Hotels

CBRE Nordics Hotel Market Snapshot

CBRE RESEARCH
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CBRE Nordics Hotel Market Snapshot

Commentary covering the period JANUARY – APRIL 2025

The winter months are cold and dark in the Nordics. For hotel operators, the first four months have also typically been dark and slow. This year, however, we have seen solid growth in year over year key hotel figures in most places. As this report details, the drivers and reasons are diverse. And, as usual, analysing the Nordic hotel market requires a whole lot of nuance and an ability to look behind the numbers.

The start of the year was also a very active one on the investment side, with Capman's acquisition of the Midstar portfolio being the most notable event.

In this issue we provide a deeper analysis and comparison of hotel performance in the Nordic capitals. On a full year basis, the capitals are the most stable markets with the highest performance parameters. So far this year, however, it is noticeable that hotels located north of the Arctic circle have outperformed even central areas of the capital cities materially. In Norway, for example, the RevPAR of Tromsø year to date (EUR 148) is nearly twice that of central Oslo (EUR 79). Foreign hotel guests grew by 11% in Finland and 16% in Norway during the period, explaining some of the difference.

Not only has the first third of the year been strong for many hotels and markets, but the outlook for the rest of 2025 also gives reason for optimism. Resort hotels, in particular, are claiming solid on-the-books statistics for the summer season – usually the strongest period of the year.

It is difficult to predict how the year will pan out with regards to hotel investment volumes. We have been active and know that many attractive single assets and portfolios are on the market. Due to investor jitters, however, and most of the hesitance is highly understandable, we also know of several transaction process that have been delayed or postponed.

The underlying fundamentals of the region are solid. Hotel development pipelines are still thin; Demand is growing; Financing conditions are improving.

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Nordic Hotel Investment Market

HOTEL INVESTMENTS – KEY FIGURES MAY 2025

Prime yield leased - Copenhagen	Prime yield leased - Helsinki	Prime yield leased - Oslo	Prime yield leased - Stockholm	Investment volume Jan - Apr 2025	# of transactions Jan - Apr 2025
▲ 4.80 %	▶ 6.00 %	▶ 5.25 %	▶ 5.00 %	▲ €1.1bn	▲ 11
+ 5 bps YoY	0 bps YoY	0 bps YoY	0 bps YoY	+ 385 % vs. same period previous year	+ 3 transactions vs. same period previous year

Source: CBRE Research, May 2025.

Hotel Investment Market Commentary

Nordic hotel investments reached an estimated €1.1 billion from January to April 2025, a remarkable 385% increase from the same period last year, with three additional transaction recorded. The surge is largely due to CapMan's acquisition of the Midstar portfolio, the largest hotel transaction in the Nordics, comprising 28 hotels across Sweden, Norway, and Denmark. Investment levels have already surpassed the total for all years from 2018 to 2024.

Other notable transactions include AKF and Sampension's acquisition of Comwell Copenhagen Portside, Niam's purchase of Citybox in Helsinki and Enter Tromsø Hotels & Apartments' acquisition of the rights to First Hotels International. In Denmark, ECE announced it is converting an office building into the country's first Ruby Hotel, planned to open in early 2027.

Despite ongoing trade disputes and tariffs from the new American administration, the Nordic area is on a solid growth path, showing strong performance compared to other regions. This positive outlook is bolstered by a projected decline in core inflation in the Nordics, expected to reach 2.0% in 2025.

Notable hotel transactions in the Nordics YTD April 2025

Property	City, Country	Price (€ million)	Vendor	Purchaser
Midstar Portfolio	Sweden, Denmark, Norway	Conf.	Midstar	CapMan Hotels II
Comwell Copenhagen Portside	Copenhagen, DK	€134*	AP, Keva	Sampension, AKF
Citybox Helsinki	Helsinki, FI	Conf.	Ylva	Niam
Elite Hotel Frost	Kiruna, SE	€31	Kiruna Municpality	Pandox
Sommarøy Arctic Hotel	Sommarøy, NO	Conf.	Ole Johannes Monsen AS	Norwegian Travel

Source: CBRE Research, May 2025. *CBRE estimate

Denmark Hotel Market Snapshot

DENMARK HOTEL TRADING PERFORMANCE – JANUARY THROUGH APRIL 2025

RevPAR Copenhagen incl. Airport Jan – Apr 2025
▲ DKK 576
+ 6.1% YoY / + 1.4% to 2019

