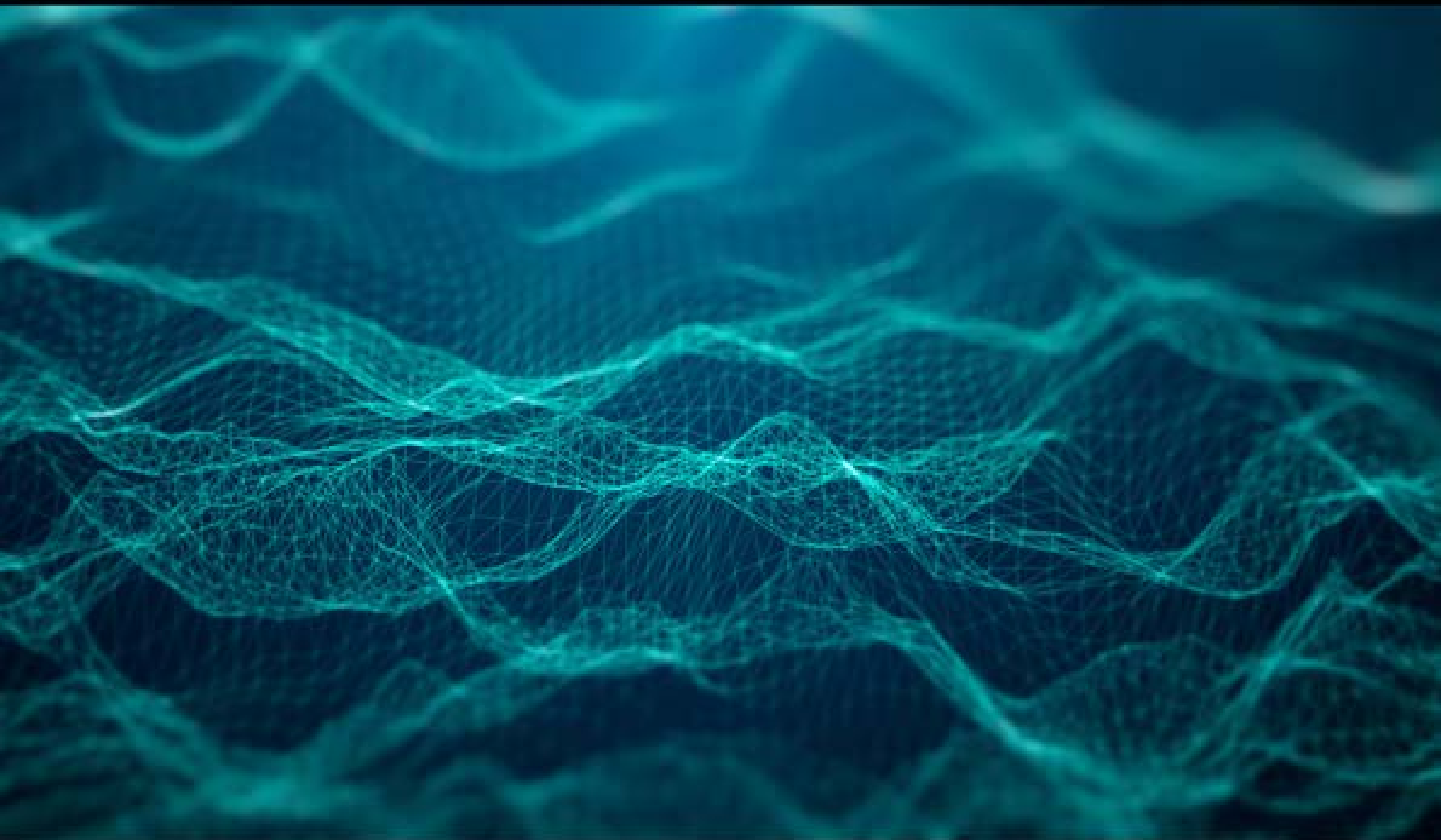
2024 HOTEL MARKET IN POLAND

YEAR-END REPORT



Hotel Professionals

Advisory + Management Services

Shake, Rattle, & Roll

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The art of predicting and forecasting the future has always been a challenge. However, I think we can all agree that over the past 5 years, it is virtually impossible, so any forecast, including this one, should be approached with extreme caution.

SHAKE, RATTLE & ROLL

- Alex Kloszewski

A Decade of Hotel Professionals Advisory: Ten Years of Trends, Results, and Forecasts in the Hospitality Industry

In celebration of the 10th anniversary of Hotel Professionals Advisory & Management's inaugural annual market report, we are marking this year's edition in a distinctive manner.

We take immense pride and gratitude in having supported hotel owners, developers, investors, and banks in confidently navigating the evolving Polish market for a decade.

This year, we hope our report will continue to offer you valuable and practical insights, assisting you in your future planning.

Happy reading!

Decade of Resilience and Exceptional Growth

Over the past 10 years, Poland's hotel sector has made remarkable progress, increasing its room inventory by 40% — from 120,000 to 170,000. This translates to an average annual increase of 5,000 rooms, which is evidence of the industry's resilience and vitality, despite grappling with significant challenges such as:

- Global COVID-19 pandemic;
- War in Ukraine, which has been ongoing for over 1,000 days;
- Inflationary pressure and severe disruptions in the supply chain;
- Increase in loan costs;
- and many, many others.

Thanks to extraordinary resilience and flexibility, the hotel sector in Poland has become stronger, laying the foundations for further growth and development. Investors are waiting in the starting blocks, particularly for an improvement in financing parameters, and although investment conditions are still not optimal, the readiness to start is clearly visible in the intensive preparations of projects.

Strategic Outlook for 2025:

Key Challenges:

- Soaring costs: Energy, wage, and operational expenses are expected to increase by 25-35% annually.
- Economic pressure: Inflation remains a concern, with its rate in Poland still exceeding the European Union average.
- EU regulations related to sustainable development impose enormous demands on various sectors of the economy. Although the idea itself is sound, it comes with significant financial burdens, which in turn leads to a substantial increase in costs and a decline in global competitiveness.

Key Opportunities:

- EU Recovery Fund: Poland has received 6 billion euros, with an additional 9.4 billion euros expected. These funds, primarily allocated for energy transformation, sustainable development, and infrastructure, promise long-term economic benefits.
- Improvement of relations with the EU: Strengthening ties following the recent elections in Poland will contribute to greater economic stability and cooperation.
- Economic growth: The National Bank of Poland forecasts GDP growth of 3.8% in 2025, driven by strong domestic demand and rising wages.
- Conclusion of the war in Ukraine: With the anticipated intervention from the USA, the end or at least a suspension of the conflict is becoming increasingly realistic.
- Presidential elections: This year's presidential elections provide an opportunity for the stabilization of the Polish political scene and greater predictability in government actions.

Conclusions, forecasts and recommendations

In 2024, the main hotel markets in Poland - Tri-City, Kraków, Poznań, Wrocław, and Warsaw - showed promising growth:

- Occupancy (OCC): +4%;
- Average Daily Rate (ADR): +2%;
- Revenue per Available Room (RevPAR): +6%;

Strategic goal: Aggressive pursuit of ADR growth, as exceeding a certain price level is estimated to bring an additional 50-60% revenue to GOP. This approach is crucial for maintaining profitability.

Modernization of hotel infrastructure in Poland

The year 2025 is a milestone for many Polish hotels celebrating their 10th anniversary. With increasing competition and changing market demands, owners will need to:

- Invest in modernization and renovations to remain competitive;
- Focus on modern interior design, current IT solutions, and investments related to energy efficiency and sustainability;
- Prioritize the allocation of capital expenditures aimed at improving the comfort of guests as well as employees, and the operational efficiency of the facility.

Conversions of commercial space functions

There are increasingly more projects on the market that involve changing the function of commercial spaces. Although repurposing empty office buildings into hotels may seem attractive, technical and economic constraints often make such projects infeasibile. Such an investment requires in-depth analysis and a sober assessment by professionals. Optimal use of space, where almost every square meter generates income, is extremely important given the already high operating costs and high guest demands regarding comfort and flexibility of space, particularly in conference areas.

Key barriers:

- Structural and regulatory challenges, such as vertical installations and MEP systems, or compliance with fire safety regulations;
- High costs of adaptation, furnishing, and operational setup
- Limited potential ROI and IRR for investors.

MICE Sector: The Pearl in the Crown of Polish Hospitality

Poland's MICE (Meetings, Incentives, Conferences, and Exhibitions) sector continues to shine, solidifying the nation's position as a global hub. Climbing to 17th place in ICCA rankings, Poland demonstrates its growing prominence.

In 2024:

- the share of corporate events accounted for 83% of all events, with 78% taking place in hotels;
- Polish companies drove 53% of all MICE activities;
- Approximately 1.3 million people participated in incentive events, about 2.2 million in conferences and congresses, and around 3.1 million in exhibitions and fairs.

In 2025, the MICE sector will additionally benefit from Poland's 6-month presidency in the EU Council, which will run from January 1 to the end of June. Warsaw has already planned 25 EU Council events related to geopolitics, economy, energy, security, and Ukraine, as some of the main activities scheduled in the agendas. We anticipate that other Polish cities will also host numerous conferences and meetings due to the above.

Harnessing the Power of AI in Hotel Operations

The integration of AI is transforming the hospitality landscape, driving innovation and efficiency:

- Dynamic demand forecasting: Utilizing real-time data to optimize pricing and room availability;
- Automated revenue management: Algorithms enabling precise rate adjustments to maximize revenue;
- Operational efficiency: AI tools streamlining payroll management, supply chain, and systems;
- Sustainability initiatives: Optimizing energy consumption through smart sensors and monitoring integrated with BMS/HVAC systems;

These advancements position the Polish hotel sector at the forefront of innovation.

No brand? and the alternatives

To understand the importance of hotel profitability today, it is important to put things in perspective. Location, demand, product quality, supply and competition, as well as a reliable and responsible sponsor (owner) are traditional elements that play a significant role in the financial stability of hotel investments.

In recent years there have been an increasing number of projects where investors are hesitant to work with an international brand because of long-term commitments. In some cases, it is international brands that may choose not to flag specific projects.

Due to rapid technological development, such investors now have a much greater opportunity than just a few years ago to successfully develop their projects under an individual brand. This is because an increasing number of tools are available that can help ensure effective and profitable hotel management. In addition to working directly with online travel agencies (OTAs), there are many worthy platforms to consider, such as Guesty, Loudbeds, Lodgify, Hostfully, Hosthub, Profitroom, or Visitor.

However, it is always advisable for investors to have prior experience in the hospitality sector or to hire a professional operator.

It's important to recognize that the significance of hotel branding varies across locations and projects. Before making a final decision, it should be carefully analyzed and thoroughly considered. Additionally, obtaining financing in the Polish hotel industry can be more challenging without a global brand, an experienced operator, and a reputable sponsor who has established banking connections.

A Vision for 2025: Aspirations and Initiatives

With strategic planning, innovation, and collaboration, Poland's hotel industry is poised for another decade of resilience and success. Together, we can navigate uncertainties and seize opportunities to shape a brighter future.

