



Poland's Rising Stars & Established Performers

An Overview of Poland's Top 6 Hotel Markets

Overview of the Hotel Market Poland & Key Cities

Top 6 travelled destinations under review

Dear Readers,

We are happy to present our latest report on the Polish hotel market with a focus on Poland's key tourism destinations. This is the second report of a series of insights into the hotel market trends in Poland, after our premier report "A Land of Opportunity – The Polish Hotel Market Revealed" published in June 2016.

The CEE hotel markets have rapidly gained interest over the past years. Due to a growing economy, the development and improvement of infrastructure and rising tourism demand, the region attracts international investors as well as leading hotel chains.

As a year-round destination, Poland not only shows a positive development in the tourism market, but also enjoys growing importance as a MICE destination. Several Polish cities have proven themselves continuously to be strong performers, establishing a reputable market presence. Other cities are currently on the rise, catching up and steadily finding their place in the international hotel market.

This review will give you an insight into the fundamental trends of Poland's top six key cities Warsaw, Krakow, Wroclaw, Tri-City, Poznan and Katowice.

We hope you enjoy reading our report.

Best regards,


Lukas Hochedlinger
Managing Director
Central & Northern Europe


Constanze Maas
Associate Director
Advisory & Valuation Services



Warsaw



Tri-City



Krakow



Poznan



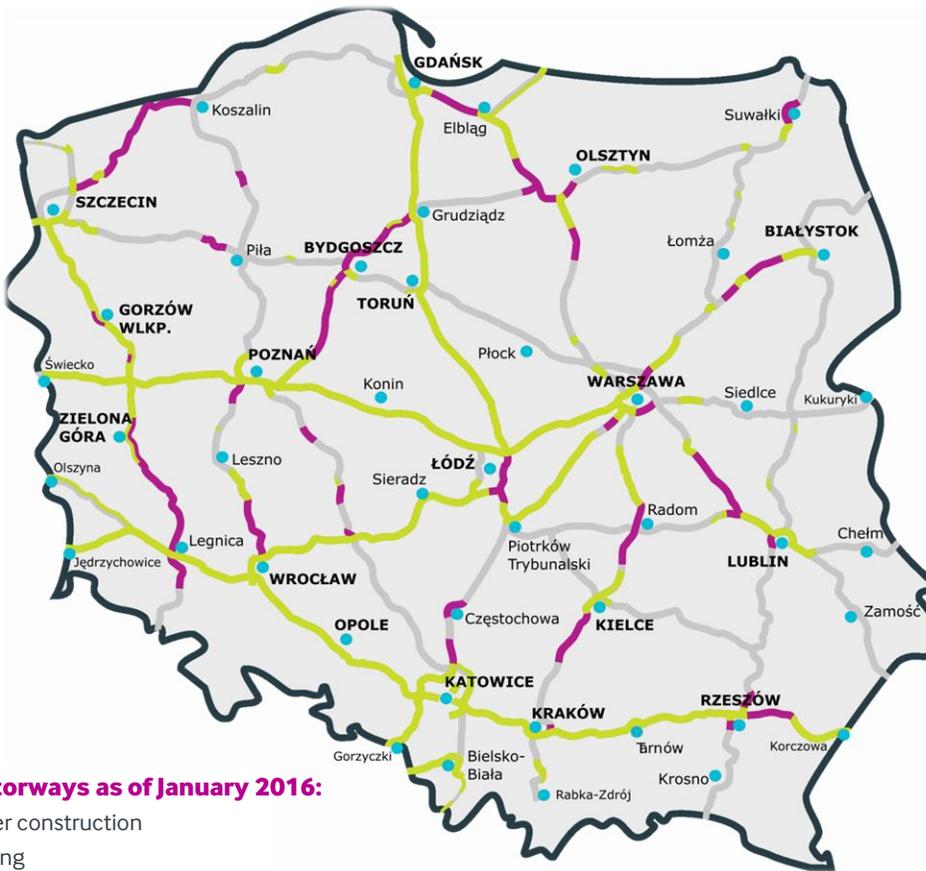
Wroclaw



Katowice

Macro Location Poland

Healthy economy and increasing quality of life



Note: *Foreign exchange rate based on average in 2016
 Sources: Wikimedia Commons 2016, Copyright by Daniel 749; Statistical Office of Poland; World Bank; ECB; Christie & Co Research

Socio-demographic framework

- The overall demographic evolution of Poland shows a slight continuous decline since 2012. In 2016, a **population of 38.4 million** inhabitants was recorded.
- Since 2012, the **unemployment rate** has dropped to **8.3%**. In 2015, a sheer number of 13,862 new jobs was recorded, placing Poland in third place in the European comparison behind the United Kingdom and France.
- With a **GDP of c. €519 billion** in 2016, Poland ranks 12th in Europe and 23rd worldwide. Over the last two years, GDP has decreased by almost 14%, while over the last ten years, Poland's GDP grew by 1% on average p.a.

