

HOTEL MARKET UPDATE

NORDIC HOTEL MARKET TRENDS AND ECONOMIC INDICATORS

Feb/23

*We present the hotel market's
most interesting clues.*



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A full-service advisor for hotel investments in real estate

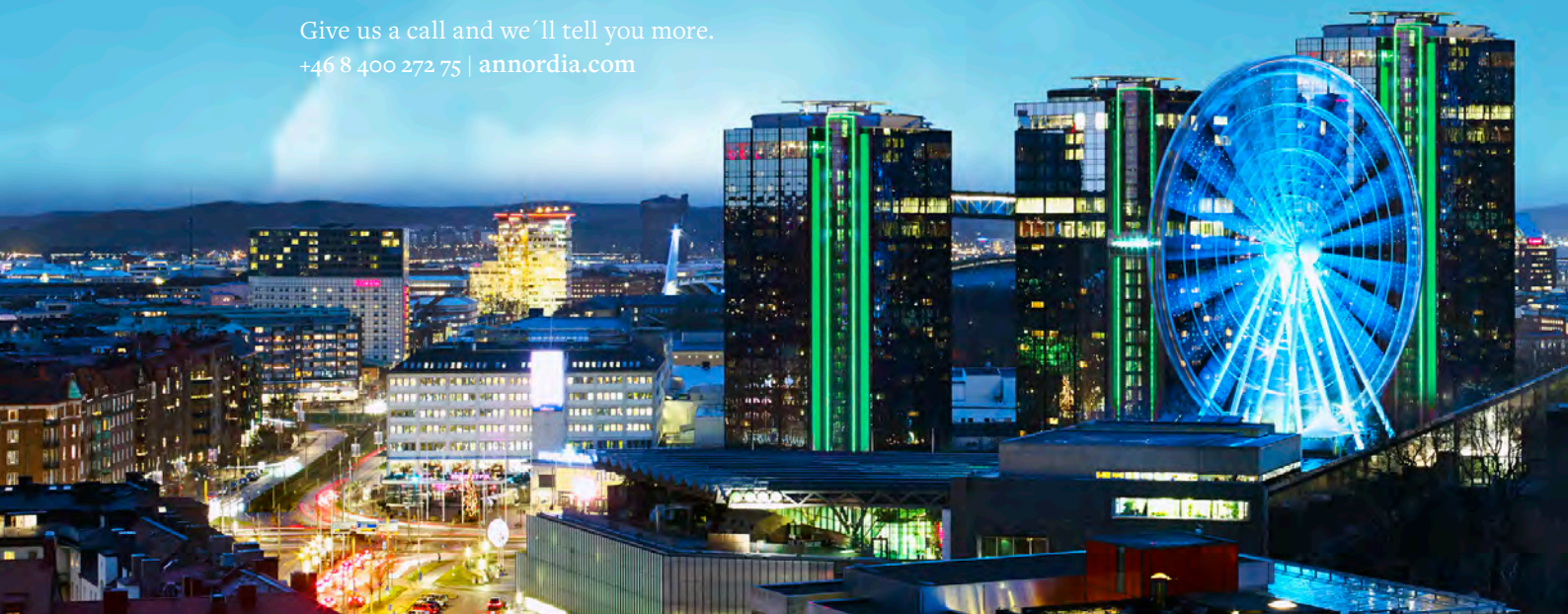
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Our broad client base includes real estate owners, municipalities, banks and investors throughout the Nordics. Working with them, we have advised on many of the region's largest hotel development projects and transactions.

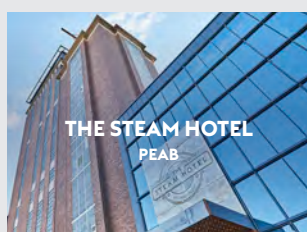
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Market analysis

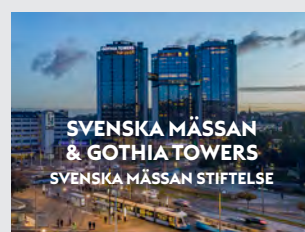
Establish the feasibility of a potential hotel investment.



