Horwath HTL
Hotel, Tourism and Leisure

Poland
Hotels & Chains
Report 2024

November 2024

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1. Introduction

We are pleased to present you with another Chain report on the Polish hotel market for 2024. This is a time when economic growth in Poland is at around 2.7% and the hotel industry is recovering after a difficult year. Tourist demand is returning to pre-pandemic levels, supply is growing and the economy as a whole is facing further geopolitical challenges with a direct impact on hotel costs and revenues.

2. The Market

The Polish hotel market has already recovered from the Covid-19 pandemic thanks to domestic tourism and returning foreign tourists. However, the still ongoing war in Ukraine is not encouraging new investment in the industry. In addition, the war in the Middle East will have a significant impact on visitor numbers from the region.

Average occupancy levels have returned to levels seen in 2019. At the same time both cities and resorts hotels are seeing large increases of ADRs which are reaching record highs due to rising operating costs such as labor and energy costs, which must be offset by higher revenues.

A large increase in the number of hotels has been recorded by Polish hotel operators such as Destigo (ex. Dobry Hotel) and VHM (part of the Satoria Group), which function both as lessees, operators or hotel owners. This is a sign of greater professionalization of the industry.

Polish banks are slowly opening up to finance hotel projects, but this is happening rather conservatively and selectively. Therefore, the attention of investors, operators and chains is largely focused on existing facilities. As a result, Polish and international chains are expanding, with previously smaller independent facilities seeking sales synergies, cost optimization and professional management.

According to preliminary announcements, within the next 3 years the supply of hotels in Warsaw will grow by 14 new hotel, Tricity (Gdansk, Gdynia, Sopot) by 13 new hotels, Krakow and Poznan by 9 hotels and Wroclaw by 5 hotels. Thus, the largest increase in the number of rooms will be seen in TriCity (by 20%) and Wroclaw (by 19%), followed by Poznan (by 13%) and Warsaw (by 12%).

The largest hotel chain in Poland is still Accor with 85 hotels, followed by Polish Hotel Holding with 44 existing hotels (this figure does not include closed or sold hotels) and Louvre Hotels Group with 30 hotels. In terms of number of rooms, Accor with 14,160 rooms is followed by Hilton (4,790 rooms) and Marriott International (4,470 rooms).

3. Key Points

3.1. High occupancy and record-breaking ADR levels

Average hotel occupancy in Poland has returned to levels seen in 2019. ADRs are reaching record highs due to rising operating costs, which need to be offset by higher revenues.

3.2. A 12% increase in the number of chain hotels

Compared to 2022, the number of chain hotels has increased by 12% while the total number of categorised hotels, according to the GUS, has only increased by 12%. This is the result of a number of factors, including the closure of smaller independent hotels that cannot cope with the current economy. But also the transition of independent hotels under the wings of both international hotel chains and local operators under their own brands.