Transportation & infrastructure

- There are **15 airports** spread across the country. According to 2015 passenger numbers, Warsaw Chopin Airport ranks first, accommodating over 11.2 million passengers, followed by International Airport Krakow-Balice (4.2m) and Gdansk Airport (3.7m).
- Poland's **infrastructure** has continuously **improved** over recent years, partially due to the organisation of the UEFA Euro 2012.

Quick Facts	2016	2012	Δ
Inhabitants in million	38.4	38.5	-0.26%
Unemployment rate	8.3%	13.4%	-5.1 ppt.
GDP in €bn*	519.4	553.5	-6.2%
GDP per capita in €*	13,515	14,635	-5.9%

Hotel Market – Supply

Continuous growth of hotel supply with focus on the 3-star segment

Hotel supply

Poland’s hotel market has shown continuous growth with extensive investments in this sector. The **number of accommodation** facilities in Poland has picked up significantly in 2012 with the UEFA Euro 2012 being co-hosted by Poland and Ukraine during summer. From 9,483 facilities in 2012 to 10,509 in 2016 supply continued to grow at a compound annual growth rate of 2.6%, a plus of **c. 11%** in total. An even more significant change was observed in regard to the number of hotels. Over the span of ten years, the **number of hotels almost doubled**. But even following 2012 the number of hotels grew from 2,014 in 2012 to 2,463 in 2016, representing a change of **c. 22%** (CAGR 5.2%).

	2012	2016	Growth
 Accommodation	9,483	10,509	+11% CAGR 2.6%
 Hotels	2,014	2,463	+22% CAGR 5.2%

Hotel segmentation

Over the past five years, it has become evident that the **3-star segment**, with a total of 1,202 hotels and a market share of 49% in 2016, represents the majority of the hotel market supply. It currently holds more than 108,000 bed places, representing up to 43% of the 253,291 total accommodation bed places. **5-star hotels** compose the minority of the entire hotel stock, with only 61 hotels nationwide. The **upper midrange segments** continue to grow, while 1-star establishments recorded ongoing declines with on average -3.4% p. a. in terms of facilities. 3-star hotels had an annual growth rate of 7.2% and 4-star establishments of even 12.4%. An additional 107 hotels remain without categorisation

