

FINLAND HOTELS

Helsinki Hotel Market Snapshot

Hotel Pipeline in Helsinki

REPORT FIGURES

Q4, 2021

FIGURES | FINLAND HOTELS | 2021

Healthy Helsinki hotel pipeline remains

Pandemic delays to most hotel construction projects in the region

SERVICED APARMENT SECTOR DOMINATING NEW SUPPLY

There are 13 confirmed hotel developments with ca. 2,600 rooms confirmed in Helsinki accounting for a 5% CAGR in the current supply since 2016. The largest segment is Aparthotels with 41% of total bedrooms in the pipeline. Future aparthotels will include KOTI Helsinki in Katajanokka, UNITY in Jätkäsaari and three units by Noli Studios within the wider Helsinki area..

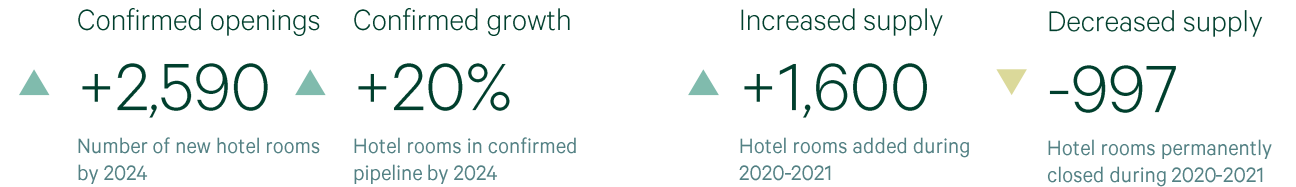
MIX OF UNIQUE NON-BRANDED HOTELS AND BRANDED HOTELS

Upscale and Midscale classes follow aparthotels with the second largest pipeline shares of 22% and 21% respectively. The Upscale positioned hotels adding to the future supply by 2022 are AX Hotel in Jätkäsaari and Hotel Mestari in the city centre of Helsinki.

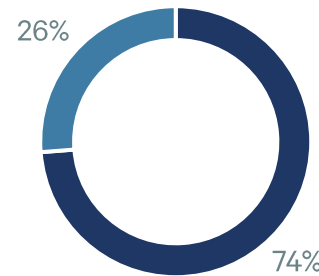
The Budget/Economy offering is also expected to see growth, including the confirmed Citybox opening in Hakaniemi and the planned projects Marriott Moxy and Meininger in Jätkäsaari. Most new supply will be uniquely positioned hotels with focus on lifestyle.

SOFTENING PIPELINE CAUSED BY THE PANDEMIC

Although the pipeline shows strong growth, the pandemic has caused medium to long delays for most hotel development projects, and some projects will be developed to other uses such as office. Hotel development delays are caused mainly by cautious financing and long city planning processes. We also expect some of the traditional secondary hotels to close down or to become rebranded in the coming years.

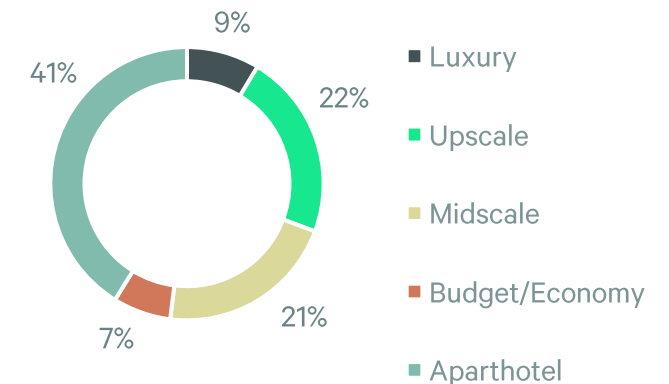


Confirmed pipeline by Operator origin



■ Domestic & Nordic ■ Outside Nordic

Confirmed pipeline by Hotel class



Source: CBRE Hotels Finland, 2021

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Helsinki submarkets attracting international operators

New operators and brands to add variety to existing local hotel supply

Helsinki comprises a total of 75 hotels and aparthotels with 12,900 bedrooms. The majority of hotels operate in the midscale segment. The city centre recorded one hotel opening in 2021 - Scandic Grand Central Helsinki with 491 rooms. Almost 1,000 rooms have been removed from the Helsinki hotel supply, mainly by Hellsten Apartments ending their operations.