CLARION HOTEL
SÖDERTÄLJE
STADSRUM

Concept development

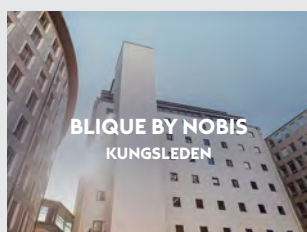
Hotel planning and optimisation based on market characteristics.



SVENSKA MÄSSAN
& GOTHIA TOWERS
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Operator search

Recruitment of suitable hotel operators on favourable terms.



STORHOGNA
HÖGFJÄLLSHOTELL
CIBOLA

Valuation

For acquisitions, year-end accounting and secured lending.



BILLINGEBY
HOST PROPERTY

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.

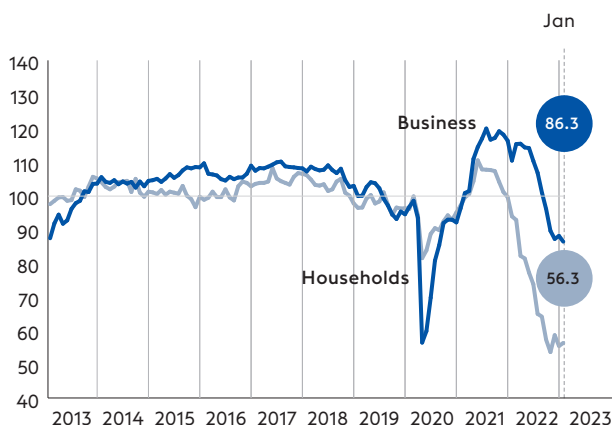
TALKING POINTS OF THE MONTH

The confidence indicators for businesses and households have the last few months fluctuated around the same, relatively low, levels. Furthermore, the value of the Swedish Krona continued to fall against the Euro which has reached the highest level since January 1993, which is the oldest available statistics from the Swedish central bank. Moreover, the forecast for the Swedish economy is still showing a negative outlook for 2023. This is also reflected in the expectations expressed by the hotel companies where most of the companies anticipate a decreased demand for hotel services during the next three months. The unemployment rate has however continued to decrease, and the statistics of the hotel market key figures are still showing strong numbers.

- The confidence indicator for businesses shows an increasing pessimism, although, the indicator is far from the low levels reached during the pandemic – see confidence indicators on page 2.
- The value of the Euro compared to the Swedish Krona has reached a historically high value of 11.19 Krona which is the highest level in at least 30 years – see exchange rates on page 2.
- The leisure segment alone accounted for more than half of the number of occupied rooms in Sweden in 2022 – see occupied hotel rooms generated by the guest segments on page 3.

MACRO INDICATORS IN SWEDEN

The confidence indicators continued to fluctuate in January 2023. For households, the confidence indicator slightly recovered while the indicator for businesses proceeded to decline. The pessimism within the business sector is however far from the low levels reached during the pandemic.

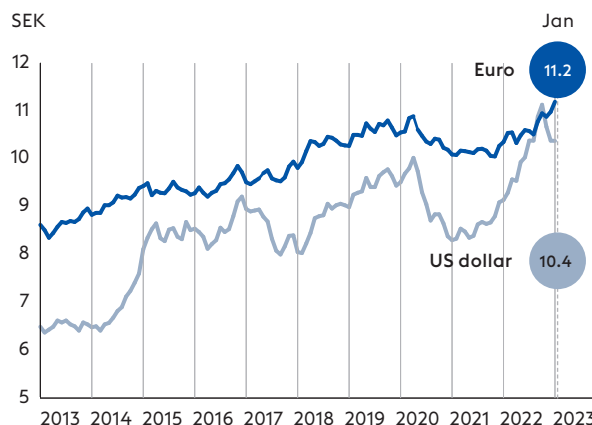


Confidence indicators for business and households in Sweden, up to and including January.