Sources: Statistical Office of Poland; Christie & Co Research

47		61
224		357
910		1,202
551		582
177		154
2012	Stars	2016

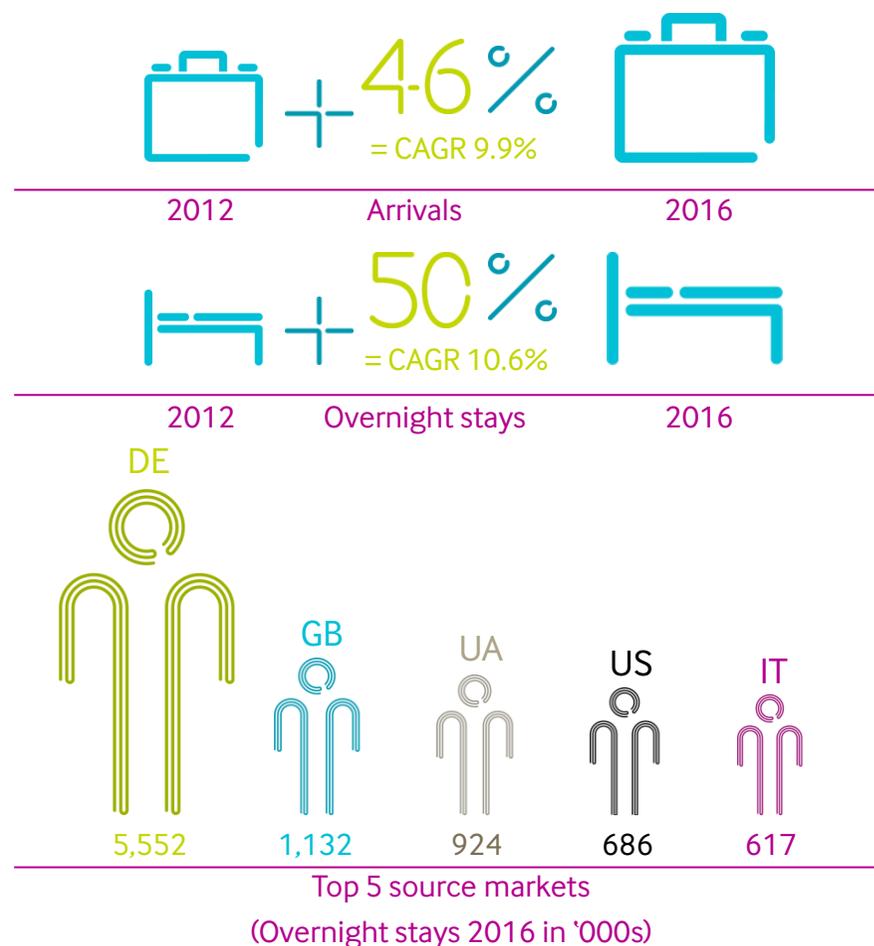
Hotel Market – Demand

Steep increase of hotel demand

The development of hotel demand was affected by the worldwide financial and economic crisis in 2008. However, the number of arrivals and overnights recovered quickly and in 2010, pre-crisis levels could be exceeded.

From 2012 to 2016, the number of **tourism arrivals** in hotels increased by 46%, reaching c. 19.6 million and representing a compound annual growth rate of 9.9%. The number of **overnight stays** in hotels rose from 24.9 million in 2012 to 37.2 million in 2016 by 10.6% per year. The average length of stay in 2016 was about 1.9 days in hotels.

Poland is generally a **year-round destination**. Over the past 5 years, circa 20% of all overnight stays were generated by foreign visitors. Key international source markets include Germany, Great Britain, Ukraine, the US and Italy.



Sources: Statistical Office of Poland; Christie & Co Research

Hotel Market Warsaw

Capital, cultural and economic centre of Poland

Key highlights

Population (2016)

– C. 1.75m inhabitants (+0.6% YoY)

GDP per capita (2014)

– C. zł356,800 (+3.3% YoY)
C. €85,300*

Warsaw Chopin Airport (2015)

– Passengers: 11.2m (+6.1% YoY)
– Aircraft movements: c. 124,700 (+2.3% YoY)

MICE (2015)

– Conferences & congresses: 3,258 (2014: 2,582)
– Trade fairs: 122 (2014: 71)
– Corporate events: 5,088 (2014: 777)
– Incentive events: 4,854 (2014: 156)

Key companies

– PGE (energy supply)
– Bank BPH (financial services)
– Orange (telecommunications)
– PZU (insurance)
– Lot (airline)
– Poczta Polska (postal services)

Points of interest

– Old town (UNESCO World Heritage)
– Royal Castle
– Wilanow Palace
– Palace of Culture & Science
– Kampinos National Park (UNESCO biosphere reserve)



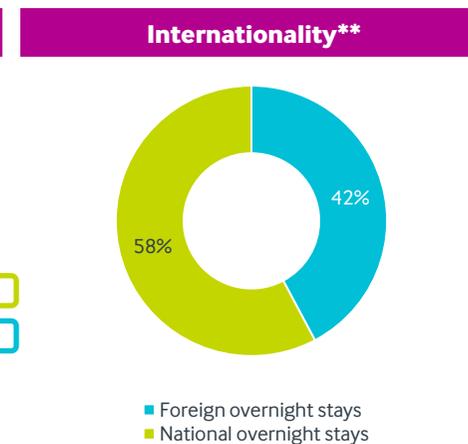
Evolution of supply

Over the past five years, hotel supply in Warsaw increased steadily with double-digit growth rates. The number of hotels rose at a faster pace than the number of beds, leading to a decreasing average number of beds per hotel. The capital's hotel supply is dominated by brand-affiliated hotels representing c. 67% of all hotel rooms. The supply is well balanced between star categories with about 30% of hotel rooms in the 3- and 4-star segment respectively. Currently, about 4,600 hotel rooms are under construction or being planned, with a focus on the 4-star segment.



Evolution of demand

The Warsaw hotel market experienced a steady increase in demand over the last five years. Arrivals rose by more than 32% or 7.2% on average p.a. from 2.2 million in 2012 to 2.9 million in 2016. Overnight stays increased slightly faster by about 8.4% p. a. to 4.8 million in 2016. As a consequence, the average length of stay picked up only slightly from about 1.6 days in 2012 to c. 1.7 days in 2016. The short length of stay can be explained by the importance of business travel to Warsaw due to its position as economic and political capital of Poland.



Note: **based on all accommodation facilities

Hotel market characteristics

Patterns in the congress end event market show that May to June and September to December are the most frequented periods, while July, August, January and February mark the low season, due to school holidays. The city's accommodation market is fairly balanced between national and international tourists. About 60% of overnight stays in all accommodation facilities are generated by Polish tourists. Tourists from the United Kingdom, the US and Germany as well as from Spain account for about one third of the 40% of international overnight stays in all accommodation facilities.

