HOTEL MARKET UPDATE

NORDIC HOTEL MARKET TRENDS AND ECONOMIC INDICATORS

Feb/24

*Dive into the season's market key figures,
some of which show positive values.*

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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 newly released hotel market statistics for 2023 show a strong overall performance. Compared to the high benchmark set in 2022, all key figures of the hotel market exhibit positive developments. For instance, total revenue increased by 11 percent, the number of sold rooms rose by 5 percent, and the RevPAR increased by 8 percent. However, it is evident that the rapid growth observed after the pandemic has decelerated.

Looking at the macroeconomic statistics, some negative developments are visible. The exchange rate of the Swedish Krona decreased against both the USD and Euro by about 0.1 Krona. Additionally, the unemployment rate reached 8 percent, its highest level in 2 years. Nonetheless, there are some positive developments to highlight, notably the rise in confidence indicators for both businesses and households observed in January.

- The confidence indicator for both households and businesses increased in January – see confidence indicators on page 2.

- The value of the Swedish Krona decreased relative to both the Euro and the US Dollar – see exchange rates on page 2.

- The unemployment rate reached 8 percent which is the highest level in 2 years – see the unemployment rate on page 2.

- All main key figures had a positive development in 2023 compared to 2022 – see key figures on page 3.
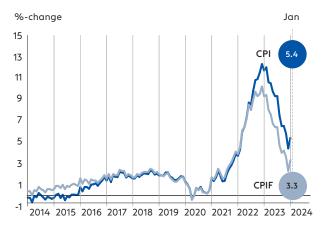
MACRO INDICATORS IN SWEDEN

Building on last month's positive momentum, both business and household confidence indicators saw substantial growth in January 2024. For businesses, the indicator rose by 5 units, while household indicators increased by 8 units.

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.

In the first month of 2024, the exchange rates for the Swedish Krona weakened against both the Euro and the US Dollar. Relative to the Euro and USD, the Swedish Krona decreased by 0.08 and 0.07 Krona, respectively.

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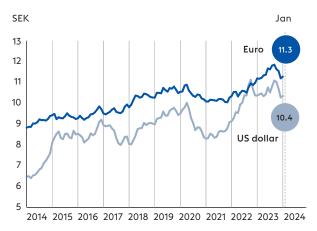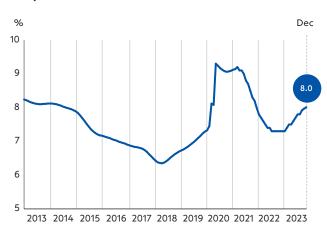Source: The Central Bank of Sweden

In January, inflation increased by one percental unit for both the Consumer Price Index (CPI) and the CPI with a fixed interest rate (CPIF). This marks the first significant increase in inflation in over a year, since the decline began.

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

The unemployment rate, according to trend, continued to increase in December 2023, reaching 8 percent for Sweden at large. This is the highest unemployment rate displayed in two years.

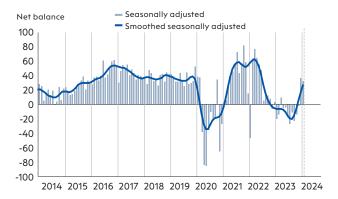Unemployment (trend) as a percentage of the Swedish market up to and including December.
Source: The laborforce survey (Statistics Sweden)

5·4%

JANUARY INFLATION RATE CPI

3·3%

JANUARY INFLATION RATE CPIF
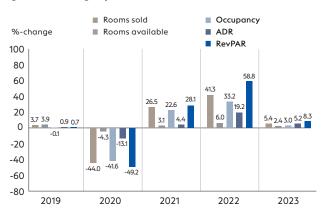
SWEDISH HOTEL MARKET SUMMARY

The expected future demand subsided from 36 to 32 units when seasonally adjusted, indicating a prevailing optimism among the surveyed companies. However, the actual responses show that over half anticipate an unchanged demand.

Net balance

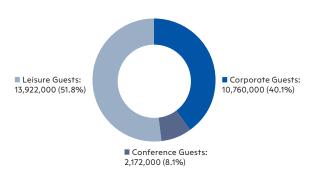Swedish hotel companies' expectations of demand for their services in the next 3 months, up to and including January.
Source: The National Institute of Economic Research
Net balance: See definitions on page 8

The GDP forecast anticipate the macroeconomic recession to subside in the 2nd quarter of 2024 and commence its recovery in the 3rd quarter. Historically, the connection between GDP and the hotel industry has been strong.