3.3. Active development of new local hotel chains

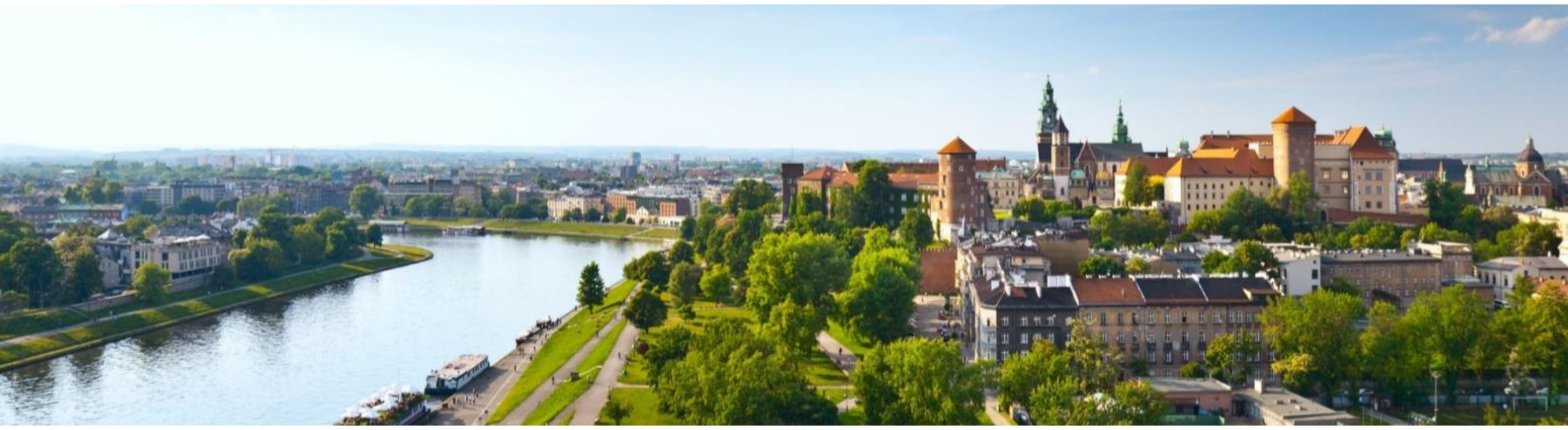
Over the last few years, we have seen the development of Polish hotel chains. Some of them specialise in a specific hotel segment, e.g. the Mountain Resorts chain opens hotels in holiday resorts, while others have a wide range of target segments, offering hotels in both cities and holiday resorts, e.g. the Arche chain. The level of professionalism of these chains, their recognizability and competitiveness vis-à-vis international chains is noteworthy.

3.4. Hotel leases continue to be in high demand

Hotel leases continue to be in high demand, but the terms are different from those signed before the Covid 19 pandemic. Contracts are more flexible, depending in part on hotel performance and market conditions.

3.5. Strong growth of Polish hotel chains and operators

Strong growth of Polish hotel chains and operators such as Destigo (ex. Dobry Hotel) and VHM (part of the Satoria Group), which function both as lessees, operators or hotel owners. This is a sign of greater professionalization of the industry.



4. Key Stats

Key Statistics	**2022**	**2024**	**% Diff.**
Total chain hotels	462	519	12%
Total chain rooms	64,975	70,230	8%
Average size per chain hotel in rooms	141	135	-4%
Country hotels stock *(overall supply)*	2,569	2,583	1%
Country rooms Stock *(overall supply)*	147,684	154,649	5%
Average size per hotel in rooms	57	60	4%
Chain penetration % by hotels	**18,0%**	**20,1%**	**12%**
Chain penetration % by keys	**44,0%**	**45,4%**	**3%**
International chain hotels (*data for 2024 includes double counting*)	231	242	5%
Domestic chain hotels (*data for 2024 includes double counting*)	231	329	42%
International chain rooms (*data for 2024 includes double counting*)	38,114	38,795	2%
Domestic chain rooms (*data for 2024 includes double counting*)	26,861	38,433	43%

Source: Compilation by Horwath HTL.

Includes double counting Only 1 to 5* hotels have been considered for this report and not other types of accommodation units.*

4.1. Ranking by Size

CHAINS

Rank	Chain groups	Hotels	Rooms
1	ACCOR	85	14,160
2	Polish Hotel Holding (PHH)*	44	4,454
3	Louvre Hotel Group	31	3,774
4	Hilton Worldwide	30	4,790
5	Marriott International	26	4,470
6	Destigo Hotels (ex.Dobry Hotel)	24	1,690
7	Radisson	18	4,091
8	Arche	17	3,293
9	De Silva	17	1,976
10	CFI Hotels	17	1,577

Source: Compilation by Horwath HTL.