Note: * Foreign exchange rate based on average in respective year; sources: Statistical Office Poland; Polish Tourist Organisation; Warsaw Chopin Airport; Christie & Co Research

Hotel Market Krakow

Poland's number one tourism and BPO destination

Key highlights

Population (2016)

– C. 765k inhabitants (+0.6% YoY)

GDP per capita (2014)

– C. zł72,100 (+4.5% YoY)
C. €17,200*

John Paul II International Airport Krakow-Balice (2016)

– Passengers: 4.9m (+18.1% YoY)
– Aircraft movements: c. 41,900 (+15.3% YoY)

MICE (2015)

– Conferences & congresses: 3,529 (2014: 2,439)
– Trade fairs: 143 (2014: 116)
– Corporate events: 139 (2014: 748)
– Incentive events: 1,377 (2014: 673)

Key companies

– Bayer (pharmaceuticals)
– General Electric (technology)
– Google (IT)
– Hitachi (technology)
– IBM (IT)

Points of interest

– Main Market Square & Cloth Hall
– Wawel Castle
– Kazimierz (Jewish Quarter)
– Auschwitz-Birkenau Concentration Camp

2012 **2016**



Hotels

130

CAGR 2.2%

Growth 9.2%

142



Beds

c. 17,000

CAGR 5.6%

Growth 24.2%

c. 21,200

Evolution of supply

With a CAGR of 2.2% over the last five years, Krakow counted 142 hotels in 2016. The number of beds increased by 5.6% on average p.a. to 21,200 in 2016 representing a trend to larger hotels.

Hotel supply in Krakow is divided evenly in brand-affiliated and privately-operated hotels with each segment accounting for approx. 50%. Based on the number of hotels, the 3-star segment is the strongest in Krakow, representing about 54% of all hotels and c. 40% of the bed supply. Krakow's current hotel pipeline counts about 1,300 hotel rooms with about 40% of rooms in the 4-star segment.

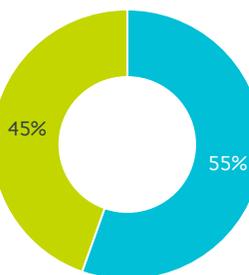
2012 **2016**



Evolution of demand

Hotel demand in Krakow developed significantly faster than its supply and thereby attests to a healthy local hotel market. Arrivals in hotels increased from c. 1.4 million in 2012 by 29.5% to c. 1.8 million in 2016, while overnights experienced an annual average growth rate of 8.1% during the last five years totalling about 4.0 million overnight stays. The average length of stay remained almost unchanged at about 2.2 days. Due to its UNESCO listed historic centre and numerous attractions, Krakow depends heavily on leisure tourism, although its strong BPO industry attracts business travellers as well.

2012 **2016**



■ Foreign overnight stays
■ National overnight stays

Note: **based on all accommodation facilities

Hotel market characteristics

The accommodation market in Krakow is driven significantly by leisure tourism, leading to a high demand during summer and low demand during winter, with the weakest months being December to February. The number of international tourists in Krakow decreased slightly over the last years, accounting for about 55% of overnight stays in all accommodation establishments in 2016. Main international source markets in Krakow are the United Kingdom, Germany, the US, Italy, Norway, Spain as well as France, representing more than 50% of international overnights in 2016.

Note: *Foreign exchange rate based on average in respective year; sources: Statistical Office Poland; Airport Krakow-Balice; Polish Tourist Organisation; Christie & Co Research

Hotel Market Wroclaw

European Capital of Culture 2016

Key highlights

Population (2016)

– C. 638k inhabitants (+0.3% YoY)

GDP per capita (2014)

– C. zł62,300 (+6.5% YoY)
C. €14,900*

Wroclaw Copernicus Airport (2016)

– Passengers: c. 2.4m (+4.3% YoY)
– Aircraft movements: c. 25,500 (4.0% YoY)

MICE (2015)

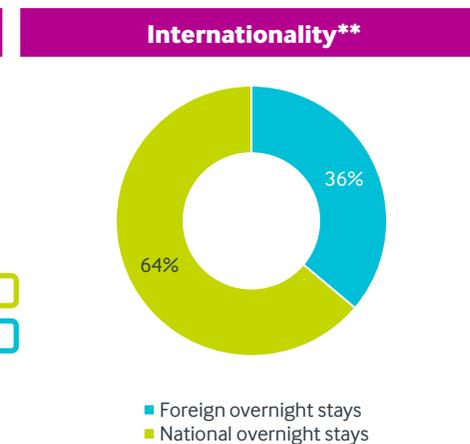
– Conferences & congresses: 1,293 (2014: 1,359)
– Trade fairs: 100 (2014: 146)
– Corporate events: 0 (2014: 855)
– Incentive events: 1,336 (2014: 431)

