HOTEL MARKET UPDATE

NORDIC HOTEL MARKET TRENDS AND ECONOMIC INDICATORS

Nov/23

Why not treat yourself to a sticky chocolate cake while reading our latest market report?

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HOSPITALITY CONSULTING

A full-service advisor for hotel investments in real estate

Annordia is 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.

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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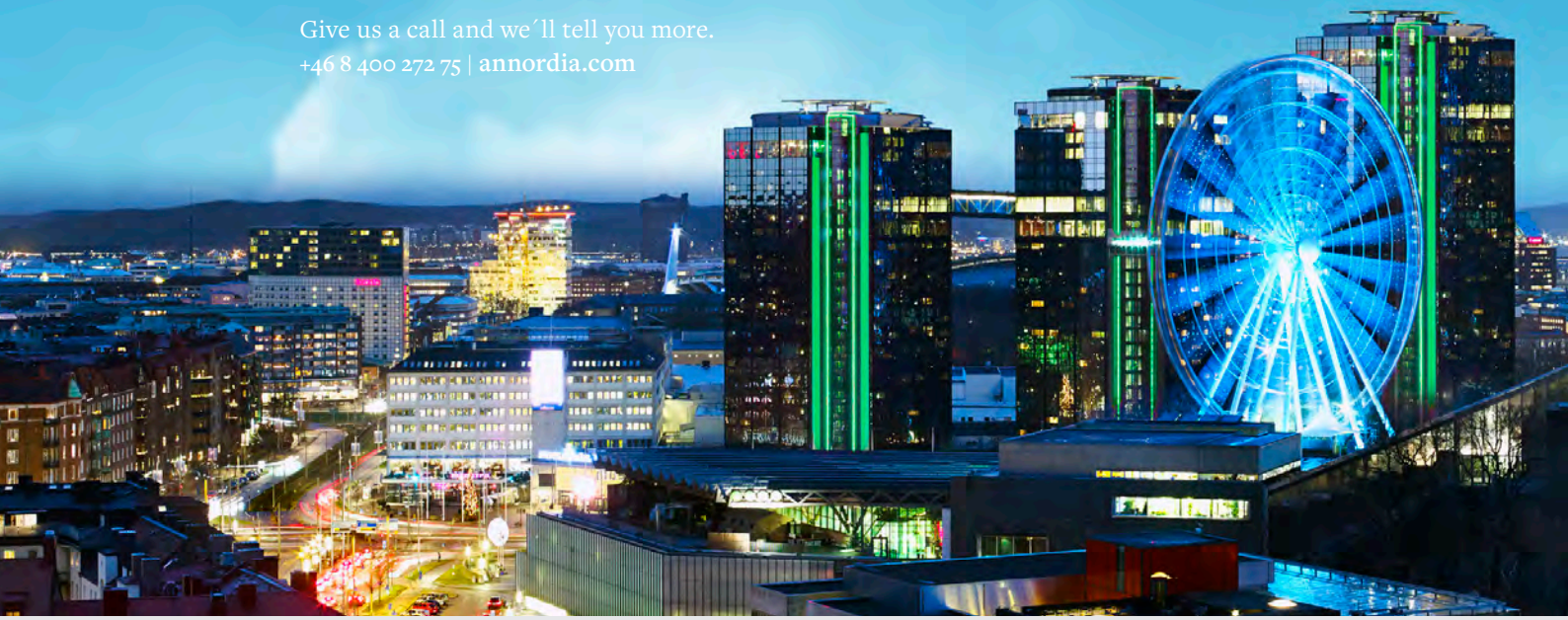

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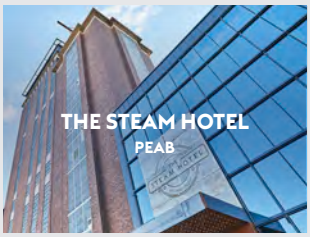

Market analysis
Establish the feasibility of a potential hotel investment.

Concept development
Hotel planning and optimisation based on market characteristics.

