
premium real estate in Poland

high-quality apartments
and their residents

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introduction



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High standard, or what kind of standard? Paradoxically, the answer to this question may tell us the most about perceptions and expectations of ordinary, economical, common housing. Without determining what is the level that meets all the basic requirements, we are unable to determine at what point we exceed those requirements.

And that, unfortunately, is often the case. The lack of unanimity as to what a standard apartment should be leads to abuse and too easy use of the words prestige or luxury, not to mention apartments, which are increasingly being saddled with mini- and -micro prefixes. This is just a marketing ploy, sometimes so absurd as to be funny, but it is not healthy. It can lead to a lowering of area standards and quality of housing in the economy segment, while exacerbating terminological confusion in the premium market.

That's why in this report you will find a simple classification of the housing market divided into standard, high standard and luxury segments. We focus on the latter two, showing their reality and good practices. At the outset, we establish what we consider a high standard, and then sum-

marize the most recent data on this market. Based on the knowledge and experience of experts, we describe the most common types of clients and their preferences, touch on the topic of long- and short-term rentals, and consider why off market deals exist. These and other threads make up a multifaceted overview of the high standard and luxury real estate market.

At ThinkCo, we like to find unconventional aspects of reality. We see a very responsible role in high-end apartments: introducing high-quality urban and architectural solutions and pioneering the use of technological innovations that may soon become standard. Because if not people with above-average budgets, then who? Today our cities are decorated with tasteful townhouses and palaces, and no one is surprised by central heating, once the height of luxury. It is worth ensuring that our generation also leaves behind such souvenirs.

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1 high standard, or what kind of standard?

Anything exclusive or prestigious, by definition, should be hard to come by, but such terms are often used to describe relatively easily accessible properties. The very word *apartment* is commonly abused, and the *high standard* is sometimes suspiciously mediocre. The problem is that a property of exceptional standard does not need to be emphasized in the ad - just look at its appearance, location and amenities.

When looking for an answer to the question of what a high housing standard is, we need to determine what we are comparing it to. Following the PWN dictionary of the Polish language, standard is defined as things that meet basic requirements and typical, not very original¹. This gives us an answer that is simple, but hides all the criteria for high-end properties: they should exceed most people's requirements and be considered exceptional. Going a step further and accurately systematizing the terminology for premium housing poses some prob-

lems in Poland, as they vary widely, yet there are few of them. However, it is not impossible.

We can broadly divide the residential real estate market into three categories: popular (standard), premium and luxury properties. In the case of premium units, we should still speak of apartments, retaining the term *apartment* for luxury properties. There is further segmentation in all three categories, especially among the most expensive properties, where it is expressed in terms such as *super-* or *ultra-luxury*.

Although the upper limit does not exist, we are able to list the basic criteria that should be met by units that are considered substandard and luxury housing. These relate to their location, the quality of architecture and finishes, landscaping of the surrounding area, available amenities and, most importantly, conditions within the premises themselves².



standard apartments

- meet basic needs
- price per sq. m.:
- within or below the average for the city;
 - decreases as square footage increases



high standard apartments

- meet basic needs in a more comfortable environment
 - often offer additional amenities
- price per sq. m.:
- usually at least 120% of the average for the city;
 - decreases as the square meterage increases



luxury apartments

- meet high expectations and desires
 - offer numerous amenities that blur the line between home and upscale hotel
- price per sq. m.:
- usually at least 180% of the average for a given city,
 - much more for the most luxurious facilities; remains at a similar level
 - also when the square meterage increases



source: NOHO
Investment

standard apartments

The main advantage of this segment is affordability. At the same time, they should provide conditions for meeting all daily needs. In large cities, they are usually realized on cheaper land, so outside the inner city and the most desirable locations. Multi-family housing is characterized by simple, repetitive architecture and high intensity, public space is often occupied by surface parking lots.

The rooms usually reach the minimum acceptable height (250-260 cm). Small rooms, sufficient for their basic functions, predominate. Maximizing the number of units per floor often forces the introduction of long, narrow corridors.

high standard apartments

They can occur as individual units in buildings dominated by standard apart-

ments, often on the upper or top floors, which is combined with the greater importance of a pleasant view from the windows. They should provide more room area (by 20-30%) and height (above 260 cm). You can find dressing rooms and bedrooms with private bathrooms in them, large balconies or terraces are standard.

For entire buildings of a higher standard, an elevator (regardless of the number of floors) and underground parking are the norm. Aesthetically pleasing landscaping of the building's surroundings and a higher quality of design, the appearance of architectural details and noble materials on at least part of the facade, often wooden windows, are gaining in importance. In each layer, the materials and works fall within the medium quality ranges, and the cheapest solutions are avoided. Individual accessory amenities are available in the building or on the estate.

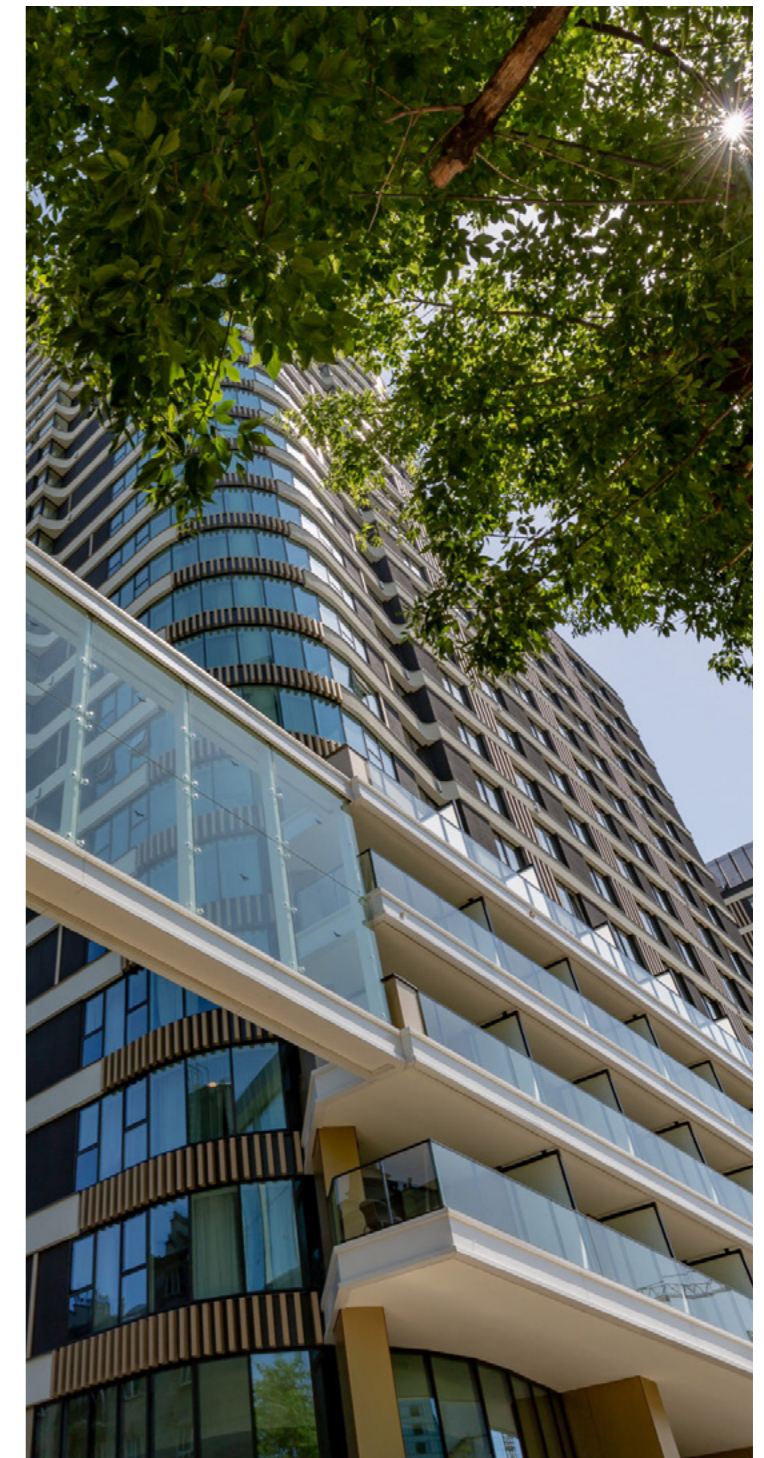
luxury apartments

The key is a very attractive location. This can mean trendy central districts, prestigious villa estates or out-of-the-way places with exceptional views. Buildings should be characterized by original architecture and the use of noble materials on facades and interiors. Of great importance is the striking entrance area and the carefully designed and maintained greenery around the facility.

Air conditioning is the norm, as well as the use of modern proptech solutions that increase the comfort of the space and are environmentally friendly. The building or development should offer a range of additional amenities, such as a wellness and spa area, club rooms or sports infrastructure. Their extensive offerings are one of the most important markers of luxury real estate.

Apartments should be spacious, with room heights exceeding 275 cm and large terraces or conservatories. It is important to have good sunlight achieved through large windows, usually wooden and often the height of the entire room. There is also a separate dressing room and a large kitchen that can be separated from the living area. At least some of the bedrooms should be connected to private bathrooms.

source: Renters



EXAMPLES OF ABOVE-STANDARD AMENITIES

 <p>wellbeing</p>	<ul style="list-style-type: none"> • exercise and group sports rooms • wellness and SPA areas • observation decks • interestingly arranged and constantly maintained green areas
 <p>making everyday tasks easier</p>	<ul style="list-style-type: none"> • coworking spaces • meeting rooms • do-it-yourself rooms • automated parcel machines (also heating and cooling) • garage shopping carts • car washes • quadruped washing and clipping points
 <p>entertaining</p>	<ul style="list-style-type: none"> • game, cinema and club rooms • reading rooms • wine ageing cellar • children's areas
 <p>providing greater comfort and security</p>	<ul style="list-style-type: none"> • concierge services • building application • 24-hour security • elevators directly to the premises • spacious garages • charging stations for electric cars

source: ThinkCo development

what sets the high-end real estate market apart

→ LONGER TRANSACTION TIME

Clients in the premium housing market are generally less price-sensitive and are less likely to have to make compromises when choosing a property. They are able

to wait longer to find the perfect apartment for them, and the high price naturally reduces the risk that the property will be sold very quickly to someone else.

→ CLIENT STABILITY

Wealthy buyers are more resilient to financial crises compared to those repaying long-standing loans on their occupied property in the standard market. They often use all or most of their cash transactions, and any increases in credit obligations are less of a problem for them.

→ LIFESTYLE

Above-average financial capabilities allow greater freedom in shaping one's lifestyle, of which a home is an integral part. The apartment, its surroundings and location are an expression of aspiration and an affirmation of social status. All this is taken into account when assessing the value of a property and can significantly increase it.