Source: The National Institute of Economic Research

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

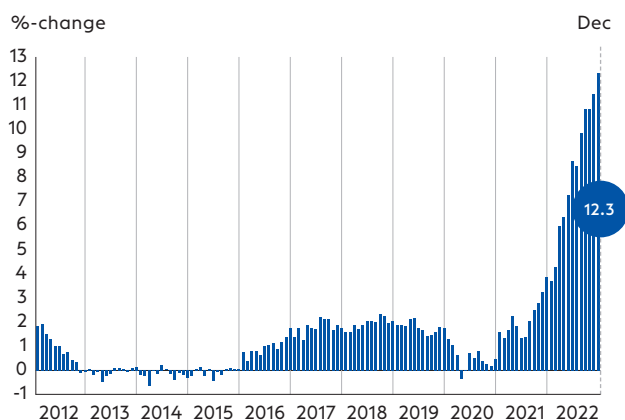
The value of the Swedish Krona continued to fall during the first month of 2023 compared to the Euro which displays the highest value since 1993. A positive development against the US Dollar is however visible in the statistics where the value of the US Dollar against the Swedish Krona subsided slightly.



The development of the Swedish Krona against the Euro and the US dollar, up to and including January.

Source: The Central Bank of Sweden

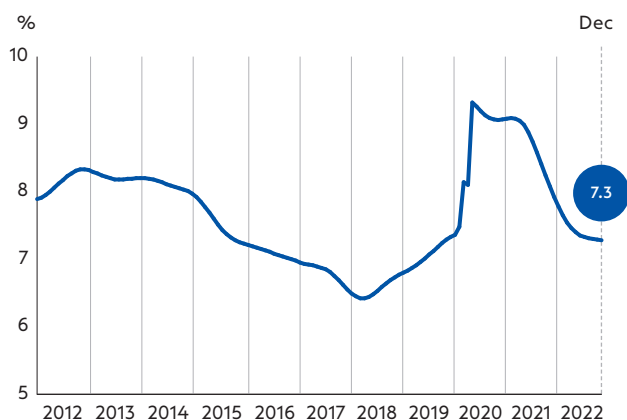
The rate of price increase, according to CPI, increased in December to 12.3 percent. This level of inflation is the 2:nd highest in over 30 years, during which time, only the inflation peak of the financial crisis in the 1990's was higher at 12.6 percent.



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

Source: Statistics Sweden

The unemployment rate, according to trend, continued to decline in December 2022. However, the recession rate has slowed since the decline started in March 2021 when the unemployment rate peaked.



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

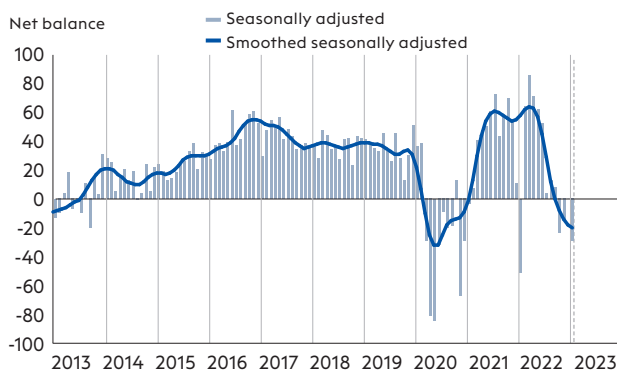
Source: The laborforce survey (Statistics Sweden)

12.3%

DECEMBER INFLATION RATE

SWEDISH HOTEL MARKET SUMMARY

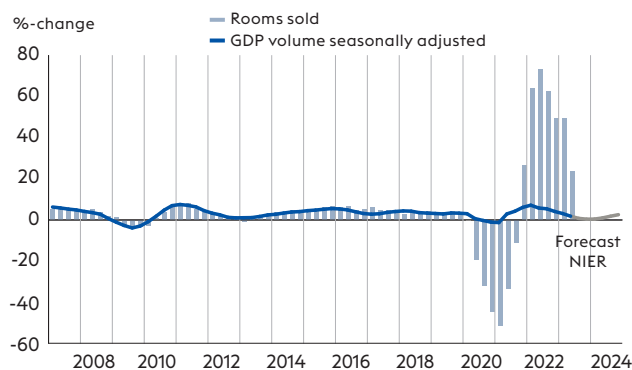
The expectations expressed by the hotel companies of demand for their services during the next three months have continued to decline. In January, more than half of the hotel companies answering the inquiry were anticipating a decreased demand.