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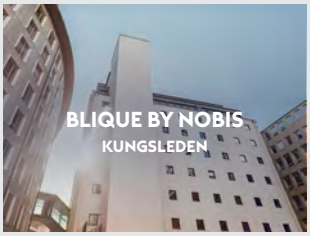

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Annordia
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HOTEL MARKET UPDATE

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.

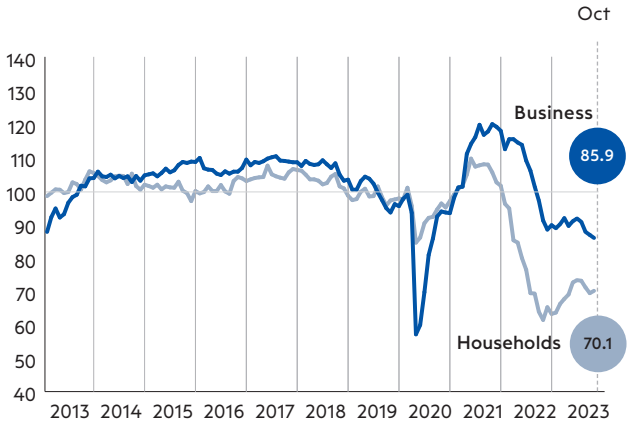
TALKING POINTS OF THE MONTH

The negative development evident in last month's report has subsided slightly for some of the macroeconomic key figures. Amongst these figures are the confidence indicator for households that increased by 0.9 units and the value of the Swedish Krona which strengthened relative to both the Euro and USD. However, multiple key figures have continued to decline. Firstly, the unemployment rate reached 7.8, percent which is the highest measured level in over one year. Secondly, the expectations expressed by hotel companies regarding demand over the next three months declined. More than half of the surveyed hotels anticipate a decreased demand, reflecting the growing pessimism in line with the sustained market pressures. Thirdly, the CPIF, which had been decreasing over the past 8 months following historically high levels at the end of 2022, reversed its trend by increasing in October.

- The confidence indicator for households increased by 0.7 units in October 2023 – see confidence indicators on page 2.
- The value of the Swedish Krona increased relative to both the Euro and the US Dollar – see exchange rates on page 2.
- The CPIF, having declined since reaching historically high levels at the end of 2022, saw an increase in October – see inflation rates on page 2.
- More than half of the hotels who participated in the economic tendency survey by KI expect decreased demand – see expectations on page 3.

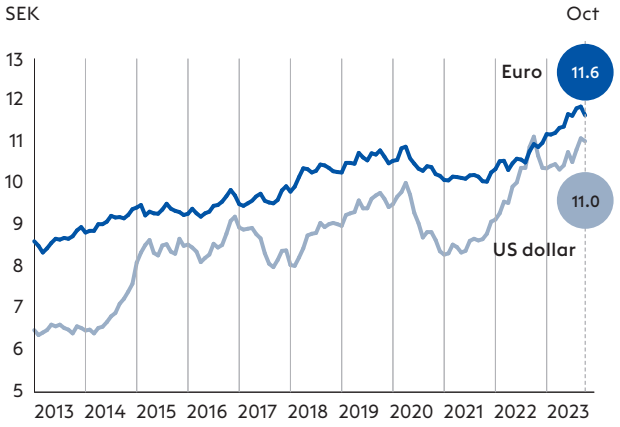
MACRO INDICATORS IN SWEDEN

In October, the confidence indicator continued to decline for businesses, from 86.8 to 85.9 units. However, at the same time, the downward trend for the household indicator subsided slightly from 69.4 to 70.1 units. This marks the first positive development in four months.



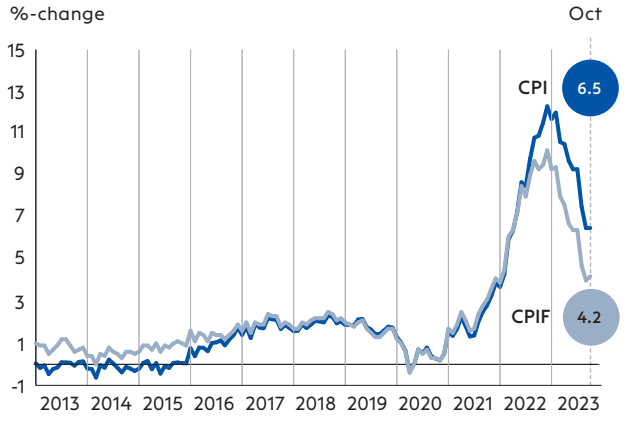
Confidence indicators for business and households in Sweden, up to and including October.
Source: The National Institute of Economic Research
Confidence indicators are an overall measure of the overall perceptions and expectations of business and households.

