	2021	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
<b>SWEDEN</b>	19,306	12,385	<b>55.9</b>	56.1	38.9	<b>44.3</b>	1,128	919	<b>22.7</b>	632	357	<b>77.0</b>
<b>DENMARK</b>	10,002	5,643	<b>77.2</b>	60.0	33.9	<b>77.2</b>	N/A	N/A	<b>N/A</b>	N/A	N/A	<b>N/A</b>
<b>FINLAND</b>	7,712	5,197	<b>48.4</b>	49.6	37.3	<b>33.1</b>	1,120	910	<b>16.2</b>	556	339	<b>54.6</b>
<b>NORWAY</b>	12,315	7,683	<b>60.3</b>	52.4	39.0	<b>34.3</b>	1,270	1,066	<b>12.0</b>	665	416	<b>50.4</b>
STOCKHOLM	3,910	1,598	<b>144.7</b>	62.7	29.2	<b>114.7</b>	1,275	1,018	<b>25.2</b>	800	297	<b>168.8</b>
COPENHAGEN	4,035	1,611	<b>150.4</b>	64.3	28.0	<b>129.5</b>	N/A	N/A	<b>N/A</b>	N/A	N/A	<b>N/A</b>
HELSINKI	1,646	742	<b>121.7</b>	51.1	28.0	<b>82.8</b>	1,202	892	<b>27.1</b>	615	250	<b>132.4</b>
OSLO	2,344	944	<b>148.4</b>	60.7	33.5	<b>81.3</b>	1,412	951	<b>39.6</b>	858	318	<b>153.1</b>

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		
	2022	2021		2022	2021		2022	2021		2022	2021	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	24,946	15,392	62.1	54.6	36.5	49.6	1,098	904	21.4	600	330	81.6
DENMARK	12,768	6,814	87.4	58.2	31.9	82.5	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	10,079	6,544	54.0	48.8	35.2	38.5	1,114	900	16.8	544	317	61.8
NORWAY	15,634	9,543	63.8	50.0	36.3	37.9	1,235	1,033	12.3	618	375	55.0
STOCKHOLM	5,075	2,310	119.7	61.4	31.4	95.3	1,227	886	38.6	754	279	170.5
COPENHAGEN	5,128	1,950	163.0	61.9	25.7	141.0	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	2,132	916	132.8	50.0	26.3	90.3	1,183	890	25.4	592	234	138.6
OSLO	2,962	1,193	148.3	58.2	30.5	90.8	1,364	915	40.0	793	279	167.2

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

## 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.

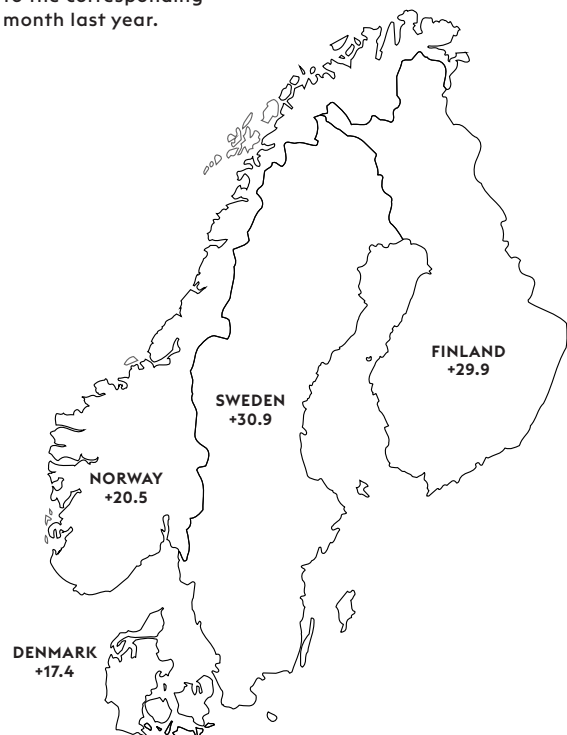
**ADR:** Accommodation revenue/Rooms sold.

**RevPAR:** Occupancy x ADR.

**N/A:** Not available.

## ROOMS SOLD IN THE NORDICS IN SEPTEMBER

%-change compared to the corresponding month last year.



**129.1%**  
INCREASE IN REVPAR  
IN STOCKHOLM, SEPTEMBER 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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in December.*

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