%-change

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 2023 statistics show a strong performance, with positive developments of all the key figures compared to the high benchmark set in 2022. However, the rapid post-pandemic growth has slightly moderated towards more normal levels.
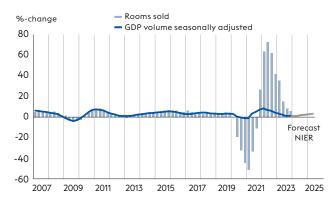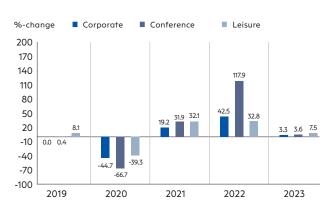

%-change

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

During 2023, all three segments demonstrate strong key figures compared to 2022. The leisure segment exhibits the highest growth rate at 7.5 percent followed by the conference segment with a growth rate of 3.6 percent.

%-change

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

Leisure Guests: 13,922,000 (51.8%)
Corporate Guests: 10,760,000 (40.1%)
Conference Guests: 2,172,000 (8.1%)

The leisure segment accounted for 51.8 percent of the occupied rooms in Sweden during 2023.

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

TRENDS IN SWEDEN'S 25 LARGEST HOTEL MUNICIPALITIES

MONTH DECEMBER

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2023	2022		2023	2022		2023	2022		2023	2022	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	381	384	-0.6	57.1	56.7	0.7	1,313	1,274	3.1	750	722	3.8
GOTHENBURG	200	169	18.1	59.2	54.8	8.0	1,181	1,185	-0.4	699	650	7.6
MALMÖ	83	78	6.1	50.4	48.0	5.0	919	886	3.8	463	425	8.9
SIGTUNA	50	53	-5.3	48.7	53.3	-8.7	995	991	0.4	484	528	-8.3
SOLNA	39	37	3.9	44.0	40.0	9.9	1,007	886	13.6	443	355	24.9
JÖNKÖPING	25	25	0.8	37.3	38.1	-1.9	906	926	-2.1	338	352	-4.0
HELSINGBORG	27	26	3.9	41.7	42.0	-0.8	922	951	-3.0	384	400	-3.8
UMEÅ	29	28	1.8	46.8	45.5	2.7	871	867	0.5	407	395	3.2
UPPSALA	28	26	5.3	47.3	49.4	-4.3	968	884	9.5	457	436	4.8
LINKÖPING	25	24	5.8	45.1	40.4	11.6	883	831	6.2	398	336	18.5
LUND	23	23	-2.1	42.5	43.8	-2.8	1,018	1,007	1.1	433	441	-1.7
KARLSTAD	21	21	-0.6	50.3	50.2	0.1	981	972	0.9	493	488	1.0
ÖREBRO	22	24	-5.6	47.6	48.4	-1.7	1,057	974	8.5	503	471	6.6
VÄSTERÅS	25	25	1.1	56.2	55.7	1.0	1,108	1,030	7.6	623	573	8.7
SUNDSVALL	22	24	-6.9	41.3	44.4	-6.9	969	935	3.7	401	415	-3.5
NORRKÖPING	19	19	3.6	41.2	40.5	1.7	993	982	1.1	409	398	2.9
LULEÅ	20	20	0.2	52.5	52.8	-0.5	958	908	5.6	503	479	5.0
GOTLAND	9	10	-8.8	27.6	30.5	-9.5	837	807	3.6	231	246	-6.2
NACKA	19	21	-6.2	46.7	50.5	-7.5	1,316	1,385	-5.0	615	699	-12.1
HALMSTAD	15	16	-5.7	38.1	39.8	-4.2	1,119	1,116	0.2	426	444	-4.0
GÄVLE	16	17	-7.4	50.8	52.8	-3.7	1,046	930	12.5	531	491	8.3
ÖSTERSUND	15	14	2.6	55.7	53.3	4.4	1,091	896	21.8	608	478	27.2
VÄXJÖ	14	13	7.4	53.2	51.8	2.8	1,032	1,007	2.6	549	521	5.4
KALMAR	11	11	-2.1	42.0	41.1	2.1	954	899	6.1	401	370	8.3
SÖDERTÄLJE	10	13	-19.2	42.9	41.3	3.8	1,064	1,028	3.5	456	424	7.4
SWEDEN	1,691	1,676	0.9	44.5	44.7	-0.5	1,128	1,101	2.5	502	492	1.9