→ OFF MARKET

In the case of luxury real estate, transactions often take place outside the popular platforms, are offered only on inquiry or do not hit the market at all. This applies to establishments whose owner insists on a high degree of discretion, but also targets a limited group of people for both financial and social reasons. Residents of the most expensive properties often form communities that they don't want to let random people into.

→ INTERNATIONAL REACH

In addition to meeting their own housing needs, premium properties are being purchased by foreigners for investment purposes. Compared to Western European countries, the Polish market still stands out for its attractive rental yields and relatively low taxation. The rental of high-standard apartments is also largely geared toward well-earning professionals working temporarily in Poland. At the same time, Polish buyers are acquiring properties abroad for investment purposes or for their own vacation and residential needs.

“

There are as many definitions of luxury as there are people. For some, it will be an apartment in a building with an elevator. For others, modern furniture and appliances or a large area and a great view from the window. There are those for whom a luxury property must be equipped with a swimming pool, sauna, yoga or fitness room. The affluence of Poles is growing, and with it, expectations are also rising. At the same time, Otodom's research conducted for the Happy Home project shows that as new generations of potential buyers enter the market, completely different needs come to the fore. There is a growing desire to experience rather than own, a focus on sustainability and ecology. Young people recognize that their well-being depends on the quality of their surroundings, locality and relationships.

Does this mean that soon for the young and affluent, solutions that reduce CO₂ emissions, water consumption or allow efficient property management will be more valuable than marble lobbies and building gyms? We are already experiencing this, and developers, recognizing these needs, are equipping high-end developments with modern solutions. It's just a shame that, for the time being, being able to use these solutions is still a manifestation of luxury.



Ewa Tęczak

real estate expert, Otodom

2 market in Poland

The market for quality real estate in Poland is clearly concentrated in major urban centers, with Warsaw at the forefront. Large cities are attracting affluent clients with business opportunities, cultural life and great transportation, but also with an ever-improving range of housing tailored to their needs.

By far the most extensive market for high standard and luxury real estate can be found in Warsaw, which should come as no surprise - the capital has all the aforementioned advantages of large cities, with the largest of them. Noteworthy, however, is the gap in the number of offers between **Warsaw** and the other cities. It concentrates 27% of high standard apartments and 31% of luxury apartments from all 15 cities surveyed.

Due to its size and diversity, there are a number of locations in Warsaw that can be considered attractive for high-end apartments. The most prestigious parts of the city are Śródmieście, especially Powiśle and Śródmieście Południowe, and centrally located neighborhoods with a high proportion of historic buildings:

Żoliborz, Mokotów and Ochota. With the growth of the business center in Wola, more and more interesting developments are also appearing in this post-industrial district. Wilanów and Saska Kępa, dominated by low-rise buildings, are also considered attractive neighborhoods.

The Tri-City is also extremely important for this market, where - even without including Sopot - 27% of luxury apartments from all 15 cities surveyed are concentrated. This clearly shows the strong position of Gdańsk and Gdynia among Poland's wealthy residents. Both places are unique in the country in combining the strengths of major cities and tourist destinations, which significantly expands the pool of buyers: for own use, for a second home, for long-term rentals, short-term rentals. And all this attracts investors.

The percentage of premium offers is higher in Gdynia because it is a smaller city with limited opportunities for low-cost multifamily housing, much of which is being built in the southern districts of Gdańsk. In both cities, the most popular locations are coastal, downtown and near wooded moraine hills. Also noteworthy is Gdańsk's Oliwa, which is a combination of historic buildings, plenty of greenery, an academic and business center, and excellent transportation to the rest of the metropolitan area and the country.



source: NOHO Investment

Kraków and Poznań are united by a similar scale of the high standard apartment segment (8-9%), reflecting the economic potential of these centers and a relatively large group of wealthy residents. These cities are also significant tourist centers and venues for major events, which drives short-term rentals.

At the same time, the capital of Lower Silesia stands out for the high number of offers in the luxury market, second only to Warsaw and Gdańsk in the country. Reasons for this include the nature of the city's central area, where - in addition to the revitalization of existing buildings - well-connected locations, surrounded by historic buildings and often close to the river, are still available for development.

For most other cities, we observe a partial correlation between the size of the center and the percentage of high standard and luxury housing on offer. The most conspicuous exception to this is **Łódź**, where the two segments together account for less than 5% of all announcements, a phenomenon that is closer to the much smaller city of Kielce than other major cities in the country. The reasons for this situation can be seen in the greater attractiveness of nearby centers, mainly Warsaw, but also in the relatively high number of announcements.



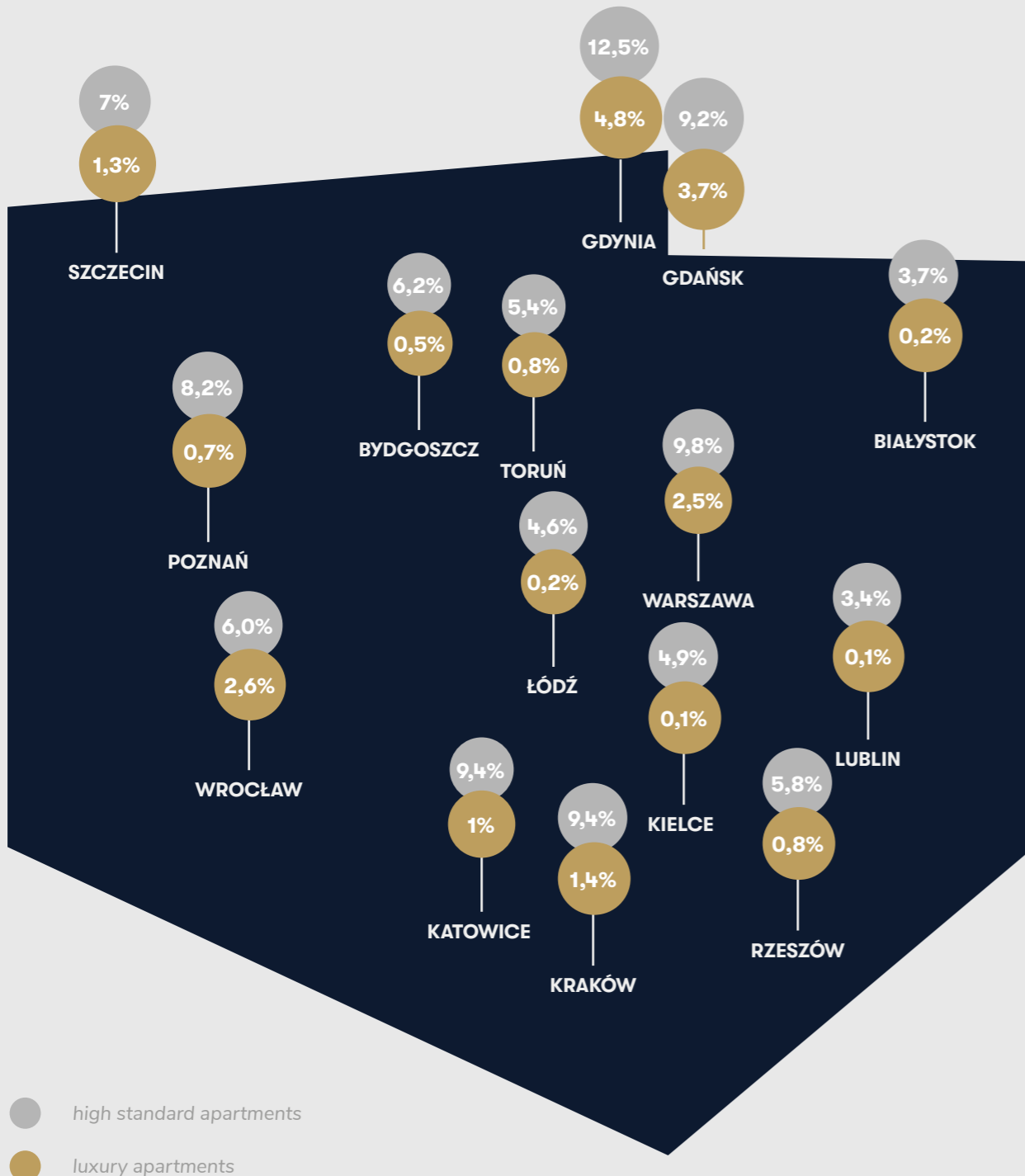
source: Renters

As of January 2024, more than 11,000 apartments were on offer in Łódź, the third highest in the country, after Warsaw (21,000) and Wrocław (nearly 12,000), of which the lion's share are apartments on the primary market (8,400), mainly standard units in developer condition. This can significantly reduce the percentage of high standard housing. However, the number of available luxury apartments there remains unquestionably very low, just 17.



the article is based on data from read about the study on page 70

HIGH STANDARD AND LUXURY APARTMENTS AVAILABLE IN OTODOM
percentage of total listings in a given city, as of January 2024



CITIES WITH THE HIGHEST AND LOWEST % OF QUALITY HOUSING
percentage of total listings in a given city, as of January 2024

	high standard apartments	luxury apartments
Gdynia	12,5%	4,8%
Białystok	3,7%	<1%

source: Otodom, Badanie skali rynku mieszkań premium w polskich miastach, 2024. For details, see page 70.

source: Otodom, Badanie skali rynku mieszkań premium w polskich miastach, 2024. For details, see page 70.

TOP 5 CITIES - LUXURY APARTMENTS

number of offers, as of January 2024

Warszawa
Gdańsk
Wrocław
Kraków
Gdynia

is a total of **85%** of offers in this segment in all surveyed cities

TOP 5 CITIES - HIGH STANDARD APARTMENTS

number of offers, as of January 2024

Warszawa
Kraków
Gdańsk
Wrocław
Poznań

is a total of **68%** of offers in this segment in all surveyed cities

source: Otodom, Badanie skali rynku mieszkań premium w polskich miastach, 2024. For details, see page 70.

source: Otodom, Badanie skali rynku mieszkań premium w polskich miastach, 2024. For details, see page 70.

Please remember that offers from the luxury real estate segment are often not available on popular online platforms. The total market scale is impossible to estimate precisely, but is probably slightly larger than Otodom's data.



Robert Watkins

CEO Hamilton May

“

In the last three years, we have seen a flight to quality trend in the real estate market. This means that wealthy individuals are turning to buying exclusive apartments to protect their capital from inflation and broader uncertainty. Our data shows that during this time the value of luxury apartments in major Polish cities increased by about 50%, and these are certainly conservative estimates. Despite the slowdown, rental prices for luxury apartments experienced similar growth in the fourth quarter of 2023, which means rental profitability will be maintained with demand driven by low supply, the war in Ukraine and high interest rates.

We are pleased that with its well-established position in the premium real estate market, Hamilton May handles off-market transactions, acquires reliable renters and offers property management services, which ensures that our clients' interests are protected in the long term.

cenoskop otodom. can an algorithm give a recipe for premium housing?

