

HOTEL MARKET UPDATE

NORDIC HOTEL MARKET TRENDS AND ECONOMIC INDICATORS

Jan/24

*As snowflakes fall in the Nordic sphere,
cozy up with this report, which conveys several positive key figures.*



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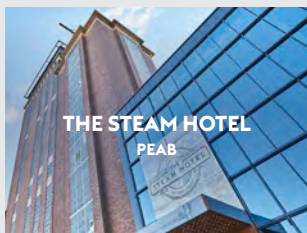
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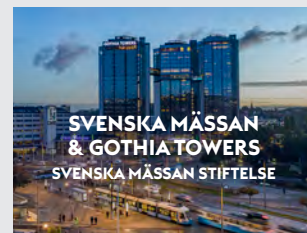
Establish the feasibility of a potential hotel investment.



CLARION HOTEL
SÖDERTÄLJE
STADSRUM

Concept development

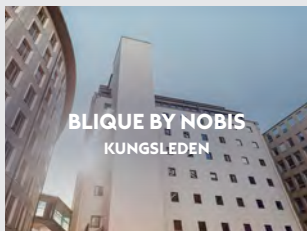
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HOTEL MARKET UPDATE

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.

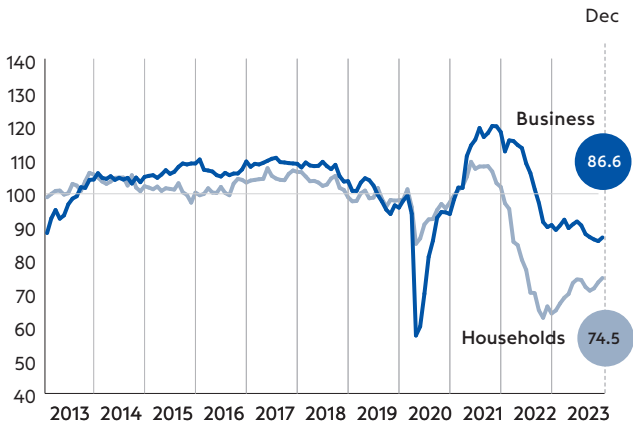
TALKING POINTS OF THE MONTH

The statistics from this month show strong macroeconomic key figures. Especially the inflation rate, measured by the CPIF, which has declined to 2.3 percent, a mere 0.3 percental units from the inflation goal set by the Swedish central bank. Moreover, the confidence indicators for both businesses and households registered an increase, and the Swedish Krona strengthened against both the Euro and the USD. Additionally, we are amidst the anticipated peak of the economic recession and approaching the predicted onset of the recovery. However, the actual key figures from the hotel market show a negative outlook. 15 out of the 25 largest Swedish municipalities as well as Sweden at large have had a negative development of their number of sold rooms. Furthermore, 16 out of the 25 largest municipalities and Sweden have had a negative development in their occupancy rates.

- The confidence indicator for both households and businesses increased in December – see confidence indicators on page 2.
- The value of the Swedish Krona continued to increase relative to both the Euro and the US Dollar – see exchange rates on page 2.
- The CPIF decreased to 2.3 percent which is only 0.3 percent away from the inflation goal set by the central bank – see the inflation rate on page 2.
- 16 out of the 25 largest municipalities and Sweden at large had a negative development of their occupancy rates – see key figures on page 4.

MACRO INDICATORS IN SWEDEN

In December, the confidence indicator for both businesses and households improved. For businesses, the indicator increased by 1.1 units while households increased by 1.3 units, reaching 86.6 and 74.5 units respectively.

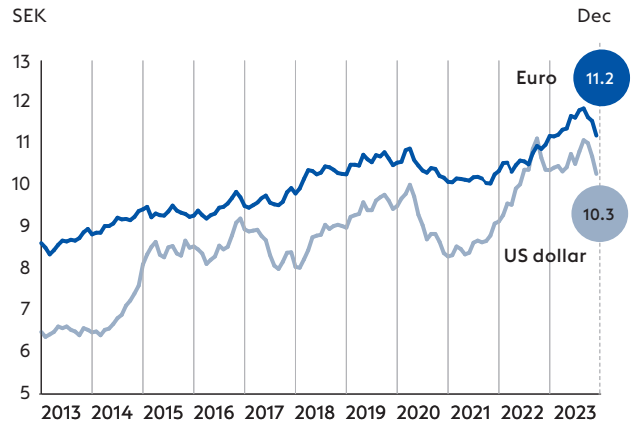


Confidence indicators for business and households in Sweden, up to and including December.