RevPAR Aarhus Jan – Apr 2025
▼ DKK 477
- 1.8% YoY / + 8.5% to 2019

RevPAR Aalborg Jan – Apr 2025
▲ DKK 355
+ 6.0% YoY / + 19.6% to 2019

RevPAR Odense Jan – Apr 2025
▼ DKK 405
- 3.5% YoY / + 36.1% to 2019

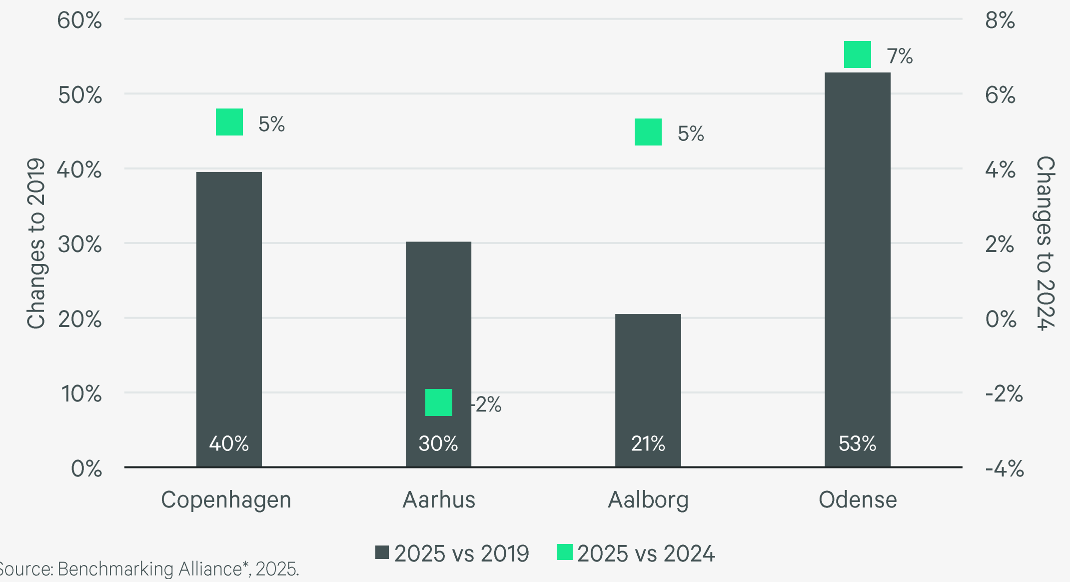
Source: Benchmarking Alliance, May 2025.

Trading Performance Commentary (local currency)

As of YTD April 2025, two of Denmark's four largest cities have experienced an increase in RevPAR compared to the same period last year: Copenhagen (+6.1%) and Aalborg (+6.0%). These increases are primarily driven by an increase in rooms sold, alongside a slight decline in room supply of -0.8% in Copenhagen and -1.0% in Aalborg. In contrast, Aarhus and Odense have recorded a YoY drop in RevPAR, with decreases of -1.8% and -3.5%, respectively. Aarhus has faced a -2.7% decline in rooms sold, leading to lower occupancy rates and RevPAR figures. Conversely, Odense has seen a significant increase in room supply, with available rooms rising by 11.0% year-over-year, while room demand has grown by 10.5%. Although this increase in supply has contributed to a decline in ADR, the strong absorption rates suggest that Odense's RevPAR is likely to rebound soon .

The analysis of total room revenue in Denmark for YTD April 2025, compared to the same period in 2019, reveals significant growth, with all figures exceeding the cumulative inflation rate of approximately 17.5% during this period. When compared to the previous year (2024), most markets are experiencing robust revenue growth, with increases ranging from 5.2% to 7.0%. However, Aarhus has faced a decline of -2.3%, primarily due to a reduction in rooms sold. Overall, the data indicates a positive trend for the Danish hotel market, despite the challenges faced in Aarhus.

Hotel room revenue changes YTD April, %



Source: Benchmarking Alliance*, 2025.

*The revenue data is sourced from Benchmarking Alliance and may not provide a comprehensive overview, as not all hotels in each market may be included, which could affect the accuracy of the results.