Cenoskop is a proprietary machine learning model created by Otodom experts that performs property value estimation. The algorithm takes into account the parameters of a given apartment: square footage, number of rooms, furnishings, as well as location, including, for example, distance from green spaces, cultural and entertainment venues. To interpret the data, the so-called SHAP* value is used to estimate the impact of a specific parameter on the price per sq. m. Positive SHAP values indicate a positive impact of a trait, while negative ones indicate a negative impact.

In the real estate market, there is no one-size-fits-all concept that marks the premium segment. More often than not,

apartments in this class are defined by their limited supply; spacious apartments with high ceilings situated in exceptional locations and offering spectacular views from the window, as well as additional services, including a concierge, are typical. Clients are willing to pay more for exceptional quality.

However, do the numbers support this belief? Using the results of the Cenoskop model for the six largest cities - Warsaw, Łódź, Poznań, Wrocław, Kraków and the Tri-City - we will examine the premium segment, which for the purposes of the analysis includes apartments whose price per sq. m. is at least 80% higher than the city average.

Let's start the analysis by checking the basic parameters. One of the regularities in the real estate market is the inverse relationship between square meterage and price per sq. m - the larger the apartment, the lower the price per sq. m. In high-end apartments, this principle also works, although to a very limited extent and only up to a certain point. On average, a square meter in apartments of 60 to 80 sq. m is about 2% cheaper than the total number of units in this segment, and for units of 80 sq. m and above we should expect a price lower by about 3-4%.

The reason for this can be attributed to the uniqueness of such large venues and at the same time little competition. The Cenoskop, created by Otodom experts, shows that the price per sq. m of luxury apartments is also minimally influenced by issues such as the number of rooms, the age of the building or the distance from historic buildings.

However, there are things that very wealthy clients are willing to pay more for - for a property to have a spectacular view, it must be located high up. Therefore, the value per sq. m. of premium units located on the fifteenth floor or more is priced 10% above the average per sq. m for the entire segment.

Proximity to other developments of the same class is also valued. When the median price per sq. m. of nearby properties exceeds PLN 20,000, a premium apartment is valued at 19% more per sq. m on average. At the same time, the proximity of cheaper properties, while not having the same positive effect on price increases, does not lower them relative to the average. This once again confirms that a prestigious location is welcome, but the real value of premium apartments lies in their quality.

* SHAP is the trait value of the average marginal contribution among all combinations of the trait that are possible



source: linkedinsalesnavigator, Unsplash



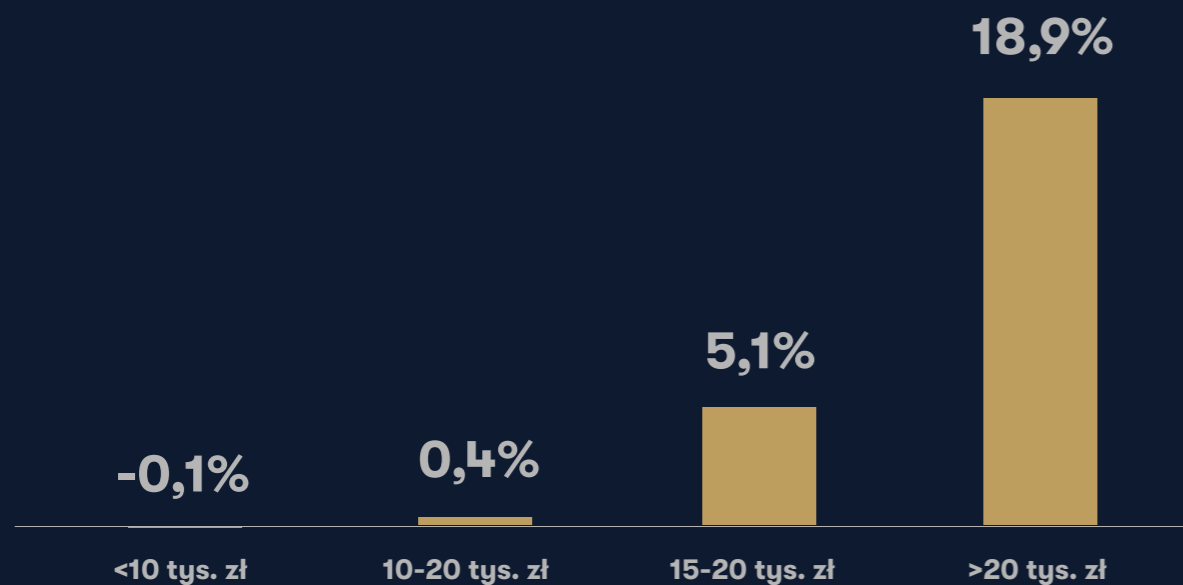
source: towfiqu barbhuiya, Unsplash



source: kaleidico, Unsplash

THE EFFECT OF MEDIAN PRICES OF NEARBY APARTMENT PROPERTIES ON THE PRICE PER SQ. M

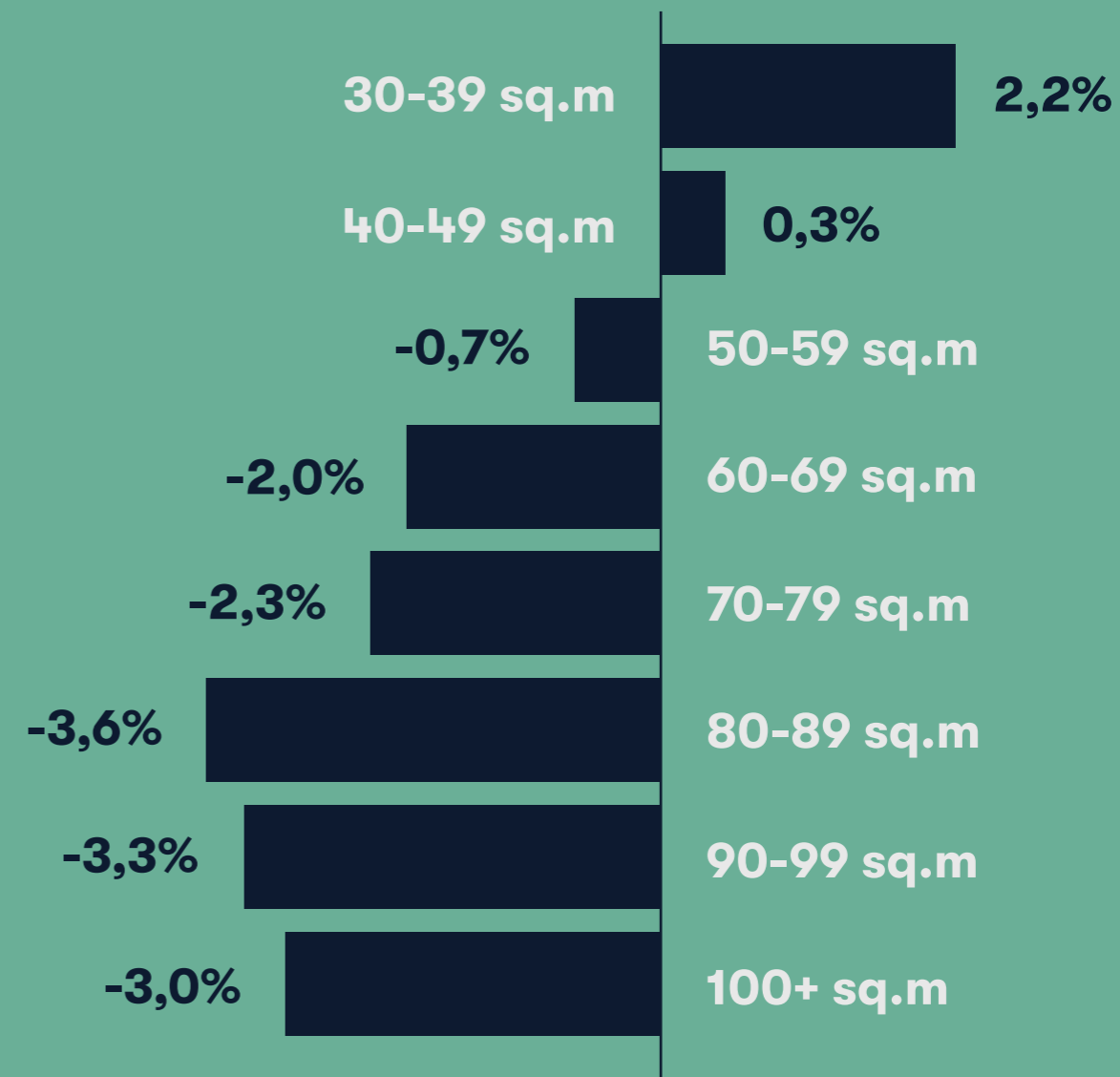
SHAP value - contribution in % to estimate of price per sq. m of total luxury housing



source: Otodom data; nearby properties are all dwellings located in a 500x500 meter square that includes the surveyed property

THE EFFECT OF APARTMENT SQUARE FOOTAGE ON PRICE PER SQ.M

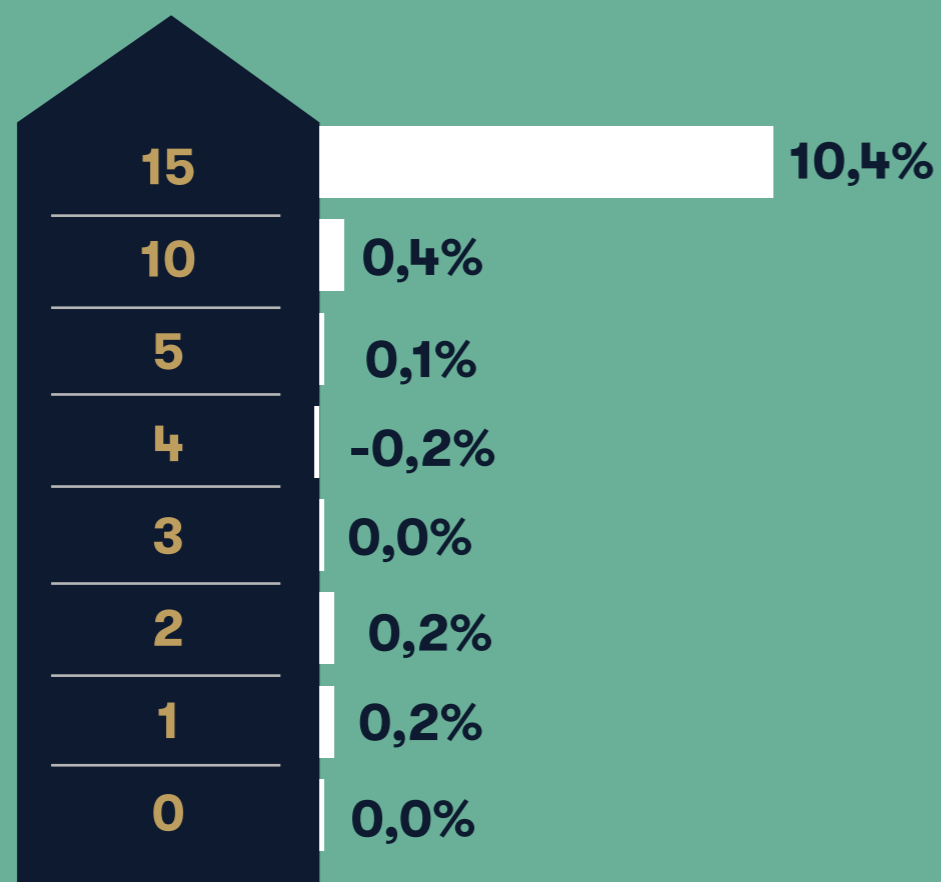
SHAP value - contribution in % to estimate of price per sq. m of total luxury housing