Big hopes for 2025

- Peaceful resolution of global conflicts, including in Ukraine;
- Comprehensive recovery plan for Ukraine, similar to the modern Marshall Plan;
- Increased geopolitical stability and cooperation within the EU;
- Introduction of hotel REITs in Poland to attract global investors;
- Development of Poland's tourism brand with strong global marketing initiatives.

Special comment

In connection with the recent reports about the submission of restructuring applications by companies belonging to significant players in the Polish condo market just before the release of this report, we feel it is our duty to address this news.

As in previous reports, we want to emphasize that the only model ensuring security for all parties is a balanced model. It should always take into account:

- Excellent location and a unique, efficient product that will become a market leader upon opening;
- The experience of the developer, who should be well-informed about all the strengths and weaknesses of the project, opportunities, and especially possible threats at the implementation stage and the life of the investment after opening;
- The experience and reliability of partners, including the architect, general contractor, and the management company, whose experience is crucial for the effective operation of the hotel;
- Realistic expectations regarding the investment, including "turnkey" costs, potential delay costs, the amount of initial equity to support project profitability, condo sales strategies, expected margins, real estimated sales prices of condo units, business conditions for buyers, etc.;
- Clear, fair, and transparent communication during the construction phase of the investment and the sale of apartments.
- We not recommend any form of guaranteed income or promises of a fixed percentage return on investment. Today, we already have several disappointing examples of such settlements with buyers.
- The ideal WIN-WIN formula should include a hybrid approach, allowing the investor/developer to effectively manage risk. This could involve, for example, a percentage of total revenues combined with a percentage of adjusted gross operating profit (AGOP) of the hotel.
- It is also important to remember that monthly inflows to buyers' accounts are not the only benefit of the investment. The property itself, if it meets the above conditions, appreciates in value and can be resold for a profit after a few years.

Alex Kloszewski
Partner Zarządzający
Hotel Professionals & Hotel Professionals Management Group

Hotel Market in Poland in 2024.

Key market highlights

- In 2024, Warsaw became the leader among Poland's largest cities in terms of achieved occupancy levels, but in terms of average price and RevPAR it gave way to the Tri-City. ADR at the end of the year in Warsaw was ca. PLN 415 (PLN 7 more than in 2023), but the increase was no longer as spectacular as in 2023, where ADR rose by PLN 56. Occupancy in 2024 reached ca. 74.3%, and RevPAR reached ca. PLN 309. Warsaw achieved the best occupancy results in September (84%) and October (83%). The city with the second highest occupancy in Poland in 2024 was Cracow, holding the third position in terms of ADR and RevPAR after Tri-City and Warsaw.

- According to the Central Statistical Office, in the first half of 2024, the number of tourists at tourist facilities rose to 16.9 million, up 3.4% from 2023. The number of overnight stays rose to 41.3 million, which was 2.4% more than last year. Among the total number of overnight tourists in the first half of the year, 80.5% were domestic tourists (13.6 million) and 19.5% were foreign tourists (3.3 million), and compared to the same period in 2023, this was 3.1% and 4.8% more, respectively. The total number of foreign tourists was dominated by tourists from Europe - 2.8 million (84.3% of total foreign tourists). Among them, 23.2% were Germans (767.9 thousand), 11.7% Ukrainians (387.0 thousand), 9.6% visitors from the UK (316.5 thousand).

- According to the Ministry of Development and Technology, among the most attractive cities for tourists, Cracow is the most popular. Cracow was ranked among the top 100 European cities in 2023. Tourists are also keen to visit Lublin, which will become the European Capital of Culture in 2029, as well as Wroclaw or Zakopane and, of course, Warsaw. Poland's top tourist attractions according to The Guardian, included Torun with its "stunning panorama, gingerbread houses, Teutonic Castle and Copernicus memorabilia." Foreign readers also appreciated the Hel Peninsula with its clean beaches, Lodz with its Textile Museum, the colorful townhouses of Zamosc, Bialowieza National Park with its bison and lynx, Karkonosze National Park, the peaks of the Tatra Mountains or Katowice and the Silesian Freedom and Solidarity Center.

- Poles are increasingly willing to vacation in the off-season. For several years now, an increasing percentage of Poles have been shifting their vacation to June and September. This fact is the result of a combination of long and - already or still - warm days and smaller crowds with more favorable prices. In 2024, bookings for June dates were as much as 8.5% more than for July, while September is now chosen by a similar number of customers as August. This year, the number of transactions for July/August was 1.42% lower than in 2023 and 1.46% lower than in the 2022 season, according to Travelist. The Polish coast was still the most popular destination in the summer. Seaside vacations were chosen by 42% of bookers. This is 3 p.p. more than a year ago. The second most popular was the mountains - chosen by 31% of Poles.

Key market highlights

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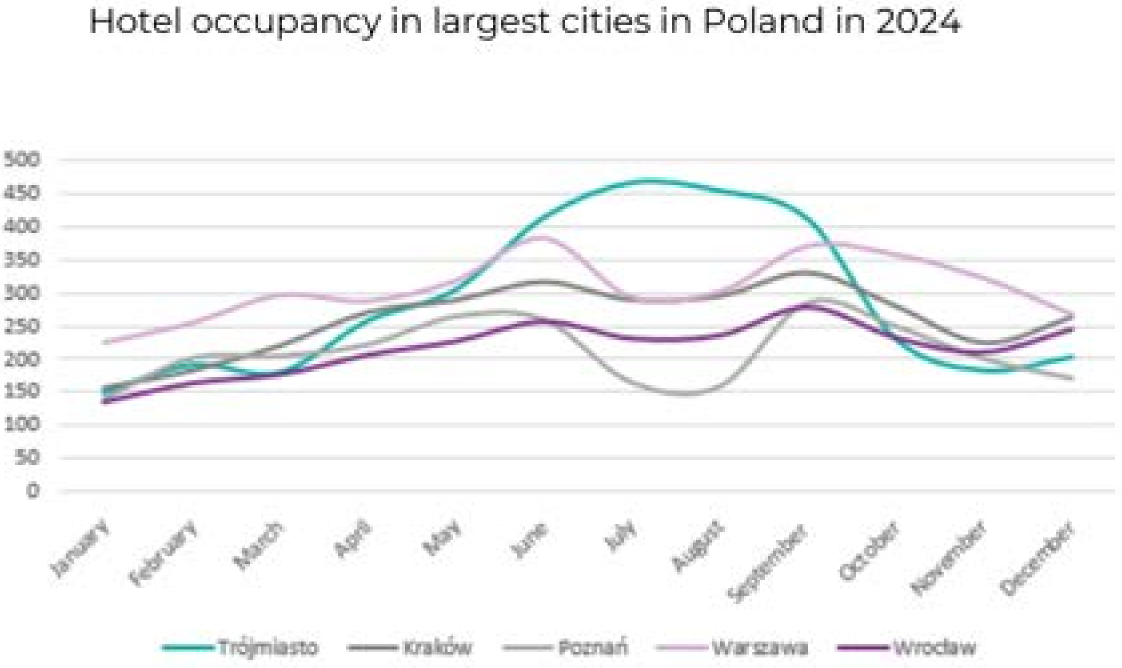
- In September, Lower Silesia was hit by massive flooding, which caused serious problems in the tourism sector. As a result of the disaster, many tourists have canceled their reservations and organized group trips to Lower Silesian destinations have been postponed. The situation is most difficult in the municipalities that were most affected, but the problem is also affecting hotel and guesthouse owners in regions that were not directly flooded. The impact of the floods is severe, as the lack of tourists negatively affects not only the hotel industry, but also other related services. It can take a long time to return to an earlier level of booking.

- By 2024, the MICE industry had already fully rebounded from the crisis caused by the COVID-19 pandemic, and the segment gained strength, although the pace of recovery varied by location. Warsaw was the fastest to return to stability, while Gdansk needed more time to recover. The trends noted in 2023 are still relevant. Customers increasingly value flexibility and the ability to tailor events to their individual needs. They expect personalized offers that include unique menus and a variety of activities. Meetings should be original and interesting. There is also growing interest in shorter trips to unique destinations near major cities, but away from the noise. Flexible booking and cancellation policies are key. Hotels are investing in modern technology, such as advanced audiovisual systems and mobile apps that facilitate hybrid conferences. Modern conference rooms and attention to sustainability are becoming important assets for customers. Increasing attention is also being paid to creating spaces conducive to networking, such as relaxation areas and additional attractions.

- Booking.com's platform has been added to the so-called access gatekeeper list under the EU's new Digital Markets Act. This means that Booking.com will be required to comply with stricter EU regulations, allowing hotels to offer the most favorable terms exclusively on their websites. This creates an opportunity for hotels to develop direct sales channels on terms favorable to them. The abolition of price parity, which forced the same prices to be published across all sales channels, went into effect on July 1, 2024. The new regulations restore hotels' control over pricing and distribution, allowing them to offer more attractive rates on their own platforms.

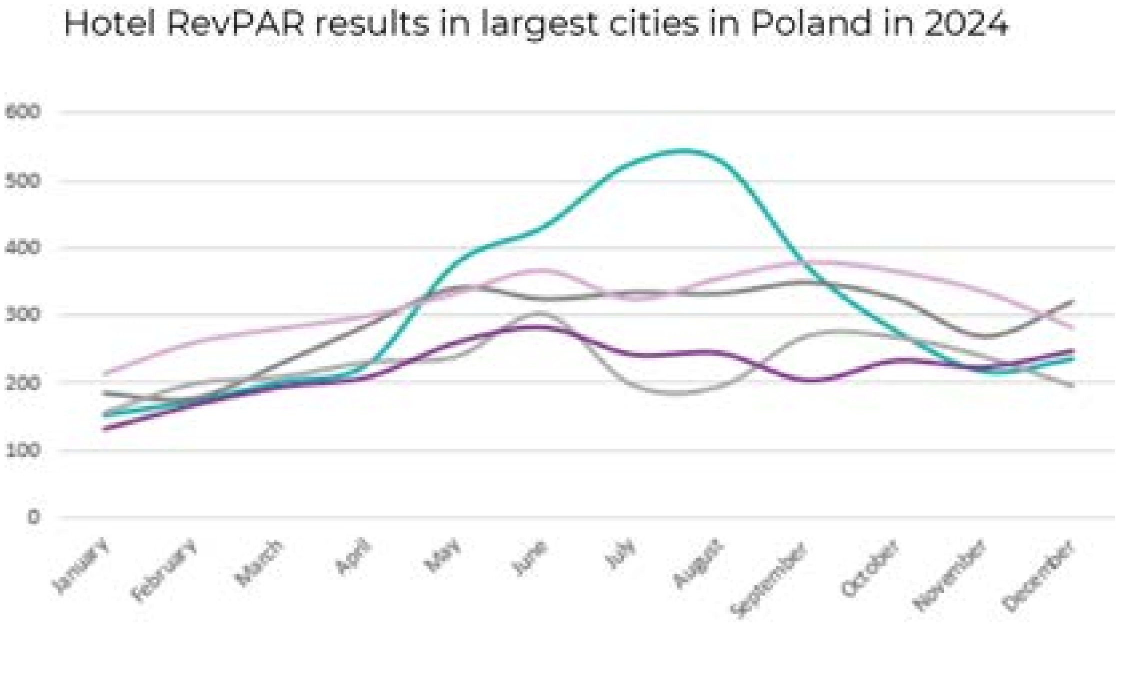
- On August 6, the Marriott International chain broke its contract to operate the Warsaw Marriott Hotel, under which the property had operated since 1989. The hotel was renamed the Warsaw Presidential Hotel. Thus, the iconic Warsaw Marriott Hotel ceased to be part of Marriott's portfolio of properties.

