

# Stockholm Hotel Report 2016

 **Stockholm**  
The Capital of Scandinavia

PHOTO: CECILIA LARSSON/LANTZ

# 2015 – A year of shattered records in Stockholm City's hospitality industry

## 11th

place of Europe's top tourist destinations in terms of total guest nights<sup>6</sup>

**Since the previous release of the Stockholm Hotel Report in 2014, rooms sold and guest nights have seen incredibly strong growth, noting an all-time high in RevPAR and the highest growth rate in international guest nights recorded over the past 20 years<sup>1</sup>.**

According to Eurostat's projections, Stockholm will have the third highest population growth of the major city regions between 2015 and 2020. With one of the highest gross regional products per capita in Europe, a high density of corporate headquarters and a wide range of arenas for entertainment, meetings and conventions, Stockholm is the capital of business and leisure travel in Scandinavia. While the top-performing Swedish economy has driven demand in the business segments, both domestic and international leisure travel have grown at an even higher rate. Over the past five years, new growth markets have emerged outside of Europe, and the highest growth rates in inbound guest nights were recorded from India, Poland and China<sup>2</sup>.

Occupancy levels in Stockholm reached 72.0 percent in 2015, an increase of 8.4 percentage points since 2004. The expansion of supply of roughly 600 rooms per year (3.6 percent), has been fully absorbed by an average increase in demand of 4.8 percent per year. This has already left the City of Stockholm in short supply in terms of hotel rooms. In addition to a projected increase in supply of more than 3,500 hotel rooms (20 percent), there will be a need for another 1,500 new hotel rooms by 2020.

### The case for greater diversity in hotel room supply

The current room supply in the City of Stockholm is dominated by four-star hotels. The majority of the capacity to be added in the coming five years will also belong in this market segment. An increasingly diverse guest mix calls for a greater diversity in supply. This translates into a great opportunity for new brands and hotel concepts

to tap into unsatisfied market segments. The greatest potential can be found at both ends of the spectrum. At one end, centrally located and space-efficient accommodation such as the recent additions of Hotel With Urban Deli and Best Western and hotel both offer competitive pricing without making compromises on standard. Another example is Generator Hostel opening in June 2016, which will straddle the hotel and hostel categories with generous common areas and a high level of design. At the high end of the spectrum, Stockholm has a low share of premium hotels compared to other European cities. Because regional brands currently dominate the market, there is an opportunity for international operators to leverage their brand awareness to attract the growing market of international travellers in the high-end segment.

The extended stay concept has shown an explosive increase in popularity among both property owners and operators over the past three years. A contributing factor is a persistent shortage of housing in Stockholm. Paired with a need for the rapidly growing tech sector in Stockholm to attract international talent, this has created ample demand for short-term housing. Consequently, on a county level, an estimated 1,000 hotel rooms will be added in the extended stay category between 2016 and 2020.

### New areas of growth emerging in Stockholm County

Over the past five-year period, the annual average growth in demand in Stockholm County<sup>3</sup> of 6.2 percent has outpaced that of the city (4.4 percent). The development of industrial areas into vibrant business communities such as Kista Science City, Solna Business Park and Arenastaden has stimulated the establishment of new hotel rooms, which increased from 80 to roughly 400 new rooms per year<sup>4</sup>. Heavy investment in new infrastructure, including new subway and commuter train lines and highways will form the foundation for continued growth on the county level.

### Demand for hotel rooms in the Stockholm Business Alliance

A cursory review of 54 municipalities<sup>5</sup> participating in the Stockholm Business Alliance (SBA) partnership found that occupancy rates varied from 23 to 72 percent in 2015. Only 5 out of 34 hotel markets recorded occupancy rates above 60 percent. However, occupancy rates have increased in 31 out of 34 markets since 2004, and growth in RevPAR has outpaced that of Stockholm County in 14 of the reviewed markets. The markets that display the highest occupancy rates are either part of Stockholm County or one of the bigger cities such as Örebro, Västerås or Uppsala. Notably, the markets that are considered most likely to develop a need for additional capacity are already expecting establishments of new hotels within the next five-year period.