Source: The National Institute of Economic Research

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

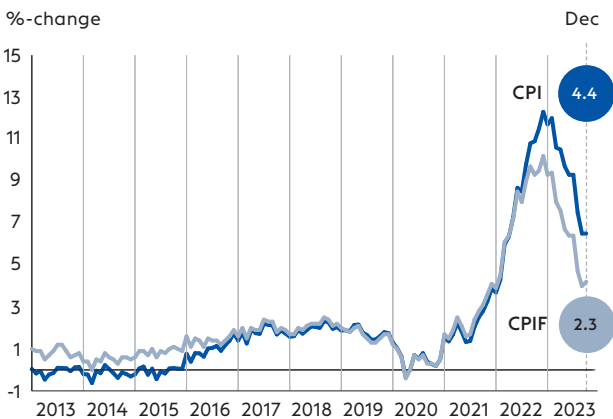
The exchange rates for the Swedish Krona compared to the Euro and US Dollar continued to improve in December. Compared to the Euro, the Swedish Krona increased by 0.35 Krona and in comparison to the USD, it strengthened by 0.42 Krona.



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

Source: The Central Bank of Sweden

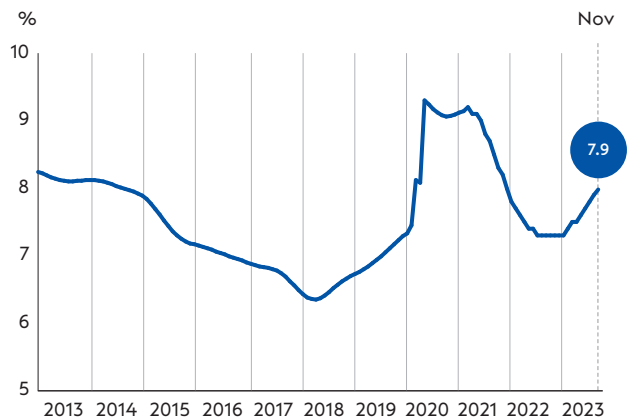
In December, the inflation rate improved significantly. The CPIF reached 2.3 percent which is only 0.3 percental units from the inflation goal set by the Swedish central bank. This signals a recovery from the elevated levels observed in 2022/2023.



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

Source: Statistics Sweden

According to trend, the unemployment rate increased in December 2023, reaching just above 7.9 percent for Sweden at large.



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

Source: The laborforce survey (Statistics Sweden)

4.4%

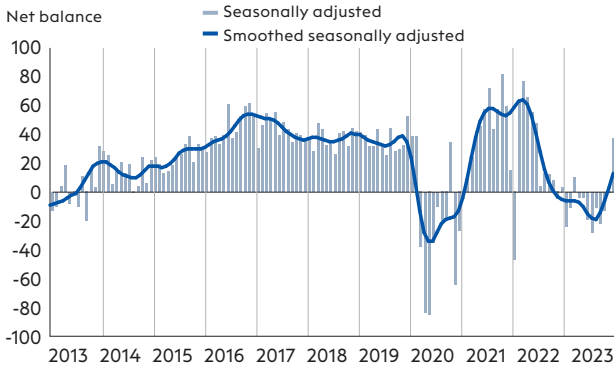
DECEMBER INFLATION RATE CPI

2.3%

DECEMBER INFLATION RATE CPIF

SWEDISH HOTEL MARKET SUMMARY

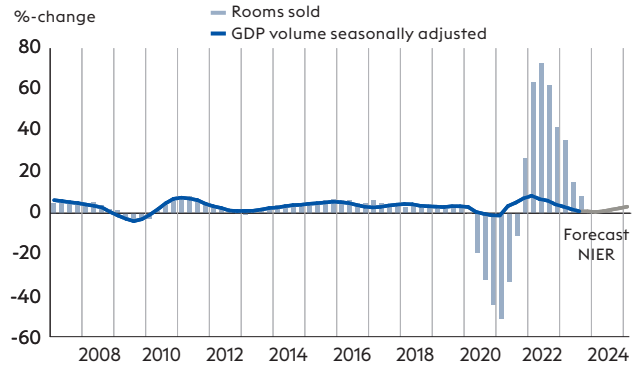
The anticipated future demand, which has reflected negative figures over the past year, has improved by 38 units when seasonally adjusted. Nevertheless, 5 out of 10 hotels expect a decreased demand, while only 2 of 10 expect an increase.