In October, the Swedish Krona strengthened against both the Euro and the USD. To be precise, the exchange rate of the Swedish Krona improved from corresponding to 11.85 Euros to 11.64 Euros, and from 11.09 USD to 11.02 USD.



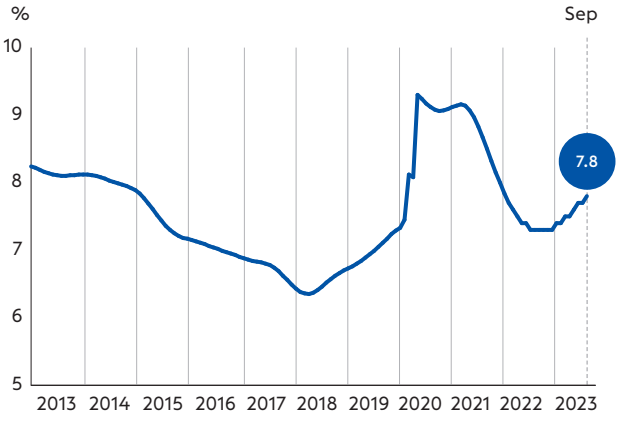
The development of the Swedish Krona against the Euro and the US dollar, up to and including October.
Source: The Central Bank of Sweden

The downward trend of the Swedish CPIF observed over the past 8 months reversed in October 2023, increasing from 4.0 to 4.2 percent. At the same time, the CPI stagnated at 6.5 percent.



The inflation rate (CPI and CPIF) in the Swedish economy, up to and including October.
Source: Statistics Sweden

According to trend, the unemployment rate increased to 7.8 percent in September 2023. This marks the highest measured level in the past 20 months.



Unemployment (trend) as a percentage of the Swedish market up to and including September.
Source: The laborforce survey (Statistics Sweden)

6.5%

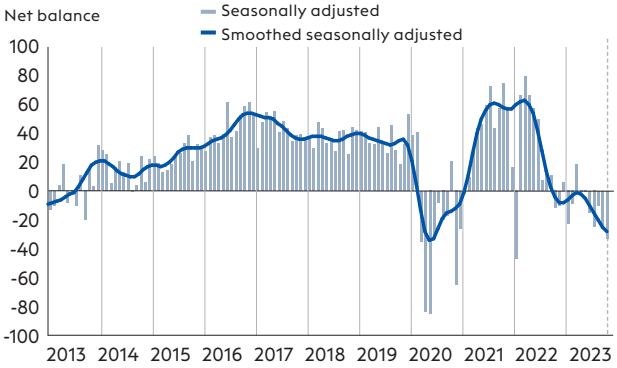
OCTOBER INFLATION RATE CPI

4.2%

OCTOBER INFLATION RATE CPIF

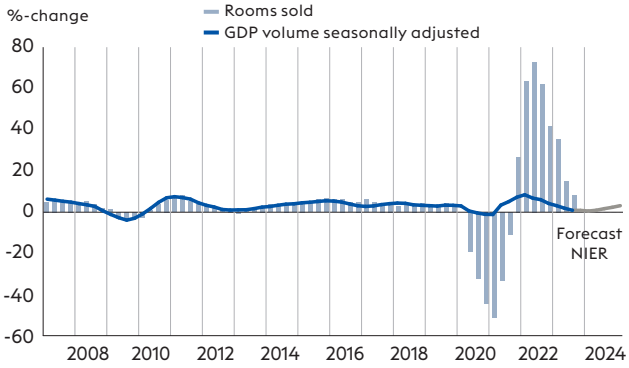
SWEDISH HOTEL MARKET SUMMARY

In October, expectations for demand in the coming three months decreased from -24 to -33 units, fueled by an increasing pessimism. Currently, more than 50 percent of the surveyed companies hold a negative outlook.