# 1,000

hotel rooms will be added in the extended stay category between 2016 and 2020



PHOTO: JEPPE WIKSTRÖM

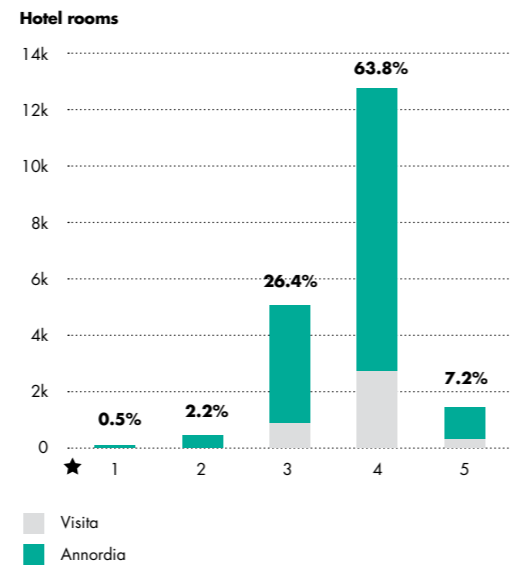
<sup>1</sup>International guest nights exclusive of Europe. <sup>2</sup>Among all markets with at least 50,000 guest nights in 2015. <sup>3</sup>Stockholm County outside of the city. <sup>4</sup>Merged into 34 hotel markets based on the location and market characteristics of the municipality <sup>5</sup>European Cities Marketing Benchmarking Report.

# Supply of commercial housing in Stockholm

**60%**  
of the total room supply is located in Stockholm City

## Classification of the Stockholm City room supply

Official star classifications according to Hotelstars Union criteria have been obtained from the trade organization Visita. The remaining supply has been given an unofficial star classification by Annordia. The vast majority of the supply belongs to the four- and three-star segments, while one- and two-star hotels only amount to roughly 500 rooms. The distribution of supply in Stockholm County is similar to that of the city, but with a slightly higher share of one- to three-star hotels, and only a single five-star hotel. Although a great part of supply should rightfully be positioned in the four-star segment, there is a need to add more capacity in both the low- and high end of the spectrum.



	Hotel	Hostel	Cottage	Campsite
Stockholm County	309	71	8	34
of which Stockholm City	154	31	0	5

	Visita	Annordia	Share
Five	479	942	7.2%
Four	3,561	9,102	63.8%
Three	1,211	4,028	26.4%
Two	22	411	2.2%
One	0	95	0.5%
Total	5,273	14,578	



<sup>1</sup>Percentage of Stockholm City.  
<sup>2</sup>Percentage of Stockholm County excluding City.

The City of Stockholm is home to roughly 60 percent of the total supply of hotel rooms in the county, of which the inner city represents 77 percent (15,500 rooms). In turn, more than half of the room supply in the inner city is located within the wider CBD area including the street of Vasagatan. The accumulation of supply in this area is testament to the important role of central Stockholm as an engine for demand in both business and leisure segments.



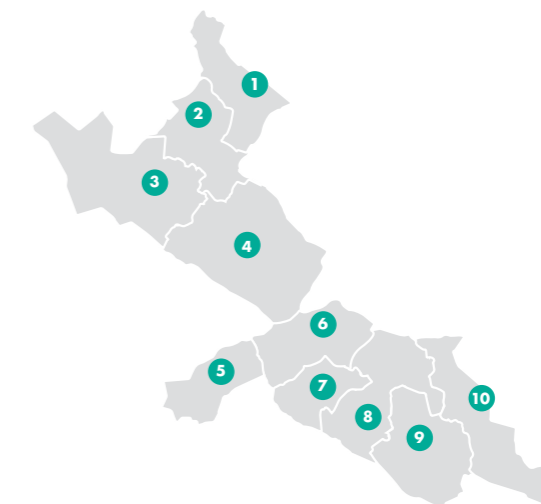
- 1. Kungsholmen 1,210 rooms, 346 beds
- 2. Norrmalm 2,080 rooms, 699 beds
- 3. Östermalm 1,265 rooms, 122 beds
- 4. Södermalm 2,542 rooms, 1,403 beds, 80 camping pitches

Vasagatan 3,711 rooms, 65 beds  
CBD 4,545 rooms, 683 beds

Capacity of hotels stated in rooms, hostels and cottages in beds and campsites in pitches.

## Stockholm outer city

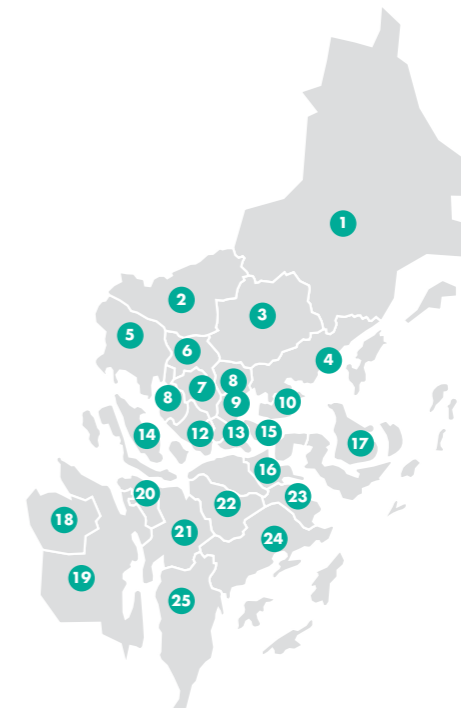
The remaining 23 percent of the Stockholm city room supply (4,500 hotel rooms) is located in the outer city, which consists of 10 city districts. The outer city also has a total of 200 hostel beds and 630 camping pitches. Hotel room supply<sup>1</sup> is mainly concentrated to Bromma (6.8 percent), Rinkeby/Kista (5.5 percent) and Enskede/Årsta/Vantör (4.5 percent). The aforementioned city districts are located in the vicinity of important drivers of demand, such as Bromma airport and Solna Business Park, the tech industry cluster in Kista, the Ericsson Globe event cluster and the Stockholmsmässan exhibition centre.