Estimated hotel performance



Source: Hotel Professionals Research Hub; STR Global

*based on branded hotels mainly



Source: Hotel Professionals Research Hub; STR Global

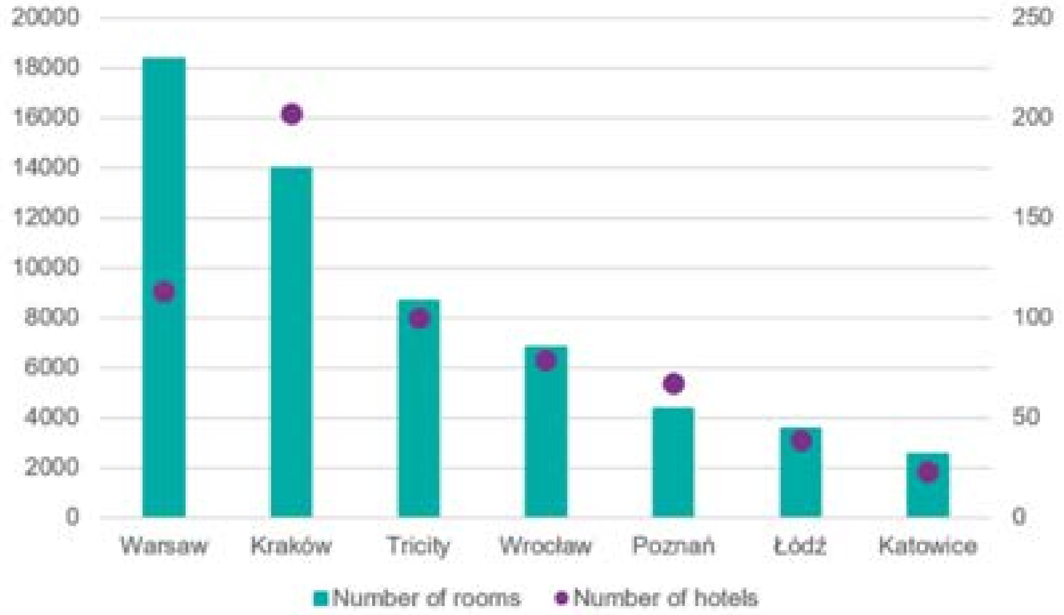
*based on branded hotels mainly

Supply structure

As of the end of 2024, there were about 3039 categorized hotels offering a total of more than 157 300 rooms.

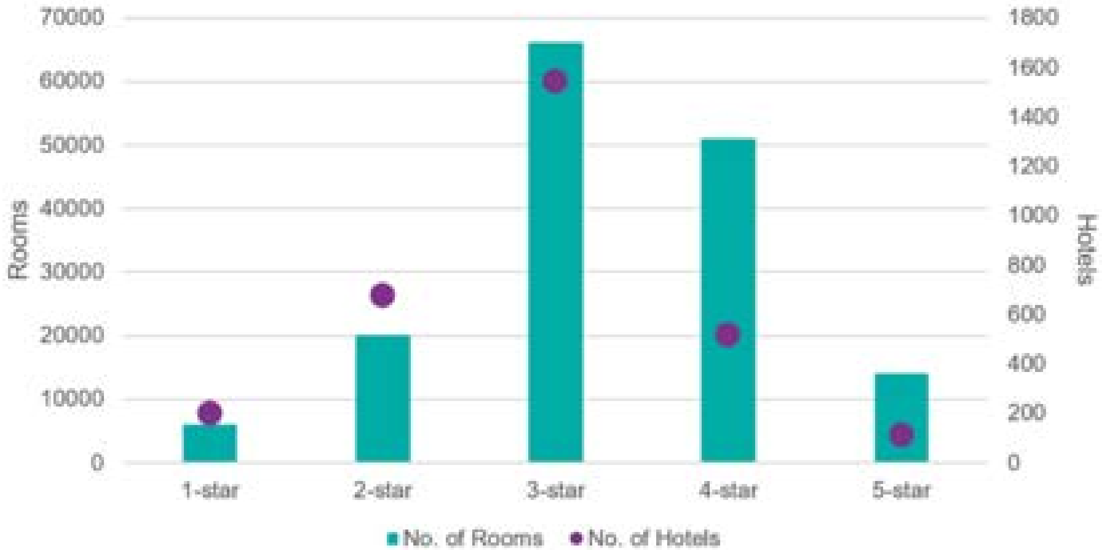
Approx. 42% of the rooms operate in the 3-star standard. The second most numerous category is 4-star rooms (about 32%), followed by 2-star rooms. 5-star rooms make up a small percentage of Poland's room supply, only about 9% of the total; however, there are more of them than rooms in 1-star hotels.

Hotel supply in selected cities in Poland in 2024



Source: Hotel Professionals Research Hub

Hotel supply in Poland by category in 2024



Source: Hotel Professionals Research Hub

New investments

24 new hotels with nearly 3,000 rooms entered Polish market in 2024. Most of them, about 2 thousand, are chain rooms (global, regional and national chains) offered in 11 new hotels.

New hotel openings in Poland with a global, regional, and national brand in 2024				
Hotel	**Category**	**Number of rooms**	**Chain**	**City**
Aiden by Best Western	★★★	61	Best Western	Łódź
Arche Grand Nałęczów (Sanatorium Milicyjne Nałęczów)	★★★★	300	Arche	Nałęczów
Arche Hotel Klasztor	N/A	85	Arche	Wrocław
B&B Hotel Warsaw East	★★★★	100	B&B	Warszawa
Campanile Warszawa Północ	★★★	151	Louvre Hotels Group	Warszawa
Element by Westin	★★★	115	Marriott International	Wrocław
Flaner Hotel WorldHotels Crafted Collection	★★★★	77	Best Western	Warszawa
Hilton Garden Inn	★★★★	115	Hilton Worldwide	Radom
Mercure Szczyrk Resort	★★★★	447	Accor	Szczyrk
Motel One - Cloud One Wyspa Spichrzów	★★	324	Motel One	Gdańsk
Radisson Red	★★★★	229	Radisson Hotel Group	Kraków
	TOTAL ROOMS	2 004		

Source: Hotel Professionals Research Hub

The Warsaw Marriott Hotel, which opened in 1989, ceased to be part of the Marriott Bonvoy portfolio of properties and left the Marriott International chain. This fact was a consequence of a legal dispute between LIM Center and the Marriott chain. The investigation between the parties was underway in the Polish prosecutor's office and also before the International Court of Arbitration in London. After the removal of the Marriott flag, the hotel operates under the name Warsaw Presidential Hotel. The latest plans of the hotel's owners include extensive modernization of, among other things, the SPA area and a new culinary concept, with the aim of raising the standards of service and guest comfort.

Hotel Market Highlights (outside of major cities)

- A construction of a five-star luxury complex, The Sea Resort, has been launched in Międzyzdroje. Hotel is located on the Promenade of Stars by the beach. The complex will include 153 apartments, a spa area, saunas, swimming pools, a restaurant with a lobby bar, a sky bar and viewing terraces. The hotel will provide direct access to the beach, and is scheduled to open in late 2025. The investor in the project is Minde, a Poznan-based company, and the operator is Europlan by Artur Kozieja.

- Opened in February 2023 Radisson Blu Resort & Conference Center Ostróda, owned by Artur Koziei's Europlan Group, briefly parted with the chain and began operating as an independent Lake Hill Mazury. At the end of 2024, however, it returned under Radisson's wings as Lake Hill Mazury, a member of Radisson Individuals.

- The four-star Glar Conference & Spa Hotel has been inaugurated in Wiselka, near Miedzyzdroje, with 91 rooms, a restaurant and conference space that can accommodate 200 people. The property also offers a spa and wellness area with a swimming pool. It is the first independent hotel managed by VHM Hotel Management.

- In May, a deal was completed for the purchase of the 148-room Holiday Inn Resort Warsaw Józefów hotel, which was previously owned by the Aquila Group. The TMS Inwestycje Group, controlled by the Solorz family, which also owns the Polsat Plus Group, became the new owner of the property.

- In 2023, the first phase of the Arche Fabryka Samolotów complex in Mielno opened, which included 115 apartments. In 2024, this facility was joined by Hangar 3500, housed in a historic hangar, which allows for events for 3,500 participants. The hangar also includes an additional 48 rooms.

- A new Arche Group hotel, the Arche Sanatorium Milicyjne in Naleczow, was inaugurated in June, with styling reminiscent of the communist era. The four-star facility offers 308 rooms, including 16 luxury suites. The hotel has a restaurant and Sky Bar, as well as a nightclub. In addition, guests can enjoy 600 m2 of space for conferences and events, as well as a spa and wellness area, which includes a swimming pool and a rehabilitation center.

- In July, Qubus Hotels became the owner of a 4-star hotel in Bydgoszcz, which operates under the Holiday Inn brand. Full conversion of the facility to Qubus Hotel standards is planned for beginning of 2025. The hotel, located in the city center, offers 134 rooms, a conference center and a restaurant. The previous owner of Holiday Inn Bydgoszcz was Budizol, which also owns the Verte, Autograph Collection and Indigo Nowy Świat hotels in Warsaw.

Hotel Market Highlights (outside of major cities)

- The Focus Hotels chain has signed a lease agreement for a property in Olsztyn. Focus Hotel Premium, which will be located in a converted office building on Maria Sklodowska-Curie Street, will offer 79 rooms. The hotel is scheduled to open in the fourth quarter of 2025.

- The Baltic Waves Resort with 211 apartments, was inaugurated in Międzyzdroje in August. This is the latest project managed by the PI Apartments & Hotels Group. The apartments are located in two buildings, whose architecture alludes to the shape of a sea wave. An outdoor swimming pool is located between the buildings. The development also offers an indoor pool, a kids' club, a gym, a playground and a parking garage.

- The new Mercure Szczyrk Resort hotel opened in September in Szczyrk with 447 rooms. The boomerang-shaped building is the longest hotel in Europe. Three years after construction began, the Accor Group-branded facility welcomed its first guests. The hotel's investor is Beskid Resort Properties and the operator is Hotel Professionals Management Group. The hotel, which is located on the site of the former "Orle Gniazdo" (Eagle's Nest), former Katowice Steelworks facility, offers two restaurants, two bars, a conference center, a spa and wellness area and an aquapark.

- Zjednoczone Przedsiębiorstwa Rozrywkowe acquired the historic President Hotel in Bielsko-Biala, which was put up for sale by a bankruptcy receiver. The hotel, with 41 rooms, closed in 2019, but a casino has operated there until now. ZPR plans to invest in renovations to turn the property into a five-star hotel.