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

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

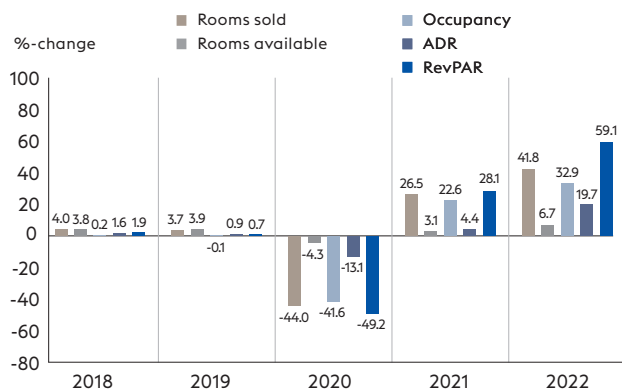
The GDP growth is expected to be negative during 2023 and according to the forecast, a positive development will not occur until the 3rd quarter of 2024. Historically, the connection between GDP and the hotel industry has been strong.



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

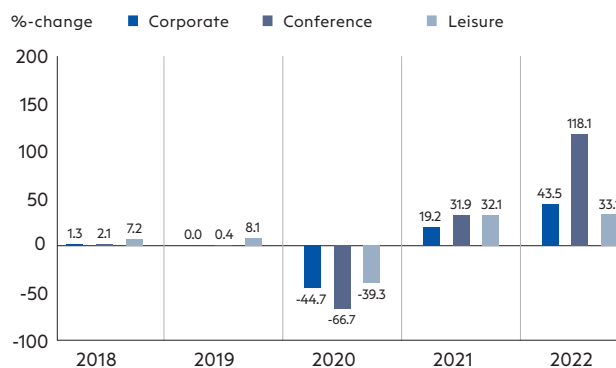
The occupancy rate, ADR and RevPAR level was respectively 32.9 percent, 19.7 percent and 59.1 percent higher during 2022 compared to 2021.



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

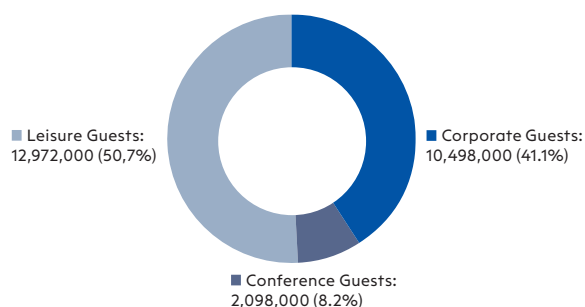
Source: The Swedish Growth Agency/Statistics Sweden

The number of occupied rooms generated by all segments increased from 2021 to 2022. The business segment specifically increased by 52.2 percent compared to 2021 but decreased by 5.3 percent compared to 2019.



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

Source: The Swedish Growth Agency/Statistics Sweden



The leisure segment accounted for more than half of the occupied rooms in Sweden 2022.