- 1. Rinkeby/Kista
- 2. Spånga/Tensta
- 3. Hässelby/Vällingby
- 4. Bromma
- 5. Skärholmen
- 6. Hägersten/Liljeholmen
- 7. Älvsjö
- 8. Enskede/Årsta/Vantör
- 9. Farsta
- 10. Skarpnäck

## Stockholm County

Apart from the City of Stockholm, the county consists of 25 municipalities that have a combined total of about 150 hotels and 13,000 hotel rooms. The county also has 40 hostels, 8 cottage facilities and 29 campsites. The three biggest municipalities in terms of room capacity<sup>2</sup> are Sigtuna (19.0 percent), Solna (13.4 percent) and Nacka (8.6 percent). The demand for accommodation in Solna and Sigtuna stems from a high density of corporate headquarters and the ease of access to Bromma and Arlanda airports. Nacka is traditionally mainly geared towards the leisure, resort and conference segments. Improved infrastructure, including an extension of the Stockholm subway system, will create further opportunities for expanded capacity outside the city centre.



- 1. Norrtälje
- 2. Sigtuna
- 3. Vallentuna
- 4. Österåker
- 5. Upplands-Bro
- 6. Upplands Väsby
- 7. Sollentuna
- 8. Täby
- 9. Danderyd
- 10. Vaxholm
- 11. Järfälla
- 12. Sundbyberg
- 13. Solna
- 14. Ekerö
- 15. Lidingö
- 16. Nacka
- 17. Värmdö
- 18. Nykvarn
- 19. Södertälje
- 20. Salem
- 21. Botkyrka
- 22. Huddinge
- 23. Tyresö
- 24. Haninge
- 25. Nynäshamn

# Historical growth trends on the Stockholm hotel market

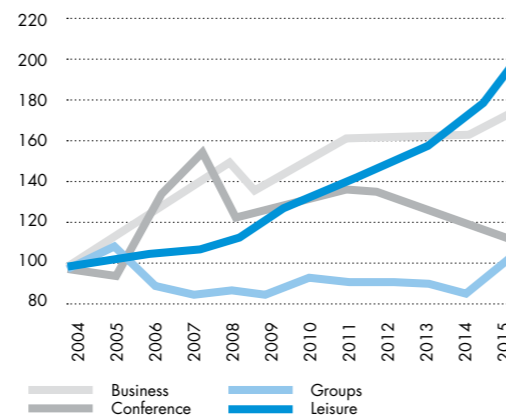
## 13.8%

Stockholm recorded the highest growth in international guest nights in Europe 2015<sup>1</sup>

### Market segments in Stockholm

In 2015, the business segment accounted for 54 and 41 percent of rooms sold in the city and county respectively. The conference segment is comparatively small in the city but made up 24 percent of rooms sold in the county. The leisure segment recorded an impressive average increase of 7.9 percent per year since 2010. Demand in the business segment was stagnant between 2011 and 2014. This has resulted in a shift in demand towards the leisure segment that has two main characteristics. Firstly, it has led to increased price sensitivity. Secondly, the guest ratio has increased from 1.43 to 1.55 in the city and 1.32 to 1.47 in the county. Notably, in 2015 this shift in demand was partly offset by an increase in rooms sold in the business segment of 5.5 percent in the city and 16.5 percent in the county.

Rooms sold in Stockholm City - index, 2004=100

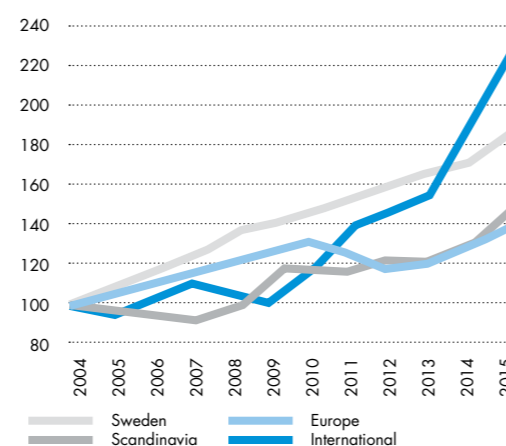


City	Share	2004-2015	2010-2015
Business	53.8%	5.1%	3.4%
Conference	4.9%	1.3%	-1.7%
Groups	7.8%	0.0%	2.2%
Leisure	33.5%	6.5%	7.9%