**The data for PHH shows only facilities that are in operation or being upgraded. They do not include facilities sold or closed*

BRANDS

Rank	Chain Brands	Hotels	Rooms
1	IBIS (inc. Ibis Styles, Ibis Budget)	40	5,514
2	Mercure	25	4,413
3	Polish Hotel Holding (PHH)*	22	2,289
4	Destigo Hotels (ex.Dobry Hotel)	21	1,273
5	Hampton	18	2,512
6	Arche	16	3,178
7	B&B	15	1,612
8	Novotel	13	3,277
9	Diament	13	1,059
10	Campanile	12	1,478

Source: Compilation by Horwath HTL.

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3	Arche	17	3,293
4	De Silva	17	1,976
5	CFI Hotels	17	1,577
6	Grupa Górskie Resorty	15	2,760
7	Satoria Group	14	1,929
8	Focus	14	1,481
9	Diament	13	1,059
10	Qubus	12	1,264

Source: Compilation by Horwath HTL.

Rank	Domestic Chain Brands	Hotels	Rooms
1	Polish Hotel Holding	22	2,289
2	Destigo Hotels (ex.Dobry Hotel)	21	1,273
3	Arche	16	3,178
4	Grupa Górskie Resorty	15	2,760
5	Diament	13	1,059
6	Qubus	11	1,210
7	NAT	10	850
8	Gromada	9	945
9	Geovita	9	581
10	Focus Premium	8	838

Source: Compilation by Horwath HTL.

Rank	International Chain Group	Hotels	Rooms
1	ACCOR	85	14,160
2	Louvre Hotel Group	31	3,774
3	Hilton Worldwide	30	4,790
4	Marriott International	26	4,470
5	Radisson	18	4,091
6	B&B	15	1,612
7	IHG	14	2,542
8	BWH Hotels	10	839
9	Wyndham	8	1,632
10	Leonardo	4	669

Source: Compilation by Horwath HTL.

Rank	International Chain Brands	Hotels	Rooms
1	IBIS (inc. Ibis Styles, Ibis Budget)	40	5,514
2	Mercure	25	4,413
3	Hampton	18	2,512
4	B&B	15	1,612
5	Novotel	13	3,277
6	Campanile	12	1,478
7	Radisson Blu	8	2,109
8	Holiday Inn	7	1,301
9	Golden Tulip	7	894
10	Double Tree	4	981

Source: Compilation by Horwath HTL.

4.2. Ranking by Scale

DOMESTIC BRANDS

Rank	Economy & Midscale	Hotels	Rooms
1	Polski Holding Hotelowy	12	877
2	NAT	10	850
3	Arche	9	1,284
4	Gromada	9	945
5	CFI Hotels	9	674
6	Logos	7	390
7	Destigo Hotels (ex. Dobry Hotel)	7	299
8	Diament	6	281
9	Satoria Group	5	796
10	Qubus	5	357

Source: Compilation by Horwath HTL.

Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Focus	10	1,064
2	Arche	8	2,009
3	CFI Hotels	8	903
4	Destigo Hotels (ex. Dobry Hotel)	8	535
5	Puro	7	1,092
6	Qubus	7	907
7	Diament	7	778
8	Górskie Resorty	6	939
9	Laris Hotel Group	6	193
10	Q Hotels	5	653

Source: Compilation by Horwath HTL.

Rank	Luxury	Hotels	Rooms
1	Likus	6	645
2	Destigo Hotels (ex. Dobry Hotel)	6	439
3	Górskie Resorty	4	1,066
4	Donimirski	3	104
5	Zdrojowa Invest	2	292
6	Platan Hotels&Resorts	2	222
7	Dr Irena Eris	2	173
8	Polski Holding Hotelowy	1	246
9	Bachleda Grupa Inwestycyjna	1	129

Source: Compilation by Horwath HTL.

INTERNATIONAL BRANDS

Rank	Economy & Midscale	Hotels	Rooms
1	Accor	47	6,367
2	Hilton	18	2,512
3	LHG	20	2,128
4	B&B	13	1,448
5	BWH	7	619
6	Marriott	4	482
7	IHG	3	499
8	Motel one	1	333
9	Wyndham	1	220

Source: Compilation by Horwath HTL.

Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Accor	32	6,881
2	Radisson	13	2,875
3	Marriott International	12	1,974
4	IHG	10	1,629
5	LHG	9	1,224
6	Wyndham	6	1,352
7	Hilton	6	976
8	Leonardo	4	669
9	BWH	3	220
10	B&B Hotels	2	164

Source: Compilation by Horwath HTL.

Rank	Luxury	Hotels	Rooms
1	Marriott International	10	2,014
2	Hilton	6	1,302
3	Accor	6	912
4	Radisson	5	1,216
5	LHG	2	422
6	IHG	1	414
7	Wyndham	1	60

Source: Compilation by Horwath HTL.

4.4. Business Model

By Hotels

BY HOTELS	FRANCHISING	%	LEASE	%	MANAGEMENT CONTRACT	%	OWNED	%	TOTAL	%
Economy	9	6%	7	12%	13	14%	13	6%	42	8%
Midscale	60	42%	19	33%	23	24%	82	40%	184	37%
Upscale & Upper-Upscale	58	41%	26	46%	41	43%	89	44%	214	43%
Luxury	15	11%	5	9%	19	20%	20	10%	59	12%
Total	**142**	**100%**	**57**	**100%**	**96**	**100%**	**204**	**100%**	**499**	**100%**

By Rooms

BY ROOMS	FRANCHISING	%	LEASE	%	MANAGEMENT CONTRACT	%	OWNED	%	TOTAL	%
Economy	1,064	5%	778	14%	1,745	10%	956	4%	4,543	7%
Midscale	6,993	35%	1582	29%	3,670	20%	7,117	29%	19,362	28%
Upscale & Upper-Upscale	9,294	47%	2708	50%	8,799	48%	13,895	56%	34,696	51%
Luxury	2,588	13%	358	7%	4,055	22%	2,794	11%	9,795	14%
Total	**19,939**	**100%**	**5426**	**100%**	**18,269**	**100%**	**24,762**	**100%**	68,396	100%

5. Ranking by Destination

Rank	Destination	Hotels	Rooms
1	Warsaw	113	18,729
2	Cracow	199	14,018
3	TriCity	102	8,394
4	Wrocław	73	6,676
5	Poznan	66	4,307

5.1. Destination Pipeline

		HOTELS			ROOMS		
RANK	DESTINATION	CURRENT	INVESTMENTS	TOTAL	CURRENT	INVESTMENT	TOTAL
1	**Warsaw**	**113**	14	127	**18,729**	2,648	21,377
2	**Cracow**	**199**	9	208	**14,018**	873	14,891
3	**TriCity**	**102**	13	115	**8,394**	2,088	10,482
4	**Wrocław**	**73**	9	82	**6,676**	1,580	8,256
5	**Poznan**	**66**	5	71	**4,307**	655	4,962

According to the available information, in the coming years the largest increase in the number of hotels will be seen in Tricity (by 13% of the current supply), Warsaw and Wrocław (by 12%).

At the same time, the largest increases in the number of hotel rooms will be recorded in Gdańsk (by 25%) and Wrocław (by 24%).

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About Horwath HTL

At Horwath HTL, our focus is one hundred percent on hotel, tourism and leisure consulting. Our services cover every aspect of hotel real estate, tourism and leisure development.

Our clients choose us because we have earned a reputation for impartial advice that will often mean the difference between failure and success. Each project we help is different, so we need all of the experience we have gained over our 100-year history.

We are a global brand with 52 offices in 38 countries, who have successfully carried out over 30,000 assignments for private and public clients. We are part of the Crowe Global network, a top 10 accounting and financial services network. We are the number one choice for companies and financial institutions looking to invest and develop in the industry.

We are Horwath HTL, the global leader in hotel, tourism and leisure consulting.

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