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Finland Hotel Market Snapshot

FINLAND HOTEL TRADING PERFORMANCE – JANUARY THROUGH APRIL 2025

RevPAR Helsinki Jan – Apr 2025
EUR 50
- 2.3% YoY / - 22.1% to 2019

RevPAR Turku Jan – Apr 2025
EUR 51
+ 1.7% YoY / + 8.1% to 2019

RevPAR Tampere Jan – Apr 2025
EUR 59
- 0.6% YoY / + 8.2% to 2019

RevPAR Rovaniemi Jan – Apr 2025
EUR 201
+ 11.3% YoY / + 92.1% to 2019

Source: Benchmarking Alliance, Tilastokeskus, May 2025.

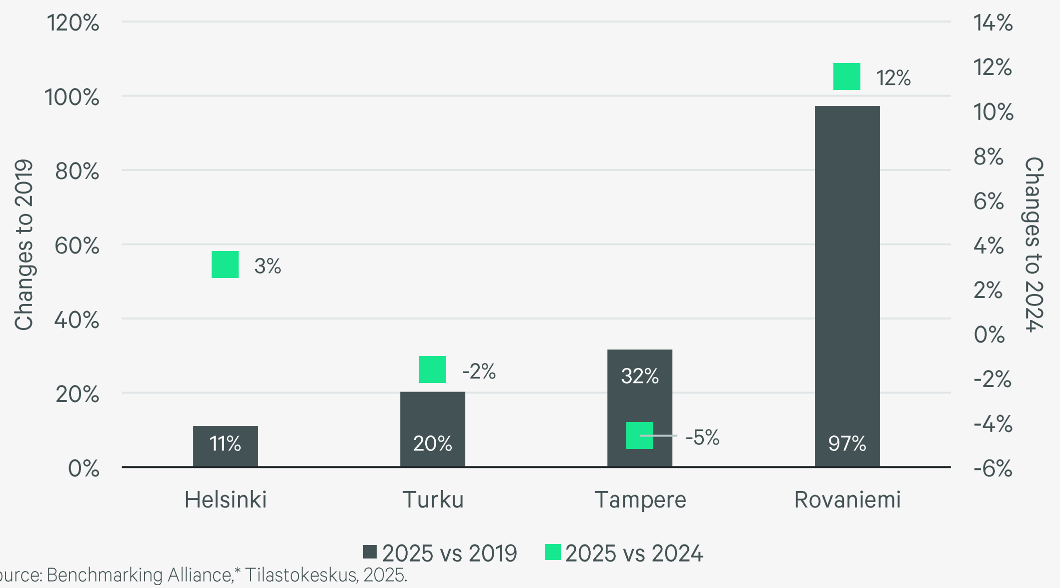
Trading Performance Commentary (local currency)

The Finnish market has had a mixed start to the year across its key cities. Helsinki has seen a YoY decline of -2.3% for YTD April 2025, remaining -22.3% below 2019 levels. Contributing factors include the notable absence of Russian and Asian visitors and a significant increase in room supply (+42.7%) since 2019. This surge, along with a decrease in ADR due to current market conditions, has adversely affected RevPAR.

In contrast, Turku and Tampere, which have captured some of Helsinki's demand, have seen their RevPAR numbers fully recover and surpass YTD April figures in 2025 compared to the same period in 2019, with increases of 8.1% and 8.2%, respectively. YoY, Turku's YTD figures are 1.7% ahead, primarily driven by an increase in occupancy (+7.9%). Meanwhile, Tampere is slightly down by -0.6%, mainly due to a decrease in ADR (-4.5%).

The ongoing demand for Arctic experiences is evident in Rovaniemi's strong performance, with a YTD April 2025 RevPAR of EUR 201—up 11.3% from last year and an impressive 92.1% compared to Jan-Apr 2019. This growth is largely driven by a significant increase in pricing, with ADRs rising by 10.9% YoY and 71.7% compared to 2019. Rovaniemi's success highlights the appeal of unique travel experiences in the current market.

Hotel room revenue changes YTD April, %



Source: Benchmarking Alliance,* Tilastokeskus, 2025.