### Nationalities of guest nights in Stockholm

Domestic travellers account for roughly 60 and 80 percent of total guest nights in the city and county respectively. International guest nights have recorded the highest growth rate in both the long and the short term. Since 2010, the segment has grown by a remarkable 12.3 percent per year. European guest nights have seen a more modest increase of 1.5 percent per year over the same period. The share of international guest nights is therefore likely to surpass European guest nights within the near future. Notably, the county recorded an increase in international, Scandinavian and European guest nights of 15, 12 and 12 percent per year respectively between 2010 and 2015. This marks a new trend that could partly be an effect of the development of new sports and entertainment venues outside the city.

Guest nights in Stockholm City - index, 2004=100



City <sup>2</sup>	Share	2004-2015	2010-2015
Sweden	58.4%	5.9%	4.7%
Scandinavia	6.8%	3.7%	3.9%
Europe	17.9%	3.4%	1.5%
International	16.9%	7.6%	12.3%

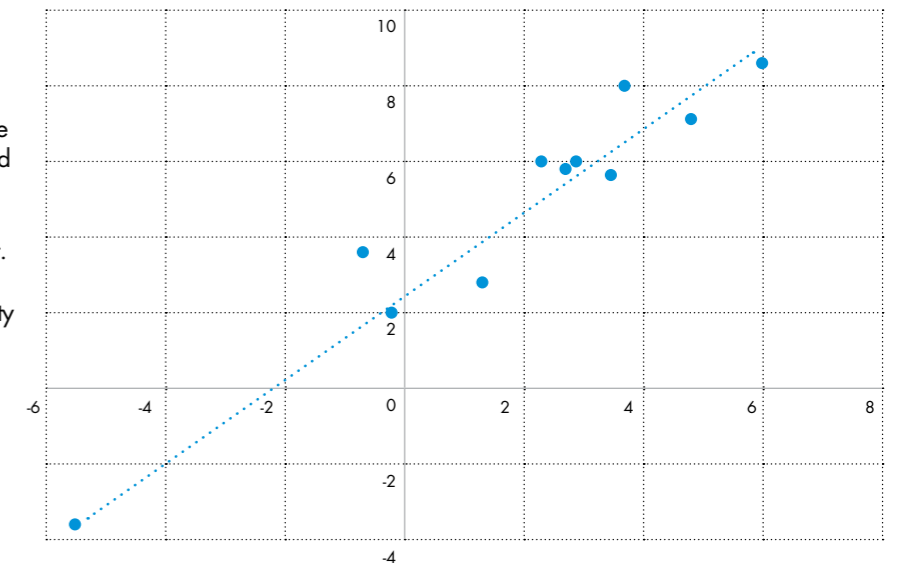
<sup>1</sup>Out of the top 25 European destinations according to European Cities Marketing Benchmarking Report 2015.  
<sup>2</sup>Scandinavia excluding Sweden, Europe excluding Scandinavia, International excluding Europe.

### Rooms sold and Swedish GDP

The growth in GDP is an indicator of both business activity and the disposable incomes of Swedish leisure travellers. The aforementioned increase of international guest nights should lead to decreased dependence on domestic demand over time. This does appear to have reduced the impact on demand of downturns in the local and regional economy. As observed in the diagram to the right, however, the correlation between Swedish GDP and demand still seems prevalent.

Since 1980, hotel rooms sold in Stockholm County have increased from 1.9 to 7.4 million per year. Over this period, the annual average increase in rooms sold of 4.0 percent has outpaced the growth in GDP of 2.1 percent. Between 2004 and 2015, rooms sold have increased by 2.9 million, the equivalent of 4.7 percent per year. GDP grew by an average of 1.9 percent per year over the same period, which means that the difference between growth in rooms sold over GDP has increased to 2.8 percent.

Year on year change in rooms sold is displayed on the Y-axis; year on year change in GDP is displayed on the X-axis (%)