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

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

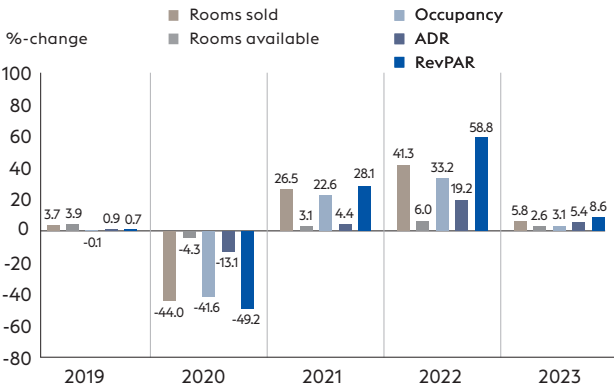
The GDP forecast anticipates that the height of the economic recession will occur in the 1st quarter of 2024. Following this period, a gradual recovery is expected. Historically, the connection between GDP and the hotel industry has been strong.



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

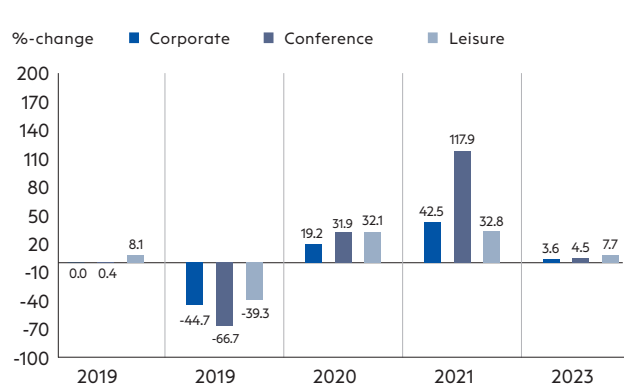
The overall hotel market maintains a strong performance during 2023, with all key figures showing positive growth. Among these, the RevPAR level stands out with the highest year-to-date growth rate at 8.6 percent.



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

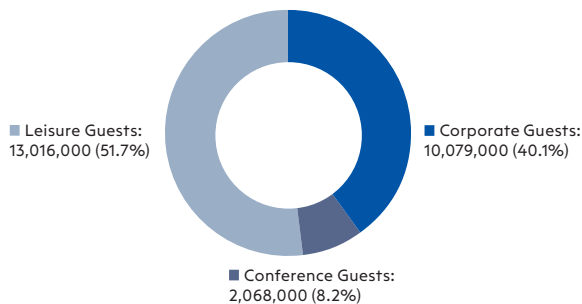
Source: The Swedish Growth Agency/Statistics Sweden

All three segments consistently demonstrate strong key figures in year-to-date 2023 compared to the same period in 2022. The leisure segment exhibits the highest growth rate at 7.7 percent.



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

Source: The Swedish Growth Agency/Statistics Sweden



The business segment accounted for 48.3 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-Nov 2023.