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

YEAR-TO-DATE JANUARY – DECEMBER

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2023	2022		2023	2022		2023	2022		2023	2022	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	5,658	5,289	7.0	68.8	64.0	7.5	1,414	1,294	9.3	973	828	17.5
GOTHENBURG	2,629	2,303	14.2	68.0	65.4	4.0	1,300	1,294	0.5	884	846	4.5
MALMÖ	1,303	1,178	10.6	66.9	61.7	8.4	1,005	958	4.9	672	591	13.7
SIGTUNA	778	720	8.1	62.6	59.2	5.8	1,061	996	6.5	664	590	12.7
SOLNA	584	525	11.2	54.6	46.8	16.6	1,036	972	6.6	566	455	24.3
JÖNKÖPING	440	424	3.7	54.7	56.6	-3.3	1,056	1,100	-4.0	578	622	-7.1
HELSINGBORG	439	412	6.5	57.6	55.8	3.2	1,102	1,120	-1.6	635	626	1.6
UMEÅ	472	455	3.8	61.7	64.9	-4.8	943	874	7.8	582	567	2.6
UPPSALA	420	405	3.8	63.5	62.6	1.4	1,033	956	8.1	656	598	9.6
LINKÖPING	423	412	2.8	58.0	56.7	2.4	923	877	5.2	535	497	7.7
LUND	365	327	11.5	57.9	51.3	12.8	1,038	995	4.4	601	510	17.7
KARLSTAD	339	316	7.4	66.6	63.2	5.4	1,007	1,004	0.3	671	634	5.8
ÖREBRO	373	335	11.3	62.9	60.0	4.9	1,090	1,053	3.5	685	631	8.5
VÄSTERÅS	358	364	-1.6	68.1	68.0	0.1	1,084	998	8.7	739	679	8.8
SUNDSVALL	355	355	0.0	54.6	54.7	-0.1	945	890	6.2	516	487	6.0
NORRKÖPING	323	315	2.3	55.9	54.5	2.5	1,137	1 136	0.0	635	620	2.5
LULEÅ	288	268	7.4	62.7	59.5	5.3	1,027	879	16.8	644	523	23.0
GOTLAND	275	287	-4.4	50.2	54.3	-7.7	1,331	1,340	-0.7	668	728	-8.3
NACKA	287	261	10.0	57.6	56.6	1.7	1,478	1,409	4.9	851	798	6.6
HALMSTAD	281	278	1.0	54.0	53.5	1.0	1,274	1,206	5.7	689	645	6.8
GÄVLE	246	246	-0.1	63.8	63.5	0.3	1,026	1,007	1.9	654	640	2.2
ÖSTERSUND	215	208	3.7	65.8	63.2	4.1	994	927	7.2	654	586	11.6
VÄXJÖ	206	204	1.1	61.3	60.2	1.9	1,051	996	5.5	644	599	7.5
KALMAR	202	201	0.3	63.1	63.0	0.3	1,123	1,030	9.0	709	649	9.3
SÖDERTÄLJE	182	166	10.1	50.4	51.5	-2.2	1,059	948	11.8	534	488	9.4
SWEDEN	26,853	25,473	5.4	57.4	55.7	3.0	1,182	1,123	5.2	678	626	8.3

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 JANUARY – DECEMBER

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2023	2022		2023	2022		2023	2022		2023	2022	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE	SEK	SEK	%-CHANGE
STOCKHOLM	5,658	5,289	7.0	68.8	64.0	7.5	1,414	1,294	9.3	973	828	17.5
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SOLNA	584	525	11.2	54.6	46.8	16.6	1,036	972	6.6	566	455	24.3
JÖNKÖPING	440	424	3.7	54.7	56.6	-3.3	1,056	1,100	-4.0	578	622	-7.1
HELSINGBORG	439	412	6.5	57.6	55.8	3.2	1,102	1,120	-1.6	635	626	1.6
UMEÅ	472	455	3.8	61.7	64.9	-4.8	943	874	7.8	582	567	2.6
UPPSALA	420	405	3.8	63.5	62.6	1.4	1,033	956	8.1	656	598	9.6
LINKÖPING	423	412	2.8	58.0	56.7	2.4	923	877	5.2	535	497	7.7
LUND	365	327	11.5	57.9	51.3	12.8	1,038	995	4.4	601	510	17.7
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NORRKÖPING	323	315	2.3	55.9	54.5	2.5	1,137	1,136	0.0	635	620	2.5
LULEÅ	288	268	7.4	62.7	59.5	5.3	1,027	879	16.8	644	523	23.0
GOTLAND	275	287	-4.4	50.2	54.3	-7.7	1,331	1,340	-0.7	668	728	-8.3
NACKA	287	261	10.0	57.6	56.6	1.7	1,478	1,409	4.9	851	798	6.6
HALMSTAD	281	278	1.0	54.0	53.5	1.0	1,274	1,206	5.7	689	645	6.8
GÄVLE	246	246	-0.1	63.8	63.5	0.3	1,026	1,007	1.9	654	640	2.2
ÖSTERSUND	215	208	3.7	65.8	63.2	4.1	994	927	7.2	654	586	11.6
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KALMAR	202	201	0.3	63.1	63.0	0.3	1,123	1,030	9.0	709	649	9.3
SÖDERTÄLJE	182	166	10.1	50.4	51.5	-2.2	1,059	948	11.8	534	488	9.4
SWEDEN	**26,853**	**25,473**	**5.4**	**57.4**	**55.7**	**3.0**	**1,182**	**1,123**	**5.2**	**678**	**626**	**8.3**