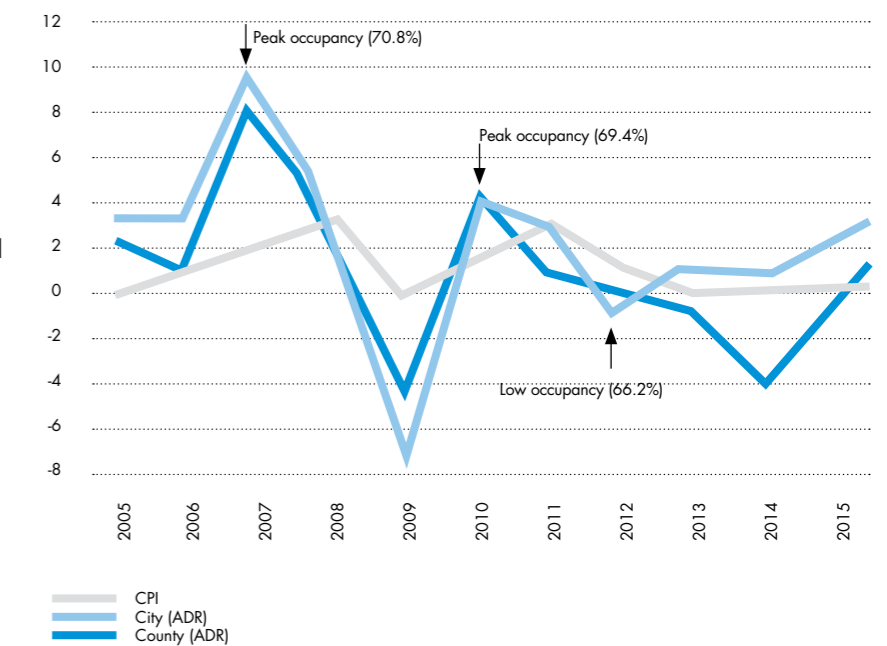


### Average daily rate (ADR)

Since 2004 the average daily rate has increased by an average of 1.8 and 0.9 percent in the city and county respectively. The ADR in the city has displayed limited growth in the last five-year period, while prices in the county declined between 2012 and 2014. In 2015, improved occupancy rates allowed operators in both city and county to adjust their pricing, resulting in a year on year increase of 2.3 and 1.3 percent respectively. There was also an increase in demand in the business segment that likely relieved some of the downward pressure on pricing.

Over time the trend in hotel price levels resembles that of the overall economy. The most remarkable discrepancies coincide with years of unusually strong or weak growth in hotel occupancy. This partly reflects the use of dynamic price-setting models by most operators. It also illustrates how changes in the competitive environment can have a dual effect on revenues through both occupancy and ADR.

Year on year change in the consumer price index (CPI) and hotel ADR (%)



Stockholm City	2004	2010	2011	2012	2013	2014	2015
Available rooms <sup>1</sup>	4,730	5,857	6,332	6,743	6,727	6,882	6,983
Rooms sold <sup>1</sup>	3,010	4,063	4,318	4,462	4,531	4,723	5,030
Occupancy	64%	69%	68%	66%	67%	69%	72%
ADR	943	1,117	1,148	1,116	1,125	1,127	1,153
RevPAR	600	775	783	739	757	774	831
Guest nights <sup>1</sup>	4,314	6,070	6,399	6,634	6,782	7,174	7,771

<sup>1</sup>Thousands

Stockholm County	2004	2010	2011	2012	2013	2014	2015
Available rooms <sup>1</sup>	3,496	3,678	3,777	3,920	4,207	4,388	4,394
Rooms sold <sup>1</sup>	1,489	1,769	1,856	1,846	1,953	2,154	2,394
Occupancy	43%	48%	49%	47%	46%	49%	54%
ADR	868	1,009	1,021	1,010	990	946	958
RevPAR	370	485	502	476	460	464	522
Guest nights <sup>1</sup>	1,970	2,447	2,528	2,576	2,760	3,127	3,509

# The supply pipeline

**1,500**

**additional hotel rooms needed in the City of Stockholm**

There are currently plans for about 60 new hotel projects with 8,500 new hotel rooms combined in Stockholm County. Altogether this would be equivalent to an increase compared to the 2015 room supply of roughly 28 percent. However, the realisation of 27 of these projects with a total of about 4,000 rooms is still considered to be uncertain. Out of the projects that are certain to go ahead, roughly 3,000 new rooms will be built in the city, which corresponds to an increase in capacity of 16 percent. Such projects in the county amount to about 1,500 new hotel rooms, which is equal to an increase in supply of 13 percent.



PHOTO: HENRIK TRYGG

The projects outlined on the next page include numerous high-profile establishments such as Scandic's Continental and Haymarket hotels, and the dual hotel developments At Six and Hobo of Nordic Choice. These hotels will make a welcome contribution to the room supply in central Stockholm.

## The market demands another 1,500 hotel rooms

Room capacity in both city and county has grown by about 19 percent in the last five-year period. This represents a greater increase in supply than the projects that are certain will amount to in the upcoming five years. Despite the historical increase in capacity, the buoyant occupancy rates of 2015 signal a need to develop plans for additional new hotels. Because of seasonal fluctuations in demand, the current level of occupancy also implies that there are parts of the market that periodically run at full capacity.

