



**YEAR END
REPORT
2019**



HOTEL MARKET IN POLAND



Hotel Professionals

Advisory + Management Services



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DESCRIBE 2019, “CLIMATE CHANGING ?...”



We are very much into the VUCA cycle*

2019 was another year of global and regional unsettlement. Again we saw the USA, China, Iran, Lebanon, Libya, Syria, Hong Kong, UK, the EU, and Venezuela leading the unrest in the world. Trade wars, climate change, slowing global GDP growth, BREXIT, impeachment, as I write this report the Coronavirus, (were) and are some of the disruptors.

We don't know how the Coronavirus will affect travel, however we think Q1 of 2020 will be negatively impacted, since the Chinese tourists alone spend 286 billion Euros per year on travels. The last time we experienced immense impacts of an infectious disease on tourism was in 2002/2003 during the SARS outbreak, history showed the slowdown for two quarters.

Poland had a relatively benevolent 2019. The GDP growth was pretty much what we forecasted, i.e. 4.0 %, the manufacturing and trade kept momentum, tourism held its growth, and consumer sentiment was posi-

tive for most of the year. The commercial real estate sector had a very good year. The leading market, as in past years, was Warsaw. The take up last year was 750.000 sq. m., and in present under construction are another 750.000 sq. m. The vacancy rate for Warsaw was below 8%, vacancies were mostly in older buildings. Regional commercial markets are also growing, Krakow, Wroclaw, Poznan, Lodz, Katowice and the Tricity, have over 4.5 million sq. m. today, and another ca. 1.0 million sq. m. is under construction. All cities showed good pre-lets, and vacancies are just below 9%.

As I mentioned last year, a significant office take-up growing in regional markets is due to the BPO, SSC and R&D sectors. Employment in these reached ca. 330.000 jobs, and is positively affecting cities like Krakow, Warsaw, Lodz, Szczecin, Wroclaw, Poznan and the Tricity. By the end of Q1 2020 the number of jobs in this industry will reach ca. 336.000 (source: ABSL). Again, due to this growth we saw an estimated 4.2 million corporate room nights produced by these sectors in 2019.

The Eurozone GDP growth at the level of 1.2% in 2019 was as expected, while the 2020 prognosis by the EU for this year is 1.4 %. Poland reported a strong 4.0% GDP growth in 2019, we do however see the economy slowing this year with the estimated GDP growth of 3.5%. Some of the softness will be from the overall slowdown in our largest trade partner, Germany. Retail sales in Poland grew ca.4.4%. This is a very good outcome, since the Sunday shopping restrictions were implemented.

Poland will (for the first time) try a Balanced Budget approach in 2020, this is largely due to the present government consistently improving tax collections. Of course, new ones

were added as well, in alcohol, tobacco, sugar drinks, energy and media. The hotel RevPAR had a small growth in Poland at the level of 2.3%, the ADR grew by 2%. The occupancy was flat year-over-year, finishing at 71%. The most compression we saw in Poznań and Warsaw, these cities added new hotel rooms to the inventory in the last two years causing the contraction. We see this continuing in 2020.

2020 will have challenges, we already see the ADR pressures in some cities where new inventory is added, particularly in Warsaw. The potential global economic slowdown will impact the occupancies in most cities in Poland, although slightly. We feel, as already mentioned, the trading for hotels will be challenging for the next two years.

The “Perfect Clouds Are Forming” - the hotel operators will have to be excellent on managing not only revenues versus their comp sets, but more importantly daily cost controls due to the minimum wage pressure, media, energy, and the overall cost of goods in Poland. The NOIs will be compressed, and most likely we will see some hotels (mostly unbranded) placed for sale.

Target inflation for 2020 is projected at 3.2%, the highest in 9 years.

We have been forecasting the hotel market for the past 15 years, and we've been generally accurate on our assumptions, therefore this year we want to warn the operators to “Mind the Gap” ...

The added hotels and new room inventory coming to most cities in Poland will place added pressure on operators and owners to make the planned margins work.

BREXIT, now official, has yet to show

what the impact on Poland will be, and it will take months to be clear on how this departure will affect the EU economically. We need to keep in mind, the Warsaw Chopin Airport last year served 18.7 million passengers, and 1.2 million of them travelled from London.

The trend of Polish families spending their vacations in Poland will continue, especially since the per capita income is improving faster than the other CEE countries. The continuing yearly government 500+ per child program as well as the pensioners' '13th salary' bill ("Retirement Plus Program") will also have a positive outcome to our summer season.

The 2019 summer season was rather good for the coast hotels and resorts. The Baltic, and the Tricity performance during the summer was positive.

As we said last year, for new hotel investors, special attention will be required in the construction costs, due to increases of wages and cost of materials. Now more than ever, the new hotel projects will need strict adherence to location, brand, operator and sustainable financial investment models.

2020 will be strenuous for the existing hotel operators, with all the new and fresh products coming to their cities. The competition will test the General Managers, their ingenuity, their market savvy, their adherence to the social networks and local communities' involvement will be the key to success. Of course, more than any time in the past, the General Managers will have to bond and make every effort to support and protect their human capital. Since the markets will be more competitive having a Revenue Management strategy and using it daily will make the

most effective way to increase the RGI and MPI's in the given comp set. The General Managers will need to remember that the selling of rooms nights in all available booking channels is now in a rate hyper-setting phenomenon. The rapid rate changes versus the comp set, are now considered to be a blink, and if you miss it, you lose the business. It is like Rapid Trade on the financial markets.

Banks, will continue to support and provide financing for new qualified hotel projects, including traditional touristic regions and localities, but a more cautioned approach will be exercised when these projects do not have experienced operators. Branded hotels will be favored by the banks. The banks will look at the hotel development market more often to make sure their potential investor is not walking into an oversupplied region.

The EU has 126 available hotel rooms per 10.000 population, Poland barley 54 rooms (including the 10.000 rooms pipeline) ... so, yes there is room for growth.

The condo's segment is experiencing some controversy, initiated by KNF and UOKiK, which basically tells the consumer that guaranteed % return on the hotel room investment is not advisable, nor a sustainable financial investment tool. Developers, hence, are now very careful in these highly advertised schemes. We said this would happen many years ago.

We will see continued advancements in long-term lease agreements signed by operators and developers. We noticed this approach to be popular in 2018 and 2019, especially by new brands coming to Poland.

All considered, and as we said last year, the hospitality busi-

ness in Poland, both from the existing hotel trading, as well vibrant new hotel developments will continue however, only the very best, will have a prolific 2020. Our Hotel Professionals teams, both Advisory and Management look forward to a dynamic new year.

PS. So what is VUCA?

Volatile The environment demands you react quickly to ongoing changes that are unpredictable and out of your control.
Uncertain The environment requires you to take action without certainty.
Complex The environment is dynamic, with many interdependencies.
Ambiguous The environment is unfamiliar, outside of your expertise.

Have a congenial and hospitable year !



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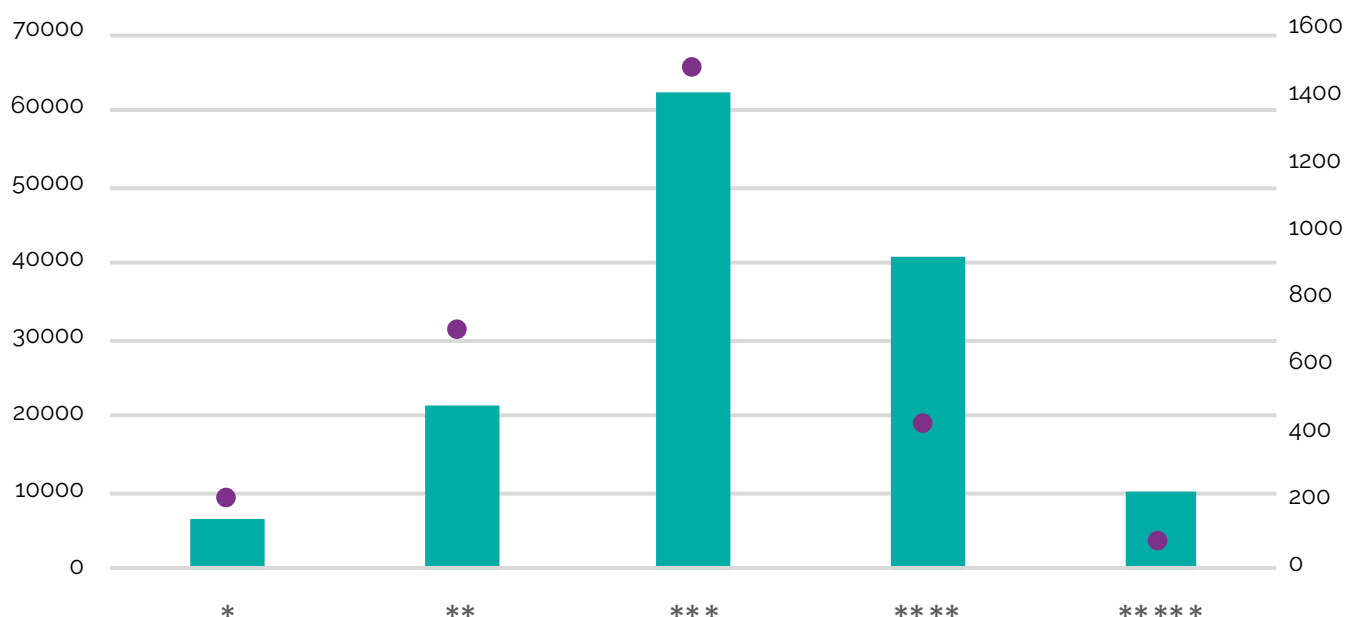
HOTEL MARKET IN POLAND 2019

There are ca. 2 900 hotels in Poland offering over 140 thousand rooms. Ca. 44% of rooms represent the 3-star segment. Rooms positioned in the 4-star category have the second largest share in the market, followed by 2-star rooms. 5-star rooms constitute a small percentage of the total hotel room supply in Poland – ca. 7%.