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Norway Hotel Market Snapshot

NORWAY HOTEL TRADING PERFORMANCE – JANUARY THROUGH APRIL 2025

RevPAR Oslo Jan – Apr 2025
NOK 842
+ 8.8% YoY / + 37.5% to 2019

RevPAR Bergen Jan – Apr 2025
NOK 636
+ 7.7% YoY / + 63.7% to 2019

RevPAR Trondheim Jan – Apr 2025
NOK 890
+ 19.1% YoY / + 70.3% to 2019

RevPAR Stavanger Jan – Apr 2025
NOK 729
+ 6.2% YoY / + 73.0% to 2019

RevPAR Tromsö Jan – Apr 2025
NOK 1,726
+ 14.9% YoY / + 89.1% to 2019

Source: Benchmarking Alliance, May 2025.

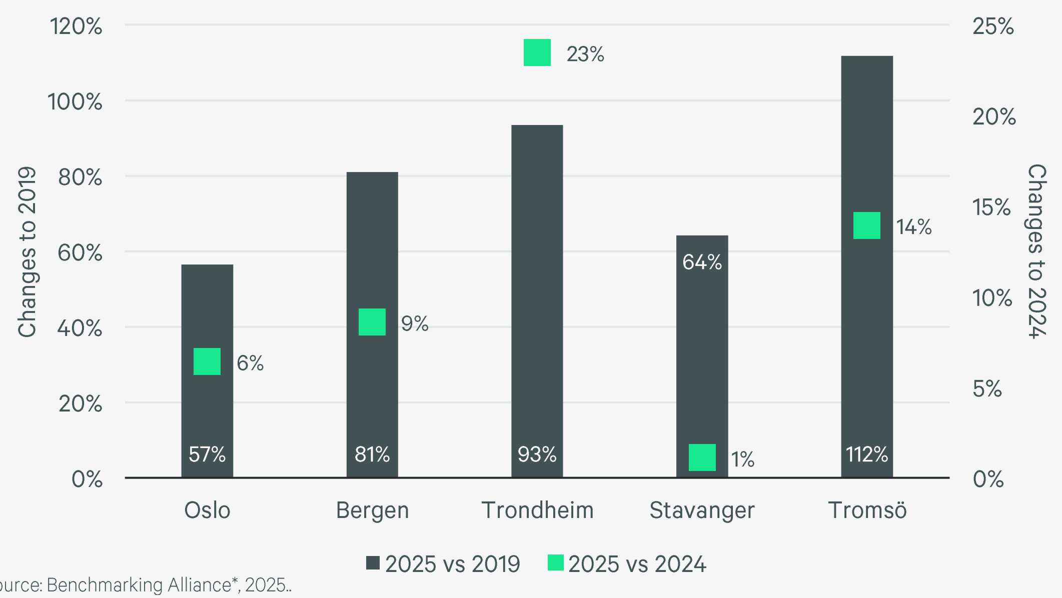
Trading Performance Commentary (local currency)

All key cities in the Norwegian market have had a strong start to 2025, with YoY RevPAR increases for YTD April ranging from 6.2% in Stavanger to 19.1% in Trondheim. The significant increase in Trondheim is largely due to hosting the Ski World Championship from February 26 to March 9, which boosted both ADR and occupancy levels. In Oslo, Bergen, and Stavanger, RevPAR growth is primarily driven by increases in occupancy, with respective year-over-year growth rates of 5.8%, 6.5%, and 5.2%.

Tromsø, which is just exiting its peak season, has reported record high RevPAR figures of NOK 1,726 for YTD April 2025, representing a 14.9% increase over last year and an impressive 89.1% increase compared to Jan-Apr 2019. Notably, occupancy levels are down by -0.8% compared to 2024 and -0.6% compared to 2019. This RevPAR growth in Tromsø is entirely driven by price increases, with rises of 14.9% compared to 2024 and 90.2% compared to 2019.

When analyzing total hotel room revenue for the period of January through April 2025 compared to the same period in 2019 across key markets, Norway stands out significantly. Revenue increases range from 57% in Oslo to an impressive 112% in Tromsø. This growth is particularly noteworthy when considered against Norway's accumulated inflation rate of 24.5% for the same period, highlighting the resilience and strength of the Norwegian hotel market.

Hotel room revenue changes YTD April, %



Source: Benchmarking Alliance*, 2025..