Key companies

– Allied Irish Bank (financial services)
– Toyota (automotive)
– Whirlpool (home appliances)
– Fagor (commercial appliances)
– Volvo (automotive)
– Siemens (technology)
– 3M (manufacturing)

Points of interest

– Ostrow Tumski
– Panorama Raclawicka
– Dwarf Treasure Hunt
– Cathedral of St. John the Baptist



Note: **based on all accommodation facilities

Evolution of supply

The hotel supply in Wroclaw is still relatively small compared to the other markets under review. The number of hotels increased from 46 in 2012 to 49 in 2016, representing a CAGR of 1.6%, while beds increased on average by 3.6% p.a. to c. 8,400 in 2016. Hotel supply is split evenly between unbranded and branded hotels, with Accor being by far the strongest hotel chain in Wroclaw by number of hotel rooms. Currently about 930 hotel rooms are under construction or in planning which are mostly in the 4-star segment.

Evolution of demand

The hotel accommodation market has developed positively over the past five years. Arrivals and overnight stays increased by about 9.5% and 12.0% respectively between 2012 and 2016. As a consequence, the average length of stay was about 1.8 days in 2016. Compared to the overall accommodation market in Wroclaw, demand for overnights grew by 57.3% within five years, while an increase of only 41.9% was found for all accommodation establishments. Being the European Capital of Culture 2016, increased funds were dedicated for city promotions and numerous cultural events.

Hotel market characteristics

Wroclaw's accommodation market shows typical seasonality patterns. Demand reached its peak during the summer, while winter as well as spring experience lower demand, demonstrating the strong influence of leisure tourism. Polish guests account for about 64% of overnight stays in all accommodation establishments. The main source markets for the city of Wroclaw originate from Germany, with a majority share of 43% in 2016, followed by visitors from the UK and Spain, contributing a demand of 9% and 4% respectively.

Note: *Foreign exchange rate based on average in respective year; sources: Statistical Office Poland; VisitWroclaw; Polish Tourist Organisation; Christie & Co Research

Hotel Market Tri-City

Gdansk, Gdynia and Sopot form Poland's most important seaside destination

Key highlights

Population (2016)

- C. 748k inhabitants (0.1% YoY)

GDP per capita (2014)

- C. zł61,900 (+0.1% YoY)
C. €14,800*

Gdansk Lech Walesa Airport (2015)

- Passengers: c. 3.7m (+12.7% YoY)
- Aircraft movements: c. 40,300 (+1.0% YoY)

MICE Gdansk (2015)

- Conferences & congresses: 1,736 (2014: 680)
- Trade fairs: 83 (2014: 38)
- Corporate events: 476 (2014: 567)
- Incentive events: 947 (2014: 391)

Key companies

- LOTOS (lubricants)
- Energa (energy supply)
- Ergo Hesita (insurance)

Points of interest

- Westerplatte
- St. Mary's Basilica
- Long Market (Długi Targ Street)
- Sopot's beaches
- Gdynia old town



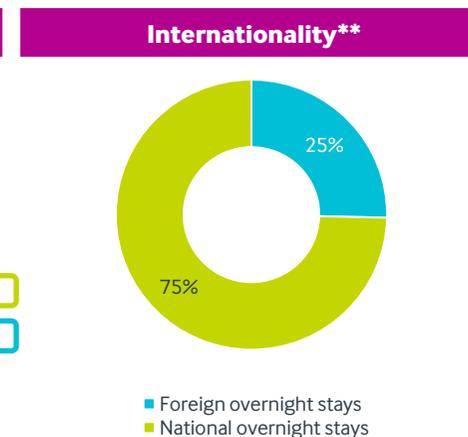
Evolution of supply

Since 2016, hotel supply in Tri-City increased from 64 to 75 hotels, illustrating a growth of 17.2% and a CAGR of 4.0%. The number of beds grew at an even faster pace. The hotel mix in Tri-City is well-balanced between chain-operated and unbranded hotels, reflecting c. 52% and 48% respectively. While the majority of hotels in the Tri-City area can be allocated to the 3-star segment, there are no economy hotels categorised as 1-star. An additional supply of c. 3,500 rooms is set to be added to Tri-City in the upcoming years, with the largest increase to be expected in the 3- and 4-star segments.