source: Otodom data

THE EFFECT OF AN APARTMENT'S FLOOR ON THE PRICE PER SQ. M

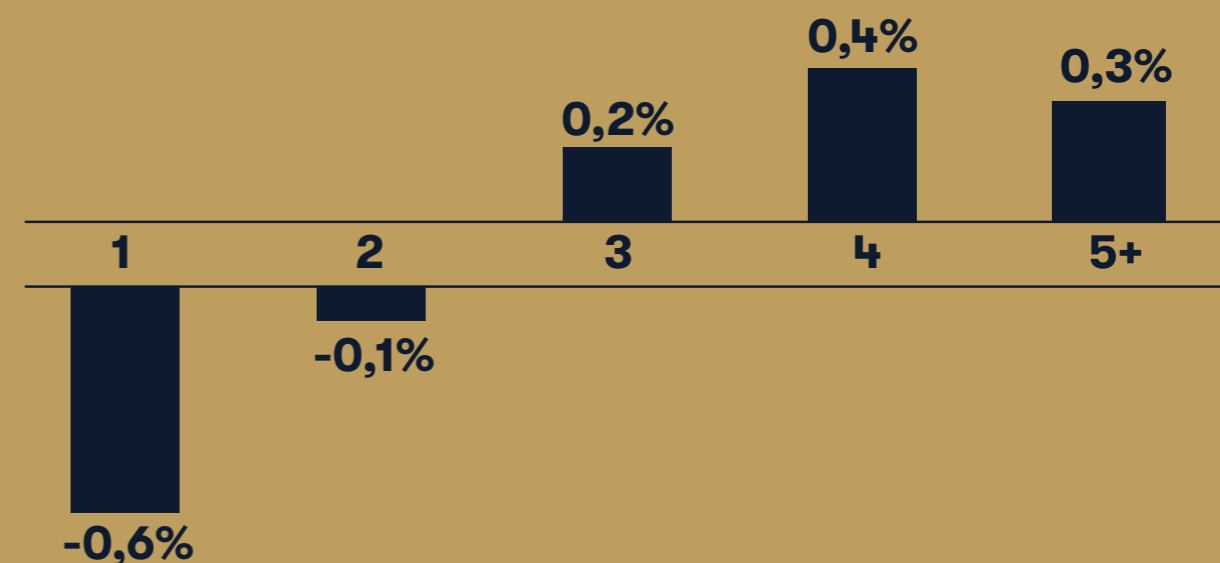
SHAP value - contribution in % to estimate of price per sq. m of total luxury housing



source: Otodom data

THE EFFECT OF THE NUMBER OF ROOMS OF AN APARTMENT ON THE PRICE PER SQ. M

SHAP value - contribution in % to estimate of price per sq. m of total luxury housing



source: Otodom data

3 who are the clients

characteristic groups of buyers

→ AFFLUENT FOREIGNERS

Mainly Ukrainians and Belarusians who have settled in Poland due to the unstable situation in their countries and feel they will stay longer. Among other clients, they are distinguished only by their nationality, so their capabilities and motivations are diverse. In a foreign country and language, however, the ease of use and the feeling of being in good hands becomes even more important. This applies to both the search for real estate, the transaction and the residence or rental itself.

→ ADDRESS COLLECTORS

Successful people, entrepreneurs, public figures with very rich wallets. Investing in luxury real estate is like a sport for them. They are most attracted to the unique location, because they know that as cities grow, it will only become harder to find one. Equally important are comfort and elegance, their properties are their business cards. Emotions play a role, the place must appeal to them, but they (or the advisors they often use) are well aware of this market and will not pay more than necessary. Thanks to their experience, they have an extensive network of contacts that give them access to the best off market deals.

→ PACKAGE INVESTORS

The premium market attracts investors primarily because of its increased resilience to crises, which pose less of a threat to the liquidity of target residents and owners. Often they buy 3, 5, 10 high-standard apartments at a time - or fewer, but truly luxurious ones. These are assets that can be sold off individually if necessary. Their extensive real estate portfolio forces them to use management agencies, even for apartments that are not rented. They are responsible for keeping the property in perfect condition.

The following characteristics were selected as a result of an analysis of interviews with representatives of 30 companies active in the Polish high standard and luxury real estate market, conducted by the ThinkCo team in early 2024. They represent the most common characteristics of clients in this segment and 10 characteristic groups: seven types of clients and three types of renters.



WHO IS THE MOST COMMON CLIENT?

→ WHO AND FOR WHAT PURPOSE?

Married couple aged 40-60, entrepreneurs and representatives of prestigious professions. They want to meet their own housing needs.

→ WHAT IS THE MOST IMPORTANT THING?

They expect a larger apartment size than before, as well as high-quality materials for the exterior and interior of the building. The place is supposed to make a good impression right away. Preferring locations close to their current residence, they are intimate with their neighborhood.

→ WHAT ARE THEIR MOTIVATIONS?

At the same time, there are many arguments in favor of the purchase, where emotions are mixed with calculations. Adjunctively, it's greater comfort, which they see as a reward for their long work, but also an affirmation of their social status. They view real estate as an investment that safeguards the interests of themselves and their loved ones, especially their children.

→ WHAT ARE THEY LIKE?

They are demanding and know what they expect. They don't have to rush to choose, because their current housing conditions are sufficient - they are looking at many offers in a similar segment, which gives them a comparison of prices and the quality they can expect.

source: Renters





source: NOHO Investment

→ ENHANCING QUALITY OF LIFE

People who, thanks to an influx of cash (e.g., as a result of a promotion, an inheritance or the sale of a family property), are able to move to a higher-quality apartment, often with at least partial credit support. They expect more comfort from their new home, especially if

they have children - more space, good sunlight, a nice view from the windows. In addition to the price of the property, they pay particular attention to the ongoing costs associated with living there, so among this group of buyers, energy-efficient solutions and ease of maintenance, without extravagance, are particularly welcome.

→ HUNGRY FOR PRESTIGE

Entrepreneurs who have achieved great financial success, but feel that their social position does not match it. This is a difficult topic, because it is largely based on human complexes, often unconscious. But it can also have a completely contrasting dimension: great confidence in oneself and one's position, which one wants to seal and demonstrate with an apartment. In both cases, the goal is to reach for prestige, which is expressed by location, equipment, amenities, history, but also the resultant of all these elements - price. It represents, in the eyes of the owner, an extension of his personality, ultimately in the eyes of those around him.

→ THIRSTY FOR RELAXATION

Settled people buying houses and apartments in attractive tourist destinations to spend part or most of the year there, often choosing to offer the property as a short-term rental when they are not using it. They are looking for flexibility to spend their leisure time in their favorite way. It's usually about people who are experienced, including in travel, and who already know exactly what they want. They don't feel pressure to explore new places, instead the convenience of using their own spaces without time constraints becomes more important. Often a management company takes care of their property and its eventual rental.

→ URBAN-SUBURBAN

Most often they work in the city and live outside the city. This creates inconveniences, mainly related to commuting time, but they feel comfortable in their homes and want to spend most of their time there. They treat the property in the city like a private hotel, where they can drop in when they want and for how much they want. Parties with friends, a night on the town after a show, a break between meetings - the reason is not important, the important thing is flexibility and convenience, and in the case of really luxurious properties, also prestige.

The premium segment client is looking not just for an apartment, but for a space that creates a new face of the city and enriches its character. He desires not only luxury, but also comfort, safety and innovation in his surroundings. Interestingly, luxury real estate clients in Poland are characterized by a marked difference in preferences depending on the region. In Warsaw, they place the greatest importance on modernity and access to the city center and key institutions, while for clients from Lesser Poland, proximity to historic areas and green enclaves is important. On the other hand, buyers from Silesia value thoughtful infrastructure solutions and ease of access to major transportation hubs.

Global trends show that the value of luxury real estate maintains a stable upward trend, with a 1.5% increase by the end of June 2023. A similar situation exists in Poland. Our society is constantly getting richer, hence the growing demand for luxury goods that are immune to crises and market turmoil. Our clients are 95% cash clients who are increasingly diversifying their investment portfolios. They are looking for more and more new investments, where demand now clearly exceeds supply.

We know how strong the interest in our projects is, even before their official market debut. Before we present our offers to the public, many potential buyers come to us, wanting to be given first choice. This phenomenon is characteristic of each of our investments. Even when the launch of a project is yet to come, the enthusiasm and curiosity of prospective clients often exceeds our expectations.

Many clients, after learning about our offerings, decide to sell their existing properties, which may once have been perceived as premium, but now do not stand out for their uniqueness. This phenomenon has intensified since the launch of our project. We have clearly influenced clients' perception of what they consider truly luxurious, which underscores our leadership in offering exceptional housing solutions.

characteristic groups of renters

→ EXPATS

Professionals in multinational organizations who stay in Poland only temporarily and live in properties rented by the employer. Attractive housing is treated as an employee benefit. What's important to them is a location either close to work or well connected to it. Even if they came to the Vistula alone, the properties need to be larger to accommodate a visiting or accommodating family. The most important thing is full service, so that you do not have to worry about formalities, bills and repairs, which are simply overwhelming in a foreign country and language.

→ AWARE OF HOUSING CAREERS

They believe that housing must fit their stage of life, not the other way around. For young couples, being in the center of urban life is often the best option; when children come along, the need for more space or proximity to preferred schools

comes into play. And once the children are grown, there are many new options. There are also times when renting is used in anticipation of buying the perfect property for oneself or as a test of whether they are comfortable in a new place. Above all, they expect stability, transparency and a chance to feel at home anywhere.

→ DYNAMIC

Affluent renters by choice who don't like to tie themselves to one place. Many times they own real estate, but renting allows them to live in places with higher standards and better locations. High-end housing meets their current needs and aspirations, and allows for much greater mobility and life flexibility. Or shorter: it gives a sense of freedom. They also value the convenience of entrusting the responsibility for keeping their apartment in good shape to an institutional operator or an external management company.

different approaches

What clients in this segment differ in, among other things, is their approach to the importance of home. Generalizing, we can assume that older generations are more strongly attached to the idea of home as the one place where we put down roots and which becomes an integral extension of our personality. Today's 20-, 30- and younger 40-year-olds, on the other hand, grew up in a time of much greater life mobility, but also a loosening of societal expectations about when to start and what form a family should take. This doesn't mean they don't need a sense of stability and a place they call home, they just treat real estate more instrumentally.