- The Moxy brand celebrated its 10th anniversary in 2024. To mark the occasion, Marriott International announced plans to open 17 new hotels in Europe by the end of 2025, bringing the total to 100. Among the announced locations is the brand's fifth and largest hotel in Poland, which will be built in Warsaw.

- A 132-room hotel in the PINEA Resort & Apartments complex in Pobierowo opened in 2023 will soon debut under Hilton's new Spark brand in Poland. It will be managed by the Grupa Hotele Polskie. There are also plans to build a Hilton Garden Inn hotel in the complex, which is planned to offer 156 rooms.

- AccorInvest, owner of Orbis S.A., has sold the Sofitel Grand Sopot hotel to Sinfam Investments. Accor will continue to manage the hotel. Sinfam Investments is owned by Hotel Warszawianka Centrum Kongresowe, which owns, among other things, the 4-star Warszawianka Hotel, one of the largest conference facilities in Poland.

- The 327-room Cloud One Hotel from the Motel One Group, which opened this November on Granary Island in Gdansk, has been sold to the Invesco Real Estate fund. Cloud One Gdansk will be managed by Motel One Group under a 25-year lease agreement.

WARSAW

In 2024, two hotels opened in Warsaw, two have been removed from the Central List of Hotel Facilities. Currently, 113 hotels operate in the Warsaw market, offering a total of about 18,365 rooms. Most rooms are categorized in the 4-star segment - they account for 35% of all hotel rooms, of which as many as 72% belong to global chains. Rooms in the 3-star segment account for 34% of all hotel rooms, and global chains own 55% rooms in this category. In the 5-star standard (21% of all rooms), the vast majority (73%) operate under the banner of global brands. In total, in Warsaw, as many as 11,700 (78%) hotel rooms in all categories operate under global brands.

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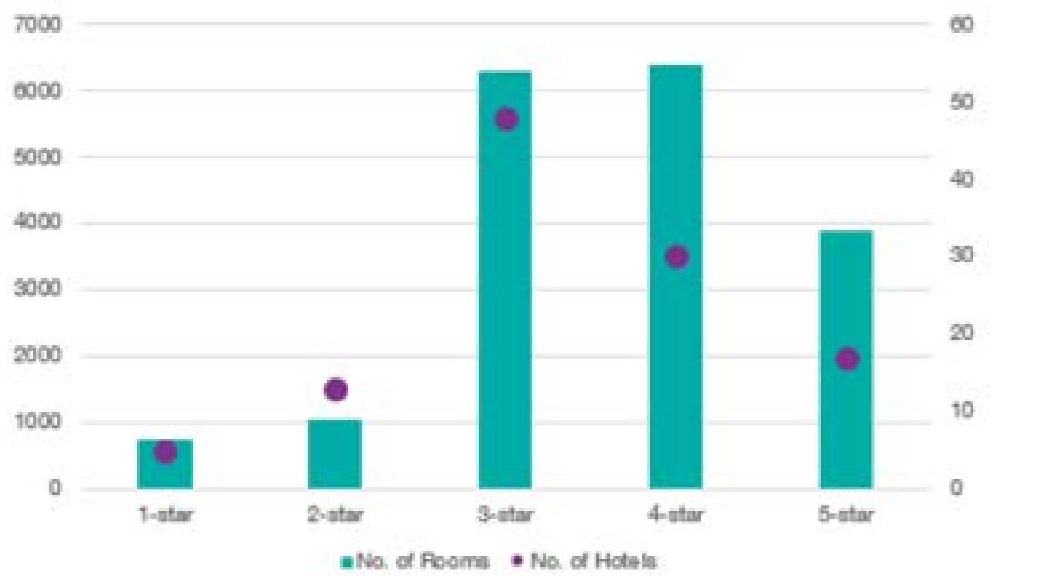
Warsaw Hotel Supply by category in 2024



Source: Hotel Professionals Research Hub

*the hotel supply also includes facilities, which are not officially categorized (according to the Central List of Hotel Facilities

113 HOTELS

18 365 ROOMS

78% BRANDED ROOMS

★★★ 35% ROOMS

★★★★ 34% ROOMS

★★★★★ 21% ROOMS

Source: Hotel Professionals Research Hub based on own data and STR Global

*Occupancy of mainly branded hotels

Results for Warsaw in the last post-pandemic years are getting better. The occupancy in Warsaw hotels was around 74% for the whole of 2024, which is 2 p.p. higher than in 2023. And while in previous years the increase in occupancy was related to the presence of refugees of the war in Ukraine, in 2024 the high hotel occupancy rate was mainly related to visits by representatives of international institutions.

However, the increase in hotel occupancy doesn't come form growth of every month - January and March 2024 were weaker y/y: 58% vs. 61% in January of the previous year, 71% vs. 73% in March 2023. The highest growth in occupancy was observed in the last months of 2024: 83% in October 2024 vs. 80% in the previous year; 80% in November 2024 vs. 76% in 2023; 69% in December 2024 vs. 65% in December 2023.

In terms of ADR, 2024 is at a comparable level to the previous year - the average rate per room in Warsaw hotels was around PLN 415. RevPar, on the other hand, is about PLN 14 higher than last year, at PLN 309.

Hotel investments completed, under development, planned

In 2024, 2 hotels opened in Warsaw providing a total of about 229 new hotel rooms.

- The first of the newly opened hotels is the Campanile Warszawa Północ Hotel (former Hotel Grot) located in Warsaw's Żerań district, on Modlińska Street. The hotel offers 152 air-conditioned rooms, a café with Sport Zone space, a lobby bar with a mezzanine, and the Vivere restaurant, which serves Italian and international cuisine. The hotel has a 220 m2 conference center. The hotel opened on July 1 and is managed by Europlan.

- The second new property is the Flaner Hotel, which opened in September, from the BWH Group's portfolio of WorldHotels Crafted Collection in the former Harenda Hotel on Krakowskie Przedmieście Street. The hotel offers 72 rooms and five suites, 400 m2 of meeting space, the Żar restaurant and the 1960s-inspired Zwierciadło Bar.

- As of September 1, 2024, B&B Hotel Warsaw East (formerly V Hotel) began receiving guests as the brand's second property in Warsaw. B&B Hotels Poland has signed a 20-year lease for the hotel at Kosmatki Street in Warsaw. B&B Hotel Warsaw East offers 100 rooms and operates at a 4-star standard.

- A new investor, Golden Star Group, owner of LIM Center, has obtained a valid building permit for the "Lilium Tower" project located on the podium at the former Marriott Hotel on Aleje Jerozolimskie. The approved application is for a building up to 260 meters, which will include apartments, a hotel, services and an underground garage.

- Strabag Real Estate has confirmed that the hotel, part of Warsaw's Upper One complex, will operate under the brand The Cloud One of the Motel One Group. The hotel, in a 17-story building with 362 rooms, is scheduled to open in 2027.

Hotel investments completed, under development, planned

New hotel openings in 2024					
Hotel	**Category**	**Number of rooms**	**Hotel**	**Category**	**Number of rooms**
Campanile Warszawa Północ	★★★	152	Flaner Hotel WorldHotels Crafted Collection	★★★★	77

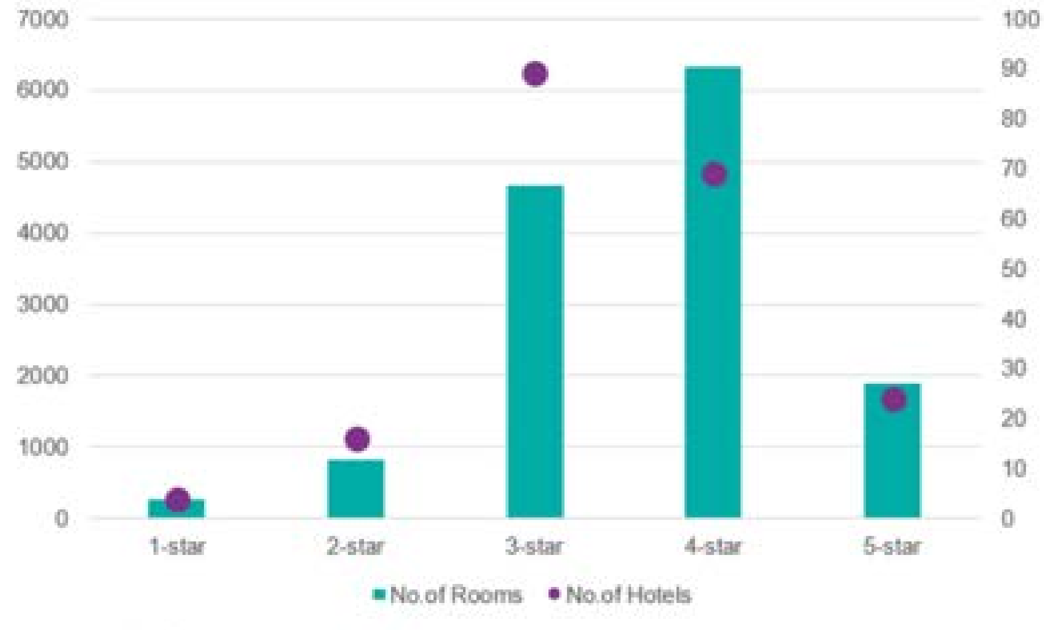
Planned hotel openings in 2025-2027					
Hotel	**Category**	**Number of rooms**	**Hotel**	**Category**	**Number of rooms**
Puro Canaletta	★★★★	205	Canopy by Hilton	★★★★	170
Campanile & Premiere Classe (former Sungate)	★★★/★	400	Puro Warszawa Wola	★★★★	350
AC by Marriott Port Praski	★★★★	113	Upper One – Cloud One	★★★	362
Moxy Warszawa Centrum	★★★/★	257	Staybridge Suites Ursynów	★★★★	190
Tribe Warszawa Bracka	★★★	112	Tribe Warsaw Airport	★★★	266
Tribute Aleje Jerozolimskie	★★★★	103	Moxy & Residence Inn Mokotów*	★★★/★★★★	311
Puro Mariańska	★★★★	250	Hampton by Hilton Warszawa Wschodnia*	★★★	122
Hotel at Grenadierów	n/a	200	Radisson Red*	★★★★	267
Hotel at Jagiellońska	n/a	n/a	Hotel Altus	★★★★	110
AC by Marriott Al. Jerozolimskie*	★★★★	260	Holiday Inn Express Warsaw Al. Jerozolimskie	★★★	156
Noho One	★★★★★	300	Grano Hotel (next to EXPO XXI)	n/a	88
Hotel/commercial complex at Wołoska	n/a	n/a	Kyriad Okęcie	★★★	160
Arche Fort Szczęśliwice	★★★★	500			

* investments suspended/delayed

Source: Hotel Professionals Research Hub

Cracow has 202 hotels offering nearly 14,000 hotel rooms. The Cracow market is specific and the vast majority of hotels, as many as 76%, operate under individual brands, while in terms of the number of rooms these establishments offer approx. 48% of the total supply. The largest number of private branded rooms operate at 3-star (41%) and 4-star (37%) standards. Global chains are the second largest group and offer 44% of the available rooms in 39 hotels on the market. Domestic chains have 7-percent of the rooms, while regional chains have only 1%. The largest number of hotels operate in the 3-star standard - as many as 89 (44%) of Cracow's establishments. Another group is 4-star hotels with 69 hotels and 5-star hotels with 24 facilities.