Source: The Swedish Growth Agency/Statistics Sweden

TRENDS IN SWEDEN'S 25 LARGEST HOTEL MUNICIPALITIES

	MONTH NOVEMBER											
	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2023	2022		2023	2022		2023	2022		2023	2022	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	472	488	-3.3	70.6	71.6	-1.4	1,460	1,362	7.1	1,030	975	5.6
GOTHENBURG	218	209	4.1	66.0	67.9	-2.8	1,181	1,220	-3.3	779	828	-6.0
MALMÖ	107	106	1.1	67.2	66.1	1.6	1,034	979	5.6	694	648	7.2
SIGTUNA	67	67	1.4	61.0	64.7	-5.8	1,065	1,082	-1.6	649	700	-7.3
SOLNA	52	54	-3.4	59.8	58.0	3.1	1,055	1,053	0.2	630	610	3.3
JÖNKÖPING	43	41	4.1	62.3	62.3	-0.1	1,291	1,277	1.1	804	796	1.0
HELSINGBORG	35	32	9.1	54.7	51.6	5.9	1,047	1,004	4.4	573	518	10.5
UMEÅ	42	42	-1.9	65.6	66.3	-1.0	1,044	945	10.5	685	626	9.4
UPPSALA	41	37	11.2	69.7	70.2	-0.8	1,090	991	10.1	759	696	9.2
LINKÖPING	35	38	-7.6	64.4	61.5	4.7	982	927	5.9	632	570	10.9
LUND	32	29	8.1	60.5	54.7	10.4	1,085	1,055	2.8	656	578	13.6
KARLSTAD	30	27	10.0	71.6	65.2	9.7	1,069	1,065	0.4	765	695	10.1
ÖREBRO	31	33	-5.5	63.2	66.5	-5.0	1,154	1,116	3.5	730	742	-1.6
VÄSTERÅS	33	32	1.7	75.3	73.5	2.5	1,181	1,089	8.4	889	800	11.1
SUNDSVALL	29	31	-6.8	53.0	58.1	-8.8	941	917	2.7	499	533	-6.4
NORRKÖPING	29	28	3.7	60.1	59.0	1.9	1,160	1,068	8.6	697	630	10.6
LULEÅ	24	25	-4.5	64.6	67.3	-4.0	1,057	861	22.7	683	580	17.8
GOTLAND	11	13	-13.2	30.9	37.2	-16.9	789	833	-5.3	244	310	-21.3
NACKA	26	26	-0.8	62.2	61.9	0.5	1,412	1,439	-1.9	879	891	-1.4
HALMSTAD	23	24	-6.6	52.2	56.6	-7.7	1,152	1,051	9.7	602	595	1.2
GÄVLE	21	22	-3.8	67.9	68.5	-0.9	1,099	1,007	9.1	746	690	8.1
ÖSTERSUND	15	19	-19.9	70.2	70.7	-0.7	1,031	969	6.4	724	685	5.7
VÄXJÖ	18	20	-10.8	64.5	71.2	-9.5	1,095	1,061	3.2	706	756	-6.6
KALMAR	15	17	-11.4	54.5	60.9	-10.6	953	936	1.8	519	570	-9.0
SÖDERTÄLJE	15	16	-5.9	57.8	59.6	-3.1	1,143	1,027	11.3	661	612	7.9
SWEDEN	2,180	2,225	-2.0	57.1	59.0	-3.2	1,175	1,131	3.9	671	667	0.6

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 - NOVEMBER											
	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2023	2022		2023	2022		2023	2022		2023	2022	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	5,277	4,906	7.6	69.8	64.6	8.0	1,421	1,295	9.7	993	837	18.5
GOTHENBURG	2,429	2,134	13.8	68.9	66.4	3.7	1,310	1,302	0.6	902	865	4.3
MALMÖ	1,220	1,101	10.9	68.4	63.0	8.6	1,011	963	4.9	691	606	14.0
SIGTUNA	728	667	9.2	63.9	59.8	6.8	1,065	996	6.9	680	596	14.2
SOLNA	545	488	11.8	55.6	47.4	17.1	1,038	978	6.0	577	464	24.2
JÖNKÖPING	415	399	3.9	56.3	58.4	-3.5	1,065	1,110	-4.1	600	648	-7.5
HELSINGBORG	412	387	6.7	59.1	57.1	3.5	1,114	1,132	-1.6	658	646	1.9
UMEÅ	443	427	3.9	63.1	66.8	-5.5	947	875	8.3	597	584	2.3
UPPSALA	392	379	3.7	65.0	63.8	1.9	1,038	961	8.0	675	613	10.1
LINKÖPING	398	388	2.6	59.1	58.1	1.7	925	880	5.2	547	511	6.9
LUND	342	304	12.5	59.3	52.0	14.0	1,039	994	4.6	616	517	19.2
KARLSTAD	318	295	7.9	68.1	64.4	5.7	1,009	1,006	0.3	687	648	6.0
ÖREBRO	350	311	12.6	64.2	61.1	5.0	1,092	1,059	3.1	701	647	8.2
VÄSTERÅS	333	339	-1.8	69.2	69.2	0.0	1,082	995	8.8	749	689	8.8
SUNDSVALL	332	331	0.5	55.8	55.7	0.2	944	887	6.4	526	494	6.6
NORRKÖPING	303	297	2.3	57.2	55.8	2.5	1,146	1,146	0.0	655	639	2.5
LULEÅ	268	248	8.0	63.6	60.2	5.7	1,032	877	17.7	657	528	24.5
GOTLAND	266	277	-4.2	51.6	55.9	-7.7	1,347	1,359	-0.8	695	759	-8.5
NACKA	268	240	11.5	58.6	57.3	2.3	1,490	1,411	5.5	872	808	7.9
HALMSTAD	265	262	1.4	55.4	54.7	1.2	1,283	1,211	6.0	711	663	7.2
GÄVLE	230	229	0.5	64.9	64.6	0.5	1,025	1,013	1.2	665	654	1.7
ÖSTERSUND	200	193	3.8	66.7	64.2	4.0	987	930	6.2	659	596	10.4
VÄXJÖ	191	190	0.7	62.0	61.0	1.7	1,053	995	5.8	653	607	7.6
KALMAR	191	190	0.4	65.0	65.0	0.1	1,132	1,038	9.1	736	674	9.2
SÖDERTÄLJE	172	153	12.6	51.0	52.7	-3.2	1,059	941	12.6	540	496	8.9
SWEDEN	25,163	23,797	5.7	58.5	56.8	3.1	1,185	1,125	5.4	694	639	8.6