We will also hear different answers to the question of whether premium market clients expect socially inclusive or rather exclusive projects. This includes issues such as the integration of the facility with the surrounding city. Currently, the dom-



source: Renters

inant approach in planning is the need to create compact, well-integrated urban fabrics, which facilitates daily routines and promotes social cohesion. Many clients are aware of this and are looking for facilities that fit this idea. At the same time, some of them value private and fully isolated spaces, seeing them as a sense of privacy and security.

We will also hear different answers to the question of whether premium market clients expect socially inclusive or rather exclusive projects. This includes issues such as the integration of the facility with the surrounding city. Some of them value private and fully isolated spaces, seeing them as a sense of privacy and security. In the case of multifamily housing, this stands in contrast to the dominant approach in planning today, which talks about the need to create compact, well-integrated urban fabric, which facilitates daily routines and promotes social cohesion.

Many clients are aware of this and are looking for facilities that fit this idea.

At the same time, however, there are questions about where to draw the line on accessibility for high-end projects, especially luxury ones. The location of buildings in relation to streets and the formation of legible public, semi-private and private areas, without the need to erect fences, are of great importance. A popular solution is to maintain ownership of the service units so that the developer or manager can control the selection of services offered in the building.



source: Hamilton May

task: keep up with the growing demands

The most affluent clients expect more and more from their apartments, and developers are outdoing themselves in the amenities they offer: a yoga and Pilates room, a DIY workshop, a grooming space for bathing pets - and much more. Requirements increase with price, especially in cities such as Warsaw, Kraków and Wrocław, where Hamilton May has a presence. We used to talk about a high standard when the price of a property exceeded the million-dollar threshold. Today it's definitely more, and as a result of rising wages, the availability of credit and the influx of for-

eigners, the choice of property at this price has become quite common.

An analysis of premium real estate leasing and sales transactions involving Hamilton May over the past three years confirms that investing in premium apartments continues to gain popularity. Wealthy buyers are also increasingly choosing to purchase luxury homes. Villas located in close proximity to the city are an excellent option for those who appreciate the combination of nature and good transportation.

Such offers are often sold off market - without extensive public promotion. One example is one of this year's Hamilton May transactions in Warsaw's Wilanów Królewski. The sale of the house for a price of more than PLN 6.5 million was finalized in about two months after the agency accepted the offer, an extremely fast pace. This shows how alert and decisive clients are when waiting for a unique offer. It is not insignificant to work with an agency that has the tools to smoothly connect both sides of the transaction.

Luxury real estate can appear as a safe haven for capital preservation in troubled times. The reputation of the investment and the recommendations of local residents are not insignificant. The good fame of real estate can positively affect the potential for capital storage. The increase in value is also supported by the scarcity of locations available for the construction of prestigious developments, which will only get worse as popular cities become more dense. The sudden rash of competing investments is also hampered by a multi-year implementation process. We are talking about the highest level, where it can take a long time, for example, to obtain the right finishing materials.

Between 2020 and 2023, with the difficult geopolitical and macroeconomic conditions, the highest-end apartments have maintained or increased their value. The price per square meter in top locations in Warsaw fluctuates between PLN 30-40 thousand, and in individual cases transaction prices are even higher. At Hamilton May, we predict that the increase in the value of luxury properties in 2024 will be slower than in previous years, but we can still talk about prices climbing. We ourselves are preliminarily analyzing such projects - both for developers and investors interested in this market segment - and look forward to introducing them to the on market or off market.



source: Hamilton May

source: Hamilton May

apartment style is an extension of personality

Interior design is more than just decorating a space - it is supposed to reflect the values and character of the occupant. With our interiors we are able to express extravagance or modesty, a calm or lively nature, being up to date with trends or ignoring them. This allows the apartment to be an oasis of well-being and a very clear showcase to guests.

Clients with an affluent wallet have more opportunities to arrange their homes in the manner of their dreams, without making compromises. This opens up the opportunity for far-reaching personalization of the space, which often eludes single trends and embodies a broader, highly personal vision. In this situation, two contrasting approaches often collide, which in a nutshell we can call quiet elegance and maximalism. They have reference to all the ways in which wealthy people materially express themselves - from their clothing, to the way they spend their vacations, to their interior design.

source: Hamilton May



quiet luxury

Quiet luxury, or *quiet elegance*, is a philosophy of restrained signaling of affluence, also present in the design of luxury spaces. It has no official designations and we can't talk about a specific look, but rather a mood that builds the atmosphere of the interior. It is an aesthetic designed for insiders who feel they do not need to obviously prove their financial status. When describing this trend, the maxim *money talks, wealth whispers* is often quoted.

Interiors designed in the spirit of quiet luxury are often minimalist, but not without warmth and coziness. They focus on elegance and quality. Luxury is subtle, expressed through careful finishes, fine fabrics, high-quality furniture and exclusive accessories. The arrangements are extremely refined and well thought out, although at first glance they should seem quite simple. The main role is played by nuances and great attention to detail. At the same time, such interiors often feature works of art. The tranquil decor provides a good backdrop for displaying extravagant paintings and sculptures as well.

Such an understanding of luxury avoids overkill, opting for simplicity and sophistication. To some, such interiors may seem boring, but they have a big advantage - such a design has a chance of not going out of fashion for decades to come. Versatility is of considerable importance when renting and selling a property, especially in the premium segment, where clients are less likely to compromise and wait for an offer that fully satisfies them. Timelessness is also

built by using durable and easy-care materials of the highest quality. The obvious solution is products of natural origin, which, properly cared for, look good regardless of the passage of time.

maximalism

In counterpoint to quiet luxury, there are extravagant trends that are associated with broad maximalism. Extraordinary and unconventional solutions that build a unique atmosphere are becoming popular. Such interiors are meant to surprise, shock and put a smile on your face.

One popular trend is eclecticism, characterized by the creative combination of different styles, forms or colors. It is associated with the freedom that has long distinguished artists, and is now popular among people who most value originality. An interesting example of maximalism is the so-called dopamine decor, which, through an abundance of elements and contrasts, is designed to stimulate the neurotransmitters responsible for well-being and a surge of energy. Crisp lines, vivid patterns and fun colors introduce a touch of craziness that is meant to improve the mood.

Extravagant arrangements can be an expression of wealth, individuality and sublime taste. Some people are looking for a rebound because they are bored with the minimalist interiors that have reigned since the beginning of this millennium. Interestingly, the rise in popularity of maximalism is particularly noticeable among young adults of Generation Z, so a generation many of whose representatives were already raised in homes dominated by bright walls and simple furniture.

Others use unconventional interiors as a tool to express their personality, for which there is no space in quiet luxury. Some simply want to emphasize their status through glamour and abundant



source: Gerda, Unsplash

ornamentation. The common denominator of all trends remains personalization and an individual view of home decor. No matter how, it's important that the interiors are consistent with their occupants.

building for the good of the city



Rafał Kula
president of NOHO
Investment

Do we have luxury real estate in Poland?

Let's start by determining what the definition of luxury real estate is. In my opinion, it is a product of the highest standard, which enriches the life of the buyer in all aspects. It is a desirable location, giving access to the best of the city, but also the highest quality architecture, exceptional common areas, attention to detail and friendly green surroundings. I could go on listing for a long time, but all the features of luxury housing are contained in one word - NOHO.

NOHO Investment's projects place great emphasis on their urban context - quality of surroundings, accessibility. Why is that?

We are a responsible developer and we know the impact of our investments on blocks, neighborhoods and cities - both revitalizations of unreachable and excluded urban spaces and new buildings. Our projects are the highest quality, functional and timeless apartments in the most sought-after locations of Polish cities.

A responsible approach is good for the environment, but also for us and our clients. We enrich the city, and the city adds value to our projects, because a well-designed building becomes a valuable element of the urban landscape, increasing its attractiveness.

You mentioned revitalization. Is it more than just a good investment from a business standpoint?

It is much more than a business. By opening up previously closed areas and giving them back to both our clients and the city's residents, we are creating new places vibrant with life. We are restoring them with respect for the historical heritage, while introducing modern functional features. Our iconic Kraków revitalizations are a perfect example: Dolnych Młynów 10 and Młyny Mogilska.

In addition to the investment area itself, we are cleaning up adjacent areas in terms of infrastructure, greenery, friendly space. We also undertake the reconstruction of streets and road infrastructure, so we very often calm car traffic and introduce pedestrian and bicycle routes. These measures make the project area a place where everyone wants to be. Creating a product of the highest standard to be an address for living, an address for generations, we design properties that enrich the buyer's life in all aspects.

All of these activities are part of the idea of a 15-minute city.

Exactly, we guarantee a new quality of life, according to our NOHO PREMIUM LIFESTYLE philosophy. When choosing sites for our investments, we place a very strong emphasis on the surrounding infrastructure and the centralizing oppor-



source: NOHO Investment

tunities these areas offer. It is crucial for us that residents have all important services available in close proximity, as this directly affects their daily living comfort. Projects in Kraków, Katowice, Wrocław or Warsaw are excellent examples of this.

We are close to the city's activities and grassroots community initiatives to improve the quality of life in the city. An example is the newly passed Pakt dla Przestrzeni Krakowa (Pact for Kraków's Spaces), which articulates very important issues of shaping urban spaces.

What about the greenery?

One of the elements of sustainable development is the 3-30-300 concept, which assumes that we should be able to see 3 trees from the window - although in the case of our projects it is much more than that - 30% of the surroundings is biologically active area, and there should be a park within 300 meters - which we implement in our developments. Examples include our projects in Kraków: Dolnych Młynów 10, where in close proximity is, among others, Park im. Wisławy Szymborskiej or Młyny Mogilska located in the vicinity of Park Lotników Polskich. And in Katowice - the Nadgórników 14 development near Park Bogucki.

For us, greenery is not just a few trees. This is a carefully selected and biodiverse flora, suitable for our climate, year-round and dynamically changing according to

the seasons in Poland. Obvious to us in this regard is ecology and the whole ESG strategy: rainwater retention, energy efficiency, photovoltaics. We don't look at it through the prism of fashion, but of developer and personal duty to take care of our planet.

We are also taking two steps forward by creating less obvious greening. We plan to create urban farms and community gardens, i.e. places that promote local food, sustainable plant production in the city and education on healthy eating.

Art in urban space is a subject close to NOHO, how do you show it in your projects?