HOTEL SUPPLY

IN POLAND BY CATEGORY

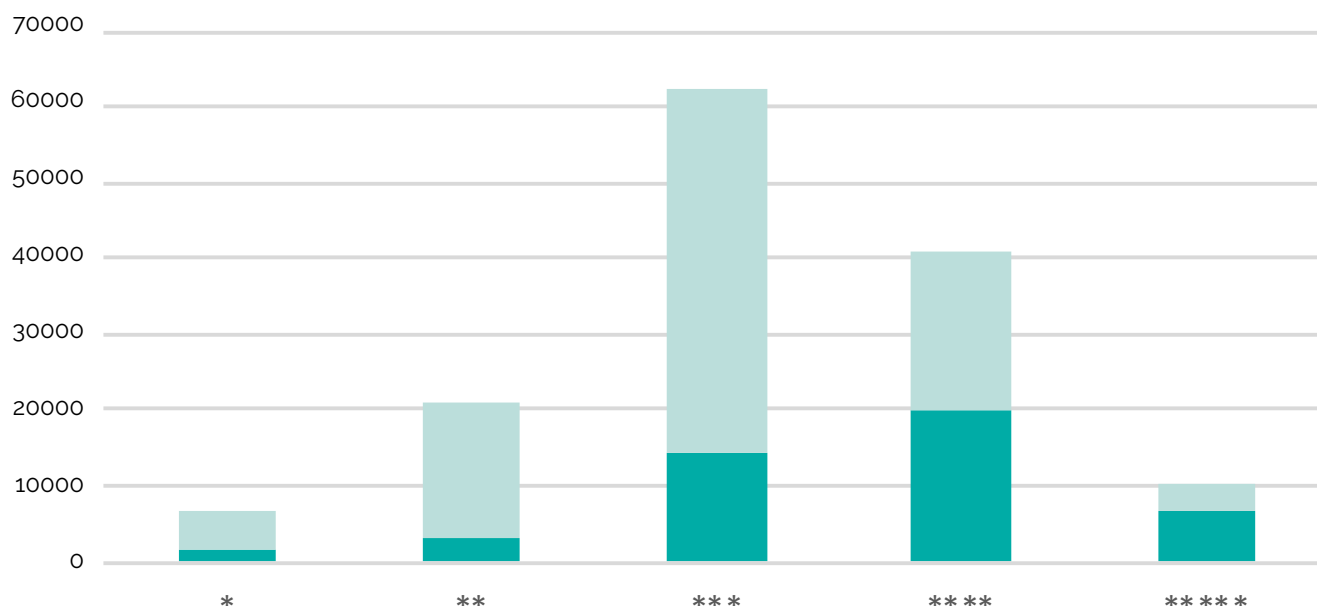
NO.OF ROOMS NO.OF HOTELS



SUPPLY OF HOTEL ROOMS

IN POLAND BY CATEGORY

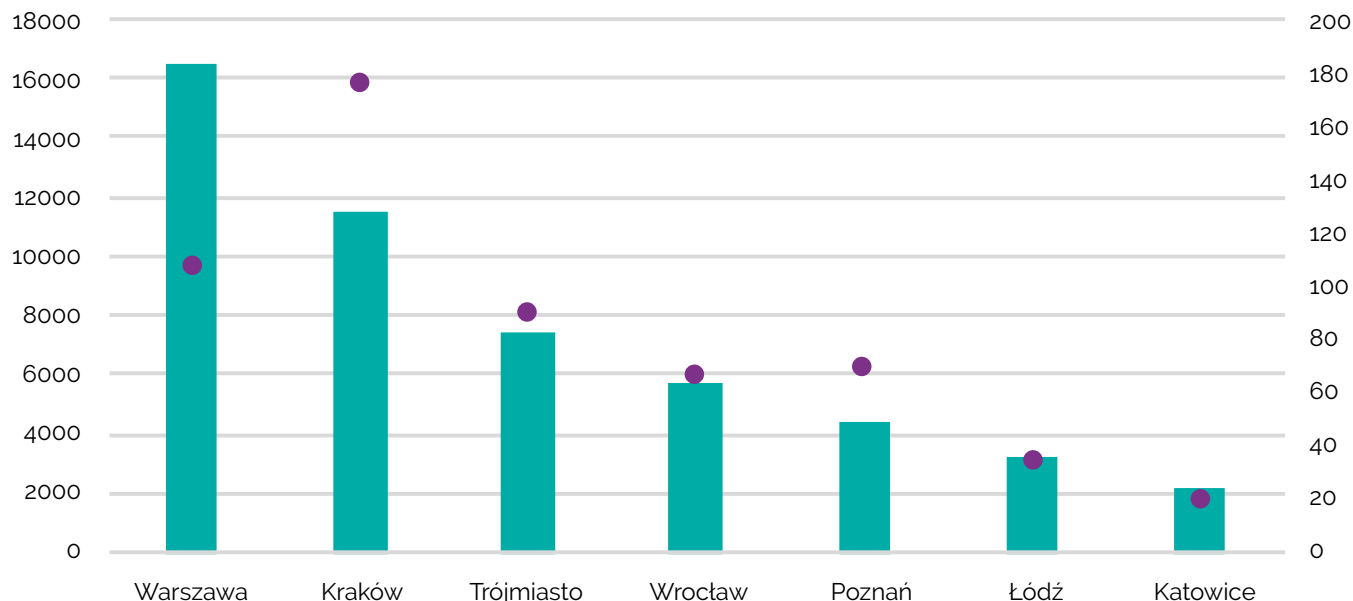
BRANDED ROOMS NOBRANDED ROOMS



SUPPLY OF HOTEL ROOMS

IN SELECTED CITIES IN POLAND

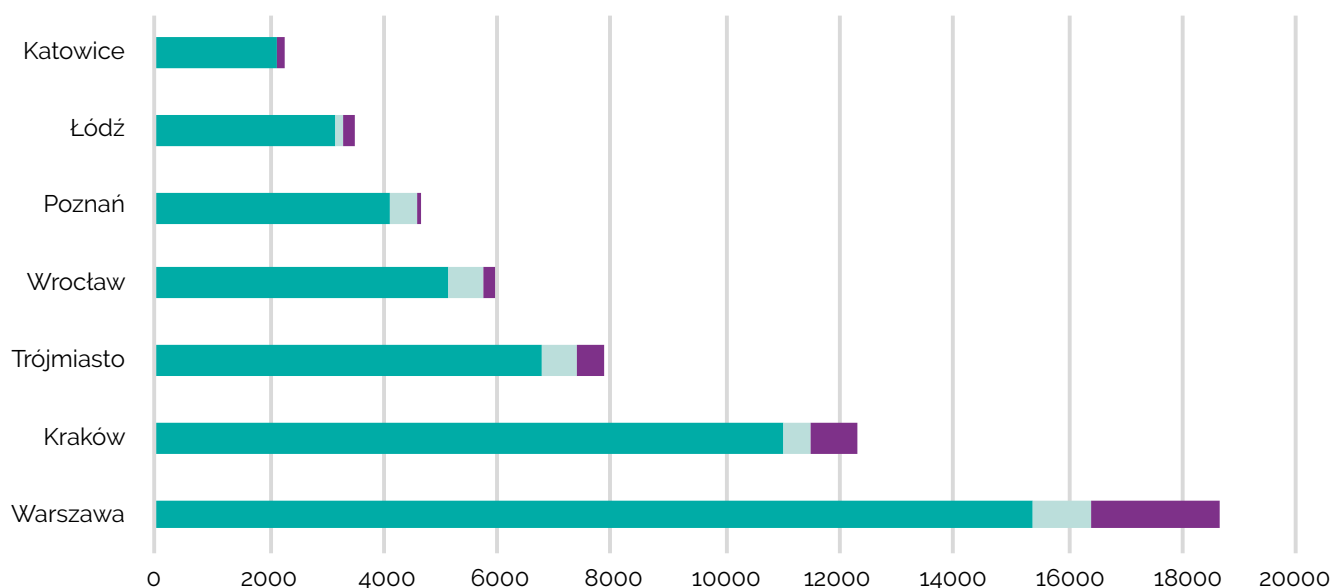
NO.OF ROOMS NO.OF HOTELS



FORECASTED HOTEL ROOM SUPPLY

IN POLAND BY THE END OF 2020

NO.OF ROOMS IN 2018
NO.OF ROOMS DELIVERED IN 2019
NO.OF NEW ROOMS OPENED IN 2020



AVERAGE OCCUPANCY, ADR & REVPAR IN 2019

The hotel market in Poland as a whole, compared to results achieved in 2018, ended the year with a small increase. The increase in the RevPAR in comparison to 2018 was at ca. 2%. While ADR rates increased by ca. 2.5%, at the same time, the occupancy rate remained at a similar level. For Poland, the RevPAR index was on average around PLN 214 with the average occupancy level at 71%.

Comparing individual cities, the largest increase in the RevPAR index was recorded by Wrocław, Łódź and Szczecin and it was at the level of ca. 8% in these cities. The largest declines, on the other hand, were visible in Poznań and Lublin. The RevPAR decline in Warsaw at the level of ca. 2% can be attributed to a drop in the occupancy level with only slight ADR growth. This can be attributed to the increase in the supply of hotel rooms, but also by the lack of significant conferences and international events organized in the city.

GLOBAL HOTEL CHAINS IN POLAND

In November 2019 Orbis Group sold its service business, i.e. franchise agreements and management contracts for a total amount of 1.2 billion Polish Zlotys net and concluded management contracts with Accor – its majority shareholder, which included all of 73 hotels owned and leased by Orbis (including 45 hotels located in Poland).

In December Accor signed a binding agreement with AccorInvest concerning the sale of its 85.5% stake in Orbis for a total of 4.55 billion Polish Zlotys (€1.06bn). Accor plans to complete the sale transaction by the end of Q1 2020.

AccorInvest invests in the consolidation of its portfolio via modernizations and new development projects in Europe. It began its operations as an investor, owner and hotel operator as a result of the strategic transformation of Accor, initiated in 2013, when two divisions were formed: AccorInvest – real estate division and AccorServices, which is an operator and franchisor.

By the end of 2019 there were 77 hotel operating under AccorHotels brands with a total of ca. 13 thousand rooms, what accounts for close to 10% of the total room supply in Poland. In 2019 5 new hotels entered the market under Accor brands, including 2 ibis Styles hotels: in Lublin and in Kraków as a result of rebranding of the former Santorini hotel, 2 hotels under the debut brand MGallery (in Kraków and Wrocław), as well as the ibis hotel in Poznań as part of the dual branded property with Novotel (Novotel was delivered in 2018). At the end of

2019 chain representatives announced plans to introduce the Tribe brand into the Polish market. A Tribe hotel is to open in Warsaw and in Kraków. Moreover, the chain is working on bringing the Movenpick, Adagio Access and Greet (which is to replace ibis Budget) brands to Poland.

Marriott International ranks 2nd in terms of room supply, overtaking Hilton Worldwide in 2019. In 2019 3 hotels were opened – the first in Poland Four Points by Sheraton in Warsaw's Mokotów district, the first in Warsaw and second in Poland Moxy as part of the Centrum Praskie Koneser as well as another Moxy by Poznań's airport. In 2020 the dual branded Courtyard by Marriott & Moxy in Szczecin and the 300-room AC by Marriott in Kraków are planned for opening. Under construction are 2 hotels under the new boutique Autograph Collection brand in Kraków and Warsaw, or the Renaissance hotel on Gdańsk's Grana Island. At the end of 2019 the chain announced plans to re-introduce the Le Meridien brand in Poland, which is to appear as a result of the rebranding of the former Royal hotel in Kraków.

The 3rd largest chain with regard to hotel rooms is Hilton Worldwide. In the past year 2 Hampton by Hilton hotels opened in Poznań and Kalisz. In 2020 a Hilton hotel in Świnoujście is scheduled for opening, as well as 4 Hampton by Hilton hotels in Warsaw, Olsztyn, Łódź and Swarzędz, a total of 680 rooms. The following year a Curio Collection by Hilton hotel will make its debut in Kraków. Hilton's pipeline includes new hotels under the Hampton by

Hilton brand i.e. in Bydgoszcz or Wrocław as well as Hilton Garden Inn hotels in Toruń or Radom.

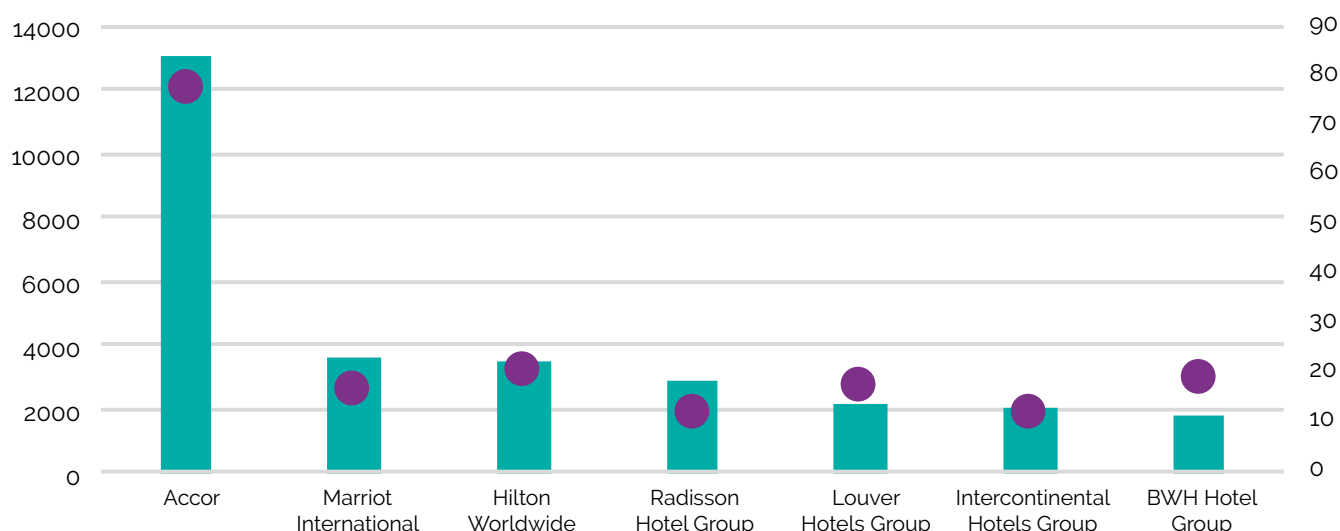
Global chains in further positions in terms of room supply include Radisson Hotel Group (RHG), Louvre Hotels Group (LHG) and InterContinental Hotels Group (IHG). RHG increased its portfolio by 2 new hotels: the 1st in Europe Radisson hotel in Gdańsk and Radisson Blu in Zakopane, while as a result of rebranding of the former Radisson Blu in Warsaw the 1st in Poland Radisson Collection branded hotel opened. Moreover, due to the acquisition of RHG by Jing Jiang International (end of 2018) all the hotels in the chain's portfolio were added to WeHotel - Jing Jiang International's reservation platform. LHG delivered the 1st in Poland and Europe hotel under the Metropolo brand in Kraków. The IHG chain grew by 2 hotels: Holiday in Express in Jasionka and Holiday Inn in Gdańsk.

In 2019 the German hotel chain – Motel One opened its 1st hotel in Poland while Spanish chain – Barcelo announced its entry to Poland. Its first hotel will open in Warsaw and second in Poznań. While Hyatt International announced its re-entry to Poland, a Hyatt Place branded hotel will open in Kraków. In 2020 the first in Poland Nobu hotel will open part of the chain of lifestyle hotels and restaurants.

MAIN GLOBAL HOTEL CHAINS IN POLAND

HOTEL SUPPLY

NO.OF ROOMS NO.OF HOTELS



New hotel openings with a global, regional or national brand in 2019

Hotel	Category	No. of Hotel Rooms	Global chain	City
Moxy Warsaw Praga	★★★	141	Marriott International	Warszawa
Four Points by Sheraton Mokotów	★★★★	192	Marriott International	Warszawa
Motel One Warszawa Chopin	n/a	331	Motel One	Warszawa
Vienna House Mokotów Warsaw	★★★★	164	Vienna House	Warszawa
Puro Warsaw Centrum	★★★★	150	Puro Hotels	Warszawa
Golden Tulip Magnus Bielsko Biała Bystra	★★★★	77	Louvre Hotels Group	Bielsko-Biała
Metropolo by Golden Tulip	★★★★	220	Louvre Hotels Group	Kraków
Bachleda Luxury Hotel Kraków MGallery by Sofitel	★★★★★	64	Accor Hotels	Kraków
ibis Styles Kraków Santorini	★★★★	63	Accor Hotels	Kraków
Holiday Inn Gdańsk City Centre	★★★★	240	InterContinental Hotels Group	Gdańsk
Radisson Hotel & Suites	★★★★	340	Radisson Hotel Group	Gdańsk
Best Western Premier City Center Wrocław	★★★★	64	Best Western Hotels & Resorts	Wrocław
The Bridge Wrocław - MGallery	★★★★★	184	Accor Hotels	Wrocław
Radisson Blu Hotel & Residences Zakopane	★★★★	158	Radisson Hotel Group	Zakopane
ibis Poznań Centrum (efekt modernizacji i rebrandingu dawnego hotelu Novotel)	★★★	190	Accor Hotels	Poznań
Hampton By Hilton Poznań Old Town	★★★	117	Hilton Worldwide	Poznań
Moxy Poznań Airport	★★★	120	Marriott International	Poznań
Hampton by Hilton Kalisz	★★★★	91	Hilton Worldwide	Kalisz
Holiday Inn Express Rzeszów Jasionka	★★★	120	InterContinental Hotels Group	Jasionka k. Rzeszowa
Puro Łódź Centrum	★★★★	130	Puro Hotels	Łódź
Ibis Styles Lublin Stare Miasto	★★★	110	Accor Hotels	Lublin
Focus Hotel Premium Lublin	★★★★	77	Focus Hotels	Lublin

WARSAW



There are 107 hotels functioning in Warsaw, offering a total of close to 16 500 hotel rooms. 3- and 4-star rooms dominate on the market, having a similar share in the market. They account for ca. 36% and 32% of the total hotel room supply in Warsaw respectively. Hotels positioned in the 5-star category rank 3rd offering ca. 3 400 rooms. When it comes to hotel branding 74% of rooms in Warsaw operate under a national, regional or global brand.

