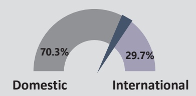
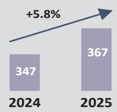
WARSAW MARKET PULSE

THE WAW FACTOR

TOURIST ARRIVALS – 2025



REVPAR – 2025 VS 2024 (ZŁ)



CONFERENCE MARKET – 2025

NUMBER OF EVENTS
+21% compared to 2024

AIRPORT PASSENGERS – 2025

+13.3% YOY
24 MILLION
at Warsaw Frederic Chopin Airport

Sources: Warsaw Tourism Organization; GUS (Statistics Poland); Eurostat; ICCA; HVS Research

Market Profile

Warsaw's greatest strength as a hotel market is its diversity of demand, benefitting from a broad mix of domestic visitors, government activity, corporate travel, conferences and a steadily expanding international tourism market. Long defined by its role as Poland's political and commercial centre, the city has spent the past decade broadening its appeal without losing the business-travel backbone that underpins year-round performance. Having navigated the pandemic, regional geopolitical disruption and a higher interest-rate environment with remarkable resilience, Warsaw has entered the second half of the decade with some of the strongest fundamentals in Central and Eastern Europe.

Tourism Demand

Warsaw visitor numbers stabilised in 2025 following a strong rebound the previous year, remaining some 20% above 2019 levels, underlining how durable the post-pandemic recovery has proven to be. Domestic travellers continued to anchor demand, accounting for around 70% of visitors, while the international share increased to 30% in 2025 (from roughly 28% in 2016), reflecting both improved air connectivity and Warsaw's growing prominence as a regional business and administrative hub.

Airport traffic continued to surge in 2025, with Warsaw's airports handling 13.3% more passengers than in 2024 and around 28% above 2019. Further route expansion points to continued gains in connectivity and international reach. Importantly for hotels, that growth is translating into overnight demand rather than simply passenger throughput. 2025 total bednights were up 8.8% year on year and 33% above 2019, with international bednights (+12.7%) growing faster than domestic (+6.8%), suggesting that overseas visitors are arriving in greater numbers and spending more time in the city. Furthermore, according to ICCA, Warsaw hosted 75 internationally ranked association meetings in 2025, up 21% on 2024 and modestly above the 71 recorded in 2016, though still short of the 2017 peak of 89. As in other European capitals, the recovery in large-scale corporate and association gatherings has trailed that of leisure travel, but the trajectory through 2025 was consistently positive.

Hotel Performance

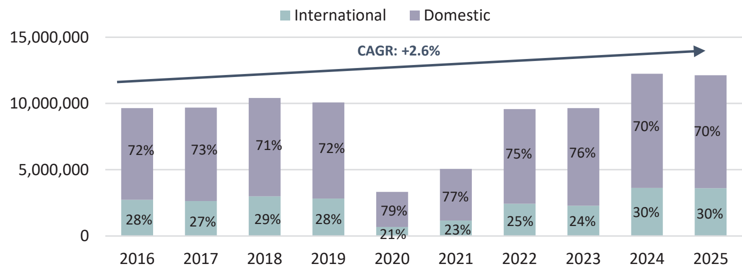
Warsaw's 2025 hotel performance was one of the strongest of the past decade. Occupancy climbed to close to 80%, up roughly three percentage points on 2024 and back above 2019 (the only CEE-6 capital to achieve this). The 2016 occupancy peak remained just out of reach, but the shortfall reflects a supply growing by roughly 17% between 2016 and 2019, diluting even the 2019 occupancy as demand kept growing.

ECONOMIC INDICATORS – POLAND

	2024A	2025A	2026F
GDP GROWTH (%)	+3.0%	+3.6%	+3.3%
CPI (%)	+3.6%	+3.6%	+3.3%
UNEMPLOYMENT (%)	2.9%	3.1%	3.4%

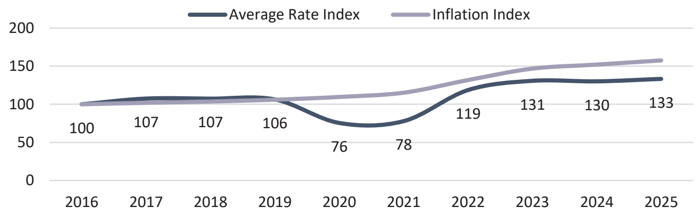
Source: IMF

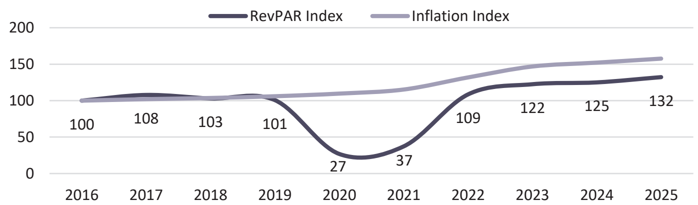
GROWING VISITOR DEMAND FOR WARSAW (000s)



Source: Warsaw Tourism Organisation

TRACKING INFLATION, STILL TRAILING





Source: HVS Research

Rate performance tells a related story, though the longer-term view is less kind to Warsaw. Over the past decade, RevPAR has grown by well over a third in nominal terms, but cumulative inflation over the same period has run higher still, meaning RevPAR has actually fallen behind its 2016 level in real terms, a shortfall of roughly 15% both in euro and złoty terms.