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

	12-MONTH ROLLING AVERAGE DECEMBER – NOVEMBER											
	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2023	2022		2023	2022		2023	2022		2023	2022	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	5,660	5,229	8.3	68.7	63.2	8.7	1,411	1,282	10.1	970	810	19.7
GOTHENBURG	2,599	2,271	14.4	67.7	65.0	4.2	1,302	1,292	0.8	881	840	5.0
MALMÖ	1,298	1,165	11.4	66.7	61.2	9.0	1,003	959	4.6	669	587	14.0
SIGTUNA	781	712	9.7	63.0	58.4	7.7	1,060	993	6.8	667	580	15.0
SOLNA	582	513	13.4	54.2	45.8	18.4	1,028	969	6.0	557	444	25.5
JÖNKÖPING	439	420	4.7	54.8	56.7	-3.4	1,057	1,097	-3.7	579	623	-7.0
HELSINGBORG	438	408	7.5	57.7	55.5	4.0	1,104	1,122	-1.6	637	623	2.3
UMEÅ	472	458	3.0	61.6	65.9	-6.5	942	869	8.4	581	573	1.4
UPPSALA	419	404	3.6	63.7	62.4	2.1	1,028	951	8.1	656	594	10.3
LINKÖPING	422	411	2.8	57.6	56.8	1.4	920	873	5.4	530	496	6.9
LUND	365	322	13.6	57.9	50.5	14.6	1,037	987	5.1	601	499	20.5
KARLSTAD	340	313	8.6	66.6	62.9	5.8	1,007	998	0.9	670	628	6.7
ÖREBRO	374	331	13.0	62.8	59.9	5.0	1,084	1,053	2.9	681	630	8.1
VÄSTERÅS	358	365	-1.8	68.0	68.1	-0.2	1,079	995	8.5	734	678	8.3
SUNDSVALL	356	355	0.5	54.8	54.3	0.8	943	887	6.3	517	482	7.1
NORRKÖPING	322	315	2.1	55.8	54.7	2.1	1,137	1,147	-0.9	635	627	1.2
LULEÅ	288	266	8.5	62.7	59.0	6.3	1,023	874	17.1	642	515	24.6
GOTLAND	275	285	-3.5	50.3	54.3	-7.4	1,328	1,344	-1.2	668	730	-8.4
NACKA	288	252	14.4	57.9	55.4	4.5	1,482	1,418	4.5	857	785	9.2
HALMSTAD	282	276	1.8	54.1	53.2	1.7	1,274	1,202	6.0	689	639	7.8
GÄVLE	247	245	0.6	63.9	63.4	0.7	1,018	1,006	1.2	650	638	1.9
ÖSTERSUND	215	206	4.1	65.6	62.9	4.3	981	930	5.5	643	584	10.1
VÄXJÖ	205	203	1.1	61.1	59.8	2.2	1,050	990	6.0	642	592	8.3
KALMAR	202	201	0.8	63.0	62.9	0.2	1,119	1,027	9.0	705	646	9.2
SÖDERTÄLJE	185	161	14.4	50.1	51.2	-2.1	1,057	936	12.9	530	479	10.6
SWEDEN	26,838	25,281	6.2	57.4	55.4	3.5	1,180	1,119	5.5	677	620	9.2