THE HOTEL MARKET GREW BY CA. 1050 HOTEL ROOMS & APARTMENTS



107
HOTELS



CA. 16 500
HOTEL ROOMS



74%
BRANDED HOTEL ROOMS



36%
HOTEL ROOMS



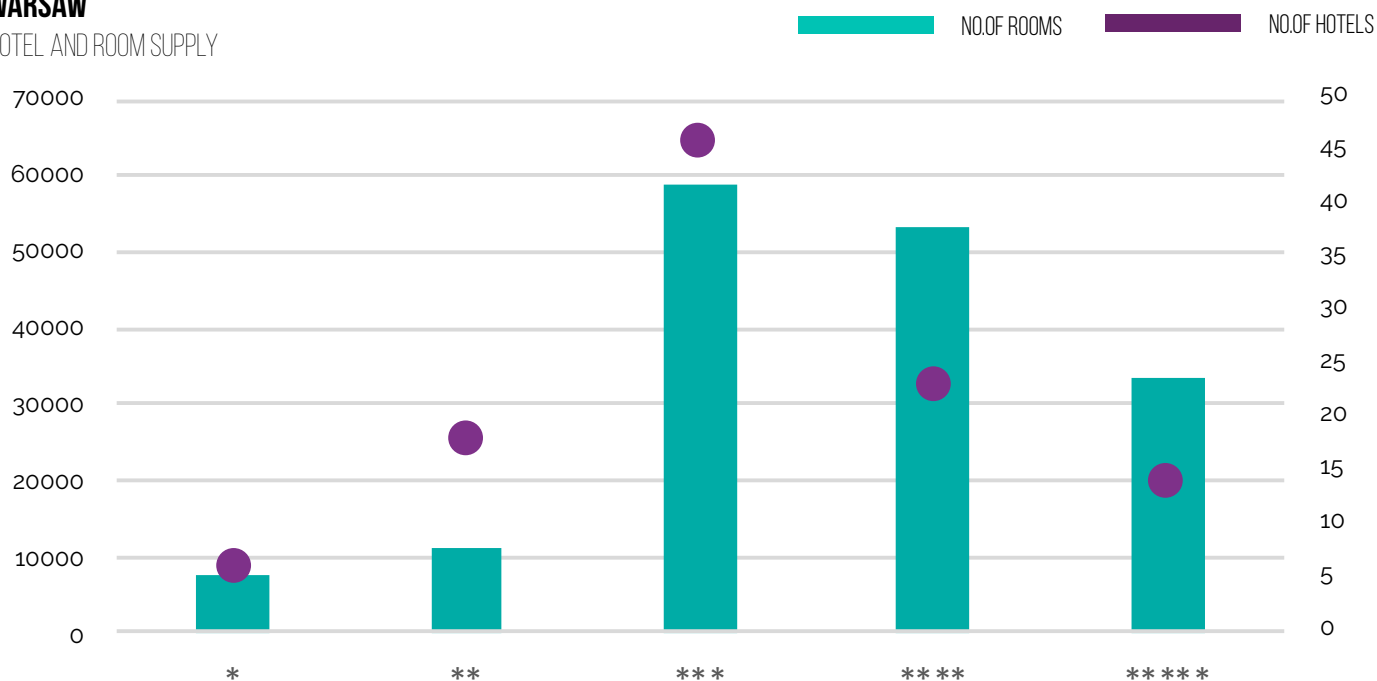
32%
HOTEL ROOMS



20%
HOTEL ROOMS

WARSAW

HOTEL AND ROOM SUPPLY



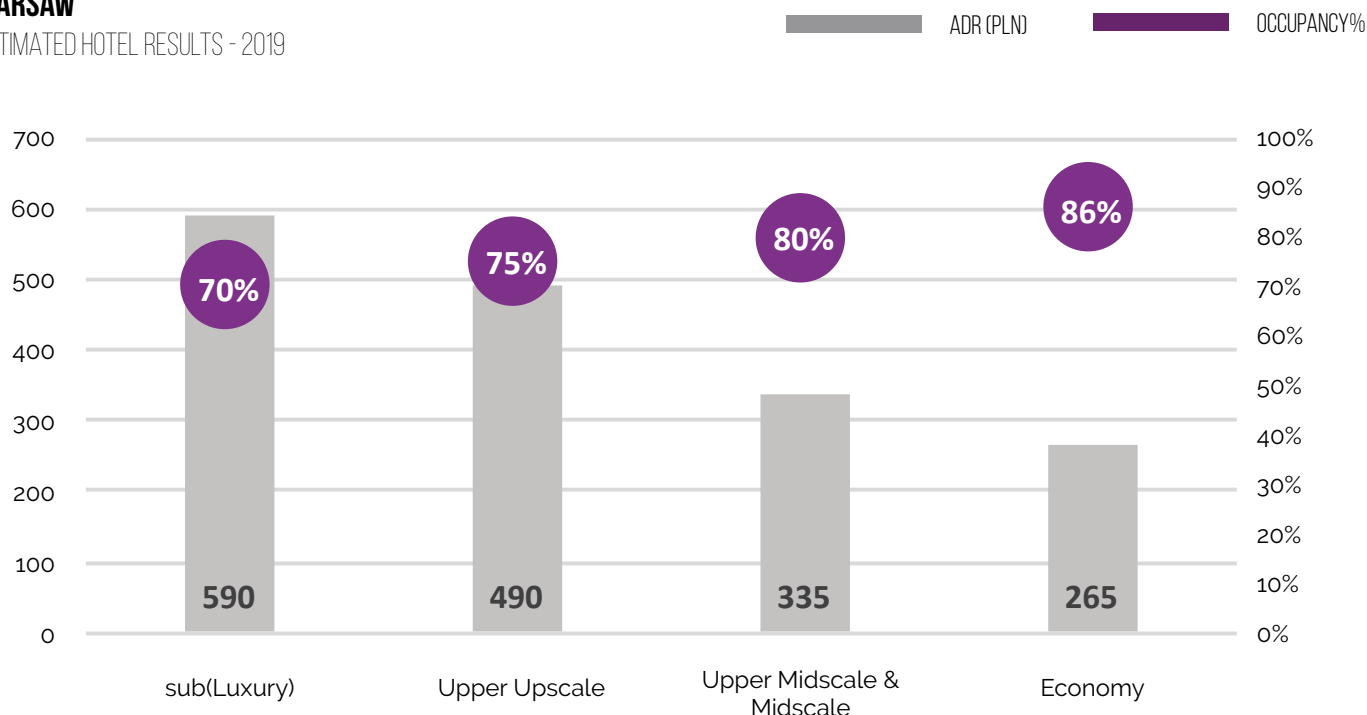
2019 HOTEL MARKET HIGHLIGHTS

- 1 050 new hotel rooms were delivered to the market in 6 hotels, what is ca. 7% rooms growth year-over-year;
- New brands made their debut in the city: Moxy, Vienna House, Puro as well as Four Points by Sheraton, Motel One & Radisson Collection, which are also new to Poland;
- In March Patron Capital finalized the acquisition of the Sheraton Warsaw Hotel;
- In May premium lifestyle brand Radisson Collection entered Warsaw & Poland as a result of 5 months of modernization & rebranding of former Radisson Blu Centrum, in December the hotel was sold by Europa Capital to the Wenaas Hotels Europe A/S fund;
- In Q3 2019 Strabag Real Estate sold Motel One by Tamka street delivered in July – the hotel operator is now the new owner.
- Marriott Warsaw celebrated its 30th birthday;
- Radisson Hospitality AB announced the development of Radisson RED Warsaw based on a lease agreement concluded with Golub GetHouse;
- Marvipol Development, concluded the first in Poland & Europe franchise agreement for the Royal Tulip brand with Louvre Hotels Group;
- Louvre Hotels Group announced the opening in 2020 by Targowa str. the 1st in Poland property under the Tulip Residences brand by signing a franchise agreement with WIK Capital;
- Orbis announced plans to open in 2022 a hotel under the new TRIBE brand by Bracka str;
- Spanish chain Barcelo Hotels & Resorts announced the entrance of the Occidental brand to Warsaw's market in Elektrownia Powiśle complex, while the German Meininger Group announced plans to open its first hotel in Warsaw & Poland in 2022.

AVERAGE OCCUPANCY, ADR & REVPAR

WARSAW

ESTIMATED HOTEL RESULTS - 2019



Warsaw's hotels positioned in the (sub)luxury segment¹ noted a significant decrease in the average occupancy (ca. 8% year-over-year), which was however compensated by ADR growth. All in all this segment noted a ca. 2% drop in RevPAR year-over-year. On the other hand, hotels with a global brand in the upper upscale segment located in the city center had a good year in terms of RevPAR growth (ca. 4% year-over-year), which is attributed to an increase in the ADR of ca. 4.8%, with an average occupancy at a similar level to 2018. The excluding of the Radisson Blu hotel by Grzybowska street from the rooms offer during the renovation and rebranding period, as well as the refurbishment of the common areas in Sheraton had a significant impact on these results. Selected hotels from the upper midscale and midscale segments located in the city center achieved similar results to 2018, with a minimal growth in the RevPAR index. In 2019 3 4-star hotels opened: Puro by Widok street, as well as Vienna House and Four Points by Sheraton in Służewiec, and in 2018 the Arche hotel by Al. Krakowska opened. Apart from Puro, new 4-star rooms which entered the market, were dispersed among sub-markets, and as such had a marginal impact on the results of hotels located in the center. Whereas selected hotels in the economy segment located in the center and by the airport finished the year with a slight drop in the RevPAR index, which resulted from a decrease in the ADR

and only a slight increase in the average occupancy compared to 2018. When it comes to this segment, the impact of the new rooms supply is already becoming noticeable. In 2018 & 2019 3 3-star hotels located in the airport region opened (Arche Poloneza, Arche Geologiczna, Hampton by Hilton Mokotów) – ca. 380 rooms, as well as 4 hotels positioned in this segment located in Śródmieście and Praga districts – ca. 770 rooms. Results measured for the whole market in 2019 placed Warsaw second in terms of the RevPAR index, among largest cities, giving way to Kraków, which ranked 1st. Hotels in the capital achieved an average occupancy of 73% with an ADR at PLN 320. Looking at the RevPAR change year-over-year, Warsaw finished the year with a ca. 2% drop, which resulted from an almost 3% drop in occupancy and only a slight ADR growth. The influence of new rooms supply coming into the market is beginning to influence the average occupancy of hotels in Warsaw, however at the same time we can observe a slight growth trend in ADR, which compensates for the occupancy drops. Moreover, the number of room nights sold during the weekends is growing, which indicates that Warsaw is becoming more attractive a tourist destination for city breaks. We anticipate that in 2020-2022 the occupancy levels for the whole market will continue to drop, and we will continue to observe slight ADR growth or the stabilization of the average rates in Warsaw.

¹ In our report the (sub)luxury segment includes hotels from the luxury segmentation (Raffles, Bristol) and chosen hotels from the upper-upscale category.

HOTEL INVESTMENTS COMPLETED, UNDER DEVELOPMENT, PLANNED

In 2019 Warsaw was again the leading market in terms of new hotel rooms delivered. A total of 6 hotel properties opened with ca. 1 050 new rooms, what is a ca. 7% growth year-over-year. In 2020 an additional over 2 000 rooms will enter the market. Brands which will make their debut include Staybridge Suites – the first in Poland global brand of extended-stay hotels, life-style Nobu brand in the former Rialto hotel by Wilcza street, as well as IHG's Crowne Plaza upscale brand as part of the dual brand property with Holiday Inn Express in The Warsaw Hub complex.