Cracow Hotel Supply by category in 2024



Source: Hotel Professionals Research Hub
*the hotel supply also includes facilities, which are not officially categorized (according to the Central List of Hotel Facilities

202 HOTELS

13 973 ROOMS

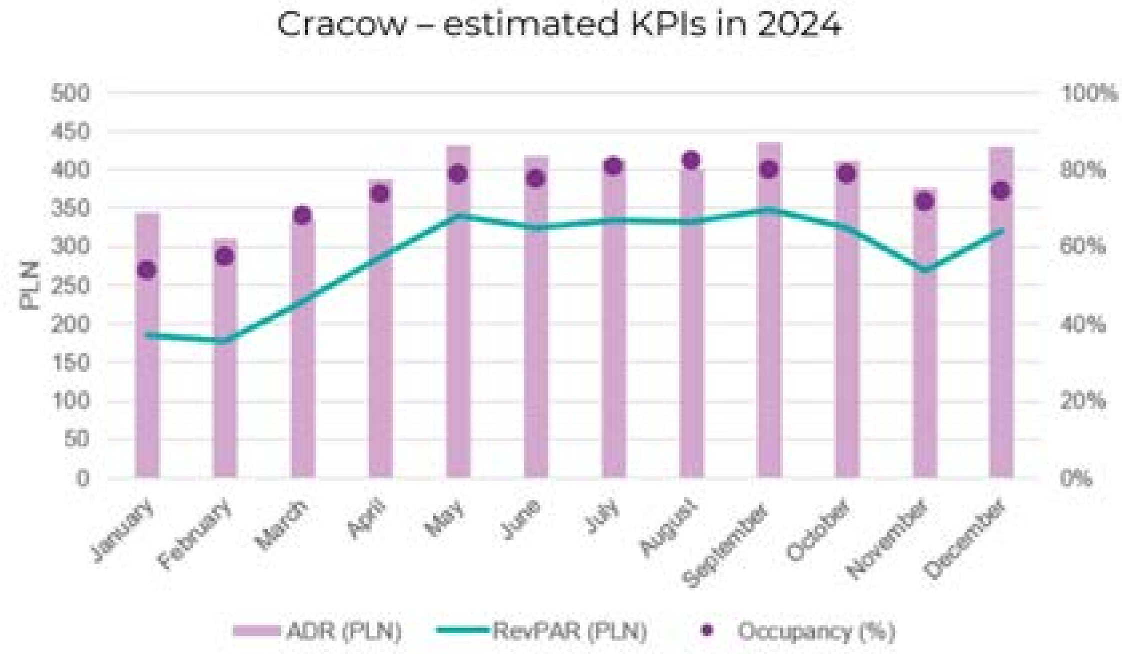
52% BRANDED ROOMS

★★★ 33% ROOMS

★★★★ 45% ROOMS

★★★★★ 14% ROOMS

Occupancy, ADR & RevPAR



Source: Hotel Professionals Research Hub based on own data and STR Global

*Occupancy of mainly branded hotels

The Cracow hotel market improved its occupancy year over year by 5 pp: 73% in 2024 vs. 68% in 2023. This was due to an increasing arrival of foreign guests, who made up the bulk of Cracow's tourists in the pre-pandemic period. Each month was relatively better than the previous year, but the highest increase in occupancy was recorded in May: +10 p.p. yer over year, and +7-8 p.p. in the last three months of the year. Cracow thus ranked second (after Warsaw) among Poland's largest cities in terms of occupancy. It is only 3 p.p. short of beating the 2019 occupancy results.

The ADR increased yoy by about PLN 11, which, with the large increase in occupancy, translated into a RevPAR increase of PLN 29 (+11% yoy).

Hotel investments completed, under development, planned

- In 2024, two hotels opened in Cracow, where the previous year saw the arrival of as many as six facilities. In June, the multifunctional Unity Centre complex welcomed its first guests with the Radisson RED Hotel & Radisson RED Apartments Krakow. The property offers 229 rooms of varying standards and 46 apartments in a separate building. The hotel features Italian restaurant and offers 300 m2of conference space.

- The boutique hotel Nomadic Urban Premium Suites opened its doors on October 1, 2024. Situated on St. Thomas Street, it is located in the heart of Cracow, just a short distance from the Main Square. The hotel occupies a historic building with roots tracing back to the 16th century.

- A new 4-star proprty has joined the Cracow market. The Golden Queen Aparthotel, opened in 2023 and located near Wawel Castle, officially received its 4-star classification and is now operating under the name Hotel Golden Queen. The Queen Hotels group also manages the Wawel Queen Hotel and Queen Apartments.

- The developer company Strabag Real Estate has announced plans to create a multifunctional office and hotel complex, Plaza Nova, with a total area of over 45,000 m2, on the site of the Plaza shopping gallery in Cracow, which was demolished in 2023. As part of the project, the investor plans to build two office-service segments and three hotel-service facilities. Construction is set to begin in 2025.

- Marriott International has signed an agreement with the Dobry Hotel Group to introduce the H15 Luxury Palace hotel in Cracow at the Lubomirski Palace under the soft brand The Luxury Collection. The H15 Luxury Palace hotel will offer 70 rooms and apartments.

- The Cracow city hall has issued a permit for the renovation of the legendary Main Post Office building, purchased in 2019 by Zeitgeist Asset Management, with plans to create a luxury hotel there. On the ground floor, Zeitgeist Asset Management plans to include an internal courtyard, as well as a bar and restaurant. The second floor will feature conference rooms and spaces for concerts or exhibitions.

- A luxury JW Marriott hotel with 120 rooms is set to be established in the former PKO BP bank building on Wielopole Street in Cracow, which was purchased in 2017 by J.W. Construction. The opening is planned for the end of 2025.

- A new five-star luxury hotel is planned near the Main Square on Szewska Street, which will feature 39 rooms, a spacious restaurant, a spa area, and a rooftop terrace. The property will be managed by the Dobry Hotel Group, which introduced a new brand, Destigo Hotels, in 2024. The hotel's interiors are expected to evoke the elegant style of travel on the famous Orient Express from the belle époque era.

Hotel investments completed, under development, planned

New hotel openings 2024					
Hotel	**Category**	**Number of rooms**	**Hotel**	**Category**	**Number of rooms**
Radisson Red	★★★★	229	Nomadic	Not categorized	33

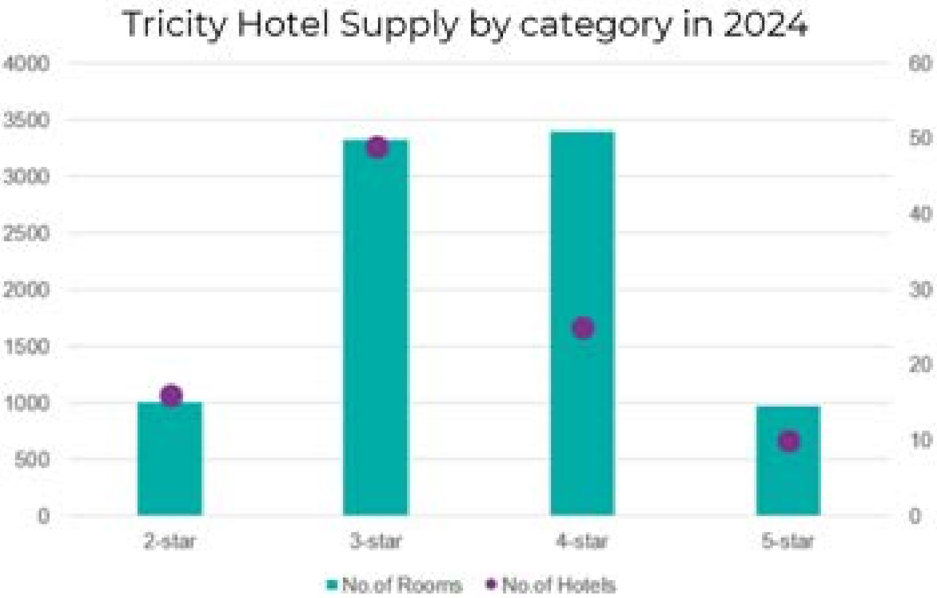
Planned hotel openings 2025-2027					
Hotel	**Category**	**Number of rooms**	**Hotel**	**Category**	**Number of rooms**
Tribe Kraków Stare Miasto	★★★	144	Destigo Hotel Szewska	★★★★★	39
voco Krakow – Montelupi Palace	n/a	44	Hotel in historic Main Post building (Zeigast)	★★★★★	n/a
Royal Le Meridien Kraków (rebranding of Hotel Royal)	★★★★★	120	JW Marriott	★★★★★	120
Indigo Kraków Wawel Royal Castle	★★★★	76	Bank PeKaO at Dunajewskiego (conversion)	n/a	n/a
Hotel at Dąbska	n/a	n/a	Hotel przy at Dolnych Młynów	n/a	n/a
Hotel Orbis at Przybyszewskiego*	n/a	n/a	Hotel at Podzamcze (conversion of old townhouse) *	n/a	n/a
Hotel at Tauron Arena	n/a	160	Hotel Arche Kraków	n/a	160
Plaza Nowa (office – hotel complex)	n/a	n/a			

* investments suspended/delayed

Source: Hotel Professionals Research Hub

TRICITY

Currently, there are 100 hotels operating in the Tricity area, offering a total of approximately 8,700 hotel rooms. About 60% of these rooms are affiliated with global, regional, or Polish brands. The largest segment in terms of the number of hotels is the 3-star category, which includes 49 properties. However, in terms of the number of rooms, 3-star hotels rank second. The dominant group consists of 4-star hotels, which provide around 39% of the total number of available rooms in the market across 25 hotels. Among the hotels in the highest, 5-star category, 68% of the rooms operate under a global brand, while 32% are under private brands. There are no hotels in this segment categorized under national or regional brands. In the Tricity area, there are 10 five-star hotels with approximately 970 rooms, accounting for about 11% of the total room supply. Additionally, there are no hotels classified at the 1-star standard in the Tricity area.