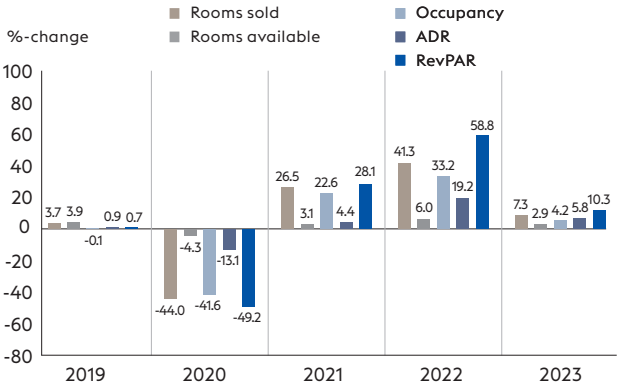
Swedish hotel companies' expectations of demand for their services in the next 3 months, up to and including October.
Source: The National Institute of Economic Research
Net balance: See definitions on page 8

The GDP forecast anticipates that the height of the economic recession will occur in the 1st quarter of 2024. Following this period, a gradual recovery is expected. Historically, the connection between GDP and the hotel industry has been strong.



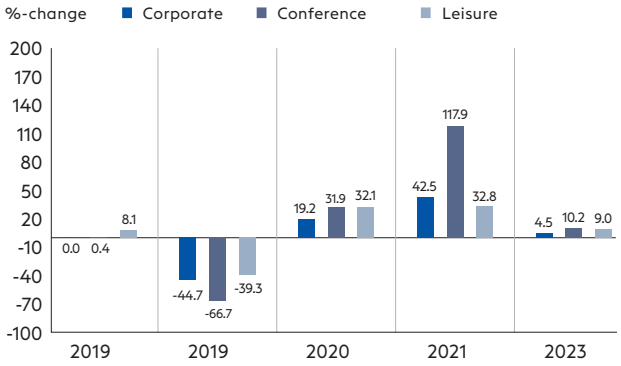
Development of occupied hotel rooms and GDP (volume) in Sweden, 4-quarter rolling averages.
Source: The Swedish Growth Agency/Statistics Sweden & the National Institute of Economic Research

The strongest key figures year-to-date 2023 were RevPAR and the number of sold rooms, compared to the same period in 2022. Of these figures, the RevPAR level increased by 10.3 percent while the number of sold rooms increased by 7.3 percent.

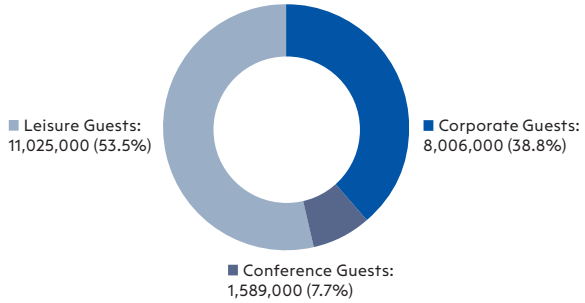


Development of key performance indicators in the Swedish hotel market, compared with the previous year, up to and including September.
Source: The Swedish Growth Agency/Statistics Sweden

In September 2023, all three segments show a positive development year-to-date compared to 2022. Notably, the conference segment experienced the most significant increase, with a growth rate of 10.2 percent.



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 business segments accounted for 46.5 percent of the occupied rooms in Sweden year-to-date 2023.