New hotel openings in 2019

Hotel	Category	No. of Hotel Rooms	Hotel	Category	No. of Hotel Rooms
Moxy Warsaw Praga	★★★	141	Four Points by Sheraton	★★★★★	192
Vienna House Mokotów Warsaw	★★★★★	164	Puro Warszawa Centrum	★★★★★	150
Arche Hotel Geologiczna	★★★	70	Motel One	n/a	333
Total Rooms			1 050		

Planned hotel openings in 2020

Hotel	Category	No. of Hotel Rooms	Hotel	Category	No. of Hotel Rooms
Hotel Nobu Warsaw (former Rialto hotel after rebranding & enlargement)	★★★★★	120	NYX (Varso Place)	★★★★★	331
Holiday Inn Express Mokotów	★★★	167	Crowne Plaza Warsaw Hub	★★★★★	212
Mercure Warszawa Ursus Station	★★★★★	214	Holiday Inn Express Warsaw Hub	★★★	218
Hampton by Hilton Reduta	★★★	150	Staybridge Suites Warszawa Ursynów	★★★★★	190
Campanile (rebranding i rozbudowa hotelu Grot)	n/a	105	Tulip Residences Targowa	★★★	100
Best Western Plus Hotel Warsaw	★★★★★	100	Focus Hotel Premium	★★★★★	238
a&o Warszawa Wola	n/a	200	-	-	-
Total Rooms			ca. 2 240		

Planned hotel openings in 2021-2023

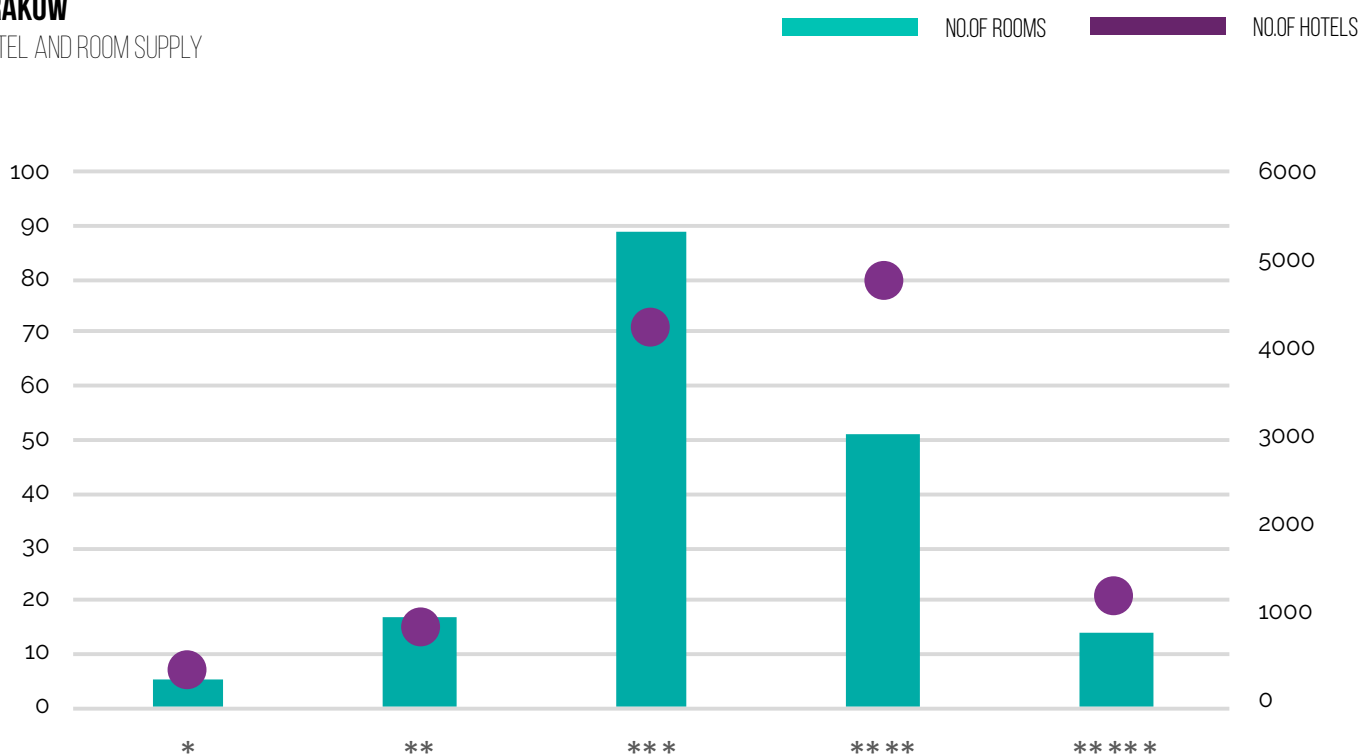
Hotel	Category	No. of Hotel Rooms	Hotel	Category	No. of Hotel Rooms
Hotel Praski	n/a	118	Meininger	n/a	151
Autograph Collection	★★★★★	100	Radisson Red	★★★★★	230
Occidental, Barcelo Hotels & Resorts	m/a	150	Moxy & Residence Inn	★★★★/ ★★★★★	300
Royal Tulip Apartments (Grzybowska)	★★★★★	448	Holiday Inn West Station	★★★★★	217
TRIBE Warsaw Bracka	n/a	113	AC Hotels by Marriott	★★★★★	260
Hotel Altus	★★★★★	110	Puro Wola	★★★★★	300-350
Globally branded hotel by EXPO XXI	n/a	468	-	-	-
Total Rooms			ca. 3 020		

CRACOW

The Kraków hotel market offers 176 hotels, with ca. 11,500 hotel rooms in total. The majority of rooms is positioned in the 4-star segment - approx. 42% and 3-star approx. 37%. Rooms of the 5-star category amount to approx. 11% of total supply. Hotel rooms operating under the global, regional or polish brand constitute approx. 51% of total hotel room supply in the city.

KRAKÓW

HOTEL AND ROOM SUPPLY



THE HOTEL MARKET GREW BY CA. **470** HOTEL ROOMS & APARTMENTS



176
HOTELS



CA. 11 500
HOTEL ROOMS



51%
BRANDED HOTEL ROOMS



37%
HOTEL ROOMS



34%
HOTEL ROOMS



11%
HOTEL ROOMS

2019 HOTEL MARKET HIGHLIGHTS

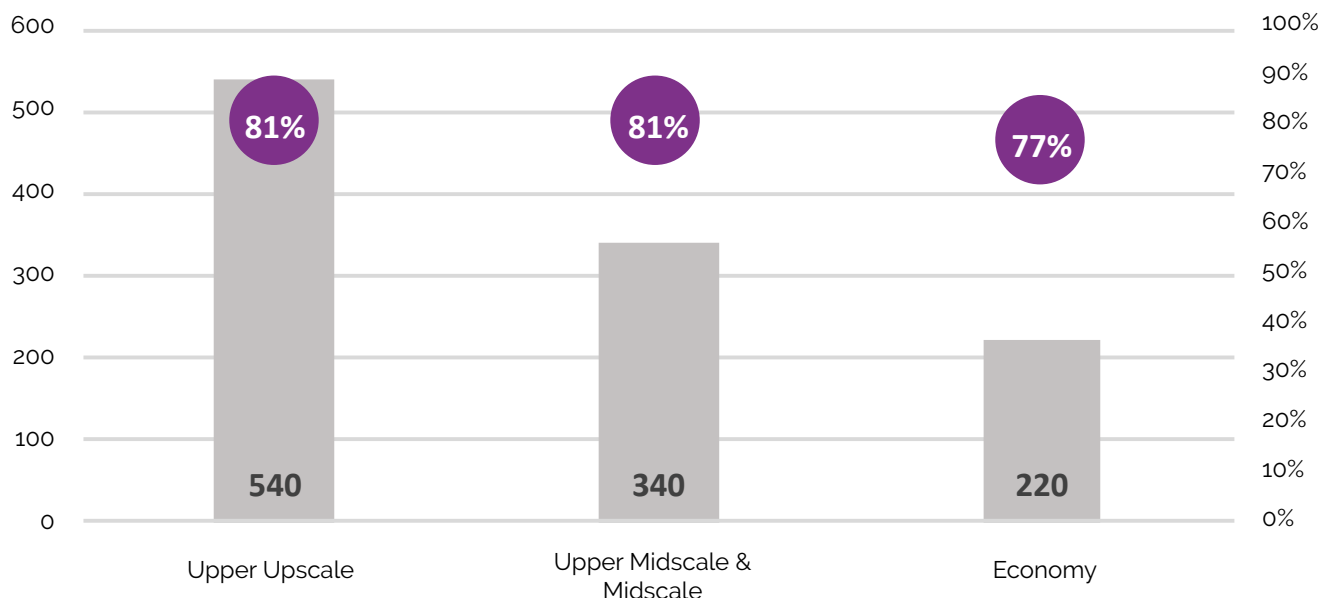
- In January, the first Metropolo by Golden Tulip hotel outside China opened in Lagiewniki district.
- A 4-star hotel investment by the Wisła Kraków football stadium with 263 rooms was announced as an KKS Investment project.
- In February, 5-star Balthazar Design Hotel was opened at Grodzka street.
- Krakowska Agencja Rozwoju Miasta announced its preliminary plans to build a hotel at Lema 7 street aside Tauron Arena.
- Bachleda Luxury Properties opened the first in Poland hotel under the MGallery by Sofitel brand located at the 19th century villa at Kossaka Square.
- Dual brand hotel complex of DoubleTree by Hilton and Hampton by Hilton with 393 rooms in total was bought by Unirest Group. The transaction value was not disclosed.
- Hyatt has announced the opening of the Hyatt Place hotel in Błonia, which will offer 216 rooms as of the franchise agreement signed with 3M Hotels Group.
- In the Kazimierz district at Dietla 59 and Podbrzezie 4 streets, the opening of a 4-star King Salomon hotel with 117 rooms, kosher cuisine and a mikvah was proclaimed.
- The 200-room Mercure hotel with 3 500 sqm conference area and 2 000 sqm fitness & SPA center will be erected within the Fabryczna City investment based on a franchise agreement signed between the Accor Group and Inter-Bud company.
- After the rebranding of former Santorini Hotel in Nowa Huta district, the Ibis Styles Santorini hotel was launched.
- Hilton hotel chain signed a franchise agreement with the Lithuanian UAB fund for the opening of the Hampton by Hilton hotel in the autumn of 2021 in the same place where the Best Western hotel was previously planned.
- The Wawel Queen Hotel with 49 rooms located nearby the Wawel Royal Castle, opened in September.
- The enlargement of the Hilton Garden Inn Airport Krakow to 178 rooms was carried out.
- Marriott hotel chain in cooperation with the Portfel Inwestycyjny Group, announced the opening of a 300-room AC by Marriott hotel at 3rd May avenue - the biggest hotel of this brand in Central Europe.
- The 170-room TRIBE Krakow Old Town will debut in 2022 at Worcella street, in the vicinity of the Kraków Główny Railway Station.
- In November, a letter of intent was signed for rebranding of the Royal Hotel to the Le Méridien brand of Marriott International. The hotel which belongs to PHH Group will be also enlarged to 120 rooms.

AVERAGE OCCUPANCY, ADR & REVPAR

KRAKÓW

ESTIMATED HOTEL RESULTS - 2019

ADR (PLN) OCCUPANCY%



In 2019, Kraków was a leader in terms of the RevPAR index among all Polish cities. RevPAR reached ca. PLN 240 and was about PLN 6 higher than Warsaw's RevPAR. Year over year, the index increased by about 2%. The average occupancy rate of 76% and the ADR rate of PLN 315 allowed Kraków to outrun the capital city.

Krakow's upper upscale hotels have achieved the RevPAR of about PLN 437, which was an almost 3% higher result than in the previous year. Such a good outcome was a result of an increase in occupancy, which compensated for a slight decrease in the ADR rate. Both the occupancy and the ADR rates increased in the 4-star hotels. The whole category experienced a 5% increase in the RevPAR. Similarly to the up-

per upscale segment, this result was most affected by the increase in occupancy rates. Compared to the same period, the rate for a room increased by more than 3% and amounted ca. PLN 340.

Nevertheless, the highest increases in 2019 were recorded at the economy hotels category. The entire segment recorded a ca. 9% increase in RevPAR, mainly due to the increase in ADR (+8.5% year-over-year).

HOTEL INVESTMENTS COMPLETED, UNDER DEVELOPMENT, PLANNED

In 2019 a total of 6 hotels opened in Krakow. The Hilton Garden Inn Airport Krakow hotel was additionally enlarged. The new supply has added approx. 470 new hotel rooms to the Kraków's hotel market, which was similar to 2018. The largest facility opened in 2019 was Metropolo Krakow by Golden Tulip with 220 rooms. We forecast that in 2020 even up 800 new hotel rooms may appear in Krakow.

