



Nordic Hotel Consulting

QUARTERLY MARKET PERFORMANCE REPORT

Q2 2019

COPENHAGEN



OSLO



HELSINKI



STOCKHOLM



REYKAVIK



Q2 HIGHLIGHTS

- The Nordic markets saw mixed performance results in the second quarter of 2019. The Helsinki market was the only market that experienced an increase in RevPAR, compared to the second quarter in 2018. The Copenhagen market realized the most significant decrease in RevPAR followed by the Reykjavik, Oslo and Stockholm markets.

RevPAR development in Q2 2019 compared to Q1 2018:

- Copenhagen -9.8%
- Oslo -3.7%
- Reykjavik -6.6%
- Helsinki 3.4%
- Stockholm -2.2%

Nordic Hotel Consulting advised ATP-Ejendomme with the initial feasibility study and the later operator search for this unique hotel project in central Copenhagen, to become a Scandic hotel in 2020



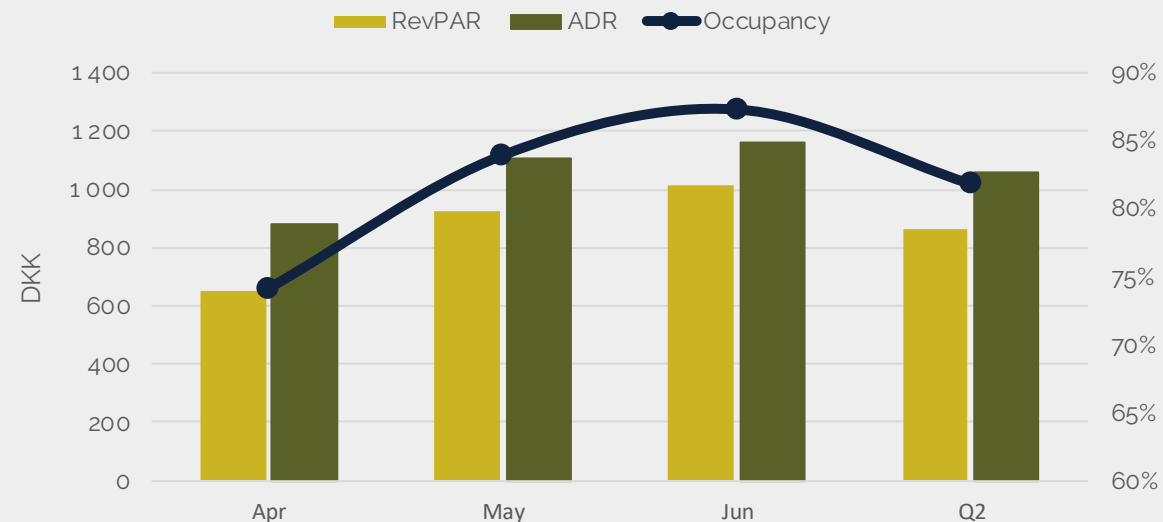
Nordic Hotel Consulting advised Daimyo Eiendom on the operator search, contract negotiations and valuation for this 200-room Moxy hotel to open late 2021 in Tromsø, Norway.

COPENHAGEN MARKET

- Copenhagen's performance success did not continue into Q2. RevPAR in the second quarter decreased by 9.8% to DKK 865 compared to the same period in 2018, this result was driven by a decrease in the ADR and the occupancy level.
- Q2 occupancy decreased by 3.5% to 81.8% and the ADR by 6.5% to DKK 1057
- In April RevPAR decreased by 4.5% to 654DKK. The result was equally affected by Occupancy and ADR. Occupancy decreased by 3.1% and ADR decreased by 1.5% compared to April 2018.
- Out of the 3 months May is the most distinctive due to the significant decrease in RevPAR by 14.2%. The ADR in May decreased by 10.7% whilst the occupancy decreased by 4.0%, resulting in RevPAR decreasing with 14.2% to 926 DKK.
- In June RevPAR decreased with 8.5%, ADR decreased with 5.3%, resulting in Occupancy decreasing with 3.4% to 87.4%.