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

NORDIC HOTEL MARKET – COUNTRIES AND CAPITAL CITIES

MONTH DECEMBER

	ROOMS SOLD			OCCUPANCY			ADR			REVPAR		
	2023	2022		2023	2022		2023	2022		2023	2022	
	000s		%-CHANGE	%	%	%-CHANGE	SEK	SEK	%-CHANGE*	SEK	SEK	%-CHANGE*
SWEDEN	1,691	1,676	0.9	44.5	44.2	0.6	1,128	1,101	2.5	502	487	3.1
DENMARK	824	814	1.2	44.0	44.0	0.0	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	845	837	1.0	47.3	46.7	1.3	1,440	1,334	5.8	681	623	7.2
NORWAY	963	931	3.5	40.7	34.9	16.8	1,255	1,276	6.4	511	445	24.3
STOCKHOLM	381	384	-0.6	57.1	56.5	0.9	1,313	1,274	3.1	750	721	4.0
COPENHAGEN	423	420	0.7	57.0	57.0	0.0	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	191	181	5.4	48.9	46.5	5.2	1,247	1,195	2.3	610	556	7.6
OSLO	231	221	4.7	54.0	47.1	14.7	1,328	1,397	2.8	717	658	17.9

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

YEAR-TO-DATE JANUARY – DECEMBER

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	2023	2022		2023	2022		2023	2022		2023	2022	
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SWEDEN	26,853	25,466	5.4	57.4	55.7	3.0	1 182	1,124	5.2	678	626	8.3
DENMARK	13,664	13,072	4.5	58.3	57.5	1.4	N/A	N/A	N/A	N/A	N/A	N/A
FINLAND	11,033	10,334	6.8	52.5	49.6	5.7	1 217	1,159	3.0	639	575	8.8
NORWAY	16,926	15,993	5.8	53.6	50.7	5.6	1 257	1,258	8.0	674	638	14.1
STOCKHOLM	5,658	5,289	7.0	68.8	64.0	7.5	1 414	1,294	9.3	973	828	17.5
COPENHAGEN	6,019	5,404	11.4	68.8	63.7	8.0	N/A	N/A	N/A	N/A	N/A	N/A
HELSINKI	2,560	2,271	12.7	56.6	52.0	8.9	1 266	1,234	0.6	717	641	9.5
OSLO	3,584	3,167	13.2	65.1	60.3	8.1	1,400	1,407	7.6	912	848	16.3

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 JANUARY – DECEMBER

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DENMARK	13,664	13,072	**4.5**	58.3	57.5	**1.4**	N/A	N/A	**N/A**	N/A	N/A	**N/A**
FINLAND	11,033	10,334	**6.8**	52.5	49.6	**5.7**	1,217	1,159	**3.0**	639	575	**8.8**
NORWAY	16,926	15,993	**5.8**	53.6	50.7	**5.6**	1,257	1,258	**8.0**	674	638	**14.1**
STOCKHOLM	5,658	5,289	**7.0**	68.8	64.0	**7.5**	1,414	1,294	**9.3**	973	828	**17.5**
COPENHAGEN	6,019	5,404	**11.4**	68.8	63.7	**8.0**	N/A	N/A	**N/A**	N/A	N/A	**N/A**
HELSINKI	2,560	2,271	**12.7**	56.6	52.0	**8.9**	1,266	1,234	**0.6**	717	641	**9.5**
OSLO	3,584	3,167	**13.2**	65.1	60.3	**8.1**	1,400	1,407	**7.6**	912	848	**16.3**

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

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.
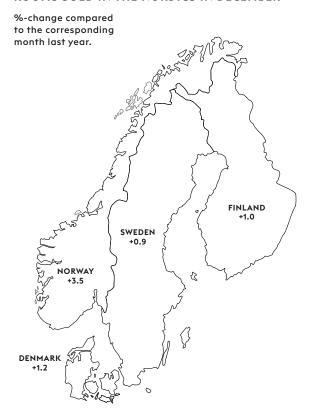
ADR: Accommodation revenue/Rooms sold.

RevPAR: Occupancy x ADR.

N/A: Not available.

ROOMS SOLD IN THE NORDICS IN DECEMBER

%-change compared to the corresponding month last year.

21.8%

INCREASE IN AVERAGE DAILY RATE
IN ÖSTERSUND, DECEMBER 2023/2022

FINLAND
+1.0

SWEDEN
+0.9

NORWAY
+3.5

DENMARK
+1.2

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 March 2024.

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