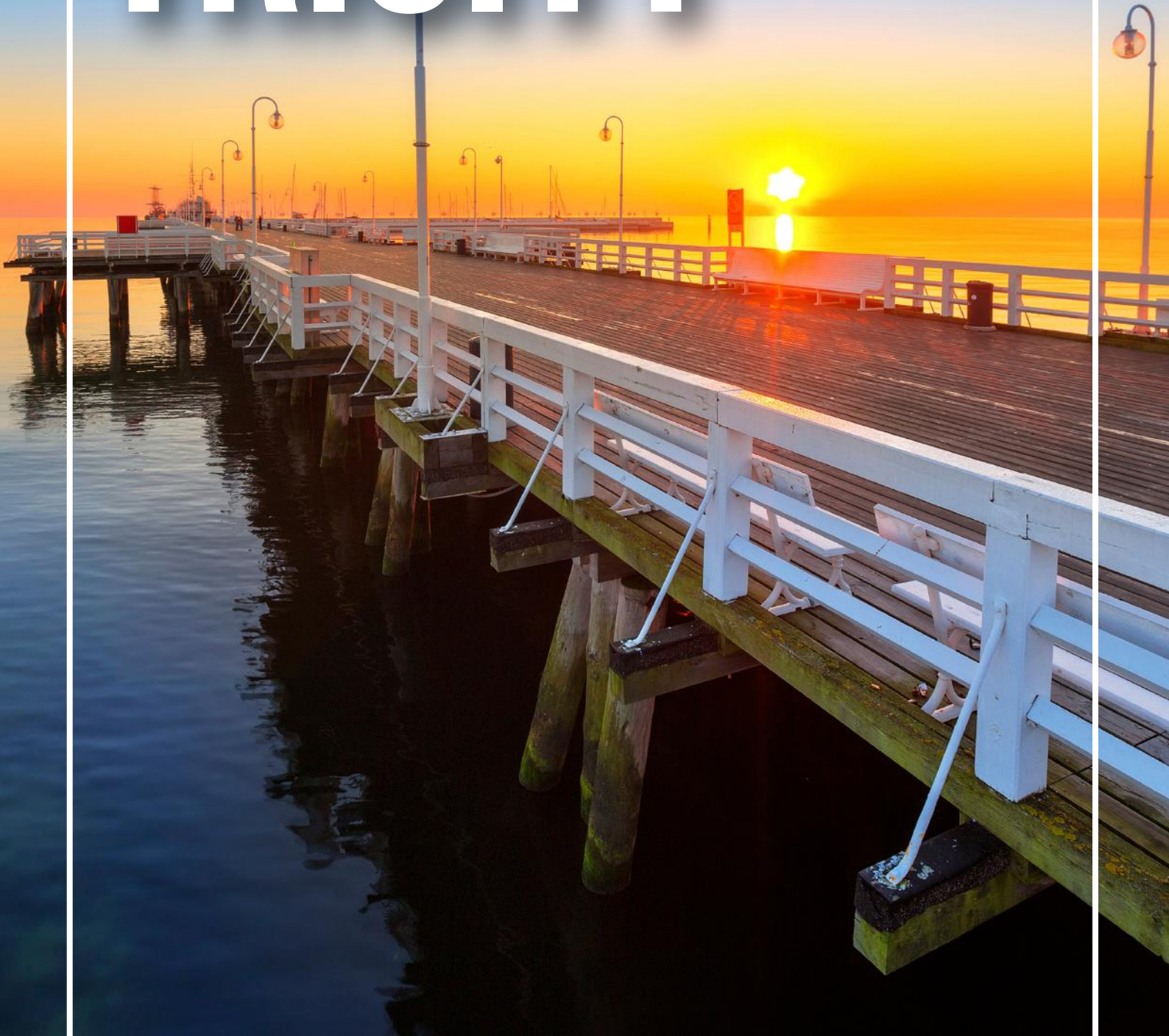
New hotel openings in 2019

Hotel	Category	No. of Hotel Rooms	Hotel	Category	No. of Hotel Rooms
Metropolo Kraków by Golden Tulip	★★★★	220	Hotel Wawel Queen	★★★★	49
Balthazar Design Hotel	★★★★★	28	Hilton Garden Inn Airport Kraków – after enlargement	★★★★	178 (+23 rooms)
Bachleda Luxury Hotel Krakow MGallery By Sofitel	★★★★★	64	Hotel Perfect	★★★★	23
ibis Styles Kraków Santorini	★★★	63	-	-	-
Total Rooms			470		

Planned hotel openings in 2020-2023

Hotel	Category	No. of Hotel Rooms	Hotel	Category	No. of Hotel Rooms
Hotel at Lubicza St.	★★★★	61	Curio Collection by Hilton	★★★★★	113
Hotel Ferreus	★★★★★	70	Hotel przy Błoniach	★★★★	263
Gertruda Boutique Hotel	n/a	n/a	Hyatt Place	★★★★	216
Radisson Red	★★★★	230	Ibis Styles Mogilska	★★★	259
King Salomon Hotel	★★★★	117	Hotel Lema (by Tauron Arena)	n/a	160
AC by Marriott	★★★★	300	Mercure Kraków Fabryczna City	★★★★	200
Holiday Inn Express Kraków Airport	★★★	158	TRIBE Kraków Stare Miasto	★★★	170
Autograph Collection by Marriott	★★★★★	125	Moxy Kraków Airport	★★★	n/a
Hampton by Hilton Airport Hotel	★★★	173	Le Meridien – rebranding of Hotel Royal	★★★★★	120
Adagio Aparthotel	n/a	190	-	-	-
Total Rooms			ca. 2 925		

TRICITY



There are 90 hotels functioning in Tricity offering in total ca. 7 400 hotel rooms, of which more than half represent a global, regional or national brand. 3-star hotel rooms dominate (ca. 42% of rooms represent this segment). In terms of brand prevalence close to 46% of 3-star hotel rooms belong to a hotel chain. 4-star rooms are the second largest segment accounting for 33% of the room supply in Tricity. The 5-star segment constitutes ca. 15% of the market share.

THE HOTEL MARKET GREW BY CA. 630 HOTEL ROOMS & APARTMENTS



90
HOTELS



CA. 11 500
HOTEL ROOMS



51%
BRANDED HOTEL ROOMS



37%
HOTEL ROOMS



33%
HOTEL ROOMS

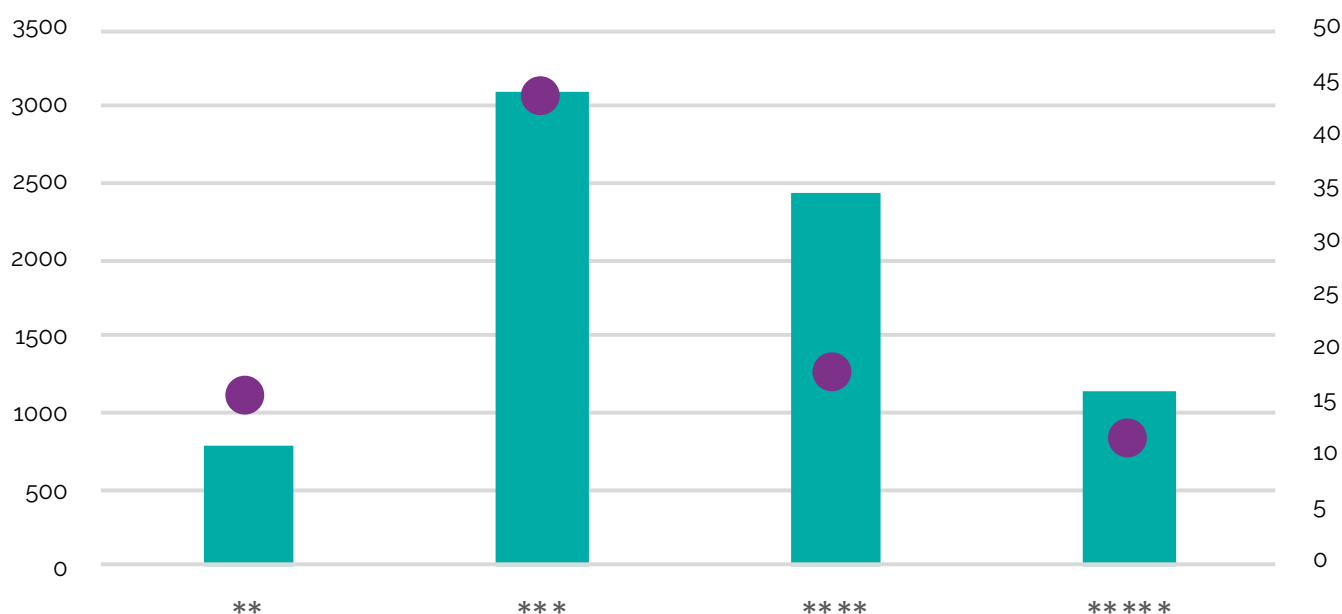


15%
HOTEL ROOMS

TRICITY

HOTEL AND ROOM SUPPLY

NO. OF ROOMS NO. OF HOTELS



2019 HOTEL MARKET HIGHLIGHTS

- The first Radisson hotel in Europe was opened on Granary Island in Gdansk. This hotel is also the largest hotel investment in the Tricity.
- The Tricity market grew by ca. 630 new rooms in 4 hotels, and another ca. 2,000 is in the pipeline.
- Marriott International entered into a franchise agreement for a hotel under the Renaissance brand, which will open on Granary Island in 2021. Supernova Development Group is the investor.
- Polnord obtained a building permit for the Haffner Residence project in Sopot, which will include a hotel under the Crowne Plaza brand.
- Marvipol Development announced plans to develop a hotel project in Gdańsk at Chmielna street. The investment remains at the a conceptual stage.

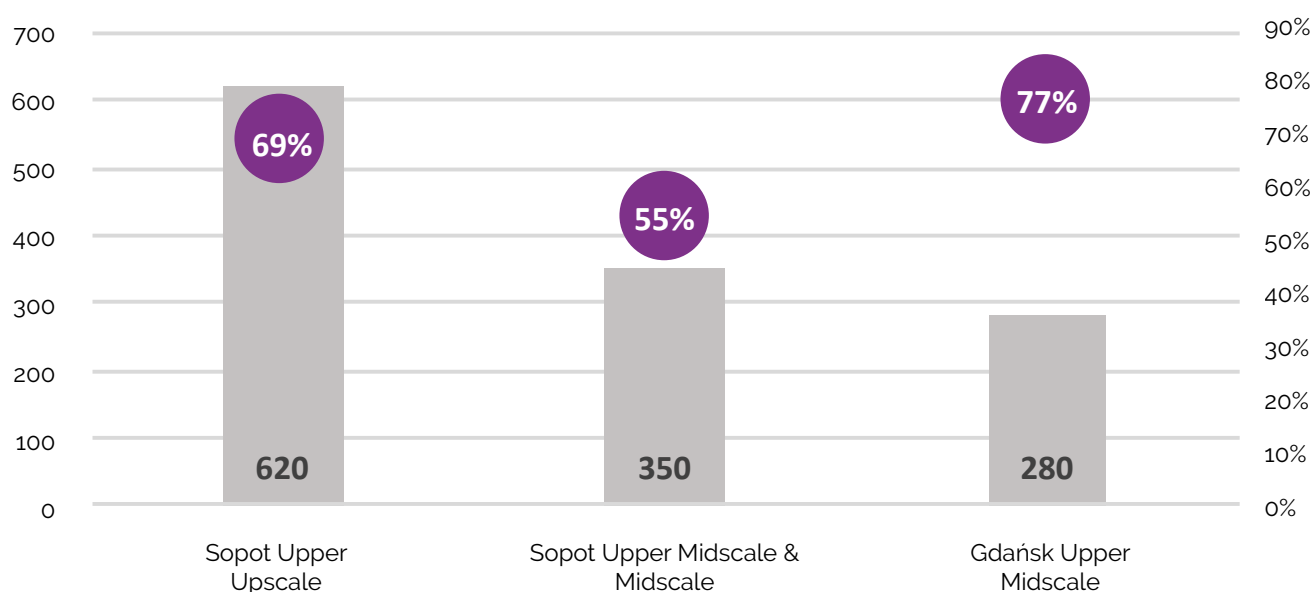


AVERAGE OCCUPANCY, ADR & REVPAR

TRICITY

ESTIMATED HOTEL RESULTS - 2019

ADR (PLN) OCCUPANCY%



The occupancy rate in Sopot's branded 5-star hotels was 69%, which was a better result than in 2018. Additionally, hotels from this segment noted even higher ADR growth, with the ADR at the level of PLN 620. All in all, this segment ended the year with RevPAR growth at the level of 7% year-over-year. Such an ADR level basically means a record on the Polish market in the upper upscale segment and thus increases the results recorded for the whole Tricity.

Whereas for hotels in the upper midscale & upscale segments in Sopot the ADR was only PLN 350, with an occupancy rate of 55%.

Analyzing results for the upper midscale hotels in Gdansk, we note that here the average daily rate amounted to almost PLN 280 with 77% occupancy. Despite significant competition in this segment, we observe an almost 6% increase in the RevPAR. In Tricity, the increase in room supply is offset by a simultaneous increase in demand and thanks to which this market still has not experienced a decline in revenues. The occupancy rate for this region is 69% with an ADR rate of PLN 330.



HOTEL INVESTMENTS COMPLETED, UNDER DEVELOPMENT, PLANNED

In total 4 hotels opened in 2019 adding an additional ca. 630 rooms to Tricity's hotel market. In Gdansk, 2 hotels opened on the Granary Island: Radisson Hotel & Suites and Holiday Inn Gdansk City Center and on the outskirts of Gdansk - the Platan Hotel. Whereas in Gdynia Śródmieście - Jakubowy Hotel from the 3-star segment opened. The greatest increase of hotel inventory is however forecasted for years 2020-2022. Regions of most intense investment activity remain the Granary Island and the Old Town in Gdańsk. In the upcoming three years over ten hotels, apart and condohotels are planned to open in Tricity, which will deliver close to 2 000 new rooms and apartments to the market.

New hotel openings in 2019

Hotel	Category	No. of Hotel Rooms	Hotel	Category	No. of Hotel Rooms
Radisson Hotel & Suites Gdańsk (Deo Plaza) I+II Phase	★★★★★	341	Jakubowy Hotel (Gdynia)	★★★	24
Holiday Inn Gdańsk City Center	★★★★★	236	Platan	★★★	28
Total Rooms			ca. 630		

Planned hotel openings in 2020-2023

Hotel	Category	No. of Hotel Rooms	Hotel	Category	No. of Hotel Rooms
Hotel Gdynia (al. Zwycięstwa)	★★★★★	80	Hotel Diament	★★★★★	150
Airport Hotel Arche	★★★	200	Grano Residence	★★★★★	136
Renaissance Gdańsk	★★★★★	250	Crowne Plaza Sopot	★★★★★	230
Radisson Blu Sopot	★★★★★	230	Holiday Inn Express Gdańsk Oliwa	★★★	210
Dwór Uphagena (Arche)	★★★★★	240	Staybridge Suites Gdańsk Oliwa	★★★★★	136
Sopotorium	★★★★★	110	-	-	-
Total Rooms			ca. 1 980		



In 2019, the Wrocław hotel market offered nearly 5 800 hotel rooms in 66 hotels. Approximately 63% of all existing hotel rooms were branded. 3-star rooms which constituted approximately 39% of the rooms supply prevailed in the city. The second largest segment was 4-star hotels. The 5-star segment accounted for approx. 16% of total hotel room supply in Wrocław.