Source: Hotel Professionals Research Hub

*the hotel supply also includes facilities, which are not officially categorized (according to the Central List of Hotel Facilities

100 HOTELS

8693 ROOMS

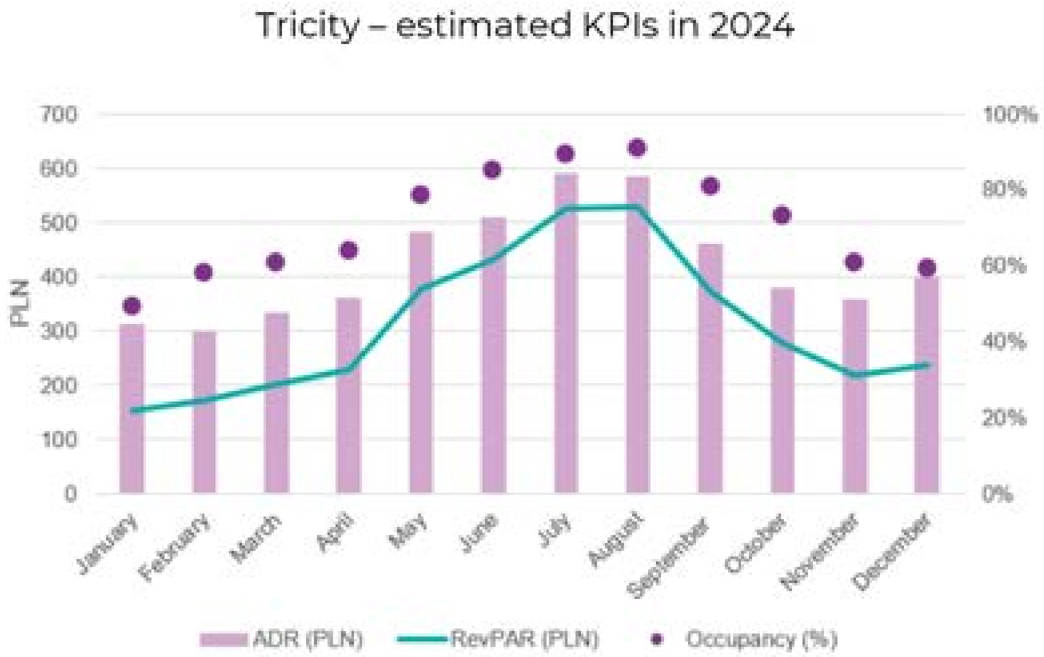
60% BRANDED ROOMS

38% ROOMS

39% ROOMS

11% ROOMS

Occupancy, ADR & RevPAR



Source: Hotel Professionals Research Hub based on own data and STR Global
*Occupancy of mainly branded hotels

The average occupancy in the Tricity area in 2024 was approximately 71%, compared to 68% in the previous year. In the early months of 2024 and in September, occupancy was weaker (even down by 4 percentage points in February) compared to 2023, while record occupancy levels were noted during the summer months. Specifically, the average occupancy in July reached 89%, and in August, it soared to 91%, marking an all-time high for occupancy across the country. The most significant year over year differences in occupancy, reaching up to 9 percentage points, were observed in May and October.

The average price increased by PLN 15 yoy, totaling PLN 437. This is the highest ADR in the entire country. RevPAR rose by about 8% compared to last year, reaching approximately PLN 310.

The Tricity market is witnessing a significant resurgence in the MICE segment, which, coupled with a stagnant supply of new hotels, is contributing to improved performance for existing establishments.

Hotel investments completed, under development, planned

- In 2024, three hotels opened in the Tricity area. The first one opened under the new lifestyle brand from the Motel One group – Cloud One, featuring 324 rooms. This property is located on Granary Island at Stągiewna Street 27, next to the Puro Hotel. The Cloud One hotel has been designed to resemble several characteristic tenement houses typical of this part of the city. It will offer "the cloud" rooms measuring 16 m2 and "roomy cloud" rooms measuring 18 m2. This is the first hotel under this brand in Poland.

- The next property is Milo Hotel Gdańsk, a modern hotel situated near Lech Wałęsa Airport in Gdańsk. The hotel offers 40 rooms, a breakfast restaurant, and a coffee bar.

- Additionally, a 4-star Umi Hotel with 35 rooms has opened in Sopot.

- The Q Hotel chain plans to open a 220-room hotel at Haffnera Street 89 in Sopot. The opening of the property is scheduled for 2026.

- In Gdańsk, on Granary Island, construction has begun on a luxury five-star hotel, Renaissance. Located in the historic Great and Little Groddeck granaries and two new buildings added on Chmielna Street, it will feature 250 rooms. The hotel is expected to open at the turn of 2025 and 2026, with PI Hotels & Apartments as the operator.

- The Europlan Group will develop the Prize by Radisson hotel (previously planned as Hotel Motlava) in Gdańsk, featuring approximately 125 rooms. The hotel will be built on Żabi Kruk Street, next to Granary Island.

- A student dormitory with a three-star hotel will be established in Gdańsk. The complex will consist of 392 student rooms and 100 hotel rooms. It will be located at Grunwaldzka Avenue 239, where a dual-brand complex from IHG with Staybridge Suites and Holiday Inn Express was previously planned, opposite the campus of the University of Gdańsk and WSB Merito Gdańsk University.

- In May, Marvipol began selling rooms in a condo system in its latest investment, the 332-room Unique Hotel Gdańsk with a four-star standard, located at Chmielna Street 78/80 on Granary Island. The operator will be Unique Hotels & Apartments, which also manages the Royal Tulip Warsaw Apartments.

- Międzynarodowe Targi Gdańskie plans to expand its Amber Expo exhibition and fair complex located near Polsat Plus Arena in Gdańsk. A new hall will be completed in 2025, and in two years, a three-star hotel with approximately 160 rooms under the ibis Styles brand will open.

- A residential-hotel complex called Wind Yacht Resort is planned in Wiślinka, near Gdańsk, at the mouth of the Dead Vistula River into the Baltic Sea. This development will feature a marina and a five-star hotel operating under a branded name. VHM Hotel Management is set to be the operator of the facility.

- In July, PI Apartamenty & Hotele Group signed a franchise agreement with Marriott International for a four-star Tribute Portfolio hotel on Granary Island in Gdańsk. The property will be located next to the Renaissance hotel being constructed by PI and will offer 60 rooms.

Hotel investments completed, under development, planned

New hotel openings 2024					
Hotel	Category	Number of rooms	Hotel	Category	Number of rooms
Motel One Cloud One	★★	324	Milo Hotel Gdańsk	★★★	40
Umi Hotel Sopot	★★★★	35			

Planned openings 2025-2027					
Hotel	Category	Number of rooms	Hotel	Category	Number of rooms
The Brick Tribute Portfolio	★★★★	60	Indigo Gdańsk Old Town*	★★★★	70
Destigo Hotel / Hotel on Wyspa Spichrzów	n/a	96	Hotel Renaissance	★★★★★	254
Q Hotel Sopot	★★★★	220	Ibis Styles	★★★	160
Unique Hotel Gdańsk	★★★★	332	Wind Yacht Resort	★★★★★	150
Citi Hotel's Gdańsk	★★★	105	Arche Hotel Gdańsk Airport	★★★	150
Prize by Radisson (former Hotel Motlava)	★★★★	125	Four Points by Sheraton Gdańsk Airport*	★★★★	120
Fort Motlava*	★★★★	153	Holiday Inn Express Gdansk Airport*	★★★	157
Mövenpick Gdynia	★★★★★	176	Hotel in Plac Unii complex	★★★★	n/a
Moxy – Waterfront Gdynia	★★★	160	Aparthotel – Waterfront Gdynia	n/a	142

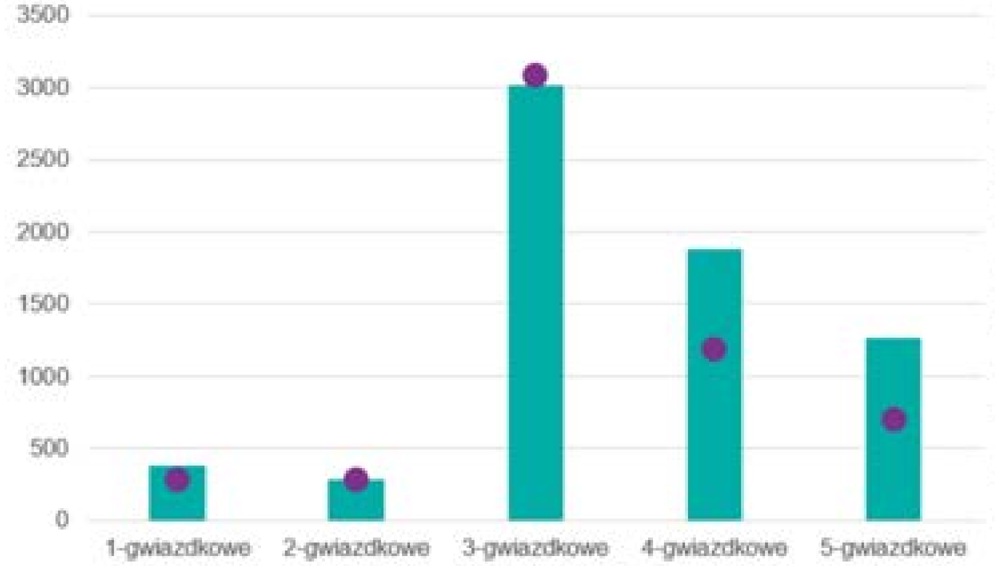
* investments suspended/delayed

Source: Hotel Professionals Research Hub

WROCLAW

The Wroclaw hotel market offers ca. 6,3 thousand rooms in 69 hotels. Chain rooms (under a global, national or regional brand) account for 58% of the supply of all rooms in the city. The dominant group in Wroclaw are 3-star rooms, which account for approx. 44% of the total supply, and 60% of them operate under private label. Rooms belonging to chain hotels in this segment account for about 27%. The second largest segment is 4-star rooms, which account for about 26% of the supply of hotel rooms. The 5-star segment, on the other hand, accounts for about 20% of the city's total room supply, with as many as 78% of the rooms operating under a global brand.

Wroclaw - Hotel Supply by category in 2024



Source: Hotel Professionals Research Hub *the hotel supply also includes facilities, which are not officially categorized (according to the Central List of Hotel Facilities)

79 HOTELS

6820 ROOMS

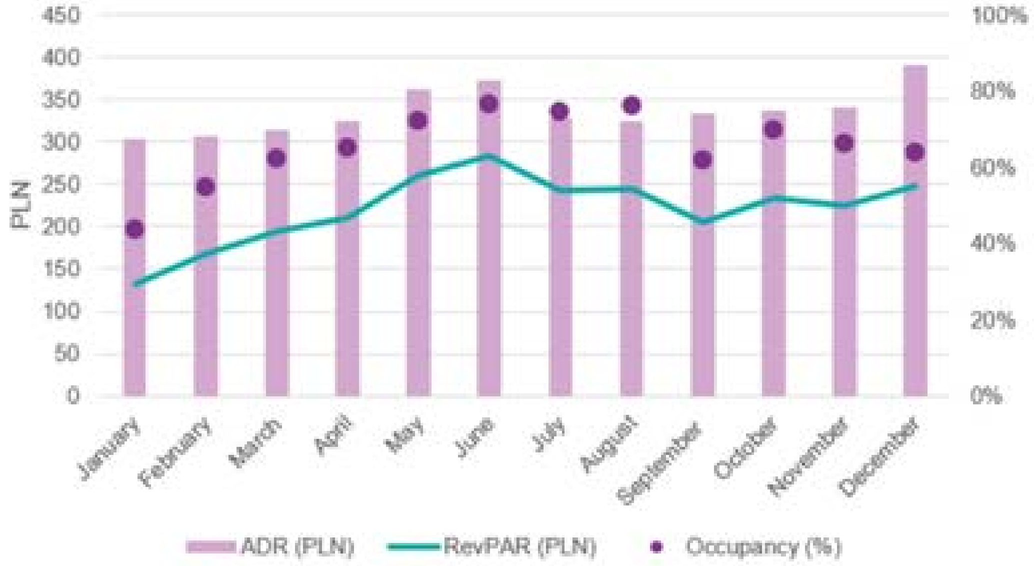
54% BRANDED ROOMS

★★★ 44% ROOMS

★★★★ 27% ROOMS

★★★★★ 19% ROOMS

Wroclaw – estimated KPIs in 2024



Source: Hotel Professionals Research Hub based on own data and STR Global

*Occupancy of mainly branded hotels

Wroclaw enjoyed one of the highest occupancy levels in Poland before the pandemic, but the Wroclaw market has been struggling to return to 2019 occupancy rates for some time. The average occupancy in 2024 was similar to last year, at 65%, which is still nearly 7.5 p.p. lower than the 2019 result. The average ADR was PLN 338 (up only about PLN 5 yoy), which also translated into low RevPar growth - which was only PLN 220. The RevPAR rate is thus the lowest among the largest cities in Poland (lower than Poznań by about PLN 6).