	Apr	Δ*	May	Δ*	Jun	Δ*	Q2	Δ*
Occupancy	74.1%	-3.1%	84.0%	-4.0%	87.4%	-3.4%	81.8%	-3.5%
ADR (DKK)	882	-1.5%	1 103	-10.7%	1 160	-5.3%	1 057	-6.5%
RevPAR (DKK)	654	-4.5%	926	-14.2%	1 013	-8.5%	865	-9.8%
ADR (EUR)	118		148		155		142	
RevPAR (EUR)	88		124		136		116	

Δ* Percentage change from same period in previous year

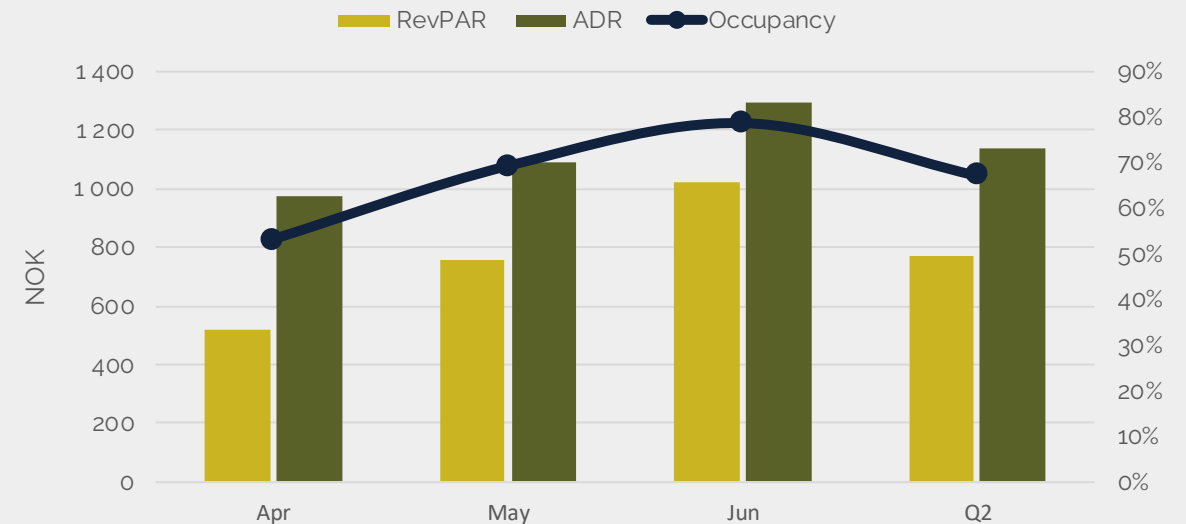


OSLO MARKET

- In the second quarter of 2019 Oslo experienced a 3.7% decline in RevPAR to NOK 768 offset by an increase in the ADR by 2.1% and a decrease in Occupancy by 5.7%
- The second quarter in Oslo was characterized by a large decrease in performance levels in April balanced out by growth in May and June.
- In April, the occupancy level decreased by 18.1% to 53.2%, ADR decreased by 6.3% to NOK 978 and hence RevPAR by 23.3% to NOK 575
- In May, Occupancy increased by 4.0% to 69.4%, and ADR decreased by 2.6%, resulting in RevPAR increasing by 1.3% to NOK 759
- June improved the most with an increase of 5.8% to NOK 1022 in RevPAR from 2018. This was driven by the increase in ADR of 10.3% to NOK 1027 and the increase in occupancy of 10.6% to 78.9%

	Apr	Δ*	May	Δ*	Jun	Δ*	Q2	Δ*
Occupancy	53,2%	-18,1%	69,4%	4,0%	78,9%	10,6%	67,3%	-5,7%
ADR (NOK)	978	-6,3%	1 093	-2,6%	1 027	10,3%	1141	2,1%
RevPAR (NOK)	575	-23,3%	759	1,3%	1 022	5,8%	768	-3,7%
ADR (EUR)	102		112		105		117	
RevPAR (EUR)	60		78		105		79	