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Sweden Hotel Market Snapshot

SWEDEN HOTEL TRADING PERFORMANCE – JANUARY THROUGH APRIL 2025

RevPAR Stockholm incl. Airport Jan – Apr 2025
SEK 662
- 4.4% YoY / + 2.8% to 2019

RevPAR Gothenburg Jan – Apr 2025
SEK 566
- 2.4% YoY / - 8.3% to 2019

RevPAR Malmö Jan – Apr 2025
SEK 539
- 0.6% YoY / + 8.6% to 2019

RevPAR Uppsala Jan – Apr 2025
SEK 644
+ 10.4% YoY / + 17.4% to 2019

Source: Benchmarking Alliance, May 2025.

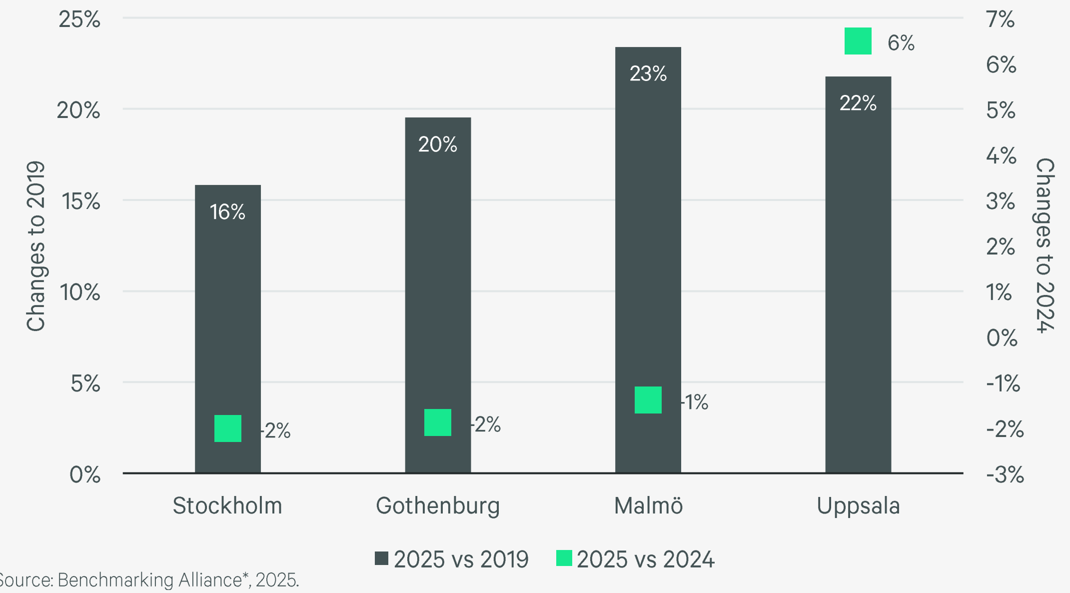
Trading Performance Commentary (local currency)

The Swedish hotel market has had a slow start to the year in three of the country's four largest markets in terms of RevPAR. Stockholm recorded a year-over-year decline of -4.4% for YTD April 2025, driven by decreases in both occupancy (-1.9%) and ADR (-2.5%). However, the city did see a 0.5% increase in rooms sold during this period, indicating that demand remains strong.

In Gothenburg, which is still adjusting to a significant influx of supply, RevPAR decreased by -2.4% year-over-year, primarily due to a drop in ADR (-1.8%). This decline is expected given that room supply has increased by 30.4% for YTD April 2025 compared to the same period in 2019. Malmö's RevPAR decline is more moderate at -0.6% year-over-year, largely as a result of a slight decrease in ADR of -1.3%. In contrast, Uppsala has shown strong growth, with RevPAR increasing by 10.4% for YTD April 2025 compared to the same period last year, driven by an 8.6% rise in occupancy.

Although YoY figures for total room revenues from January to April indicate declines in Sweden's three largest markets, all cities have shown significant growth compared to pre-pandemic levels. Respectively, revenue increases range from 16% in Stockholm to 23% in Malmö, highlighting the resilience of the market despite current challenges.

Hotel room revenue changes YTD April, %



Source: Benchmarking Alliance*, 2025.