THE HOTEL MARKET GREW BY CA. 600 HOTEL ROOMS & APARTMENTS



66
HOTELS



CA. 5 800
HOTEL ROOMS



63%
BRANDED HOTEL ROOMS



39%
HOTEL ROOMS



31%
HOTEL ROOMS

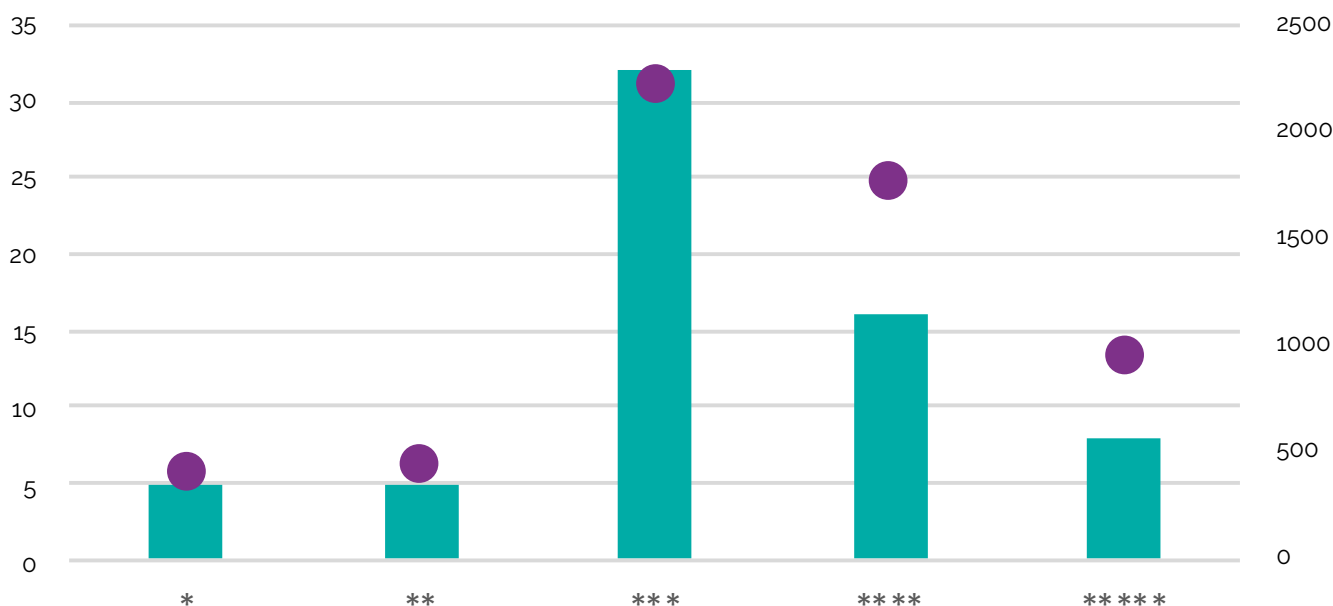


16%
HOTEL ROOMS

WROCLAW

HOTEL AND ROOM SUPPLY

NO. OF ROOMS NO. OF HOTELS



2019 HOTEL MARKET HIGHLIGHTS

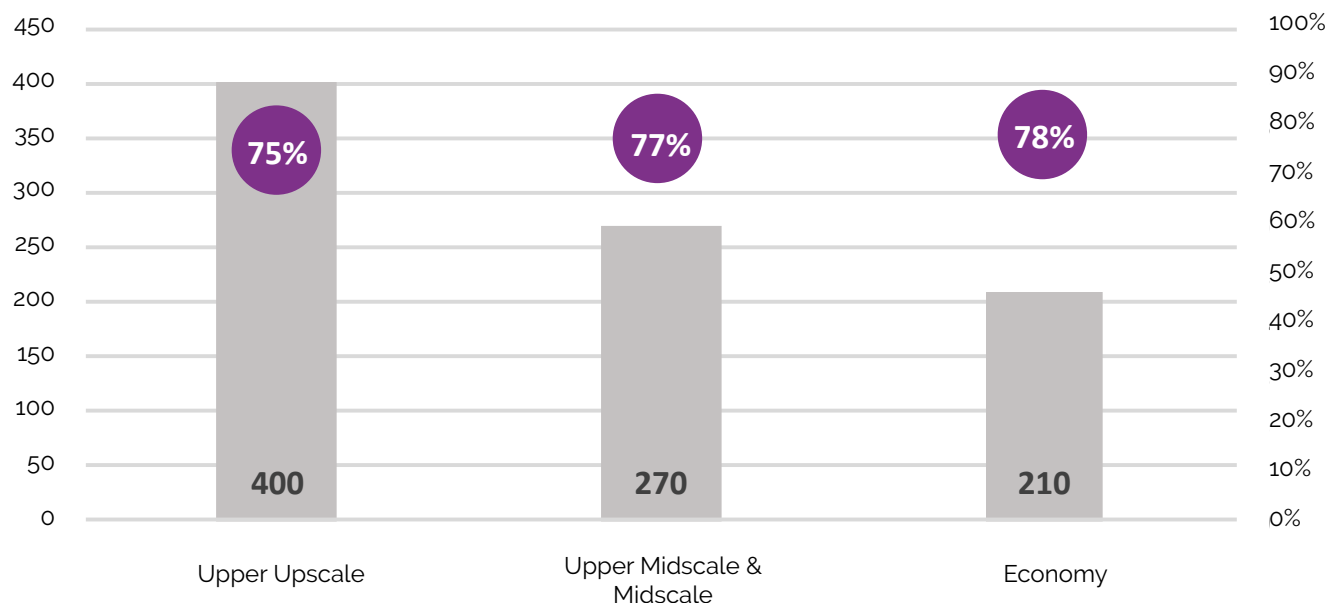
- In January, a 3-star ZOO Hotel opened near the Wrocław Zoo.
- Puro Hotels announced plans of opening of its second hotel with 337 rooms at Orląt Lwowskich 13-18 Square, near Świebodzki Station.
- An Austrian hotel group Vienna House announced plans to build the Vienna House Easy hotel with 240 rooms near the Wrocław Botanical Garden at Sienkiewicza street.
- The second in Poland hotel under the MGallery by Sofitel brand - The Bridge Wrocław - MGallery by Sofitel opened in Ostrów Tumski at 9 Katedralny Square.
- In July, a 3-star Korona Wrocław Market Square hotel with 115 rooms was opened, located in the Wrocław Market Square at 2 Oławska street.
- Traffic Hotel at Świdnicka street in 2-star standard was opened in November.
- IHG chain signed a franchise agreement with IMS Budownictwo to open a hotel in Wrocław at the end of 2021 under the Holiday Inn Express brand with 142 rooms.
- Best Western Premier Wrocław City located near the Main Railway Station opened in 4-star standard.
- The construction of Q Hotel in Bielany at Szwedzka street began. The hotel is planned to open in 2021 and will have about 209 rooms.

AVERAGE OCCUPANCY, ADR & REVPAR

WROCLAW

ESTIMATED HOTEL RESULTS - 2019

ADR (PLN) OCCUPANCY%



Wroclaw hotels recorded an increase of approx. 8% in RevPAR compared to 2018. For the entire market, the average annual occupancy rate was about 73%, and the ADR was about PLN 255. The ADR rate thus increased by around 6% compared to the previous year.

If we compare the selected comp set of upscale, midscale and economy segments, the highest growths were recorded for upper midscale & mid-scale hotels segment. In this category, the increase in RevPAR was reaching ca. 10%.

Hotels in the upscale category achieved a rate of ca. PLN 400, which resulted in RevPAR level at about PLN 300. This segment marked an equally impressive growth of 9% in RevPAR.

Hotels in the economy segment boasted an increase in occupancy rate to 78%, with an ADR rate of about PLN 210.

HOTEL INVESTMENTS COMPLETED, UNDER DEVELOPMENT, PLANNED

The hotel market in Wrocław was developing very rapidly in 2019. A total of 6 hotels have opened, including two condohotels (Best Western Premier and DB hotel). The market has increased by nearly 600 rooms, which is ca. 11% of the existing supply.

In total, there are at least 14 hotel investments under construction and planned, which means that the Wrocław market supply will increase by approx. 2000 new rooms in the next 3 years. As a result, by the end of 2023 the whole hotel market will grow by nearly 1/3.

New hotel openings in 2019

Hotel	Category	No. of Hotel Rooms	Hotel	Category	No. of Hotel Rooms
ZOO Hotel	★★★	50	Traffic	★★	36
The Bridge Wrocław – MGallery by Sofitel	★★★★★	184	DB Condohotel	★★★★★	149
Korona Wrocław Market Square	★★★	115	Best Western Premier Wrocław City	★★★★★	64
Total Rooms			598		

Planned hotel openings in 2020-2023

Hotel	Category	No. of Hotel Rooms	Hotel	Category	No. of Hotel Rooms
Hotel Nankiera 1	★★★★★	40	Aparthotel Studio Plac Dominikański	n/a	138
Altus Palace	★★★★★	81	Puro Hotel	★★★★/ ★★★★★	337
Blue Sky Hotel	★★★★★	107	Vienna House Easy Wrocław	★★★	240
Q Hotel Bielany Wrocławskie	★★★★★	209	Holiday Inn Express Wrocław South	★★★	142
Arche Airport Hotel	★★★	120	Hampton by Hilton Airport	★★★★★	100
Arche Klasztor	n/a	83	Grand Hotel	★★★★★	172
Hotel Lothus – enlargement	★★★★★	105	Indigo Wrocław Old Town		92
Total Rooms			1 966		

POZNAŃ



There are approximately 4 400 hotel rooms located in 69 hotels in Poznań. 59% of hotel rooms operate under a global, regional or national hotel brand. Hotel rooms positioned in the 3-star segment constitute approx. 44% of all hotel rooms in the city, of which 30% represent a global brand. Among the second largest group, which are 4-star hotel rooms, 53% of hotel rooms belong to a global hotel chain.