Δ* Percentage change from same period in previous year

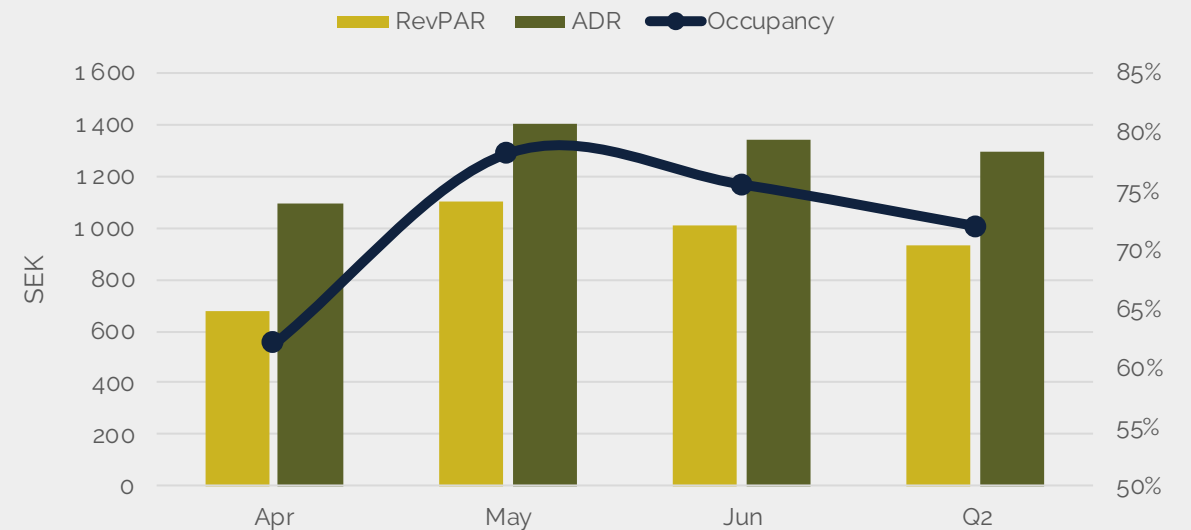


STOCKHOLM MARKET

- The Stockholm hotel market performance indicators were negative positive in the second quarter of 2019, except for the occupancy level.
- Stockholm experienced a 2.2% RevPAR decrease to 934 SEK. The decrease was influenced by both occupancy with an increase of 0.3%. ADR decreased by 2.5%
- In April, the market experienced a significant decrease in RevPAR by 18.3%, ADR by 11.8% and a decrease in Occupancy by 7.3%.
- May saw the most significant increase in RevPAR, ADR and Occupancy., RevPAR displayed a 11% increase to SEK 1099 resulting from a 5.5% increase in occupancy and a 5.2% increase in ADR
- The last month of the first quarter, June, saw a decrease in RevPAR, Occupancy increased by 1.8% and ADR decreased by 4.3%. This led to a decrease of 2.6% to 1013 SEK in RevPAR.

	Apr	Δ*	May	Δ*	Jun	Δ*	Q2	Δ*
Occupancy	62.1%	-7.3%	78.1%	5.5%	75.5%	1.8%	72.0%	0.3%
ADR (SEK)	1 095	-11.8%	1 407	5.2%	1 342	-4.3%	1297	-2.5%
RevPAR (SEK)	680	-18.3%	1 099	11.0%	1 013	-2.6%	934	-2.2%
ADR (EUR)	104.5		131.0		126.3		122	
RevPAR (EUR)	64.8		102.4		95.4		88	