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City Centre Hotel Market Snapshot

NORDIC CAPITALS HOTEL TRADING PERFORMANCE – JANUARY THROUGH APRIL 2025

RevPAR Copenhagen Jan – Apr 2025
EUR 92
+ 4.3% YoY / + 11.1% to 2019

RevPAR Helsinki Jan – Apr 2025
EUR 54
+ 1.4% YoY / - 23.9% to 2019

RevPAR Oslo Jan – Apr 2025
EUR 79
+ 6.1% YoY / + 12.7% to 2019

RevPAR Stockholm Jan – Apr 2025
EUR 82
- 3.0% YoY / + 7.3% to 2019

RevPAR Reykjavik Jan – Apr 2025
EUR 112
+ 3.8% YoY / + 23.9% to 2019

Source: Benchmarking Alliance, May 2025.

Trading Performance Commentary (Euro)

This slide provides a comparison of the Nordic capitals by focusing on RevPAR and revenue figures in Euros, specifically targeting city center markets. Unlike previous slides that included broader metropolitan data, this analysis offers a clearer view of localized performance.

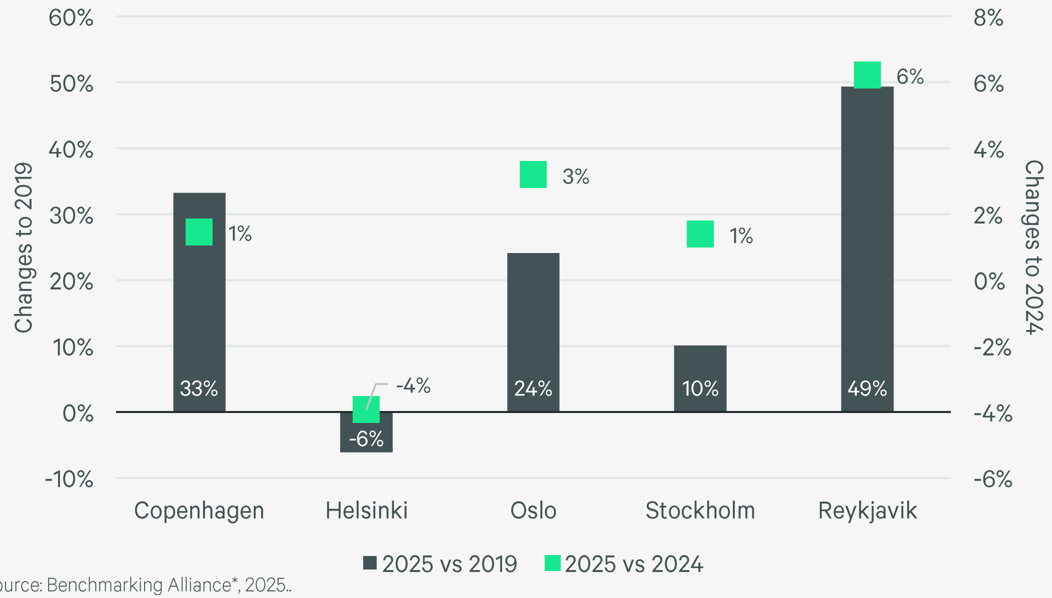
For January through April 2025, Reykjavik leads the Nordic capitals in RevPAR at EUR 112, reinforcing the trend of increased travel to northern Nordic regions. Reykjavik experienced a year-over-year increase of 3.8%, driven by a 3.9% rise in ADR.

Copenhagen follows with a YTD April 2025 RevPAR of EUR 92, reflecting a 4.3% increase from last year and an impressive 11.1% growth since 2019, despite a 19.9% rise in room supply.

Stockholm has faced a year-over-year decline of -4.3% in RevPAR but remains ahead of Oslo, reporting EUR 82 compared to Oslo's EUR 79. Notably, Oslo has seen a year-over-year increase of 6.1% in RevPAR for YTD April 2025.

Finally, Helsinki ranks lowest among the capitals with a RevPAR of EUR 54 for the first four months of 2025, 23.9% below the same period in 2019. However, there is a positive sign of recovery, as Helsinki's city center has recorded a 1.4% year-over-year increase in RevPAR, the product of lower average room rates and a 9.5% growth in occupancy.

Hotel room revenue changes YTD April, %



Source: Benchmarking Alliance*, 2025..

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