Distribution of occupied hotel rooms between different demand segments in the Swedish hotel market, Jan-Sep 2023.
Source: The Swedish Growth Agency/Statistics Sweden

TRENDS IN SWEDEN'S 25 LARGEST HOTEL MUNICIPALITIES

MONTH SEPTEMBER

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2023	2022		2023	2022		2023	2022		2023	2022	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	529	531	-0.4	76.8	77.0	-0.2	1,582	1,529	3.4	1,215	1,177	3.2
GOTHENBURG	237	230	2.9	74.3	77.9	-4.7	1,305	1,357	-3.8	969	1,057	-8.3
MALMÖ	122	123	-1.0	75.5	76.5	-1.3	1,070	1,048	2.1	808	801	0.8
SIGTUNA	81	79	3.0	75.0	73.8	1.5	1,065	1,107	-3.8	799	817	-2.3
SOLNA	57	58	-2.7	64.8	62.5	3.6	1,130	1,123	0.6	732	702	4.3
JÖNKÖPING	43	43	1.3	64.2	63.7	0.7	1,121	1,151	-2.5	720	733	-1.9
HELSINGBORG	42	39	6.6	65.9	62.1	6.2	1,102	1,143	-3.6	726	710	2.4
UMEÅ	42	39	9.3	66.1	69.3	-4.7	991	873	13.5	655	605	8.2
UPPSALA	39	41	-4.7	71.7	75.2	-4.7	1,083	1,091	-0.7	776	820	-5.4
LINKÖPING	43	41	4.7	69.0	67.1	2.9	994	957	3.8	686	642	6.9
LUND	36	34	4.4	67.5	63.7	6.0	1,070	1,030	3.9	723	656	10.2
KARLSTAD	33	32	2.7	78.2	76.4	2.3	1,079	1,128	-4.3	844	862	-2.1
ÖREBRO	35	33	6.3	70.3	70.1	0.3	1,178	1,113	5.9	829	780	6.2
VÄSTERÅS	34	35	-2.5	78.1	79.3	-1.5	1,161	1,042	11.5	907	826	9.8
SUNDSVALL	34	33	1.4	62.8	62.7	0.3	974	900	8.2	612	564	8.5
NORRKÖPING	31	32	-4.6	64.1	65.8	-2.6	1,128	1,165	-3.2	723	767	-5.7
LULEÅ	22	24	-5.9	60.9	64.5	-5.5	1,044	920	13.5	636	593	7.2
GOTLAND	28	29	-2.9	57.0	58.2	-1.9	1,236	1,247	-0.9	705	725	-2.8
NACKA	29	29	-2.2	68.2	69.1	-1.3	1,382	1,612	-14.3	942	1,114	-15.4
HALMSTAD	28	28	-1.7	62.3	63.1	-1.3	1,244	1,130	10.1	775	713	8.6
GÄVLE	23	24	-2.6	71.2	73.2	-2.8	1,101	1,100	0.1	784	805	-2.6
ÖSTERSUND	18	18	0.9	66.4	66.0	0.7	949	906	4.8	631	598	5.6
VÄXJÖ	18	19	-5.6	65.2	68.2	-4.4	1,144	1,033	10.8	746	704	5.9
KALMAR	20	18	9.3	72.3	66.1	9.4	1 072	969	10.6	776	641	21.0
SÖDERTÄLJE	19	17	10.8	60.3	64.2	-6.1	1,159	1,051	10.3	698	674	3.6
SWEDEN	**2,519**	**2,527**	**-0.3**	**64.4**	**65.7**	**-2.0**	**1,234**	**1,208**	**2.2**	**794**	**794**	**0.1**