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

Source: The Swedish Growth Agency/Statistics Sweden

TRENDS IN SWEDEN'S 25 LARGEST HOTEL MUNICIPALITIES

	MONTH DECEMBER											
	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2022	2021		2022	2021		2022	2021		2022	2021	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	383	323	18.7	55.5	47.3	17.2	1,276	1,077	18.5	708	509	38.9
GOTHENBURG	171	137	24.9	55.2	48.6	13.5	1,185	1,131	4.7	654	550	18.9
MALMÖ	77	65	18.9	47.6	41.4	15.1	885	893	-1.0	421	370	13.9
SIGTUNA	52	45	14.5	51.1	43.5	17.4	1,020	947	7.8	522	412	26.6
SOLNA	37	26	45.2	40.0	27.7	44.5	886	799	10.9	355	221	60.3
JÖNKÖPING	24	20	17.0	37.7	36.7	2.7	923	847	9.0	348	311	12.0
HELSINGBORG	26	21	23.5	40.5	36.6	10.7	957	949	0.9	388	348	11.6
UMEÅ	29	31	-8.3	45.8	56.2	-18.5	861	793	8.6	394	445	-11.4
UPPSALA	26	26	0.0	48.4	47.7	1.4	902	810	11.3	436	386	12.9
LINKÖPING	24	22	5.9	40.3	40.5	-0.5	832	755	10.2	335	306	9.7
LUND	23	17	31.1	42.8	34.0	25.9	1,004	867	15.8	430	295	45.8
KARLSTAD	21	18	19.0	49.9	45.6	9.4	972	859	13.3	485	392	24.0
ÖREBRO	23	20	17.8	47.4	45.2	5.0	1,004	961	4.4	476	434	9.7
VÄSTERÅS	25	26	-1.6	54.9	56.6	-3.0	1,022	987	3.6	561	558	0.5
SUNDSVALL	24	24	0.3	43.9	40.9	7.3	937	888	5.5	411	363	13.2
NORRKÖPING	18	19	-1.9	39.1	41.9	-6.6	976	1,154	-15.4	382	483	-21.0
LULEÅ	20	17	14.6	51.9	45.8	13.2	920	830	10.8	477	381	25.5
GOTLAND	10	8	29.4	30.6	27.0	13.5	794	829	-4.3	243	224	8.6
NACKA	21	12	72.3	49.9	33.2	50.1	1,387	1,555	-10.8	691	517	33.8
HALMSTAD	16	15	7.8	38.1	35.3	7.9	1,129	1,037	8.9	430	366	17.5
GÄVLE	18	17	5.4	53.9	51.3	5.2	926	918	0.9	499	470	6.1
ÖSTERSUND	14	13	8.7	53.3	48.7	9.6	897	927	-3.2	478	451	6.0
VÄXJÖ	13	13	7.1	50.0	46.4	7.7	995	917	8.5	497	426	16.8
KALMAR	11	10	5.4	40.3	39.6	1.7	898	823	9.1	362	326	10.9
SÖDERTÄLJE	13	9	47.2	41.0	34.5	19.0	1,028	848	21.2	422	292	44.2
SWEDEN	1,687	1,484	13.7	44.1	40.1	9.9	1,103	1,018	8.4	486	408	19.2

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

YEAR-TO-DATE JANUARY – DECEMBER												
	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2022	2021		2022	2021		2022	2021		2022	2021	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	5,298	3,096	71.1	63.6	41.3	54.1	1,291	927	39.3	821	383	114.6
GOTHENBURG	2,310	1,441	60.3	65.5	44.4	47.3	1,293	1,011	28.0	847	449	88.5
MALMÖ	1,170	761	53.8	61.6	41.9	47.0	955	816	17.0	588	342	72.1
SIGTUNA	711	380	87.2	58.2	32.2	81.0	1,003	829	21.0	584	267	119.0
SOLNA	523	289	81.0	46.7	29.0	61.1	984	726	35.6	459	210	118.4
JÖNKÖPING	404	292	38.4	56.6	44.3	27.6	1,096	909	20.6	620	403	53.8
HELSINGBORG	414	304	36.2	55.8	44.7	24.8	1,117	926	20.6	623	414	50.5
UMEÅ	451	356	26.7	65.0	53.7	21.1	885	736	20.3	575	395	45.7
UPPSALA	399	278	43.4	61.8	43.8	41.0	975	749	30.2	602	328	83.5
LINKÖPING	412	313	31.3	56.6	45.6	24.2	876	727	20.4	496	332	49.5
LUND	327	240	36.1	51.0	42.2	20.8	996	823	21.0	508	348	46.2
KARLSTAD	316	223	41.9	63.2	45.8	37.8	1,004	834	20.4	634	382	66.0
ÖREBRO	346	248	39.7	59.5	47.5	25.3	1,055	881	19.8	628	418	50.2
VÄSTERÅS	366	279	31.2	67.6	53.9	25.5	997	920	8.4	674	496	35.9
SUNDSVALL	355	289	22.6	54.7	46.7	17.2	893	792	12.7	488	370	32.0
NORRKÖPING	316	247	28.0	54.3	46.9	15.7	1,139	1,043	9.2	618	489	26.3
LULEÅ	270	211	28.0	59.3	49.9	18.7	880	789	11.6	522	394	32.4
GOTLAND	292	251	16.2	54.7	50.5	8.4	1,347	1,249	7.8	737	631	16.8
NACKA	254	163	55.7	56.7	41.1	38.0	1,410	1,320	6.8	800	543	47.4
HALMSTAD	273	227	20.3	52.4	49.8	5.2	1,225	1,163	5.3	642	579	10.8
GÄVLE	247	218	13.2	63.9	57.5	11.3	1,007	909	10.7	644	523	23.2
ÖSTERSUND	207	165	25.2	63.1	50.2	25.8	930	808	15.1	587	405	44.8
VÄXJÖ	204	148	37.7	60.1	46.7	28.8	994	881	12.8	598	411	45.3
KALMAR	201	171	17.2	62.7	55.4	13.2	1,032	935	10.4	647	518	24.9
SÖDERTÄLJE	166	112	48.5	51.7	40.5	27.5	951	770	23.5	492	312	57.5
SWEDEN	25,568	18,026	41.8	55.6	41.8	32.9	1,128	943	19.7	627	394	59.1