Evolution of demand

Over the last five years, an increase of 53.1% in the number of arrivals could be observed in Tri-City, representing a compound annual growth rate of 11.2%, and reaching about 920,000 arrivals in 2016. The number of overnight stays grew significantly by 49.5% to c. 1.9 million within the last five years, representing a strong CAGR of 10.6%. The average length of stay decreased slightly, but then plateaued at approximately 2.1 days between 2012 and 2016. Due to its history and geographical position on the coast, leisure tourists accounted for the largest portion of travellers staying in Tri-City.



Note: **based on all accommodation facilities

Hotel market characteristics

Tri-City is largely a summer destination. A variety of historic sites as well as water sport and cultural activities attract leisure tourists, particularly families. Approximately 75% of overnight stays in Tri-City originated from Polish visitors in 2016. The winter months are dominated by business travellers from the Nordic countries. Several shipping and other maritime companies have their Polish offices located along the coast of the Tri-City area. More specifically, the main source markets of Tri-City include Norway, Sweden, Germany and the United Kingdom.

Note: *Foreign exchange rate based on average in respective year; sources: Statistical Office Poland; Gdansk Lech Walesa Airport; Poland Travel; Polish Tourist Organisation; Christie & Co Research

Hotel Market Poznan

City by Warta river in western Poland attracts business and leisure travellers alike

Key highlights

Population (2016)

– c. 540k inhabitants (-0.4% YoY)

GDP per capita (2014)

– c. zł89,200 (+3.0% YoY)
c. €20,800*

Poznan–Lawica Airport (2016)

– Passengers: c. 1.7m (+13.9% YoY)
– Aircraft movements: c. 24,800 (+13.6% YoY)

MICE Poznan (2015)

– Conferences & congresses: 1,648 (2014: 752)
– Trade fairs: 139 (2014: 110)
– Corporate events: 692 (2014: 628)
– Incentive events: 500 (2014: 216)

Key companies

– Jerónimo Martins (food retail)
– Enea S.A. (energy supply)
– Allegro Group (new media)

Points of interest

– Renaissance Town Hall
– Maltanka Train
– Stary Browar 5050
– Cathedral Island
– Citadel Park
– Imperial Castle



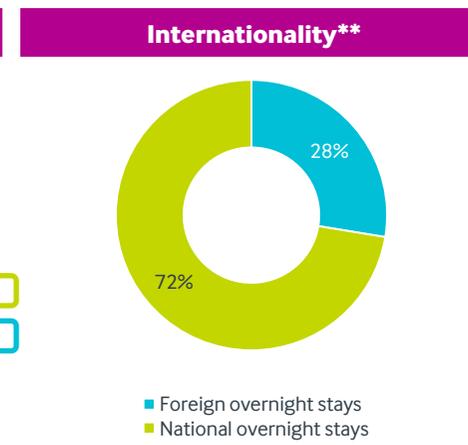
Evolution of supply

With an annual increase of approximately 3.5%, Poznan’s hotel supply grew from 48 hotel establishments in 2012 to 55 in 2016. The number of available hotel beds increased at a CAGR of 4.8% over the past five years. Overall, hotel beds represent a share of c. 75% of the total accommodation market. The majority of 5- and 4-star hotels in Poznan are affiliated with a hotel chain, while 80% of 3-star hotels are privately owned and operated. Over 80% of all hotels fall into the 3- or 4-star categories. Poznan’s hotel pipeline is set to expand by c.1,400 additional rooms, further increasing the share of the 3- and 4-star segments.



Evolution of demand

The demand for hotel rooms in Poznan has increased steadily since 2012, reaching c. 630,000 arrivals in 2016, representing a compound annual growth rate of 11.4%. Overnight stays recorded the same growth rate of 11.4% over the past five years, reaching just over one million in 2016. As the number of arrivals and overnight stays increased at the same level, the guests’ average length of stay remained constant at approximately 1.7 days. Poznan’s guest mix is more heavily weighted towards business travellers, although it is leisure travellers who dominate overnight stays in the summer months.



Note: **based on all accommodation facilities

Hotel market characteristics

Occupancy rates between June and October are higher than in the rest of the year, suggesting that Poznan is affected by seasonality, with demand peaking in September, counting 150,000 overnights in all accommodation establishments in 2016. Almost two-thirds of overnight stays in all of Poznan’s accommodation establishments originated from national visitors in 2016. Since 2012, the amount of domestic visitors has increased twice as fast as the number of international visitors. Main international source markets include Germany with a 29% share of all overnights in 2016, followed by the UK (9%) and Spain (7%).