Δ* Percentage change from same period in previous year

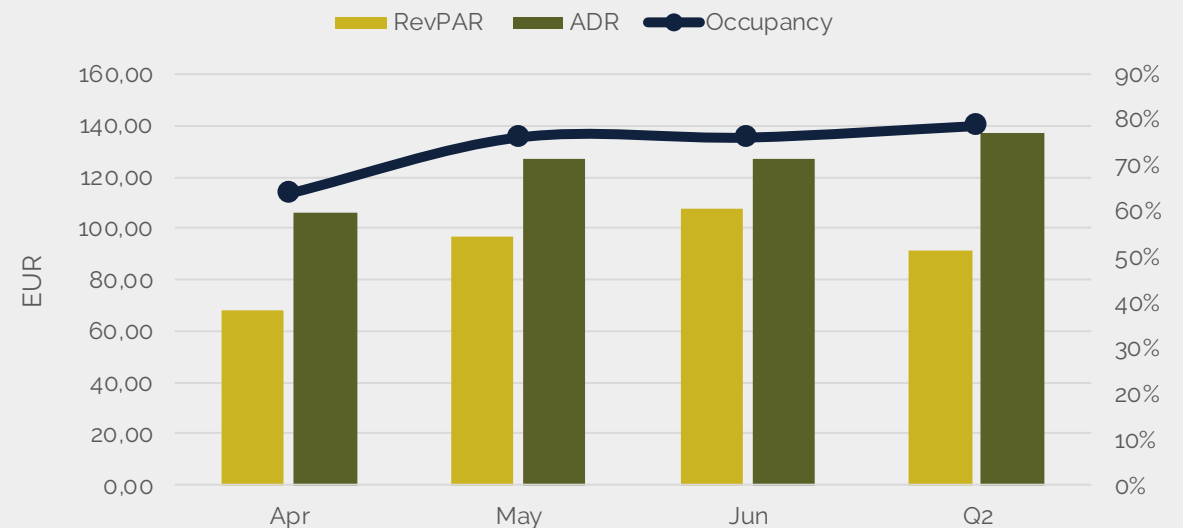


HELSINKI MARKET

- Helsinki's hotel market experienced mostly positive RevPAR developments across the second quarter of 2019.
- RevPAR increased by 3.4% to EUR 91, driven by ADR, which increased by 3.8% to EUR 125. The occupancy rate for the quarter decreased slightly with 0.4% to 73.1%.
- RevPAR saw the only decrease during the quarter in April. RevPAR decreased by 3% to EUR 68. The RevPAR decrease was driven by an increase in ADR by 0.4% to EUR 106 and a decrease in occupancy by 3.4%
- Compared to April both May and June saw an increase in RevPAR. In May RevPAR increased by 1.8% to EUR 97. Occupancy decreased by 0.4% to 76.2%. ADR increased by 2.2% to EUR 127.
- June experienced the most significant increase in RevPAR by 9% to EUR 108, this was driven by the increase in ADR by 7.1% to EUR 137 and the increase in occupancy by 1.8% to 78.7%.

	Apr	Δ*	May	Δ*	Jun	Δ*	Q2	Δ*
Occupancy	63,9%	-3,4%	76,2%	-0,4%	78,7%	1,8%	73,1%	-0,4%
ADR (EUR)	106	0,4%	127	2,2%	137	7,1%	125	3,8%
RevPAR (EUR)	68	-3,0%	97	1,8%	108	9,0%	91	3,4%