As outlined in the forecast on the following page, the occupancy rate in the city is expected to surpass 73 percent in 2020. To absorb the projected increase in demand, there will be a need for at least 1,500 hotel rooms in addition to those included in the forecast. The future demand in both business and leisure segments is expected to follow a strong growth trend, and the share of international guests is likely to increase further. To appeal to an increasingly diverse guest mix, there is also a need to diversify the room supply and add new brands to the market.

## A growing supply of P2P accommodation

Since its inception in the mid to late 2000s, the market for online aggregators of P2P rentals has shown impressive growth. According to figures received from the biggest actor on the Swedish market, Airbnb, the growth rate appears to have slowed somewhat as volumes have increased. Annordia has interviewed leading actors in Swedish hospitality. In general respondents consider these services more likely to become a complement to conventional hotels rather than direct competitors. However, they could to some extent create increased competition for low-service offerings and hostels and limit the ability of hotels to inflate prices during times of extraordinary demand.

Hotel projects (certain)			
Hotel	Municipality	Capacity	Opening
Best Western and hotel	Stockholm	201	2016
Sthlm Hotel <sup>1</sup>	Stockholm	10 (66)	2016
Scandic Continental <sup>1</sup>	Stockholm	392 (392)	2016
Haymarket by Scandic <sup>1</sup>	Stockholm	136 (405)	2016
Generator Stockholm	Stockholm	226	2016
StayAt Hotel Apartments	Stockholm	168	2016
Hotel Teaterborgen Södermalm	Stockholm	43	2016
Motel L Älvsjö	Stockholm	174	2017
Apartments by Ligula Älvsjö	Stockholm	77	2017
At Six	Stockholm	343	2017
Hobo	Stockholm	200	2017
Scandic Sergel Plaza <sup>1</sup>	Stockholm	17 (420)	2017
Bank Hotel	Stockholm	110	2017
Comfort Hotel Kista	Stockholm	194	2017
Best Western NoFo Hotel <sup>1</sup>	Stockholm	42 (100)	2018
Nobis Blåstern	Stockholm	270	2018
Hotel - Östermalmshallen	Stockholm	71	2018
Hotel - Kista (confidential)	Stockholm	162	2018
Confidential <sup>1</sup>	Stockholm	90	2018
BizApartment - Hammarby Sjöstad	Stockholm	150	2018
<b>City total</b>		<b>3,076</b>	
Quality Hotel Winn Haninge <sup>1</sup>	Haninge	116 (220)	2016
First Hotel Arlanda	Sigtuna	150	2016
Best Western Park Airport Hotel <sup>1</sup>	Sigtuna	29 (126)	2016
Part-Time Home Rotebro	Sollentuna	94	2016
The Winery Hotel	Solna	184	2016
Elite Hotel Hagaplan	Solna	222	2017
Lidingö Entré	Lidingö	103	2017
Hotel - Solna (confidential)	Solna	100	2017
Vretastugan	Botkyrka	15	2018
Grow Hotel	Solna	173	2019
Swedavia Arlanda	Sigtuna	400	2019
<b>County total</b>		<b>1,586</b>	

Hotel projects (uncertain)		
Hotel	Municipality	Capacity
Hotel Sveavägen	Stockholm	80
Radisson Blu Strand Hotel <sup>1</sup>	Stockholm	17 (169)
Hotel - Malmskillnadsgatan	Stockholm	350
Expansion - Östermalm (confidential) <sup>1</sup>	Stockholm	30
Hekla 1 - Kista	Stockholm	250
Playce - Kista	Stockholm	500
Hotel - Humlegårdsgatan 15	Stockholm	100
Hotel or student apartments - Ersta	Stockholm	58
Hotel - Bromma	Stockholm	200
Music Hotel Gasverksklockan	Stockholm	190
Memory Hotel <sup>1</sup>	Stockholm	150 (305)
Hotel in Telefonplan	Stockholm	100
Hotel in Ropsten	Stockholm	N/A
<b>City total</b>		<b>2,025</b>
Living Hotel	Botkyrka	191
Hotel in the northwest of Stockholm	Confidential	200
Small hotel - Örnö	Haninge	8
Hotel - Geväret 13	Lidingö	24
Hotel - Nacka (confidential)	Nacka	N/A
Tapetfabriken - Sickla	Nacka	150
Norgehuset/Yasuragi	Nacka	250
Hotel - Södra Berget	Norrälje	100
Hotel - Måby	Sigtuna	250
Highrises in Häggvik	Sollentuna	N/A
Hotel - Solna (confidential)	Solna	200
Afa Fastigheter - Råsundavägen	Solna	160
Expansion - Solna (confidential) <sup>1</sup>	Solna	125
Hotel - Bäverbäcken	Tyresö	50
Hotel - Rindö	Vaxholm	172
Hotel Artipelag	Värmdö	75
<b>County total</b>		<b>1,955</b>

<sup>1</sup> Expansion or reopening of existing hotel. Numbers in brackets refers to full capacity after completion.