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 – SEPTEMBER

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2023	2022		2023	2022		2023	2022		2023	2022	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	4,303	3,907	**10.1**	69.5	63.1	**10.2**	1,412	1,279	**10.4**	982	807	**21.7**
GOTHENBURG	1,974	1,700	**16.1**	69.1	65.4	**5.6**	1,337	1,312	**1.9**	924	859	**7.6**
MALMÖ	998	888	**12.4**	68.5	62.5	**9.6**	1,004	958	**4.8**	688	599	**14.9**
SIGTUNA	586	530	**10.7**	63.9	58.7	**8.9**	1,062	977	**8.7**	679	573	**18.4**
SOLNA	440	380	**15.9**	54.8	45.3	**21.0**	1,028	955	**7.6**	563	433	**30.1**
JÖNKÖPING	335	320	**4.8**	55.9	58.2	**-3.9**	1,033	1,087	**-5.0**	577	632	**-8.7**
HELSINGBORG	344	322	**6.8**	60.4	58.5	**3.2**	1,130	1,158	**-2.5**	682	678	**0.7**
UMEÅ	357	339	**5.4**	62.2	66.6	**-6.5**	936	863	**8.4**	582	575	**1.3**
UPPSALA	313	302	**3.8**	64.1	62.2	**3.0**	1,023	946	**8.2**	655	588	**11.4**
LINKÖPING	324	311	**4.4**	58.2	57.0	**2.1**	914	869	**5.2**	532	495	**7.4**
LUND	278	245	**13.3**	58.9	51.6	**14.3**	1,027	971	**5.8**	605	501	**21.0**
KARLSTAD	254	240	**5.8**	66.5	64.3	**3.5**	993	997	**-0.4**	660	641	**3.1**
ÖREBRO	282	244	**15.6**	63.3	59.3	**6.8**	1,076	1,044	**3.1**	681	619	**10.1**
VÄSTERÅS	266	274	**-3.1**	67.7	68.4	**-1.1**	1,064	970	**9.7**	720	664	**8.5**
SUNDSVALL	269	267	**0.6**	55.2	54.9	**0.5**	938	882	**6.4**	518	484	**7.0**
NORRKÖPING	245	239	**2.2**	56.5	55.0	**2.6**	1,143	1,161	**-1.5**	645	639	**1.0**
LULEÅ	223	198	**12.7**	63.7	59.1	**7.9**	1,029	869	**18.4**	656	514	**27.7**
GOTLAND	234	243	**-3.8**	53.9	58.5	**-7.9**	1,406	1,421	**-1.1**	758	832	**-8.9**
NACKA	216	187	**15.2**	57.6	56.1	**2.6**	1,464	1,395	**4.9**	843	783	**7.6**
HALMSTAD	219	213	**2.6**	56.2	54.8	**2.6**	1,303	1,239	**5.2**	732	679	**7.9**
GÄVLE	187	185	**1.1**	64.5	63.8	**1.0**	1,013	1,012	**0.1**	653	646	**1.2**
ÖSTERSUND	166	155	**7.3**	66.3	63.1	**5.2**	985	929	**6.0**	653	586	**11.5**
VÄXJÖ	155	151	**2.9**	61.5	59.3	**3.8**	1,039	979	**6.2**	639	580	**10.2**
KALMAR	160	156	**2.6**	66.7	65.4	**2.0**	1,164	1,059	**10.0**	777	693	**12.1**
SÖDERTÄLJE	143	122	**17.2**	50.2	51.5	**-2.5**	1,042	922	**13.1**	524	475	**10.3**
SWEDEN	**20,620**	**19,224**	**7.3**	**58.6**	**56.2**	**4.2**	**1,187**	**1,122**	**5.8**	**695**	**631**	**10.3**