Art is an integral part of any NOHO development. Each of our projects features an original sculpture by the esteemed artist Paweł Orłowski - a professor at the Academy of Fine Arts (ASP) in Kraków. Even when creating the fence of the investment, we are aware that it too can enrich the immediate surroundings. We focus on aesthetically pleasing projects that enrich the image of the city, such as the Dolnych Młynów fence, which we created together with young but already established artists and the Wisława Szymborska Foundation. Besides, supporting young artists and discovering new talents is also an issue to which we attach importance. We are working closely with ASP and are planning a wide variety of projects together in each of our developments.

high quality rental

The rental market in Poland has been undergoing an accelerated evolution in recent years, including in the premium segment. More and more professional players are appearing on it, offering more stability and higher quality than before. This attracts affluent renters by choice and brings the development of services aimed at meeting their needs.

who are the premium renters

The majority of renters in Poland say they are primarily held back from homeownership by financial constraints³. However, those who rent high-end and luxury apartments can often afford or already own property themselves. They choose to rent because it better suits their current needs - allowing them to live in a more attractive neighborhood or a unit with a larger size, which better fits their aspirations and lifestyle.

At the same time, there is an increase in people who are very conscious of their housing careers, that is, adapting where they live to their stage of life. Leasing allows more flexibility in this regard. It also provides a good solution for people who are waiting to find the perfect home for themselves or testing living in a new location before deciding to buy a property.

Among the clients of this market segment, multinational corporations and diplomatic missions are important. They are looking for high-standard housing for their employees and their families, who have to relocate to another country for a period of time. This is often a so-called medium-term rental, lasting a few months at most.



source: pixasquare, Unsplash



source: Renters

renter preferences

→ equally good housing

Preferences of renters are mostly not different from those expressed by people buying property for their own use. They are looking for quality and amenities commensurate with the class and price of the property and attractive locations.

→ easy personalization

Instead, neutral interior design is becoming much more important, allowing it to be personalized as simply as possible through accessories, artwork and family heirlooms. For this reason, minimalist apartments with durable and timeless furnishings are preferred among those investing in apartments for rent.

→ fully furnished

Since one of the biggest advantages of renting is flexibility and freedom to change residence, fully furnished units also dominate in the more expensive segments.

single-family houses and professional approach

Among renters, downtown districts or those located near business centers with excellent transportation links are the most popular - but not always. The

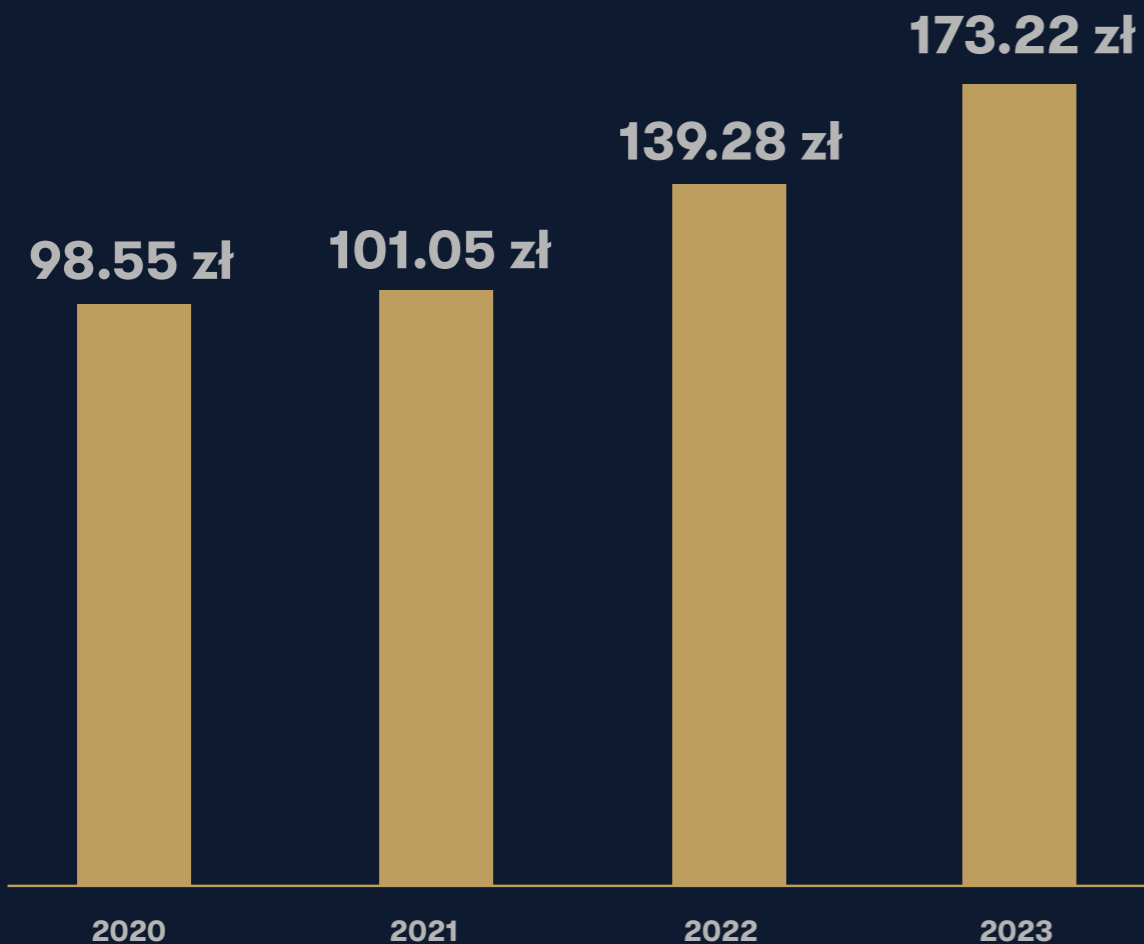


source: minh pham, Unsplash

premium rental market is distinguished by an extensive offering of single-family homes located in villa neighborhoods and suburban areas. This stands in contrast to standard rental housing, clearly concentrated in multifamily construction.

LUXURY REAL ESTATE RENTAL PRICES IN WARSAW 2020-2023

average price per sq. m for rent among luxury properties in Warsaw



source: based on Hamilton May internal data

The houses and villas respond to the need for ample space and prestige expressed by many affluent clients, while offering them an equally valued sense of privacy and isolation from their neighbors. Facilities surrounded by other high-end properties are particularly attractive.

It should be noted that single-family building rentals are more popular in the higher-priced segments of the market also due to expanded management services. They eliminate, or at least reduce, one of the biggest barriers to discouraging single-family rentals, which is the need to put labor and money into the

ongoing maintenance of the house, terraces and surrounding areas.

Currently, there are dozens of companies on the market specializing in rental services, and their number is growing steadily⁴. The cost of management is a percentage of rental income, and rates are typically 10-20%⁵. The management companies' offerings include renter acquisition and billing, property condition management and disaster recovery. Affluent clients also have additional expectations, such as taking care of the garden or flowers at home. Numerous and extensive services, in turn, give rise to the need to integrate them, so that all matters related to renting can be handled in one place. Building applications are being developed for this purpose, and concierge services are being offered for the most luxurious developments.

luxury included

Investors are increasingly interested in buying high-standard properties as a package. In the period from August 2022 to August 2023, more than a dozen such transactions were made in Poland for a total of about PLN 200 million⁶. A key feature of the packages is diversification - the units are diversified in terms of type, location and area. The package usually consists of several or a dozen personalized studios, apartments or premium homes. These are apartments with a high standard of finish and prices exceeding PLN 20,000 per square meter of space⁷. Premium real estate parcels are typically not available on the general market, limiting the pool of buyers to a group of experienced investors with an extensive network of contacts and access to off market listings.

Each property at the time of sale is already prepared for rental. An important service offered by developers is the ability to manage the entire package. During the transaction, they take a commission on rental income, in exchange for a fully

maintenance-free investment. Having multiple apartments in one parcel can make it easier to organize rental management and lower costs.



Premium in the real estate market is also the quality of management and the way in which service premises are commercialized. To maintain the standard we care about, we established our own company, NOHO Management. Both residential communities and commercial units will be comprehensively managed directly by us, and the offer will include long-term rental management and turnkey apartment finishing.

A huge challenge for the developer is to build the right balance between commercial and residential space. Our analysis clearly shows that this is possible if we provide a broad spectrum of services tailored to the needs of residents and the local community. We strive to achieve this balance in order to facilitate the co-existence of both functions and provide residents with the highest quality of living comfort. As a responsible investor, we made the decision to keep all the commercial premises in our hands. We do not sell them, which allows us to control the selection of renters and the services they provide. We want them to be centric - to influence the shape of the entire project, acting as a magnet for residents and the local community, following the idea of make place, not space.



Rafał Kula

President at NOHO Investment

NOHO is the definition of the highest standard and luxury

Currently, it is difficult to talk about the existence of a full-fledged premium product in Poland. This challenge is being taken up by NOHO. The investor's vision realized according to a holistic approach to construction, in the spirit of the NOHO PREMIUM LIFESTYLE philosophy.

The projects meet the requirements of modern lifestyles, including offering dedicated common areas for residents: a fully equipped club room, coworking with a reading room, game room, cinema room, yoga and Pilates rooms or a DIY room. The developer is creating an environment rich in diverse greenery with interior courtyards and playgrounds. Parking spaces for electric cars, bicycles

and scooters have been prepared in underground garages, as well as vehicle washing stations, including a special area for dog grooming.

In addition, NOHO has created a proprietary app that allows residents to easily order cleaning, 24-hour technical assistance, transportation, a visit from a handyman, hairdresser, massage therapist or doctor. They can also take advantage of a large array of food and beverage services, including restaurants located in the building, and book common areas. Importantly, the buildings are designed with the environment and energy efficiency in mind, using modern solutions such as heat pumps and photovoltaic panels, as

well as rainwater harvesting systems.

NOHO's projects create a premium that has never been seen in Poland before. In Krakow, these are two unique revitalizations. The first of these is the restoration of the former tobacco factory at Dolnych Młynów 10 in the heart of the Old Town. The second is Młyny Mogilska, which involves restoring the luster of the historic buildings of the Polish Grain Works. Also under construction in Kraków is the modern LINDEGO2 apartment building in the green Bronowice district. This project includes 248 apartments, more than half of which have already been booked, and a dedicated service area for our clients. Two more apartment projects in Podgórze and Krowdrza are also in the pipeline. Currently, the prices of our investments in Krakow are from 18 thousand PLN in the Młyny Mogilska investment, for Dolnych Młynów 10 the price per meter starts from 35 thousand PLN.

The Nadgórników 14 development in the heart of Katowice's Cultural Zone, right next to the Spodek and the International Congress Center, is in the final stages of construction. The two apartment buildings, with a record price of one of the transactions at PLN 20,000 per square meter, reflect the demand and interest of clients in the Silesian agglomeration in a premium product. Another investment in Katowice is also planned. On the other hand, in Wrocław, an apartment and commercial project is under construction at ul. Świdnicka. The building will be responsibly integrated into the historic urban layout of the Old Town.