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

12-MONTH ROLLING AVERAGE JANUARY – DECEMBER												
	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2022	2021		2022	2021		2022	2021		2022	2021	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
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GOTHENBURG	2,310	1,441	60.3	65.5	44.4	47.3	1,293	1,011	28.0	847	449	88.5
MALMÖ	1,170	761	53.8	61.6	41.9	47.0	955	816	17.0	588	342	72.1
SIGTUNA	711	380	87.2	58.2	32.2	81.0	1,003	829	21.0	584	267	119.0
SOLNA	523	289	81.0	46.7	29.0	61.1	984	726	35.6	459	210	118.4
JÖNKÖPING	404	292	38.4	56.6	44.3	27.6	1,096	909	20.6	620	403	53.8
HELSINGBORG	414	304	36.2	55.8	44.7	24.8	1,117	926	20.6	623	414	50.5
UMEÅ	451	356	26.7	65.0	53.7	21.1	885	736	20.3	575	395	45.7
UPPSALA	399	278	43.4	61.8	43.8	41.0	975	749	30.2	602	328	83.5
LINKÖPING	412	313	31.3	56.6	45.6	24.2	876	727	20.4	496	332	49.5
LUND	327	240	36.1	51.0	42.2	20.8	996	823	21.0	508	348	46.2
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ÖREBRO	346	248	39.7	59.5	47.5	25.3	1,055	881	19.8	628	418	50.2
VÄSTERÅS	366	279	31.2	67.6	53.9	25.5	997	920	8.4	674	496	35.9
SUNDSVALL	355	289	22.6	54.7	46.7	17.2	893	792	12.7	488	370	32.0
NORRKÖPING	316	247	28.0	54.3	46.9	15.7	1,139	1,043	9.2	618	489	26.3
LULEÅ	270	211	28.0	59.3	49.9	18.7	880	789	11.6	522	394	32.4
GOTLAND	292	251	16.2	54.7	50.5	8.4	1,347	1,249	7.8	737	631	16.8
NACKA	254	163	55.7	56.7	41.1	38.0	1,410	1,320	6.8	800	543	47.4
HALMSTAD	273	227	20.3	52.4	49.8	5.2	1,225	1,163	5.3	642	579	10.8
GÄVLE	247	218	13.2	63.9	57.5	11.3	1,007	909	10.7	644	523	23.2
ÖSTERSUND	207	165	25.2	63.1	50.2	25.8	930	808	15.1	587	405	44.8
VÄXJÖ	204	148	37.7	60.1	46.7	28.8	994	881	12.8	598	411	45.3
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SÖDERTÄLJE	166	112	48.5	51.7	40.5	27.5	951	770	23.5	492	312	57.5
SWEDEN	25,568	18,026	41.8	55.6	41.8	32.9	1,128	943	19.7	627	394	59.1

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

NORDIC HOTEL MARKET – COUNTRIES AND CAPITAL CITIES

MONTH DECEMBER												
	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2022	2021		2022	2021		2022	2021		2022	2021	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	1,687	1,484	13.7	44.1	40.1	9.9	1,103	1,018	8.4	486	408	19.2
DENMARK	811	581	39.6	43.0	33.0	30.3	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	837	743	12.6	46.7	42.8	9.1	1,359	1,204	4.4	635	515	13.9
NORWAY	931	656	41.8	34.9	25.4	37.3	1,270	1,080	16.2	443	274	59.5
STOCKHOLM	383	323	18.7	55.5	47.3	17.2	1,276	1,077	18.5	708	509	38.9
COPENHAGEN	416	261	59.4	56.0	39.0	43.6	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	181	144	25.5	46.5	40.9	13.7	1,218	1,122	0.4	566	459	14.1
OSLO	221	117	89.0	47.1	27.8	69.5	1,391	1,125	22.2	655	313	107.0