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		
	2023	2022		2023	2022		2023	2022		2023	2022	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	5,686	5,071	**12.1**	68.8	61.7	**11.6**	1,394	1,230	**13.3**	959	759	**26.4**
GOTHENBURG	2,576	2,205	**16.8**	68.2	64.0	**6.6**	1,315	1,267	**3.8**	896	810	**10.6**
MALMÖ	1,289	1,150	**12.1**	66.2	60.8	**8.9**	994	945	**5.2**	658	574	**14.6**
SIGTUNA	776	679	**14.3**	63.1	56.0	**12.8**	1,059	963	**10.0**	668	539	**24.0**
SOLNA	585	485	**20.5**	53.9	43.5	**23.9**	1,025	934	**9.8**	552	406	**36.0**
JÖNKÖPING	439	406	**8.0**	55.0	56.5	**-2.6**	1,057	1,065	**-0.7**	581	601	**-3.3**
HELSINGBORG	434	405	**7.2**	57.3	55.9	**2.6**	1,099	1,110	**-1.0**	630	621	**1.6**
UMEÅ	473	459	**3.2**	61.8	67.5	**-8.6**	929	846	**9.8**	573	571	**0.4**
UPPSALA	416	400	**4.0**	64.0	61.8	**3.5**	1,014	917	**10.6**	649	567	**14.5**
LINKÖPING	425	408	**4.2**	57.6	56.7	**1.6**	911	847	**7.5**	525	480	**9.3**
LUND	360	320	**12.6**	56.8	50.4	**12.6**	1,036	951	**8.9**	588	480	**22.7**
KARLSTAD	330	311	**6.2**	64.9	62.7	**3.5**	1,001	978	**2.3**	649	613	**5.9**
ÖREBRO	373	327	**13.8**	63.0	60.0	**5.0**	1,077	1,028	**4.7**	678	616	**10.0**
VÄSTERÅS	356	364	**-2.3**	67.4	68.0	**-0.8**	1,068	971	**10.0**	721	660	**9.1**
SUNDSVALL	356	355	**0.2**	54.9	53.8	**2.0**	933	873	**6.8**	512	470	**8.9**
NORRKÖPING	321	315	**1.7**	55.6	55.0	**1.1**	1,123	1,130	**-0.6**	625	622	**0.5**
LULEÅ	293	263	**11.3**	63.0	58.9	**7.0**	1,000	859	**16.4**	630	506	**24.5**
GOTLAND	278	285	**-2.4**	50.8	54.7	**-7.1**	1,324	1,339	**-1.1**	673	732	**-8.1**
NACKA	289	241	**20.0**	57.6	54.3	**6.2**	1,459	1,394	**4.6**	841	757	**11.1**
HALMSTAD	284	274	**3.4**	54.5	53.1	**2.8**	1,256	1,203	**4.4**	685	639	**7.3**
GÄVLE	248	249	**-0.6**	64.0	64.5	**-0.8**	1,008	998	**1.0**	646	644	**0.2**
ÖSTERSUND	219	205	**6.6**	65.7	62.2	**5.6**	970	924	**5.0**	637	575	**10.8**
VÄXJÖ	208	200	**4.2**	61.9	58.9	**5.0**	1,041	959	**8.5**	644	565	**13.9**
KALMAR	206	199	**3.2**	63.9	62.8	**1.8**	1,113	1,014	**9.7**	711	637	**11.7**
SÖDERTÄLJE	186	157	**18.9**	50.5	50.3	**0.5**	1,037	907	**14.4**	524	456	**15.0**
SWEDEN	**26,869**	**24,864**	**8.1**	**57.5**	**54.7**	**5.1**	**1,173**	**1,093**	**7.3**	**675**	**598**	**12.8**

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

NORDIC HOTEL MARKET – COUNTRIES AND CAPITAL CITIES

MONTH SEPTEMBER

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2023	2022		2023	2022		2023	2022		2023	2022	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	2,519	2,527	**-0.3**	64.4	65.5	**-1.7**	1,234	1,208	**2.2**	794	791	**0.4**
DENMARK	1,338	1,318	**1.5**	68.0	68.0	**0.0**	N/A	N/A	**N/A**	N/A	N/A	**N/A**
FINLAND	1,008	999	**0.8**	57.8	57.2	**1.0**	1,232	1,118	**0.3**	712	639	**1.3**
NORWAY	1,647	1,625	**1.4**	61.9	60.6	**2.1**	1,365	1,312	**6.9**	845	796	**9.1**
STOCKHOLM	529	531	**-0.4**	76.8	76.8	**0.0**	1,582	1,529	**3.4**	1,215	1,174	**3.5**
COPENHAGEN	586	560	**4.5**	81.0	78.0	**3.8**	N/A	N/A	**N/A**	N/A	N/A	**N/A**
HELSINKI	249	245	**1.6**	67.6	65.3	**3.5**	1,361	1,278	**-3.1**	920	835	**0.3**
OSLO	354	331	**6.9**	77.1	72.9	**5.8**	1,601	1,573	**4.6**	1,235	1,146	**10.6**