NOHO's largest development will be built in Warsaw, right by Rondo Daszyńskiego, the most rapidly developing part of Warsaw. NOHO ONE will be distinguished by its architecture, design, omnipresent greenery planted also on balconies and terraces. The first floor will feature carefully selected and responsive service establishments, world-class gastronomy and concepts hitherto absent from the market.



source: NOHO Investment

source: NOHO Investment

5 second homes and holiday apartments

Although Poland is among the top countries with the highest percentage of homeowners in Europe, second home ownership is only beginning to gain popularity⁸. Motivations for acquiring them can be many, but they are almost always subordinated to the principle that an attractive second home gives us what a primary residence does not.

Second homes differ from apartments purchased for strictly investment purposes primarily by hosting the owner, at least occasionally. Representatives of the high-quality real estate market speak of two basic types of second homes, distinguished by location and purpose.

to or from the city

The first, by far the smaller group, are centrally located units, purchased by very wealthy individuals living in the suburbs or in a completely different city. They don't want to move permanently

to a place where they work or frequent, but they value the convenience of being able to spontaneously use their own apartment in between meetings or after an evening performance. Investor and family motivations play a large role, such as providing housing for children if they start college in a particular city. The best addresses also attract prestige.

The second, more common option, is vacation properties. In Poland, the most popular locations are coastal, mountainous and Mazury⁹. Owning a second home in a beautiful neighborhood has always been widely desired, but the Covid-19 pandemic has further reinforced this trend. The year 2020 brought the proliferation of remote work, and in 2022, already 32% of Polish residents surveyed planned to use part of their vacation time for professional work¹⁰.

At the same time, client preferences in the real estate market have clearly shifted towards space quality, acoustic comfort and access to greenery. This has happened as awareness of the importance of well-being and maintaining work-life balance has increased. Importantly, the opportunity to vacation in the same place simply suits many clients - 20% of those surveyed in Poland take the same destination every year on vacation¹¹.



source: Renters

most desirable tourist destinations

More than half of Polish respondents say they have the best rest in resorts¹², which combine proximity to nature and tourist infrastructure. For this reason, the high real estate prices that characterize tourist destinations are due to the attractiveness of the location rather than the quality of the property itself, although it should be noted that premium investments are on the rise.

Among the ten resorts with the highest prices in the country, as many as six can be found in the West Pomeranian region: Międzyzdroje, Świnoujście, Niechorze, Pobierowo, Dziwnówek and Mielno. They are particularly popular with residents of the western part of Poland, and benefit from their proximity to Germany.

In the south of the country, the highest prices apply to two localities in Podhale: Zakopane and Kościelisko, in both of which the average price per sq. m exceeds PLN 20,000. They are located closest to the Tatra National Park, and the varied terrain makes it possible to get an attractive view from the windows in many places. Among the most expensive mountain towns was also Szczyrk, where the price per square meter of an



source: roberto nickson, Unsplash

apartment already exceeds PLN 16,000. The town benefits from its proximity to the Silesian agglomeration and extensive skiing facilities.

Particularly noteworthy is Sopot, where the average price per square meter exceeds PLN 20,000, and neighboring Gdańsk and Gdynia also enjoy a strong position in the market for high-quality apartments in Poland. The Tri-city is a

this article was compiled from

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RENTERS

REAL ESTATE PRICES IN TOURIST LOCATIONS IN POLAND

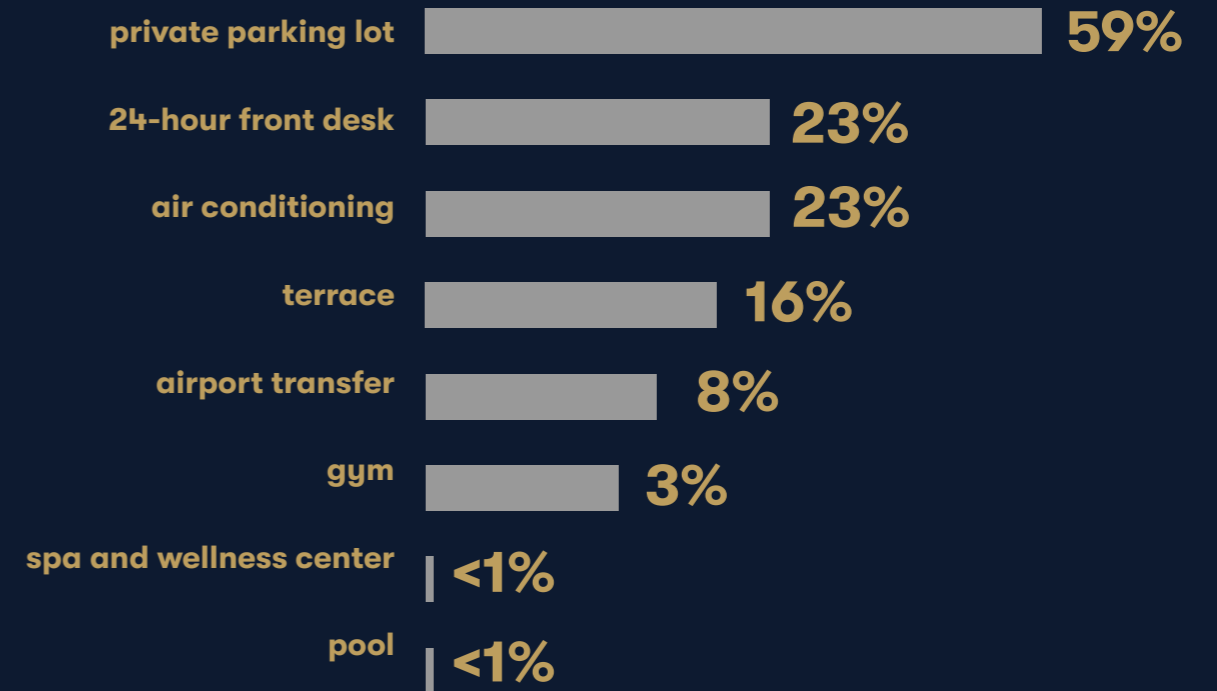
average price per sq. m of housing in January 2024



source: Otodom, Badanie skali rynku mieszkań premium w polskich miastach, 2024.

SHORT-TERM RENTAL AMENITIES

percentage of booking.com properties in Warsaw with access to a particular amenity



source: Renters' own data

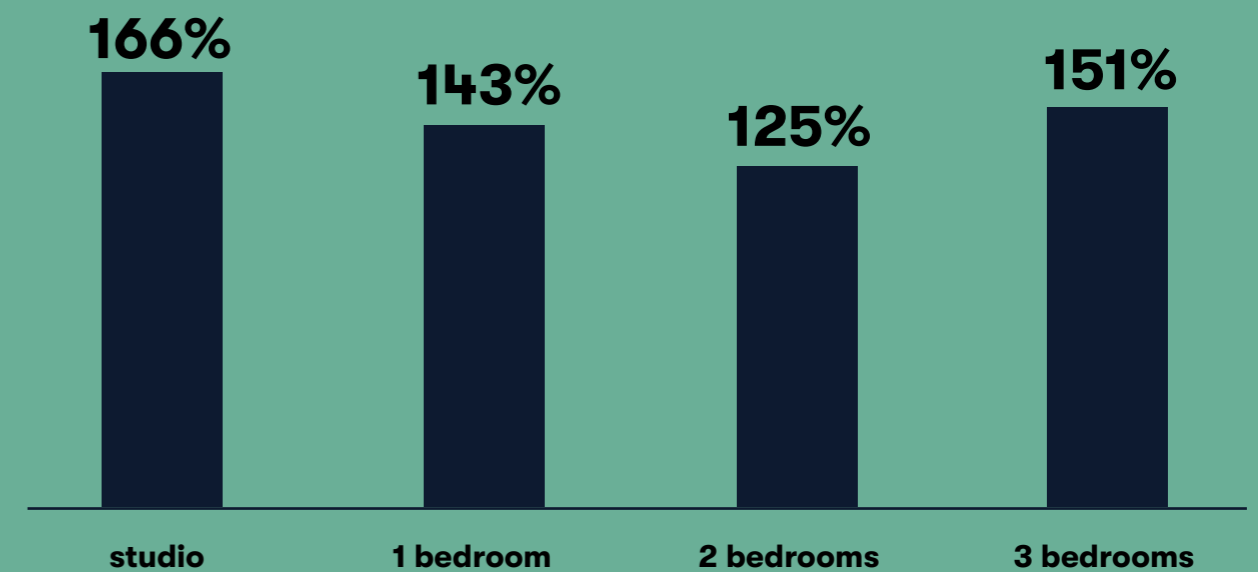
10 MOST EXPENSIVE RESORTS IN POLAND

	RESORT	PLACE	AVERAGE PRICE PER SQ. M OF HOUSING
1	sea	Międzyzdroje	PLN 22,921
2	mountain	Kościelisko	PLN 21,739
3	sea	Sopot	PLN 21,293
4	mountain	Zakopane	PLN 21,081
5	sea	Świnoujście	PLN 19,138
6	sea	Niechorze	PLN 18,571
7	sea	Pobierowo	PLN 18,507
8	sea	Dziwnówek	PLN 17,858
9	mountain	Szczyrk	PLN 16,097
10	sea	Mielno	PLN 15,919

source: Otodom, Badanie skali rynku mieszkań premium w polskich miastach, 2024. The table includes localities where the number of bids was a minimum of 50 and was not dominated by a single investment.

HOW MUCH DO PREMIUM APARTMENTS EARN?

short-term rental income in premium apartments relative to the average for the property type in 2023



source: Renters' own data



source: Renters

unique in the country combination of the advantages of a large city and its location between sandy beaches and wooded hills, with extensive historic areas in the central parts of the agglomeration. This makes it easier to find a location there that is attractive to the premium market. Also key to the popularity of the Tri-city is its excellent rail, road and air connections, especially with Warsaw, making wealthy residents of the capital often decide to buy a second home there.

Coastal resorts on average are more expensive, but they also offer higher re-

turns on investment compared to other regions¹³. Their advantage is due to a number of reasons. First of all, the Coast is the most popular tourist destination in Poland, both before and after the pandemic¹⁴. In favor of visitors is the higher number of high-end apartments than in the mountains - in the south there is lower developer activity, for higher individual construction and still relatively popular is the rental model for rooms¹⁵. Despite the higher prices, it is the seaside where the availability of land plots is better, due in part to the lower population density and easier to develop terrain.

short-term rental

For properties located in tourist destinations, the line between second homes and short-term rental properties is often blurred. Many landlords contract a management company to take care of their apartments and handle their rentals, while they themselves visit occasionally.

At the same time, it should be noted that many tourist destinations, especially coastal ones, are dominated by investments in the form of apart-hotels. This makes it possible to enrich them with amenities known from hotels and luxury apartment buildings, so that a stay in a particular place can be attractive all year round, regardless of the weather. This is especially important for those focused on making a profit from short-term rentals.

However, from the point of view of those who would like to use the units they own in condo developments, small unit sizes, among other things, can be a problem. As commercial premises, they do not have to meet the requirements for apartments, which can lead to, among other things, an excessive number of guests staying in the facility at the same time and problems with insufficient parking spaces. Restrictions on interior design and potential conflicts arising from the proximity of numerous and frequently changing guests may also discourage the use of so-called owner stays. All this makes it difficult to talk about condohotels in the context of the premium market.