Δ* Percentage change from same period in previous year

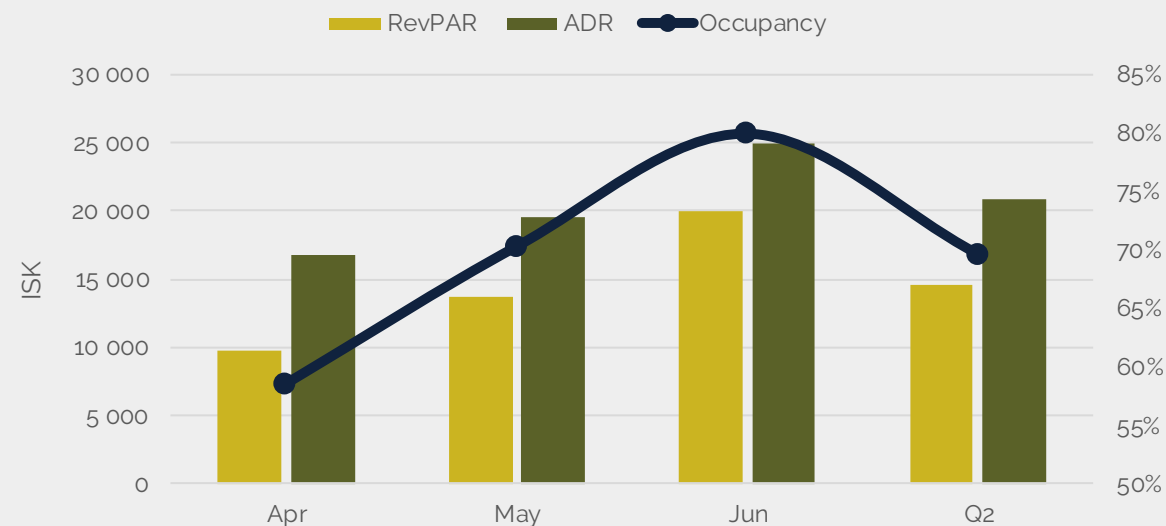


REYKJAVIK MARKET

- In the second quarter of 2019, Reykjavik experienced negative growth in RevPAR. The Icelandic capital experienced a 6,6% RevPAR drop to 14515 ISK, the drop was influenced by the decrease in occupancy of 4.0%, and a decrease of 2.6% in ADR.
- April was impacted with the largest changes, despite the 5.7% increase in ADR there was an 8.2% drop in the RevPAR to ISK 9805. This was the result of a 13.2% drop in Occupancy.
- In May, the ADR decreased by 3.9% to ISK 19541 and occupancy increased by 4.5% to 70.3% leading to an increase of 0.4% in RevPAR to ISK 13734.
- In June, the hotel market saw the largest decrease in RevPAR of 10.5% to 19939 ISK. This change was caused by the ADR level that decreased by 6.7% compared to 2018, to ISK 24,928, and the occupancy level that decreased to 80% corresponding to a drop of 4.0%.

	Apr	Δ*	May	Δ*	Jun	Δ*	Q2	Δ*
Occupancy	58,5%	-13,2%	70,3%	4,5%	80,0%	-4,0%	69,7%	-4,0%
ADR (ISK)	16 761	5,7%	19 541	-3,9%	24 928	-6,7%	20837	-2,6%
RevPAR (ISK)	9 805	-8,2%	13 734	0,4%	19 939	-10,5%	14515	-6,6%
ADR (EUR)	124		142		177		151	
RevPAR (EUR)	70		99		143		105	

Δ* Percentage change from same period in previous year



CITY COMPARISON

- Comparing the five Nordic capital markets. Copenhagen experienced the highest Occupancy rate of 81.8%, followed by Helsinki with 73.1% and Stockholm with 72%. The lowest performers were, Reykjavik with 69.7% and Oslo with 67.3%. Occupancy fluctuates at a higher level in April and May (84.4% – 53.2%) than in June (87.4% – 78.9%)
- ADR rates are similar for the second quarter for Oslo, Helsinki and Stockholm, varying between EUR 91 and EUR 122. Copenhagen and Reykjavik experience higher ADR between EUR 142 and EUR 151.
- In Copenhagen, the hotels received the highest RevPAR rate for the quarter, of EUR 116. Followed by Reykjavik at EUR 116. Helsinki increased in RevPAR secured a higher rate than Oslo and Stockholm.
- Overall June was the best performing month within the quarter.



LOCAL PRESENCE

In NHC, we constantly track the change in **demand** and closely monitor the development in **supply** across the Nordics. If you wish to discuss the outlook of a specific region, please do not hesitate to reach out to our local offices.

You can always e-mail us at info@nordichotelconsulting.com



Denmark

Kongens Nytorv 3-5
DK-1050 Copenhagen K
(+45) 45 82 11 72

Sweden

Birger Jarlsgatan 16
SE-11434 Stockholm
(+46) 723 611 261

Norway

Ivan Bjørndals gate 27
NO-0472 Oslo
(+47) 484 04 480

Finland

Vuoritie 6B
FI-02880 Veikkola
(+358) 40 539 43 39

Iceland

Bankastræti 5
ICE-101 Reykjavik
(+354) 89 77 401

About NHC

NHC was founded in 2004 and is today the largest specialized hotel consultancy in the Nordics, with offices in Copenhagen, Stockholm, Oslo, Helsinki and Reykjavik. NHC is a truly Pan-Nordic hotel advisory offering full cross-border coverage in the Nordics. NHC works exclusively for owners, developers and lenders and count among our clients both private investors, listed real estate companies, private equity funds, pension funds and banks. The client list includes the vast majority of the leading Nordic and international investors and developers.

For additional information on NHC, please refer to our website: www.nordichotelconsulting.com

About Benchmarking Alliance

Benchmarking | Alliance is the leading provider of hotel, conference, F&B and spa benchmarking as well as hospitality market data for the Nordic hospitality industry. The company was created in 2010 by a team with broad background in hotels, real estate and IT.

Copyright

This report is the property of NHC and may not be reproduced in parts or whole, prior to the written consent of NHC.

Disclaimer

NHC does not guarantee the accuracy of the data presented in this report and cannot be held liable here for any analysis, opinions or decisions derived from reading this report as it is solely at the responsibility of the reader to draw up conclusions. NHC cannot be held liable for any outcome of analysis, opinions and decisions formed based on the information presented in this report.

NHC would like to inform the reader that the data from Benchmarking Alliance is collected in different ways and sometimes the figures can include provisions. This means that slight deviations in net ADR and RevPAR can occur.