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 NOVEMBER

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2023	2022		2023	2022		2023	2022		2023	2022	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	2,180	2,225	-2.0	57.1	58.8	-2.8	1,175	1,131	3.9	671	665	1.0
DENMARK	1,096	1,085	1.0	57.0	57.0	0.0	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	875	884	-1.0	51.1	51.5	-0.8	1,294	1,187	2.7	661	611	1.9
NORWAY	1,362	1,368	-0.4	53.3	53.1	0.3	1,245	1,281	4.5	663	680	4.8
STOCKHOLM	472	488	-3.3	70.6	71.6	-1.4	1,460	1,362	7.1	1,030	975	5.7
COPENHAGEN	496	470	5.7	69.0	65.0	6.2	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	223	220	1.4	59.7	58.4	2.2	1,498	1,348	4.6	894	787	7.0
OSLO	315	302	4.3	69.5	66.3	4.7	1,365	1,456	0.8	949	966	5.6

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 – NOVEMBER

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2023	2022		2023	2022		2023	2022		2023	2022	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	25,163	23,790	5.8	58.5	56.8	3.1	1,185	1,125	5.4	694	639	8.6
DENMARK	12,834	12,258	4.7	59.5	58.7	1.4	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	10,189	9,498	7.3	52.9	49.9	6.1	1,237	1,133	2.8	655	566	9.0
NORWAY	15,963	15,062	6.0	54.6	52.2	4.6	1,267	1,259	8.1	692	657	13.1
STOCKHOLM	5,277	4,905	7.6	69.8	64.6	8.0	1,421	1,296	9.7	993	837	18.5
COPENHAGEN	5,597	4,985	12.3	69.9	64.3	8.6	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	2,369	2,091	13.3	57.3	52.5	9.2	1,307	1,226	0.4	749	643	9.6
OSLO	3,353	2,947	13.8	66.1	61.6	7.4	1,416	1,411	7.9	936	868	15.9

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 DECEMBER – NOVEMBER

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2023	2022		2023	2022		2023	2022		2023	2022	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	26,838	25,274	6.2	57.4	55.4	3.5	1,180	1,119	5.5	677	620	9.2
DENMARK	13,647	12,839	6.3	58.3	56.7	2.8	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	11,025	10,241	7.7	52.4	49.3	6.3	1,249	1,143	2.9	655	564	9.4
NORWAY	16,894	15,719	7.5	53.0	50.0	5.9	1,263	1,252	8.3	669	626	14.8
STOCKHOLM	5,660	5,228	8.3	68.7	63.2	8.7	1,411	1,282	10.1	970	810	19.7
COPENHAGEN	6,017	5,246	14.7	68.8	62.3	10.4	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	2,550	2,235	14.1	56.4	51.6	9.4	1,304	1,223	0.4	735	630	9.8
OSLO	3,574	3,063	16.7	64.5	58.8	9.6	1,409	1,401	8.2	909	824	18.5

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.

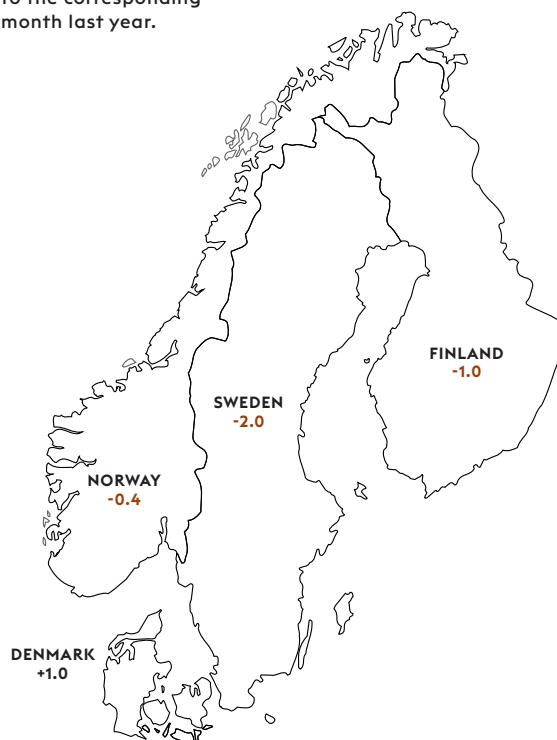
ADR: Accommodation revenue/Rooms sold.

RevPAR: Occupancy x ADR.

N/A: Not available.

ROOMS SOLD IN THE NORDICS IN NOVEMBER

%-change compared to the corresponding month last year.



22.7%

INCREASE IN AVERAGE DAILY RATE
IN LULEÅ, NOVEMBER 2023/2022

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.

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