The current situation and the lack of occupancy growth in Wroclaw is partly related to the reduction of activity by LG Chem Energy. The Ministry of Digitization announced in September that Intel is changing its investment plans and putting the project to build a factory in Miękinia near Wroclaw on hold for two years. The decision follows the company's deteriorating global financial situation.

Hotel investments completed, under development, planned

- Two new hotels have opened in Wroclaw in 2024.

- The first is Element by Westin, which is the brand's second aparthotel in Europe. The property has 115 rooms with kitchenettes and is managed by Hotel Co 51, part of the Vastint Group. The hotel is located in the Business Garden office complex area, and features the Salon restaurant, which serves dishes prepared with local ingredients as well as regional wines.

- The Arche Klasztor Wrocław Hotel opened in December. The property is located in a historic building that formerly served as a children's hospital and monastery. The hotel offers 86 rooms and various amenities, including a restaurant, café and meeting rooms.

- The Grand Hotel in Wroclaw is undergoing renovation and will operate under the Mövenpick brand, offering 179 rooms. The opening, originally scheduled for the end of 2023, has been postponed to the first quarter of 2025. The investment, carried out by Rafin Development, also includes modern conference rooms, a 470 m2 restaurant, and a wellness area with a jacuzzi and saunas. The hotel is located in a historic building from 1903 that has undergone extensive revitalization.

- The Duet Centrum Wrocław hotel, which was closed during the pandemic, reopened after a major renovation in June this year. The hotel is situated on St. Nicholas Street, about 300 meters from the Market Square. The renovation aimed to modernize and improve the hotel's standards.

- At the beginning of October, the 205-room Wyndham Wrocław Old Town in the Wratislavia Center complex expanded by an additional 152 rooms. This brings the total to 357 rooms, making it the largest hotel in Wrocław.

- Construction is underway for a Hampton by Hilton hotel at Wroclaw Airport. It currently has eight floors. The new hotel is expected to welcome its first guests by the end of 2025 and will offer 122 rooms. The ground floor will feature a lobby with an extensive bar and restaurant area.

- B&B Hotels has announced plans to open its second hotel in Wroclaw in 2025. It will be located in a historic building from the 1930s at the corner of the Market Square and Solny Square, featuring approximately 200 rooms.

Hotel investments completed, under development, planned

New hotel openings 2024

Hotel	Category	Number of rooms	Hotel	Category	Number of rooms
Element by Westin	★★★	229	Arche Hotel Klasztor Wrocław	★★★★	86

Planed openings 2025-2027

Hotel	Category	Number of rooms	Hotel	Category	Number of rooms
Mövenpick Wrocław (rebranding of Hotel Grand)	★★★★	179	Autograph Hotel – Pałac Hatzfeldów	★★★★	149
Four Points by Sheraton (rebranding of Hotel Wieniawa)	★★★★	160	Puro Wrocław Orląt Lwowskich*	★★★★	337
Focus Hotel Premium Wrocław	★★★★	87	Blue Sky Hotel*	★★★★	105
B&B Hotel	★★★	200	Holiday Inn Express Wrocław South*	★★★	114
Historic townhouses at Kuźnicza - conversion	n/a	n/a	Hotel at Robotnicza	n/a	180
Hotel at Grabiszyńska (R4R)	n/a	400	Renovation of Polonia Hotel*	★★★★★	200
Aparthotel at Krzywoustego	n/a	80	Hotel at Kolejowa	n/a	170
Hampton by Hilton Wrocław Airport	★★★	122	Hotel at Plac Wolności*	★★★★★	145
Hotel in Zremb office building at Traugutta	n/a	n/a	Hotel Lothus – expansion*	★★★★	113
Hotel at Piłsudskiego	n/a	n/a	Hotel in former post building at Purkyniego	★★★★★	n/a
Hotel at Sikorskiego*	n/a	n/a	Hotel at Wodzisławska*	n/a	n/a
Hotel at Szewska 3 (former Wrobis building)	★★★★	120			

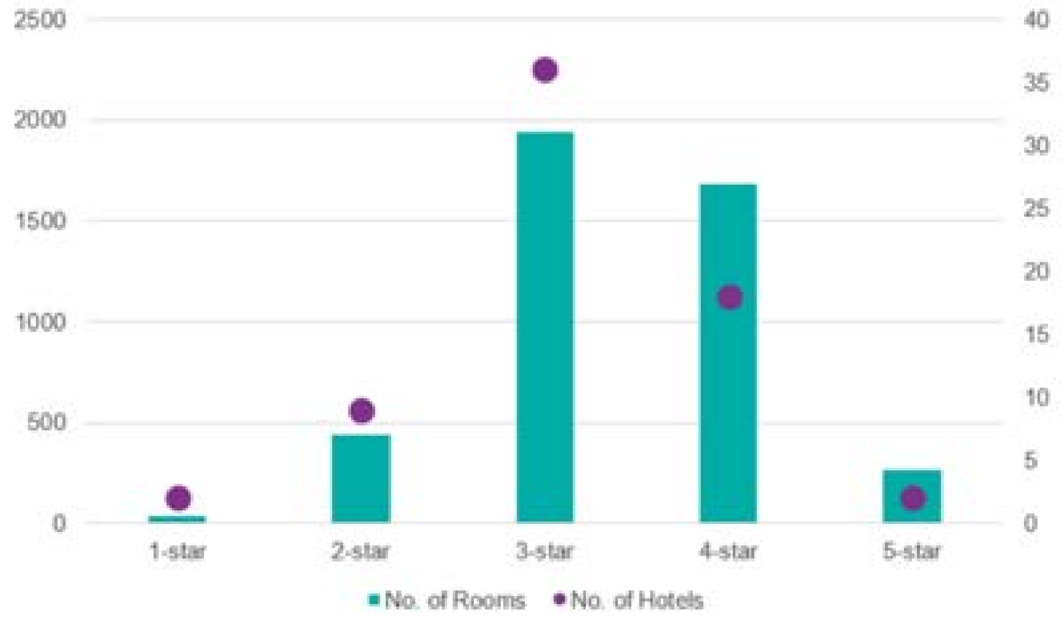
* investments suspended/delayed

Source: Hotel Professionals Research Hub

POZNAN

Poznan offers over 4,300 hotel rooms located in 67 hotels. 61% of the rooms operate under a chain name (global, regional or Polish hotel chain). In Poznan, only 2 hotels with about 270 rooms operate in the 5-star standard. Rooms in 4-star hotels account for 39% of all available rooms, 65% of which operate under the brand of global chains. The clear leader in terms of the number of hotels and rooms is the group of 3-star hotels, which offer 44% of the city's rooms, of which about 30% are global-branded.

Poznan - Hotel Supply by category in 2024



Source: Hotel Professionals Research Hub *the hotel supply also includes facilities, which are not officially categorized (according to the Central List of Hotel Facilities

67 HOTELS

4 371 ROOMS

61% BRANDED ROOMS

44% ROOMS

39% ROOMS

6% ROOMS

Occupancy, ADR & RevPAR

Poznan – estimated KPIs in 2024

Source: Hotel Professionals Research Hub based on own data and STR Global

*Occupancy of mainly branded hotels

In 2024, there was a significant rebound in the market for Poznan hotels, which achieved occupancy levels at an average level of about 68%, an improvement of about 5 p.p. yoy. The highest increase in occupancy was recorded in the summer months: in June the average occupancy was at the level of 80% (up 7 p.p. yoy), and in July and August it was 70% each (in both July and August an increase of as much as 11 p.p.). The average price was comparable to the previous year, at around PLN 332, which translated into a RevPAR increase of around PLN 16 to PLN 226.

Occupancy, ADR & RevPAR

- In 2024, no hotel facility has opened in Poznan.

- Construction of the Y3 Signature Hotel with 197 condo units has begun on Zielona Street. Previously, the ivestment was announced as a hotel under the Barcelo brand. It is scheduled to open in 2026.

- The Poznan market will also be enriched by a new five-star hotel. The property will operate under the Mövenpick brand and offer 160 rooms. Construction of the hotel is expected to begin in spring 2025. In addition to the accommodation section, the hotel is planned to include a restaurant area, bar, conference rooms, fitness center, swimming pool and spa area.

Planned openings 2025-2027

Hotel	Category	Number of rooms	Hotel	Category	Number of rooms
Blow Up Hall (reopening)	★★★★★	22	Y3 Signature Hotel	★★★★	197
Four Points by Sheraton (rebranding of Hotel Ikar)	★★★★	160	AC by Marriott *	★★★★	150
Arche Fort VI	★★★★	149	Authors Boutique Hotel*	n/a	21
Hotel de Rome (Tapestry by Hilton)	★★★★	96	Sure Hotel by Best Western*	n/a	40
Movenpick Poznań	★★★★★	159	Hotel Qubus*	★★★★	100
Hotel at Kramarska (conversion of historic tenement)	n/a	50			

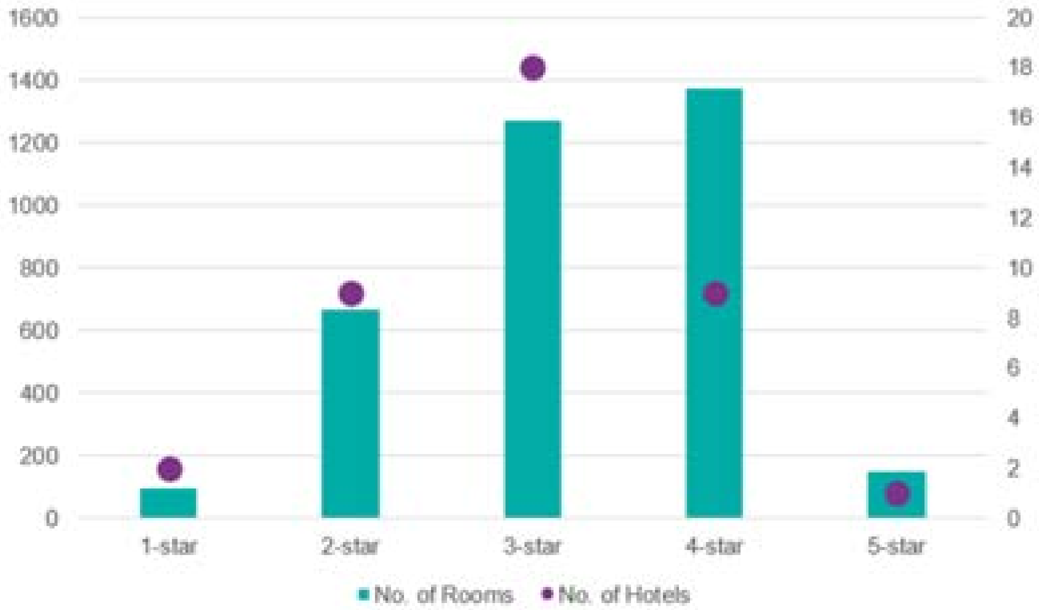
* investments suspended/delayed

Source: Hotel Professionals Research Hu

ŁÓDŹ

There are currently 39 hotels operating in Lodz. Hotel chains own about 60% of the ca. 3,6 thousend hotel rooms available on the market. There is one 5-star facility operating in the Lodz market, rooms in the 4-star segment account for 39%, similarly in the 3-star segment, where we have 36% of the rooms available in the city.