Note: *Foreign exchange rate based on average in respective year; sources: Statistical Office of Poland; Poznan–Lawica Airport; Poznan Travel; Polish Tourist Organisation; Tourmis; Christie & Co Research

Hotel Market Katowice

Hotel supply remains constant in Poland's city of music and business

Key highlights

Population (2016)

- C. 298k inhabitants (-0.6% YoY)

GDP per capita (2014)

- C. zł61,000 (+2.5% YoY)
C. €14,200*

Katowice International Airport (2016)

- Passengers: c. 3.2m (+5.0% YoY)
- Aircraft movements: c. 31,000 (-2.3% YoY)

MICE Katowice (2015)

- Conferences & congresses: 827 (2014: 462)
- Trade fairs: 54 (2014: 17)
- Corporate events: 1,045 (2014: 1,044)
- Incentive events: 69 (2014: 52)

Key companies

- IBM (IT)
- Mentor Graphics (graphic design)
- Unilever (consumer goods)
- Rockwell Automation (industrial automation)
- ArcelorMittal

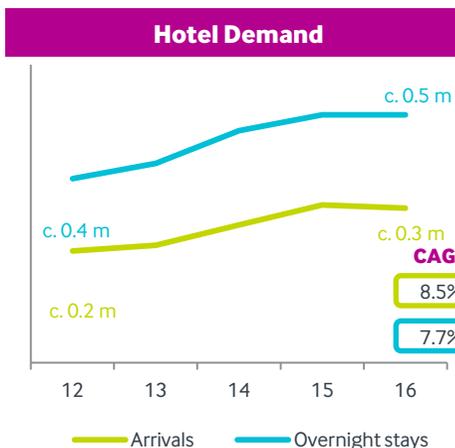
Points of interest

- Wyspianski Silesian Theatre
- Silesian Museum
- Kosciuszko Park
- NOSPR (National Polish Radio Symphony Orchestra)



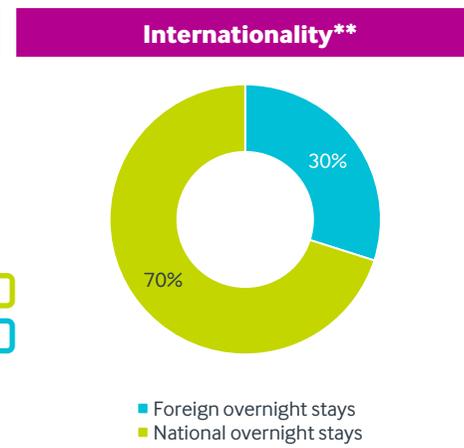
Evolution of supply

With just under 300,000 inhabitants, Katowice is one of Poland's smaller destinations, thus reflecting the limited hotel offer despite belonging to the Silesian Metropolis. Although the number of hotels has not changed, bed supply increased slightly, implying that hotels are expanding or smaller hotels are being replaced. Based on number of rooms 56% of Katowice's hotels fall into the 4-star category. The supply is dominated by branded hotels (75%), with the majority of independent hotels positioned in the economy segment. Close to 500 additional rooms are in the pipeline, chiefly contributing to the 4-star segment.



Evolution of demand

The demand for hotels in Katowice illustrates a slow but steady growth from 2012 to 2016, with an increase of c. 100,000 arrivals and overnight stays in the city, implying that length of stay has remained stable. The average length of stay in hotels in 2016 was 1.6 days, while in all accommodation establishments in Katowice it was 1.8 days. In 2016, arrivals to Katowice reached approx. 310,000, while overnight stays reached almost 500,000. The guest mix in the city is relatively evenly balanced, but a majority of travellers staying in Katowice's hotels visit the city for congress, conference and trade fair purposes.



Note: **based on all accommodation facilities

Hotel market characteristics

Due to Katowice's seasonality patterns the months of June to September record the largest amount of overnight stays. The months with the lowest demand are December to February, reaching on average 35,000 overnights each. Polish tourists continue to constitute the majority of travellers to Katowice, representing c. 70% of overnight stays in 2016. The remaining 30% of overnight stays are contributed by German (22%), Ukrainian (12%) and Italian (9%) visitors to the city. Guests from the United Kingdom and France follow closely behind the top three demand generators.