THE HOTEL MARKET GREW BY CA. **430** HOTEL ROOMS & APARTMENTS



69
HOTELS



CA. 4 400
HOTEL ROOMS



59%
BRANDED HOTEL ROOMS



44%
HOTEL ROOMS



39%
HOTEL ROOMS

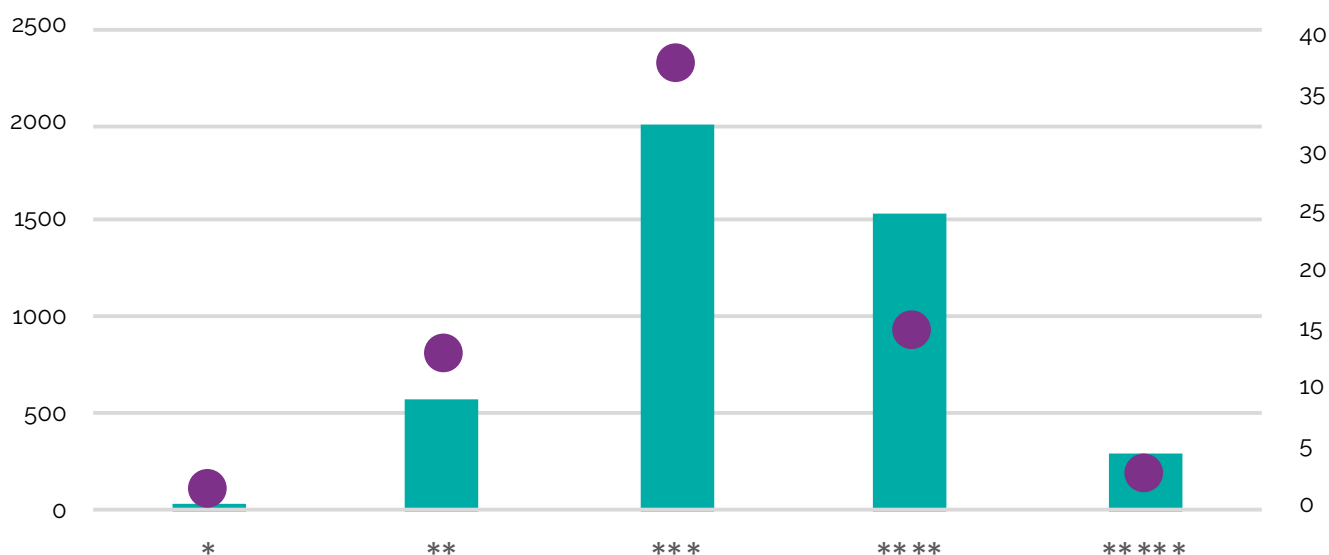


7%
HOTEL ROOMS

POZNAŃ

HOTEL AND ROOM SUPPLY

NO.OF ROOMS NO.OF HOTELS



2019 HOTEL MARKET HIGHLIGHTS

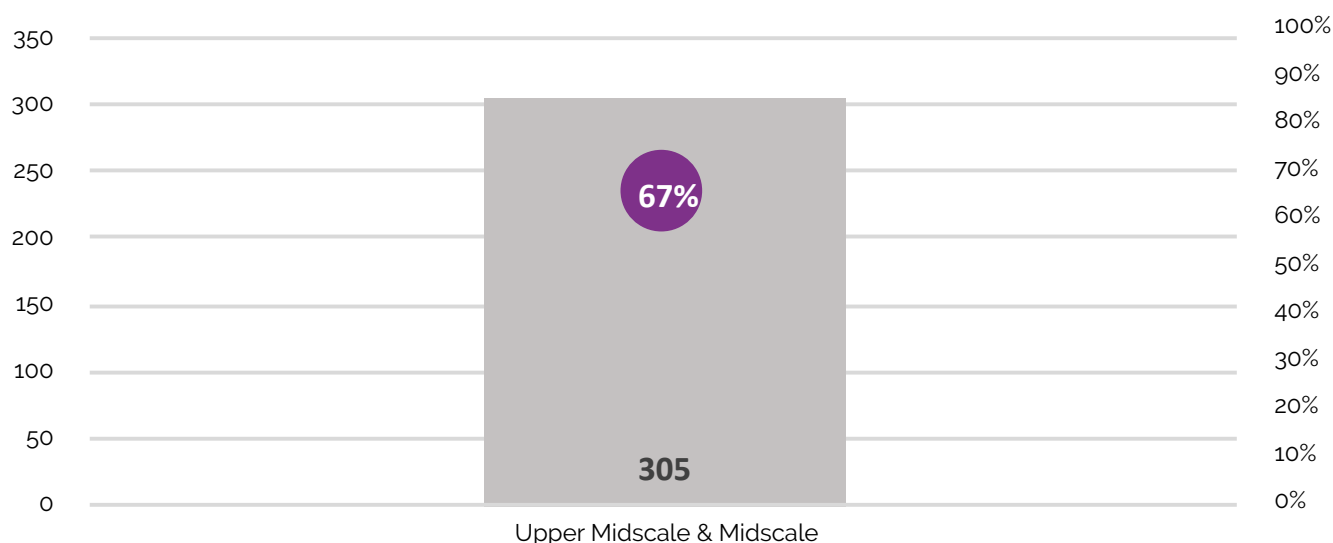
- In March another Hampton by Hilton opened in Poland – Hampton by Hilton Poznań Old Town;
- In November the third hotel under Marriott's lifestyle Moxy brand opened by the Poznań-Ławica Airport;
- The Novotel & ibis Poznań Centrum complex was fully opened after 3 years of modernization; The ibis economy hotel, which occupies the first 6 floors of the dual branded property welcomed its first guests in Q1 2019. 4-star Novotel occupying 9 remaining floors opened in 2018,
- The Spanish Barcelo chain signed a letter of intent with Structure Capital to open a hotel under the Occidental brand at Zielona street.
- In March plans to rebuild the Kupiec Poznański were announced. As a result next to modernized office space and a shopping center a new hotel wing, will be added & will be occupied by a AC by Marriott hotel.

AVERAGE OCCUPANCY, ADR & REVPAR

POZNAŃ

ESTIMATED HOTEL RESULTS - 2019

ADR (PLN) OCCUPANCY%



After last year's increases there was a reversal of the trend and Poznań recorded one of the highest declines in the market. The drop in the RevPar index by approx. 8% was due to lower occupancy and ADR rates compared to 2018. Finally, for the upper midscale & upscale market, Poznań records an almost 67% occupancy with a ADR of PLN 305. Compared to the average for this market, hotels in this segment perform significantly better.

HOTEL INVESTMENTS COMPLETED, UNDER DEVELOPMENT, PLANNED

In 2019 three new hotels opened in Poznań, enriching the market with approx. 430 hotel rooms. After a fully completed thorough modernization of the former Novotel hotel, ibis Poznań Centrum with 190 rooms in 3-star standard began to operate, occupying the first 6 floors of the dual branded property. In 2020 Edison Park Hotel with 63 new rooms is scheduled for opening.

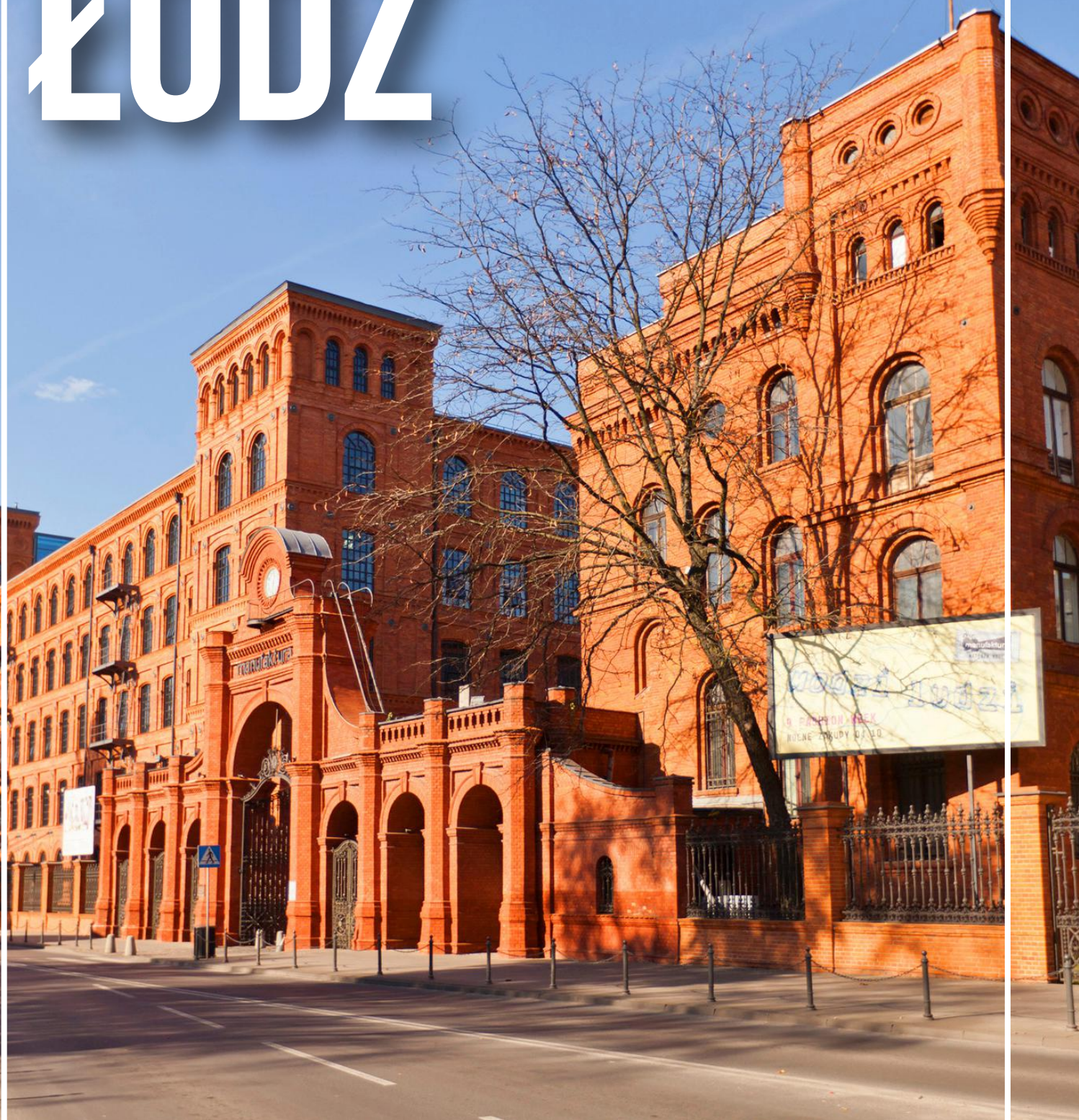
New hotel openings in 2019

Hotel	Category	No. of Hotel Rooms	Hotel	Category	No. of Hotel Rooms
Hampton by Hilton Poznań Old Town	★★★	117	Moxy Poznań-Ławica	★★★	120
ibis Poznań Centrum (effect of the modernization of former Novotel hotel)	★★★	190	-	-	-
Total Rooms			427		

Planned hotel openings in 2020-2022

Hotel	Category	No. of Hotel Rooms	Hotel	Category	No. of Hotel Rooms
Sure Hotel by Best Western	n/a	40	Aparthotel Studio Plac Dominikański	★★★★	n/a
Holiday Inn Express Poznań Airport	★★★	ca. 110	Puro Hotel	★★★★	150
Authors Boutique Hotel	n/a	20	Vienna House Easy Wrocław	★★★★	217
Edison Park Hotel , BW Premier Collection	★★★★	63	-	-	-
Total Rooms			600		

ŁÓDŹ



There are 34 hotels operating in Łódź. Among ca. 3 190 hotel rooms, close to 51% belong to a hotel chain. There are no hotels in the 5-star category, while the supply of hotel rooms representing the 3- and 4-star segments is at a similar level. 3- and 4-star rooms account for roughly 36% and 39% of the total hotel room supply in Łódź respectively.

THE HOTEL MARKET GREW BY CA. 130 HOTEL ROOMS & APARTMENTS



34
HOTELS



CA. 3 190
HOTEL ROOMS



51%
BRANDED HOTEL ROOMS



36%
HOTEL ROOMS



39%
HOTEL ROOMS

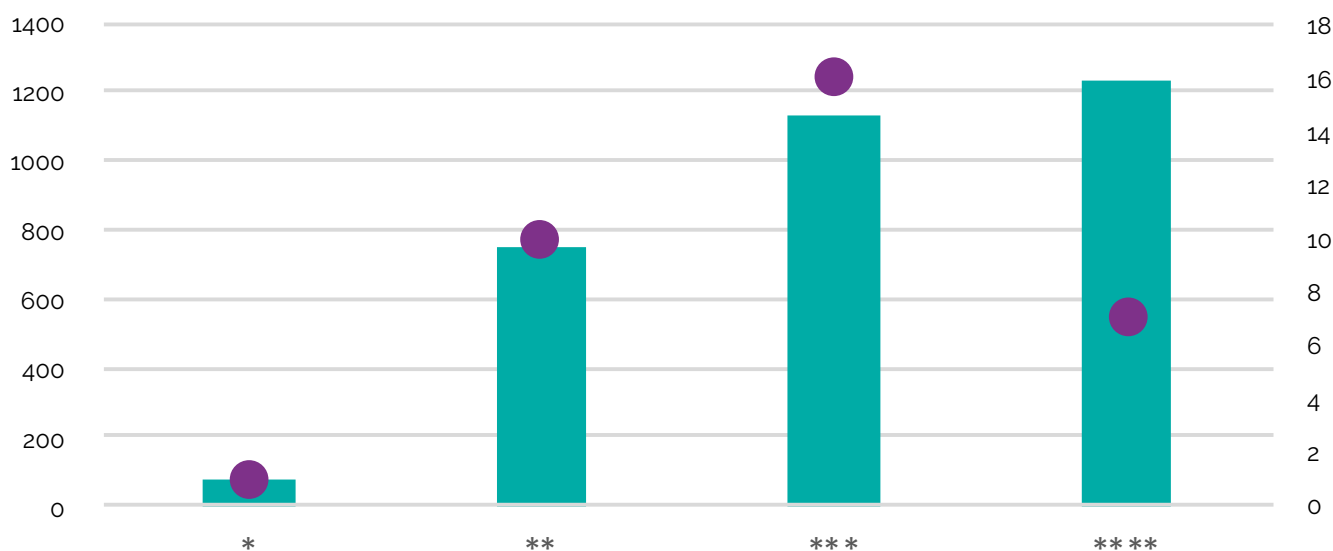


0%
HOTEL ROOMS

ŁÓDŹ

HOTEL AND ROOM SUPPLY

NO.OF ROOMS NO.OF HOTELS



2019 HOTEL MARKET HIGHLIGHTS

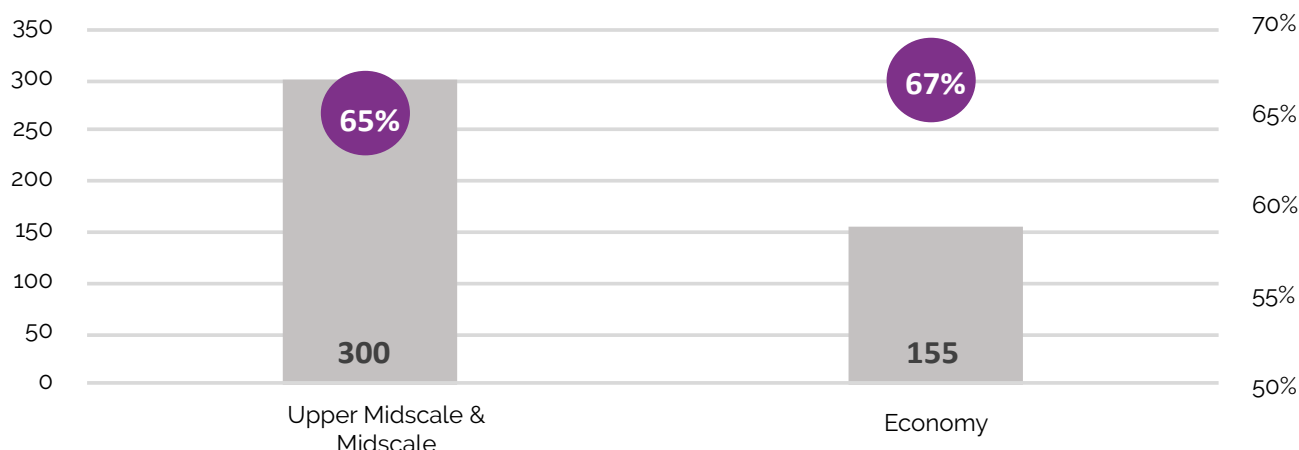
- Puro Łódź with 130 rooms opened, which is the 7th hotel of this chain in Poland.
- The Grand Hotel at 72 Piotrkowska Street is undergoing renovation works & is planned to open in 2021 as a 5-star property.
- The revitalization of the Polonia Palast Hotel has also begun, where the standard of rooms will be changed from 2 to 3 stars. The renovation works will take approx. 3 years.
- Vienna House Andel's Łódź celebrated its 10th anniversary. The facility prides itself on being one of the most recognizable hotels in Poland. Thanks to the "Andel's Art" project, it is also a patron of art.