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		
	2023	2022		2023	2022		2023	2022		2023	2022	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	20,620	19,217	**7.3**	58.6	56.2	**4.3**	1,187	1,123	**5.8**	695	631	**10.3**
DENMARK	10,523	9,993	**5.3**	59.7	58.8	**1.6**	N/A	N/A	**N/A**	N/A	N/A	**N/A**
FINLAND	8,429	7,712	**9.3**	53.4	49.6	**7.7**	1,269	1,120	**3.1**	678	556	**11.0**
NORWAY	13,188	12,315	**7.1**	55.0	52.2	**5.3**	1,344	1,270	**8.8**	739	663	**14.5**
STOCKHOLM	4,303	3,906	**10.2**	69.5	63.1	**10.2**	1,412	1,279	**10.4**	982	807	**21.7**
COPENHAGEN	4,563	4,026	**13.3**	69.6	64.1	**8.7**	N/A	N/A	**N/A**	N/A	N/A	**N/A**
HELSINKI	1,930	1,646	**17.3**	57.2	51.1	**11.8**	1,327	1,202	**0.5**	759	615	**12.4**
OSLO	2,720	2,344	**16.1**	65.5	60.7	**7.9**	1,505	1,412	**9.5**	986	857	**18.2**

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

12-MONTH ROLLING AVERAGE OCTOBER – SEPTEMBER

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2023	2022		2023	2022		2023	2022		2023	2022	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	26,869	24,857	**8.1**	57.5	54.7	**5.2**	1,173	1,094	**7.3**	675	598	**12.8**
DENMARK	13,602	12,759	**6.6**	58.2	56.8	**2.6**	N/A	N/A	**N/A**	N/A	N/A	**N/A**
FINLAND	11,051	10,079	**9.6**	52.5	48.8	**7.5**	1,278	1,114	**4.4**	671	544	**12.3**
NORWAY	16,866	15,634	**7.9**	52.8	50.0	**5.6**	1,322	1,235	**10.0**	699	617	**16.2**
STOCKHOLM	5,686	5,071	**12.1**	68.8	61.7	**11.6**	1,394	1,230	**13.3**	959	759	**26.4**
COPENHAGEN	5,942	5,119	**16.1**	67.9	61.7	**10.0**	N/A	N/A	**N/A**	N/A	N/A	**N/A**
HELSINKI	2,556	2,132	**19.9**	56.4	50.0	**12.8**	1,335	1,183	**2.8**	754	592	**15.9**
OSLO	3,544	2,962	**19.6**	63.9	58.1	**10.0**	1,484	1,364	**11.8**	948	792	**23.0**

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

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.

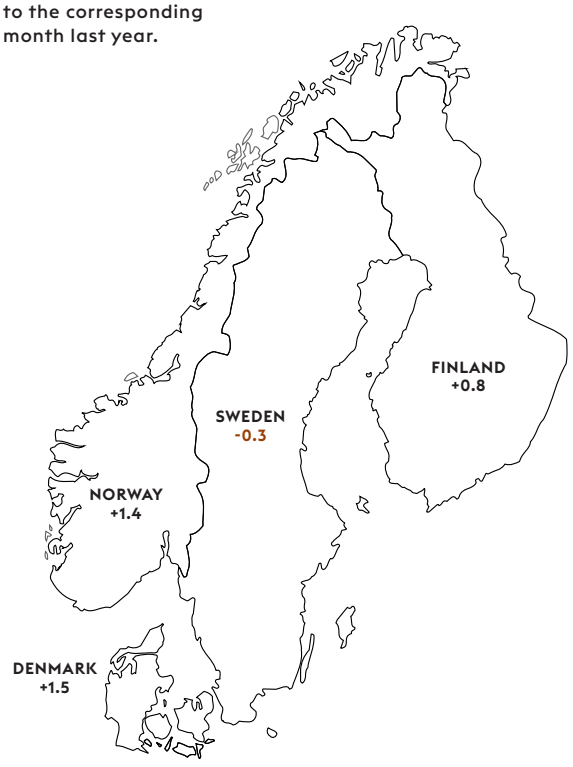
N/A: Not available.

10.8%

INCREASE IN ROOMS SOLD
IN SÖDERTÄLJE, SEPTEMBER 2023/2022

ROOMS SOLD IN THE NORDICS IN SEPTEMBER

%-change compared to the corresponding month last year.



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We'll be back again in December

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