This nuance tempers the headline nominal record without undermining the broader trajectory: demand has strengthened, and pricing power, while not yet fully outpacing the cost environment, is moving firmly in the right direction.

Set against the more recent past, the picture looks brighter. Warsaw's 2025 average rate reached złoty in the high 400s, up a couple of points on 2024, while RevPAR rose close to 6% year-on-year to the high 300s, a nominal high and comfortably ahead of 2019. In euro terms, this RevPAR growth was the second strongest in the CEE-6, behind only Bucharest. Meanwhile, Warsaw's modest room supply growth led the group outright, a combination that speaks to a market absorbing growth without sacrificing pricing discipline. Measured in local currency, however, its ranking slips to level with Budapest and behind Bucharest and Bratislava. Average rates (in euro) point to the same mixed picture, with Warsaw sitting mid-pack in the CEE-6.

The implication for Warsaw is clear. With the supply increase now absorbed and occupancy back to historical norms, closing the remaining real-terms gap will rely on rate growth rather than volume. Meaningful headroom should remain for ADR appreciation as the market continues to mature.

Hotel Supply

Warsaw ended 2025 with approximately 22,400 rooms across some 160 hotels, a supply base that has grown by 33% since 2016, or a CAGR of 2.6% over the decade. Compared to its CEE-6 peers, Warsaw's room stock has expanded by far the most since 2016, at more than double the pace of the next-fastest-growing capital, Budapest. Despite adding more rooms than any other CEE-6 capital in 2025, Warsaw still recorded some of the region's strongest RevPAR growth, a combination that highlights the depth of demand underpinning the market. The confirmed forward pipeline comprises seven projects totalling approximately 1,150 rooms through early 2029, equivalent to around 5% of existing supply, a modest increment that points to continued but measured expansion. Beyond this confirmed pipeline, a number of larger schemes remain in earlier stages, including a third Puro hotel on Mariańska Street and Arche's redevelopment of the historic Fort Szczęśliwice into a hotel and congress complex of over 1,000 rooms, underscoring continued long-term development appetite.

Investment Market

Transaction and financing activity across Warsaw's hotel market picked up through 2025 and into 2026, spanning both outright sales and a wave of refinancing that points to improving credit conditions. Deal volume remains modest by European standards with only around a dozen hotel transactions having closed in Warsaw over the past decade, but the transactions that have occurred point to sustained, if selective, institutional appetite.

A notable transaction is the Warsaw HUB portfolio, comprising the 212-room Crowne Plaza and the 218-room Holiday Inn Express, in December 2023 for zł699,000 per room (zł148.1 million and zł152.3 million for each hotel, respectively) at a 6.8% cap rate as Ghelamco sold the assets to Corum, demonstrating that large, full-service branded portfolios can still draw institutional capital even in a thin market.

At the more accessible end of the market, the B&B Warszawa changed hands again in January 2025, this time for zł45.9 million (approximately zł298,000 per room) at a 7.0% cap rate, as part of a wider four-property Covivio Hotels portfolio; the same asset traded in 2019 for zł36.1 million, implying roughly 27% value appreciation over six years despite the pandemic disruption during this holding period.

Supported by robust economic growth and improving investor sentiment toward the hospitality sector, Warsaw remains well positioned to attract further hotel capital through 2026, though transaction volume is likely to stay limited by the small pool of assets that change hands in any given year.

Outlook

Warsaw's hotel market enters the second half of 2026 from a position of genuine strength. Occupancy is at an almost decade high, RevPAR has reached a new nominal record and visitor arrivals and bednights remain well above pre-pandemic levels. More importantly, the market continues to absorb one of the most active development pipelines in the CEE-6 while still delivering some of the region's strongest operating performance. Average rates, meanwhile, remain below most regional peers, leaving scope for further rate convergence as the market continues to mature. The macroeconomic backdrop remains broadly supportive. Poland's GDP growth is forecast at 3.3% for 2026, among the strongest in the European Union, albeit down modestly from 3.6% recorded in 2025. At a national level, tourism remains a comparatively small share of the Polish economy at around 5.0% of GDP, according to the Ministry of Sport and Tourism, which has ambitions to raise that level to 9.0% by 2030, a target that, if achieved, would give the sector a meaningful boost.

Longer term, the Centralny Port Komunikacyjny (CPK) project, which entered the delivery phase in 2026 with completion targeted for the early 2030s, points to a further step change in Warsaw's aviation capacity and long-haul connectivity, though its benefits remain some years from being realised. On balance, the structural pillars behind Warsaw's performance, resilient demand, ability to absorb supply and a broadening investor base, remain firmly in place heading into 2027.

HOTEL PIPELINE

Property	Rooms	Opening
NDI Smolna	52	Nov-26
AC Hotel Warsaw Port Praski	113	Nov-26
Staycity Warsaw	268	Dec-26
Canopy by Hilton Warsaw	169	Feb-27
Holiday Inn Express Warsaw Sobieskiego	364	Jan-28
Tribute Portfolio Warsaw Jerozolimskie	103	Mar-28
Motto by Hilton Warsaw Nowy Swiat	78	Feb-29

Source: HVS Research

VALUE TRENDS 2025 VS 2024

REVPAR	CAPITALISATION RATES
▲	▶

Superior Results through Unrivalled Hospitality Intelligence. ***Everywhere***

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