Note: *Foreign exchange rate based on average in respective year; sources: Statistical Office of Poland; Katowice International Airport; Poland Travel; Polish Tourist Organisation; Christie & Co Research

Overview of Main Hotel Markets Poland

Growing traveller-to-bed ratios suggest further room for additional supply

Key Highlights

- Over the last five years, bed intensity in Poland and its key cities has developed fairly slowly, while tourism intensity has increased at a much faster pace.
- While Warsaw, as Poland’s capital, represents the largest hotel market in absolute figures, the bed and tourism ratios per 1,000 inhabitants clearly demonstrate the magnitude of the Krakow hotel market. With more than twice as many inhabitants, Warsaw only has 22% more overnights than Krakow.
- Krakow is Poland’s leisure tourism hotspot which is reflected in a longer average length of stay (2.2) compared to Poland’s business hub Warsaw (1.7).
- Secondary regions such as Tri-City have also quickly grown their hotel markets, with tourism intensity increasing by almost 50% in the last five years.
- In all key cities, bed occupancy rates have reached levels of almost 50%. This can in part be attributed to a higher double occupancy factor than is usually registered in western markets.
- Overall, the strong demand in all key cities surpassed the supply growth rates, resulting in higher traveller-to-bed ratios and thus suggesting room for additional supply.



	Beds intensity*		Tourism intensity*		Traveller-to-bed ratio		Bed occupancy	
	2012	2016	2012	2016	2012	2016	2012	2016
Poland	5	7	646	969	68	77	34%	40%
Warsaw	11	14	2,051	2,754	113	121	50%	55%
Krakow	23	28	3,814	5,173	83	86	46%	51%
Wroclaw	12	13	1,611	2,510	84	105	38%	52%
Tri-City	11	14	1,725	2,581	72	91	42%	52%
Poznan	10	13	1,229	1,928	73	93	33%	42%
Katowice	10	11	1,206	1,674	72	99	32%	43%

Notes: *ratio per 1,000 inhabitants; sources: Statistical Office Poland; Christie & Co Analysis



Most important Hotel KPIs under Review

Krakow displays steepest RevPAR increase over five year time span



	Occupancy (in %)			ADR (in PLN)			RevPAR (in PLN)		
	YTD July 2016	YTD July 2017	Δ	YTD July 2016	YTD July 2017	Δ	YTD July 2016	YTD July 2017	Δ
Warsaw	75.0%	77.1%	2.8%	zł291	zł315	8.1%	zł218	zł242	11.2%
Krakow	75.4%	74.0%	-1.8%	zł300	zł304	1.3%	zł226	zł225	-0.5%
Wroclaw	71.1%	69.7%	-2.0%	zł222	zł234	5.7%	zł158	zł163	3.6%
Tri-City	71.1%	67.8%	-4.6%	zł328	zł326	-0.7%	zł233	zł221	-5.3%
Poznan	61.4%	57.2%	-6.9%	zł265	zł277	4.7%	zł162	zł158	-2.5%

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Transactional Activity

Selected hotel transactions in Poland

Year	Hotel	City	Category	Rooms
2017	Radisson Blu Centrum Hotel	Warsaw	Upscale	311
2017	angelo by Vienna House Katowice	Katowice	Upscale	203
2017	Sheraton Grand Krakow Hotel	Krakow	Upscale	232
2017	The Westin Warsaw	Warsaw	Luxury	361
2016	Scandic Portfolio	Gdansk & Wroclaw	Upscale	307
2016	Mercure Mrongowia	Mragowo	Midscale	215
2015	Mercure Portfolio	Lublin & Zamosc	Midscale	164
2015	andel's by Vienna House	Lodz	Upscale	278
2015	B&B Wrocław Centrum	Wroclaw	Budget	140
2015	Holiday Inn City Centre	Warsaw	Midscale	254
2015	Radisson Blu Hotel	Wroclaw	Upscale	162
2015	Sheraton Hotel	Warsaw	Luxury	350
2014	Hampton by Hilton City Centre	Warsaw	Economy	300
2014	The Westin	Warsaw	Upscale	361
2013	Hotel Bristol	Warsaw	Upscale	206
2013	Sheraton Hotel	Krakow	Luxury	232

Growing interest from foreign investors

Poland's **hotel investment market** is still in its infancy, but there are many reasons why **investors are convinced of the country's potential**. Factors include the improvement of hotel indicators, more international hotel chains, the enhancement of the country's meetings and conference industry, improving road and rail infrastructure, as well as favourable property prices in comparison to key European markets such as London, Paris or Munich.

There is rising interest in **hotel acquisitions from German, French, British and US investors**. Especially German institutional investment funds are looking for products that provide a better return than in Western Europe. Over the last years, the presence of opportunistic funds, mainly American, French, British, but also Asian, interested in **hotels operating under management or franchise agreements** has increased. These kinds of investors plan to increase the property's value by actively engaging in its management.

In general, **all kinds of hotels** from the budget to luxury segments were in demand. There were a number of notable transactions in the past years, such as the Radisson Blu in Warsaw, the Sheraton Grand Hotel in Krakow or the Hotel Bristol in Warsaw.

Source: Christie & Co Research

Christie & Co's Poland & CEE Team

Considerable experience in hotel real estate throughout Central Eastern Europe



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