Helsinki city centre ▲ +15% by 2023

The prime city centre location currently has 40 hotels with over 6,500 rooms. Four future developments with a total of 1,000 rooms have been confirmed. As an example, the Grand Hansa Hotel - the first **Unbound Collection by Hyatt** branded hotel on the Helsinki market.

Jätkäsaari ▲ +60% by 2022

The quickly developing area is currently served by one hotel. Jätkäsaari has been continuously attracting operator attention. Two hotel openings are confirmed with 260 rooms. International brands by Marriott and Meininger are also targeting hotel openings in the area.

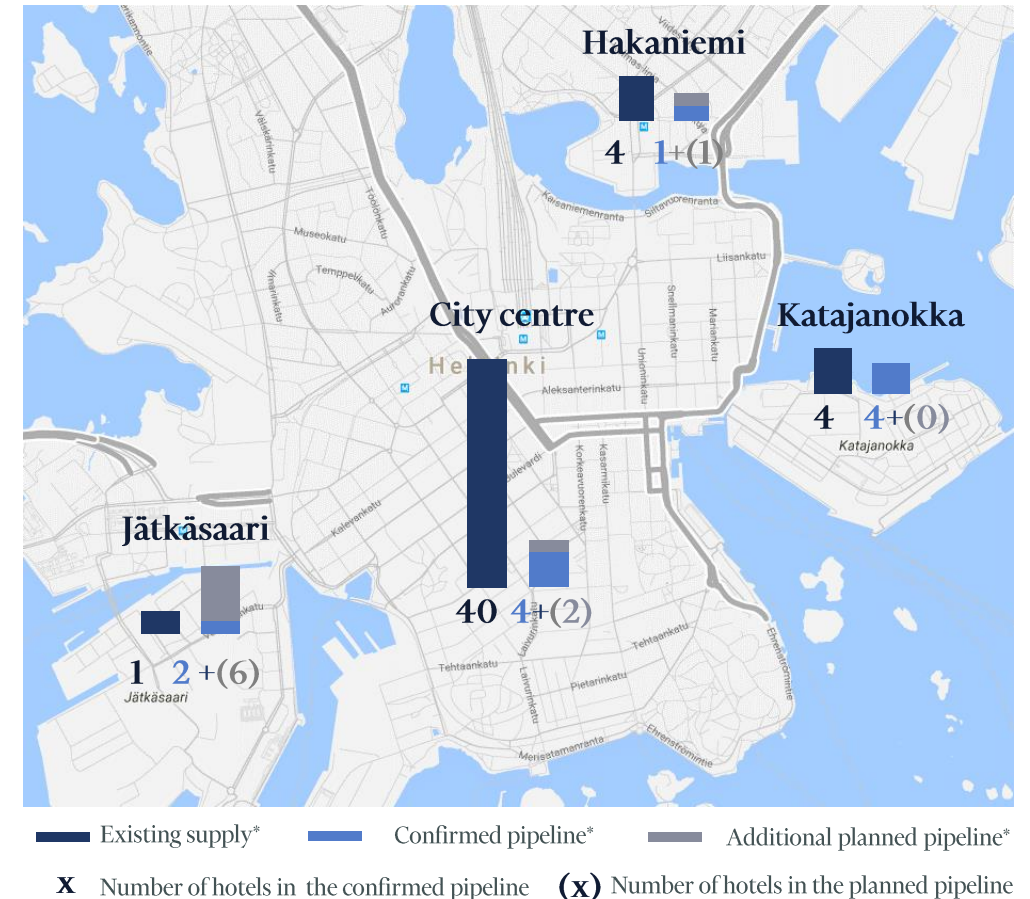
Katajanokka ▲ +66% by 2024

Katajanokka has recently gained attention with the revitalization project of Katajanokanlaituri and engagement of a hotel operator to the project. In addition to existing supply of 970 rooms, over 640 bedrooms in four hotels/aparthotels, are entering the market in terms of confirmed developments.

Hakaniemi ▲ +33% by 2024

There is a lack of opportunities as operator interest for the district is strong. The existing hotel supply of over 500 rooms will grow by 180 new rooms. The international brand **Citybox** is one of the confirmed openings scheduled for 2024.

Current and future hotel supply by submarket



*By number of rooms
Source: CBRE Finland Hotels, 2021



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