AVERAGE OCCUPANCY, ADR & REVPAR

ŁÓDŹ

ESTIMATED HOTEL RESULTS - 2019

ADR (PLN) OCCUPANCY%



In terms of revenue growth dynamics, Łódź ranked first in Poland in the economy segment. Year-over-year the RevPAR of hotels in this segment increased by approx. 10%. The occupancy rate in this segment increased by over 2% year-over-year and averaged almost 67%. For upper-midscale hotels with a daily rate of over 300 PLN, the RevPAR index amounted to over PLN 190 and was over 3% higher than a year ago. The development of the hotel market in this city depends mainly on further development of the BPO sector. Łódź together with Szczecin and Wrocław noted the highest growth of the RevPar index in 2019. When it comes to Łódź, the 8% RevPAR growth was mainly driven by an increase in the ADR, with the occupancy rate remaining at the same level as in 2018.

HOTEL INVESTMENTS COMPLETED, UNDER DEVELOPMENT, PLANNED

In 2019, Puro Łódź Centrum opened at Ogrodowa street, whereas the Grand Hotel has been closed down for modernization purposes. After a thorough renovation and revitalization of this 19th century building, the hotel will be the first 5-star hotel in Łódź. In 2020, the long-awaited Hampton by Hilton at Piotrkowska street will open. 4-star hotel is in the planning stage at Piotrkowska Street, which will be built as a result of the reconstruction and extension of the existing office building. In the former Provincial Rheumatology Clinic at Manufaktura a hotel is being built, which will offer 67 rooms.

New hotel openings in 2019

Hotel	Category	No. of Hotel Rooms
Puro Łódź Centrum	★★★★	130
Total Rooms		130

Planned hotel openings in 2020-2022

Hotel	Category	No. of Hotel Rooms	Hotel	Category	No. of Hotel Rooms
Hotel in former synagogue at Pomorska St.	★★★	129	Center Hotel at Piotrkowska St.	★★★★	156
Hampton by Hilton	★★★★	149	Globally branded hotel (Nowe Centrum Łodzi – Ghelamco Poland)	★★★	ca. 166
Hotel Legs	★★★	67	Grand Hotel	★★★★★	200
Hotel Pietryna	★★★	61	-	-	-
Total Rooms					ca. 930

KATOWICE



The hotel market in Katowice is dominated by 4-star hotel rooms as ca. 53% of rooms in the city represent this segment. In total there are 20 hotels offering approx. 2 130 rooms. 2-star hotel rooms are the second largest segment – they constitute ca. 19% of the market share. 3-star hotel rooms account for roughly 17% of the room supply. Branded hotels constitute roughly 84% of all rooms in the city.

THERE WERE NO HOTEL OPENINGS IN 2019



20
HOTELS



CA. 2 130
HOTEL ROOMS



84%
BRANDED HOTEL ROOMS



17%
HOTEL ROOMS



53%
HOTEL ROOMS

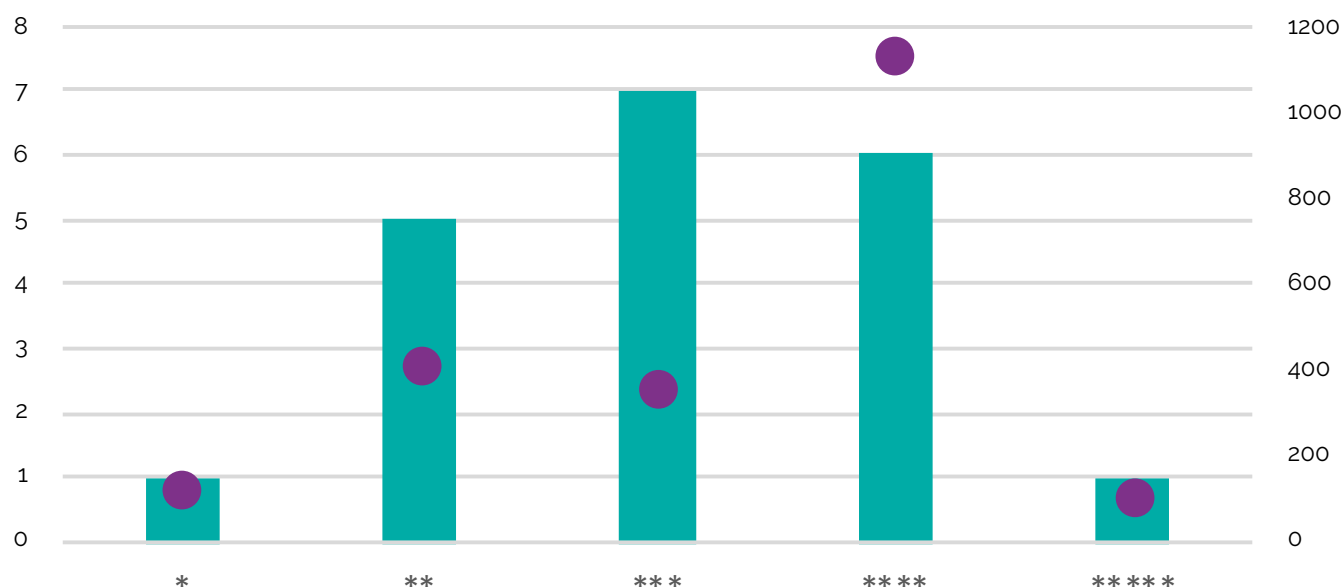


5%
HOTEL ROOMS

KATOWICE

HOTEL AND ROOM SUPPLY

NO. OF ROOMS NO. OF HOTELS



2019 HOTEL MARKET HIGHLIGHTS

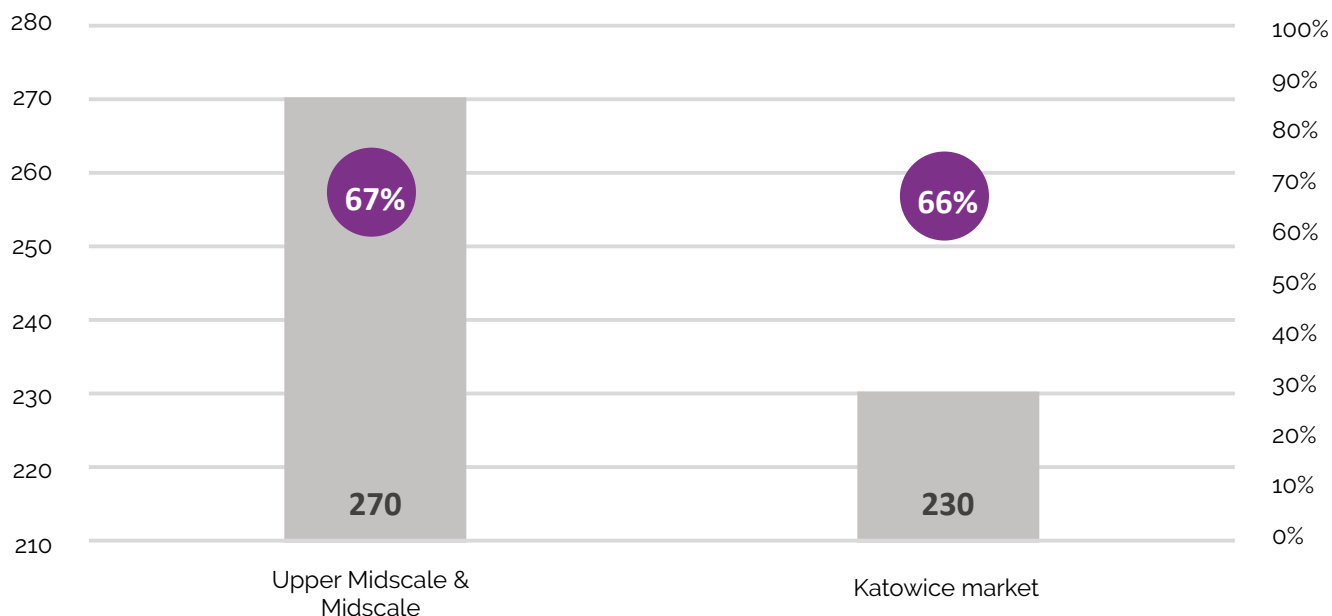
- Enlargement and revitalization of the Diament Plaza Katowice hotel at Dworcowa street started in 2019 and will last until 2020. After completion the hotel will offer 135 rooms.
- Renovation of Campanile Hotel at Sowińskiego street completed in May 2019. Currently the building offers 77 rooms and three conference rooms in the 3-star standard.
- The Vastint company has completed the demolition of the former Silesia Hotel at Skargi street. The company plans building the Nova Silesia office complex together with a 3-star chain hotel with 144 rooms.
- The Qubus hotel chain has received a building permit for a 4-star hotel at Moniuszki 2 street, near the Silesian Museum. The facility will have 97 rooms and the opening is scheduled for spring 2021.
- In August, UBM Development started the construction of the Mercure Hotel by the PKP Central Railway Station with 268 rooms. The hotel will open at the end of 2020.
- In October, Genfer Hotels began construction of the Puro Hotel on Korfantego avenue, in the Katowice's city center. The hotel will have 246 rooms.
- Katowice hosted numerous mass events, including: Intel Extreme Masters (174 000 visitors), the European Economic Congress (15 000 participants), European Start-up Days (2 5000 guests), the European Congress of Small and Medium-Sized Enterprises and the Fifth World Anti-Doping Conference (2 000 visitors).

AVERAGE OCCUPANCY, ADR & REVPAR

KATOWICE

ESTIMATED HOTEL RESULTS - 2019

ADR (PLN) OCCUPANCY%



In 2019, Katowice recorded a similar level of RevPAR comparing to 2018, when the city hosted the COP24 Climate Summit. ADR for 4-star hotels was around PLN 270, while the occupancy rate remained at around 67%. For all categories, the average daily rate was around PLN 230 with an occupancy rate of almost 66%.

HOTEL INVESTMENTS COMPLETED, UNDER DEVELOPMENT, PLANNED

Katowice has 20 hotels with just above 2 100 rooms. It is a small market with slow demand growth and high dynamics of ADR growth, which confirms the business nature of this destination with a slowly growing segment of individual tourism. There are currently ca. 1 200 rooms in the effective pipeline, which will result in a 50% growth in rooms supply. The hotel market benefits from the development of the MICE sector in the city, as well as thanks to the active role of many parties from both the private and public sectors, the city is transforming into a city of music and culture.

New hotel openings in 2019

Hotel	Category	No. of Hotel Rooms
Campanile (after renovation)	★★★	77
Total Rooms		77

Planned hotel openings in 2020-2022

Hotel	Category	No. of Hotel Rooms	Hotel	Category	No. of Hotel Rooms
Hotel Diament Plaza Katowice - enlargement	★★★★★	135	Hotel by Skargi street - former Hotel Silesia	★★★	144
Mercure Katowice City Center	★★★★★	268	Hotel Qubus	★★★★★	97
Puro Katowice	★★★★★	246	Kyriad + Premiere Classe	★★★★/★	204
Total Rooms					1 094

HP & HPMG 2019 NEWS HIGHLIGHTS

JANUARY

MOXY WARSAW PRAGA

Located within the Centrum Praskie Koneser complex – Moxy Warsaw Praga managed by Hotel Professionals Management Group, greeted its first guest as the first hotel under the Moxy brand in Warsaw and second in Poland.

MARCH

HYATT PLACE KRAKÓW

Hyatt Hotels Corporation concluded a franchise agreement with 3M Hotels Group for the opening of the Hyatt Place Kraków hotel. This means the return of the chain in to Poland's market. Hotel Professionals represented the investor in franchise agreement negotiations and Hotel Professionals Management Group was selected the management company of the hotel. The hotel will offer 216 rooms and will open in 2021.

SEPTEMBER

HOLIDAY INN EXPRESS WROCLAW SOUTH

On September 19, 2019 the IHG chain, during the Investor's Day at InterContinental Warsaw hotel, concluded a franchise agreement with IMS Budownictwo and Hotel Professionals Management Group as the selected operator. Hotel Professionals advised the investor during the brand selection phase and in negotiating the agreement terms. The new Holiday Inn Express Wrocław South hotel will open by the end of 2021.

DECEMBER

MANAGEMENT AGREEMENT WITH IMS BUDOWNICTWO

IMS Budownictwo and Hotel Professionals Management Group concluded a management agreement for business and operational advisory during the construction phase and the operational management during pre-opening and post-opening phases for the Holiday Inn Express Wrocław South hotel.

FEBRUARY

RADISSON RED WARSAW

The Radisson Hotel Group announced plans to open the Radisson RED Warsaw hotel. The Hotel Professionals team represented the investor – Golub GetHouse in the process of negotiating the business terms of the lease agreement.

MAY

AUTOGRAPH COLLECTION WARSAW

In May 2019 Budizol officially announced the realization of the hotel under the Autograph Collection brand in Warsaw. The investment is based on the adaptation of historic elements of the Branicki and Szaniawski Palace into a unique and directed towards the most demanding guests hotel product. Budizol, represented by Hotel Professionals concluded a franchise agreement with Marriott International in October 2016.

ROYAL TULIP WARSAW APARTMENTS

Marvipol Development, based on a franchise agreement with Louvre Hotels Group, announced the realization of the first in Poland and Europe property under the Royal Tulip brand. Hotel Professionals supported in the investor in preparing the conceptual project and selecting the brand, and further represented the company while negotiating business terms of the franchise agreement with Louvre Hotels Group.

OCTOBER

HOTEL SERVICE PROVIDER OF THE YEAR IN POLAND & CEE AWARD

Hotel Professionals Management Group received the Hotel Service Provider of the Year in Poland & CEE award during the CEE Investment Awards organized by Europa Property.

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As is customary with market studies and forecast projections our findings should be regarded as valid for a limited period and should be subject to examination at regular intervals.



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