PHOTO: HENRIK TRYGG

# Forecast - the future need for hotel rooms in Stockholm 2016-2020<sup>1,2</sup>

**>70%**

in occupancy is projected in Stockholm City 2016-2020

**According to Annordia's forecast, the number of hotel rooms sold in Stockholm City and County is projected to increase by an average of 4.0 and (4.3) percent per year respectively. The equivalent growth in hotel guest nights is projected to be 4.3 and (4.5) percent. The aggregated increase in other commercial guest nights (hostels, cottages and campsites) is projected to reach an annual average of 3.8 percent in the City of Stockholm and (0.4) percent in the county.**

Annordia has made separate forecasts of demand for hotel rooms and for guest nights in hostels, cottages and campsites. Projections are based on historical growth rates, the macro-economic factors listed below, and the development of infrastructure and the urban environment in Stockholm. Both certain and uncertain hotel projects have been added to the forecasted supply depending on their expected opening dates.

Population growth is forecast to be in line with the historical average of 1.7 percent per year, leading to a total population in Stockholm County of 2.4 million in 2020<sup>3</sup>. The business cycle is strong and unemployment figures are closing in on pre-crisis levels at around six percent. The influx of asylum seekers and the related increase in public spending has created an additional boost in economic growth. In the forecasted period Swedish GDP is projected to grow to an average of 2.4 percent per year, compared to 1.9 percent between 2004 and 2015<sup>4</sup>. Unemployment is estimated to remain low in the next three years. Thereafter growth is expected to slow down somewhat and unemployment to increase slightly<sup>5</sup> as a large number of recent immigrants enter the labour force.

Traffic at the Arlanda and Bromma airports in Stockholm County is expected to increase from 26 to 31 million passengers between 2015 and 2020<sup>6</sup>. This equals an average annual increase of 3.7 percent, compared to an average of 3.5 percent between 2004 and 2015.

The vast majority of this growth is predicted to come from international travel.

According to the Stockholm Convention Bureau, meetings are becoming shorter, and a new regulatory environment in the pharmaceutical industry is making congress delegates more selective. However, 2016 is expected to be a relatively strong year in the meetings industry.

Other trends affecting the forecast include decreasing interest in overnight conference stays and particularly strong growth in the leisure market segment. This will lead, among other things, to downward pressure on prices and a higher ratio of guests per hotel room.

## City of Stockholm

The number of rooms sold in the city has increased by an annual average of 4.4 percent over the past five years. Strong economic growth is projected to bolster demand from domestic business travellers, while a growing global middle class continues to create demand for centrally located accommodation in the leisure segment. The average annual increase in rooms sold is projected to be 4.0 percent.

New hotel projects are expected to create an annual average increase in supply of 3.6 percent per year. Growth in supply will therefore fall short of demand, and occupancy is expected to reach 73.2 percent in 2020.

Most hotels apply performance-based pricing models resulting in prices fluctuating in tandem with occupancy rates. The positive development of occupancy combined with economic growth stimulate ADR. However, an increased share of the leisure traveller's segment will exert downward pressure on prices. In total, the ADR is expected to increase by an average of 1.5 percent per year, compared to 0.6 percent in the previous five-year period.

Hostel guest nights had a historical growth rate of 4.5 percent per year between 2010 and 2015. The increased supply of alternative

accommodation through websites such as Airbnb is only expected to have a moderate effect on demand in the city, but could set an upper limit for the long-term growth prospects of the hostel market. The average annual growth in demand is therefore forecast at 4.0 percent.

## Stockholm County

Supply and demand in Stockholm County have been forecast separately from the city. The forecasted figures have then been combined into a total for the county as a whole.

In the past five years, the demand for hotel rooms has increased by an annual average of 4.9 (6.2) percent, which is higher than that of the city. The growth in demand in the business segment has been relatively strong, partly because an increasing number of multinational companies have established offices in the emerging business and technology hubs outside the city centre. These areas continue to attract new investment, and new urban development projects are emerging in tandem with improved infrastructure. Growth in demand is expected to continue its strong trend, and is therefore forecast at an annual average of 4.1 (4.3) percent.

The hotel developments included in the forecast will lead to an increase in the room supply by an

average of 3.5 (3.4) percent per year between 2015 and 2020. This would result in an occupancy rate of 67.0 (57.0) percent in 2020. This rate does not signal an immediate need for more capacity. However, local differences in performance within the county. Suggests that there could be markets that run at full capacity in periods of strong demand.

The financial crisis in 2008/2009 led to increased price sensitivity and focus on efficiency within the private sector. However, overall ADR is expected to reverse a historical five-year decline of (-1.0) percent per year and is forecast to increase by an annual average of (0.6) percent.