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 – DECEMBER												
	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2022	2021		2022	2021		2022	2021		2022	2021	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	25,568	18,026	41.8	55.6	41.8	32.9	1,128	943	19.7	627	394	59.1
DENMARK	13,065	8,409	55.4	57.4	38.3	49.9	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	10,334	7,564	36.6	49.6	39.7	25.0	1,181	965	13.2	586	383	41.5
NORWAY	15,993	11,001	45.4	50.7	40.2	26.2	1,253	1,096	13.0	636	441	42.5
STOCKHOLM	5,298	3,096	71.1	63.6	41.3	54.1	1,291	927	39.3	821	383	114.6
COPENHAGEN	5,399	2,704	99.6	63.7	34.8	83.1	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	2,271	1,229	84.9	52.0	33.2	56.3	1,258	973	19.6	654	323	86.9
OSLO	3,167	1,562	102.8	60.3	38.5	56.6	1,401	1,050	31.9	845	404	106.5

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 JANUARY - DECEMBER

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2022	2021		2022	2021		2022	2021		2022	2021	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	25,568	18,026	41.8	55.6	41.8	32.9	1,128	943	19.7	627	394	59.1
DENMARK	13,065	8,409	55.4	57.4	38.3	49.9	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	10,334	7,564	36.6	49.6	39.7	25.0	1,181	965	13.2	586	383	41.5
NORWAY	15,993	11,001	45.4	50.7	40.2	26.2	1,253	1,096	13.0	636	441	42.5
STOCKHOLM	5,298	3,096	71.1	63.6	41.3	54.1	1,291	927	39.3	821	383	114.6
COPENHAGEN	5,399	2,704	99.6	63.7	34.8	83.1	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	2,271	1,229	84.9	52.0	33.2	56.3	1,258	973	19.6	654	323	86.9
OSLO	3,167	1,562	102.8	60.3	38.5	56.6	1,401	1,050	31.9	845	404	106.5

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.

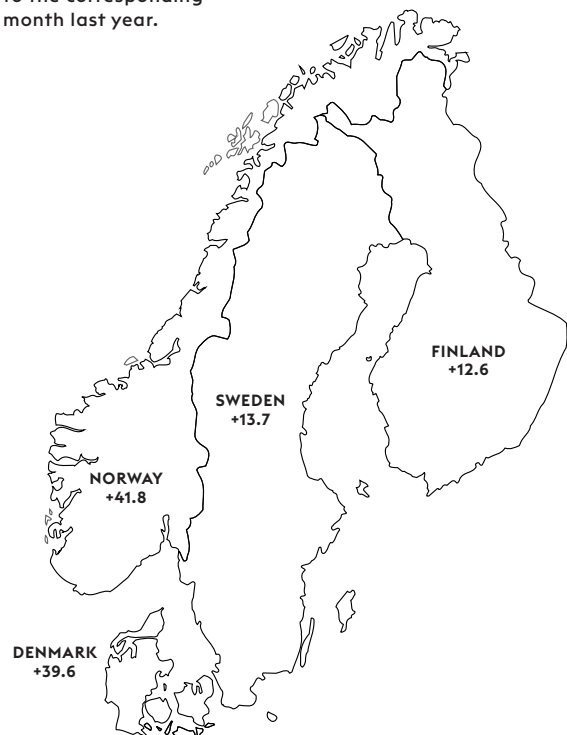
ADR: Accommodation revenue/Rooms sold.

RevPAR: Occupancy x ADR.

N/A: Not available.

ROOMS SOLD IN THE NORDICS IN DECEMBER

%-change compared to the corresponding month last year.



107.0%

INCREASE IN REVPAR
IN OSLO, DECEMBER 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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