Lodz - Hotel Supply by category in 2024



Source: Hotel Professionals Research Hub *the hotel supply also includes facilities, which are not officially categorized (according to the Central List of Hotel Facilities

39 HOTELS

3562 ROOMS

60% BRANDED ROOMS

36% ROOMS

39% ROOMS

4% ROOMS

Occupancy, ADR & RevPAR

After a slightly weaker previous year for Lodz, in 2024, most of the selected hotels recorded increases in occupancy. The growing number of visitors is significantly influenced by the expanding touristic and cultural offerings in Lodz. Events had a notable impact last year on hotel occupancy, sometimes reaching nearly 100% during major events, with an average annual occupancy of around 61.5%. Similar to other cities in Poland, we are observing increases in average prices in Lodz, although they are not as spectacular as in previous years.

Lodz continues to focus on the development of the MICE segment. Unfortunately, there are still too few international events in Lodz (less than 10% of total). On the other hand, Lodz has made it into the ICCA 2024 global city ranking, and although it is only in 248th place with 8 meetings, this is still a positive trend. Conferences and congresses dominate the events, although there are also many stays and incentive events. Due to the city's rich offer of unique venues for special events, just over 50% of these events take place in hotels, while the rest occur in other venues and halls for special events as well as exhibition and congress centers.

At the end of 2024, the English magazine The Independent highlighted Lodz as one of the most interesting cities in the world. This distinction is confirmed by data provided by the Lodz Tourist Organization. According to research conducted, over 4.7 million people visited Lodz in 2024, of which 1.03 million opted for overnight stays.

A positive development for the city is that the Japanese corporation Daikin, a global manufacturer of heat pumps and air conditioning systems, has just opened a factory in Ksawerow near Lodz. By 2030, the plant is expected to employ up to 3,000 people, with the first production lines already operational.

Hotel investments completed, under development, planned

One hotel opened in Lodz in 2024. After an extensive renovation, the 3-star Aiden by Best Western (formerly Hotel Reymont) welcomed guests. It is the first hotel of this brand in Poland. The art déco style hotel offers 61 rooms, a bar and restaurant, conference rooms, a fitness center and a parking lot.

New openings 2024

Hotel	Category	Number of rooms
Aiden by Best Western	★★★	61

Planned openings 2025-2027

Hotel	Category	Number of rooms	Hotel	Category	Number of rooms
Breath-In Hotel	n/a	52	LHotel – Palace of Ludwik Heinzl	n/a	80
Palace of Arnold Stiller	n/a	n/a			

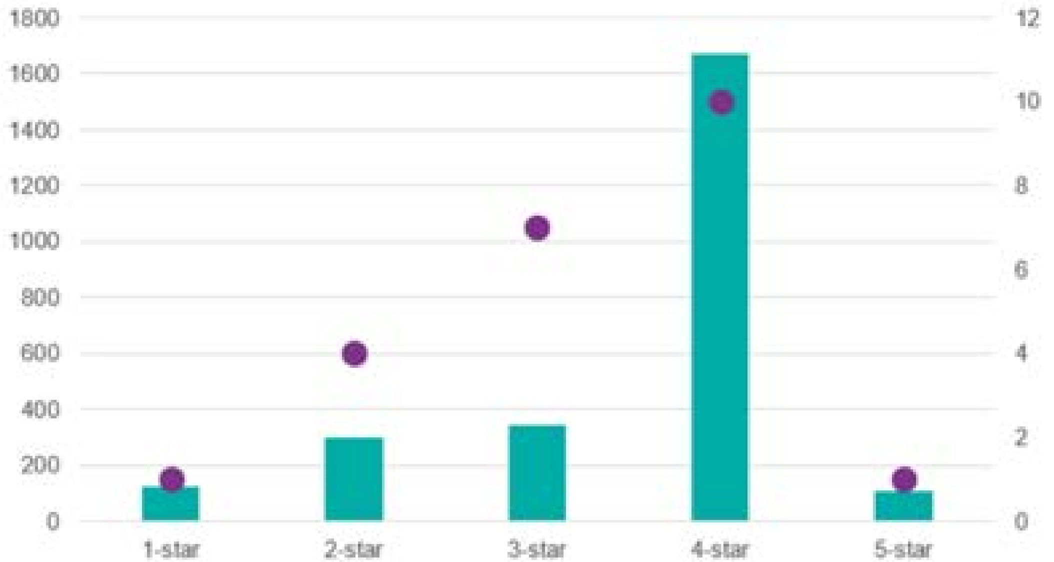
* Investments suspended/delayed

Source: Hotel Professionals Research Hub

KATOWICE

There are 23 hotels in Katowice, offering 2,500 rooms. The Katowice market is definitely dominated by both hotels and hotel rooms in the 4-star segment accounting for about 66% of all rooms in the city. There are far fewer hotel rooms in the 3-star segment - only about 14%. There is still only one 5-star hotel in Katowice. The supply in the city is dominated by chain hotels - as much as 83% of the total supply.

Katowice - Hotel Supply by category in 2024



Source: Hotel Professionals Research Hub *the hotel supply also includes facilities, which are not officially categorized (according to the Central List of Hotel Facilities

23 HOTELS

2 546 ROOMS

83% BRANDED ROOMS

14% ROOMS

66% ROOMS

4% ROOMS

Occupancy, ADR & RevPAR

Although Katowice is constantly working to intensify tourism, occupancy results for 2024 at selected hotels in Katowice show slight declines from the previous year. On the other hand, a positive trend can be observed in the case of the average price, which in the above-mentioned hotels increased compared to 2023.

Katowice relies on the business tourism sector, which includes business events, conferences and conventions. The MICE sector has already returned to its pre-pandemic state. The operations of Spodek and the International Convention Center have contributed significantly to this dynamic. In 2024, Katowice, as the European City of Science, organized a number of events to promote tourism and science. One of the key events was Tourism Week, held in September. Katowice also hosted the Wikimania 2024 conference, held at the ICC in August. The event attracted participants from all over the world, which had a positive impact on local tourism. Other major events included the European Economic Congress (EEC) and the European Congress of Small and Medium-sized Enterprises. Thanks to such initiatives, Katowice is strengthening its position on the tourist map of Poland, attracting both domestic and foreign tourists. Katowice, as a dynamic conference and business center in Poland, continues to develop through the organization of various events.

Hotel investments completed, under development, planned

- In 2024, only 1 hotel opened in Katowice, the 42-room boutique hotel M23. Named after the address Mariacka 23, the hotel has 7 floors and is located in an almost century-old building. On the side wall facing Mariacka Tylna and Francuska Streets there is a mural commemorating the famous musician and singer Zbigniew Wodecki. The hotel offers a restaurant and bar.

- Following the end of its collaboration with Radisson Hotel Group, the hotel in Katowice, which operated under the Park Inn by Radisson brand (and previously as Best Western Premiere), has entered a new phase as Hola Hotel Katowice. In June, it changed its name and operator once again and is now functioning as Metropol Hotel Katowice.

- The opening of voco Katowice, which is being developed on the site of the former Hotel Katowice, is planned for the first half of 2025. The modernization of the building, which began at the end of 2022, aims to transform it into a four-star premium hotel in line with the standards of the voco brand, part of InterContinental Hotels Group. Once completed, the hotel will offer 167 rooms and a range of amenities, including modern conference rooms, a restaurant, a bar, and a fitness center.

- The Accor Group has signed an agreement with DeSilva Hotels to open ibis Styles Katowice Airport hotel in Pyrzowice. This hotel will result from the renovation and expansion of the existing DeSilva Inn Katowice Airport. The opening is planned for 2025.

- Construction has begun on the Tribute Portfolio – Fairfield by Marriott complex in Katowice. The new facility will be built in 11 tenement houses in the area of Dworcowy Square. A hotel with 242 rooms operating under two Marriott brands: Tribute Portfolio and Fairfield by Marriott will be located at the center of this complex. This investment aims to revitalize historic tenement houses, transforming them into a modern hotel-office-service complex.

Inwestycje otwarte, w budowie, planowane c.d.

New openings 2023		
Hotel	**Category**	**Number of rooms**
M23	★★★★	42

Planned openings 2025-2027					
Hotel	**Category**	**Number of rooms**	**Hotel**	**Category**	**Number of rooms**
Tribute & Fairfield Inn	★★★★ ★★★	200	Nova Silesia*	★★★	144
Puro Katowice*	★★★★	246	Staybridge Suites Katowice*	★★★★	80
voco Katowice – renovation - rebranding of Katowice Hotel	★★★★★	161	Holiday Inn Express Katowice*	★★★	184
Ibis Styles Katowice Airport	★★★	77			

* investments suspended/delayed

Source: Hotel Professionals Research Hub

Authors of the Report

Alex Kloszewski
Managing Partner

Magda Konaszewska
Partner | Vicepresident of the Board

Dear hotel investors and bank representatives,
We wish you perseverance in carefully analyzing your investments, as well as agility in navigating the dynamically changing market. May your investments bring the expected returns and contribute to the stable development of the hotel industry. May you continue to recognize and support projects that enhance the guest experience, promote sustainability and maintain the highest standards.

Dear Hoteliers,
As you continue to navigate challenges and opportunities within the industry, we wish you continued success and growth. May your establishments thrive, and may you always find joy and fulfilment in exceeding expectations and creating memorable moments for your guests.

Please do not hesitate to contact us, we remain of your assistance in 2024!

Monika Simmons
Operational & Financial Analyst

Joanna Hackiewicz
Property Valuer | Financial Analyst

Desclimer

This hotel report covers situation in the hotel market in Poland's largest cities, and the performance data are based mainly on the results of categorized chain hotels.
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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.

Hotel Professionals sp. z o.o.
ul. Tytusa Chałubińskiego 9 lok. 2
Warsaw, 02-004, Poland

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extcare was established with one goal in mind: to simplify all technology-related issues for hotel, retail and food & beverage customers.

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225
YEARS OF EXPERIENCE

30
SPECIALISTS

40
CERTIFICATIONS

300+
COMPLETED PROJECTS

75+
SATISFIED CLIENTS

PARTNER
ORACLE