Hostel demand outside the city has recorded an annual increase of (0.1) percent over the past five years. Bed nights in cottages have decreased by an average of (3.5) percent since 2010. Growth in both categories is expected to remain low, and occupancy rates could be weakened further by the increasing availability of both apartments and houses via sites such as HomeAway and Airbnb.

The overall increase in guest nights at campsites in Stockholm County is projected to remain close to the average annual growth rate of 0.8 (0.1) percent observed over the past five years.

**4.3%**

is the projected annual growth of sold rooms in the county 2016-2020. This will create fertile ground for new hotels in certain municipalities

	Stockholm City	2015	2016	2017	2018	2019	2020	CAGR <sup>2</sup>				
Rooms available <sup>1</sup>	6,983	7,394	5.9%	7,837	6.0%	8,117	3.6%	8,208	1.1%	8,347	1.7%	3.6%
Rooms sold <sup>1</sup>	5,030	5,265	4.7%	5,492	4.3%	5,714	4.0%	5,901	3.3%	6,107	3.5%	4.0%
Occupancy	72.0%	71.2%	-0.8%	70.1%	-1.1%	70.4%	0.3%	71.9%	1.5%	73.2%	1.3%	1.1%
ADR	1,153	1,182	2.5%	1,200	1.5%	1,215	1.3%	1,227	1.0%	1,243	1.3%	1.5%
RevPAR	831	842	1.3%	841	-0.1%	855	1.7%	882	3.2%	909	3.1%	1.8%
Capacity need (rooms)		799		496		614		1,113		1,555		
Guest nights												
Hotels	7,771	8,055	3.6%	8,403	4.3%	8,856	5.4%	9,206	3.9%	9,588	4.2%	4.3%
Hostels	657	687	4.6%	715	4.0%	743	4.0%	771	3.7%	799	3.6%	4.0%
Campsite	198	206	4.1%	213	3.4%	219	3.0%	225	2.6%	230	2.2%	3.0%
<b>Total</b>	<b>8,626</b>	<b>8,948</b>	<b>3.7%</b>	<b>9,331</b>	<b>4.3%</b>	<b>9,819</b>	<b>5.2%</b>	<b>10,202</b>	<b>3.9%</b>	<b>10,616</b>	<b>4.1%</b>	<b>4.2%</b>

	Stockholm County <sup>2</sup>	2015	2016	2017	2018	2019	2020	CAGR <sup>2</sup>				
Rooms available <sup>1</sup>	4,394	4,415	0.5%	4,586	3.9%	4,667	1.8%	4,957	6.2%	5,190	4.7%	3.4%
Rooms sold <sup>1</sup>	2,394	2,520	5.3%	2,640	4.7%	2,750	4.2%	2,846	3.5%	2,961	4.0%	4.3%
Occupancy	54.5%	57.1%	2.6%	57.6%	0.5%	58.9%	1.4%	57.4%	-1.5%	57.0%	-0.4%	2.6%
ADR	958	968	1.0%	968	0.0%	973	0.5%	978	0.5%	987	1.0%	0.6%
RevPAR	522	552	5.8%	557	0.9%	573	2.9%	561	-2.1%	563	0.4%	1.5%
Guest nights												
Hostels	3,509	3,654	4.1%	3,854	5.5%	4,043	4.9%	4,184	3.5%	4,382	4.7%	4.5%
Hostels and cottages	272	274	0.5%	274	0.3%	275	0.2%	275	0.2%	276	0.2%	0.3%
Campsite	511	513	0.5%	516	0.5%	518	0.5%	521	0.5%	523	0.5%	0.5%
<b>Total</b>	<b>4,293</b>	<b>4,441</b>	<b>3.5%</b>	<b>4,644</b>	<b>4.6%</b>	<b>4,836</b>	<b>4.1%</b>	<b>4,980</b>	<b>3.0%</b>	<b>5,181</b>	<b>4.0%</b>	<b>3.8%</b>

<sup>1</sup>Thousands <sup>2</sup>Compound annual growth rate, occupancy in percentage point increase <sup>3</sup>Excluding city

<sup>1</sup>All numbers in brackets refer to the county exclusive of the city. <sup>2</sup>Forecast based on information available in march 2016. <sup>3</sup>Statistics Sweden/ Stockholm County Council. <sup>4</sup>The National Institute of Economic Research. <sup>5</sup>Swedavia.

## **Stockholm Hotel Report 2016**

In this report, Invest Stockholm presents an overview of the market for commercial accommodation in Stockholm. The report includes a forecast of future supply and demand as well as the need for new hotel rooms from 2016 to 2020. The hotel report was produced by Annordia as commissioned by Invest Stockholm Business Region AB.