In major cities, it is apparent that the market for condohotels and investment apartments for short-term rentals is meeting with declining interest in favor of the growing PRS segment and regular hotels^{16,17}. This does not apply to premium properties, which allow you to earn more revenue relative to standard units. Clients accept much higher rental prices, as there are few apartments on

the market that offer amenities such as 24-hour reception, air conditioning and a large terrace, and it is very rare to find access to a gym or swimming pool.

“

Higher yields in short-term rentals prevail among apartments, which guarantee comfort, privacy and exceptional amenities known from five-star hotels. Our analysis shows that the price per night in high season can exceed as much as PLN 2,000 per night in them, and for owners they mean rental income higher by up to 40% relative to standard apartments. We have been observing for a long time that one-room premium apartments can generate a profit at the level of three-room, basic-finished ones. The amounts of revenue per year here exceed even PLN 100,000.

In Poland, it is difficult to speak of an oversupply of premium residential real estate - only one in 10 apartments in our wide range meets the requirements for the Renters Prestige collection. However, their numbers are growing steadily, which should come as no surprise. Investing in high-quality units can be much more profitable than apartments with average finishes, especially in the short-term rental segment.



Paulina Szadkowska

Director of Revenue Management at Renters.pl

premium rent management is not easy, but two heads are better than one



Kamil Krzyżanowski,
President of Renters.pl

What are the challenges for a person who would like to start a short-term rental adventure?

Managing short-term rentals requires great organization and time. It quickly becomes apparent that this is a full-time job: the apartment has to be properly prepared, and after the guest's stay it has to be cleaned, defects repaired and so on. Those who try it are so busy preparing apartments and dealing with guests that they often forget to promote their apartment or constantly monitor the price for the night. They remember the holiday season, but forget about major events, concerts, important holidays during the year. Due to their inexperience, they also do not know which apartments are willingly rented by guests, and do not offer additional services. A lower nightly rate will certainly attract a guest, but often the final result is that the real costs incurred by the owner are higher than the expected profit.

What conditions must be met to earn?

I think it's not about the conditions, but rather the standard that guests expect. Beautifully designed, spacious apartments with several bedrooms earn the most. There are very few of them on the market, so they tend to enjoy higher rates per night. Investing in an apartment for rent is not just about buying it, it is also about investing in its design

and functionality, something investors often forget.

That's probably why some people prefer to hire professionals to manage the rental on their behalf. But after all, it's an additional cost and therefore less profit.

It is not true that the profit is less - with knowledge and experience, a professional operator can earn much more for the owner. This confirms the well-known proverb that every two heads is not one, which is why our team at this point already has nearly 250 people. Landlords who work with us appreciate that renting is stress-free for them, and the apartments are in safe hands.

Achieving better results is possible thanks to, among other things, our own price management tools. We take advantage of opportunities that come across and increase or decrease the overnight rate depending on the market situation. This is important, because the difference between hot dates and a normal day is often more than double the base price. We change prices dynamically, even several times a day if necessary. Another advantage on the professional operator's side is the multitude of additional booking portals on which we profile. Many of the portals that we have in our portfolio are not accessible to the ordinary Joe. These are additional sources of bookings, such as working with



source: Renters

relocation agencies like the one within EuRA, of which Renters is a member. In addition, a recognizable brand means an increasing percentage of returning guests and bookings through the company's own booking portals.

What is it like working with you?

We settle accounts with owners on a fair basis. At Renters, we charge a certain percentage of the booking value for comprehensive management over the apartment. The cooperative model is based on rental revenue sharing. Our base commission is from 20%, plus the cost of distribution portals. This model is safe and equitable for both parties. To us, it allows us to manage prices efficiently, and the property owner takes off a huge amount of work.

Where do you start?

At the beginning of the cooperation we look at the apartment and give possible tips in retrofitting to get the maximum return on investment, we also tell you about all aspects of cooperation with us. Then, at our expense, we furnish the apartments with linens, towels, a key box with a combination lock, and do a professional session of each apartment. All this without any start-up costs on the part of the owner. We prepare creative ads and place them on the most popular booking portals.

This is only the beginning of our tasks, because the biggest challenge is to maintain high quality once guests show up. We prepare apartments according to the standards adopted in 5-star hotels. We provide freshly ironed linens and fluffy towels. We clean up after each guest's stay. Our professionals take care of any defects. We respond to guests' inquiries via Whatsapp, Livechat and SMS in real time, without the need to install any additional applications.

And the owners see everything in real time?

Yes, each owner has the ability to check on a dedicated platform when their apartment is rented and for what amount. They can also see for themselves the high quality, as we enable so-called owner stays.

Renters.pl has become the first premium property management partner of Homes & Villas by Marriott International in Poland, making carefully selected Polish premium apartments available under the Marriott banner to more than 140 million participants in the Marriott Bonvoy loyalty travel program. Every property available in this highly selective luxury offering is inspected for quality, design and safety.

poles invest in second homes for profit, not relaxation



Rafał Ślebioda,
Sales and Marketing
Director of Renters.pl

Second homes are an extension of the traditional idea of a vacation home, now often in the form of fully equipped, comfortable properties. We saw a noticeable increase in this type of investment after the outbreak of the pandemic. In theory, it is primarily a place of rest for the owners, but in practice it often looks different: second homes become primarily part of the accommodation offer.

RENTAL FOR MOST OF THE YEAR

Our clients who have opted for this type of investment rarely stay in their apartments, leaving their management to the operator, who takes care of high occupancy, cleaning and marketing. Investors buying a second home by the sea or in the mountains care more about an attractive return on their investment than about their own vacation.

source: Renters



Although Renters.co.uk provides its clients with the option of an owner's stay, they don't use this option very often. Owners in tourist areas usually opt for owner stays after the season and outside periods such as May long weekend and holidays. This shows that their priority is high income. For their own recreation, they choose months when the chances of earning a large income are lower, such as late autumn.

RICH OFFER REDUCES SEASONALITY

It should be noted, however, that in the high-end property segment the fluctuation in occupancy between the high and low seasons is much smaller. This is mainly influenced by the possibility of pleasant leisure activities regardless of the weather. Facilities with year-round occupancy in Polish resorts usually offer extensive service facilities, such as spa areas, indoor swimming pools and restaurants. This is why well-located condohotels often gain more in value than traditional residential units.

PANDEMIC HAS CHANGED THE INDUSTRY

However, the entire industry is united in measuring itself against the fact that the pandemic has changed the expectations and capabilities of guests of lodging facilities. Tourists can more easily book last-minute stays and cancel reservations free of charge, so travel



source: Renters

has become spontaneous. Guests book stays 2-3 days before arrival, and in Warsaw up to 25% of bookings are for the same day.

The pandemic has also influenced the spread of out-of-office work, which has brought in recent years the emergence of so-called workation, or the combination of remote work and vacation. The natural audience here is residents of large cities, looking for respite or simply variety. More and more visitors (so-called digital nomads) are renting apartments for one to three months. It is worth noting that many such stays are realized by foreign guests, for whom price is no longer the only advantage of staying in Poland. Germans or Czechs appreciate not only the beauty of the Baltic beaches and mountain landscapes, but also modern infrastructure and an offer tailored to their needs.

LAST BUT NOT LEAST: LOCATION

A key element of success in vacation rentals is a prospective location that provides a steady flow of tourists. It should provide tranquility and attractive surroundings, while being easily accessible. Popular resorts such as Zakopane, Sopot and Międzyzdroje are popular precisely because they are relatively well-connected. However, even there, the travel rental market is not easy due to the large and increasingly fierce competition. Other important factors

are the average occupancy rate and the average price per night, as well as the recognition of the locality among foreign clients and the recognizability of a particular property - all of which should be taken into account when choosing an investment.

source: Renters



6 standard+ abroad. perspective of polish buyers

Unstable times have led to an increased interest in luxury goods and real estate that could effectively protect one's financial resources. In this situation, Poles have begun to look more and more boldly beyond the country's borders in search of housing, especially with the proximity of the war in Ukraine. There are, of course, more motivations for buying homes abroad, and each country can attract (and repel) with something different.

One of the most significant reasons why Polish buyers choose to invest in apartments abroad is the desire to protect their own capital. According to 60% of respondents, investing in real estate is an effective way to protect savings from the negative effects of inflation¹⁸. Going outside of Poland makes it possible to extend this protection by diversifying one's portfolio. Countries differ in their rate of price growth, their response to crises, and may offer to maintain the value of capital in a stronger currency than

the Polish zloty. For properties bought with the intention of short-term rentals, the longer tourist season in places with warmer climates and more tourists is not insignificant.

However, rational investor calculations, while almost never disappearing completely, often recede into the background - especially when it comes to second homes in the premium segment. At the forefront is the excitement of finding the perfect place to spend part or most of the year. A home that will bring a sense of fulfillment to many, prestige in the eyes of those around them, provide financial security for children and good memories of youth, and a beautiful place for oneself in old age. Spending extended periods of time away from your main residence, moreover, is easier than ever. Changing attitudes toward working remotely have had a positive impact on the increased interest in offsite real estate, especially after the pandemic experience.



source: zac cain, Unsplash

SPAIN

Spain is the most popular country among Polish buyers looking for property abroad. In 2022 alone, they bought about 3,000 apartments there, an increase of 161% year-on-year¹⁹. The Costa del Sol and the Canary Islands are the most popular. Prices for high standard properties there start at one million euros. The luxury segment, on the other hand, accounts for about 5% of the country's housing market, with prices exceeding EUR 3 million. The largest number of such properties, more than 30%, can be found in the province of Malaga²⁰. Importantly, the higher-end apartments were characterized by greater resilience to the crises that have hit the Spanish market in recent decades.

PAPERWORK

When buying a property in Spain on the primary market, keep in mind that listing prices are net and 10% VAT is added (or IGIC of 6.5% in the Canary Islands). A transfer tax, known as Impuesto de Transmisión Patrimonial (ITP), is imposed on the secondary market. It is assumed that covering all transaction costs when buying a property in Spain is about 10-15% of its value. In addition, it is necessary to have a Spanish tax identification number NIE (Número de Identificación de Extranjero) and proof of opening an account in a Spanish bank.

PORTUGAL

Portugal's popularity has grown significantly in recent years. The largest number of buyers of luxury real estate comes from North America, especially the US. This was linked to a system of special visas, the issuance of which, however, was suspended in 2023. Demand for high-end properties is mainly observed near Lisbon and Porto, on the southern coast (Algarve) and in Madeira and the Azores. The average price of a luxury home in Portugal is EUR 1.7 million, with higher prices recorded in the southern resorts. In response to rising prices in the country, more regulations are being introduced to limit rent increases and prevent the maintenance of unoccupied properties. The dynamic legal situation therefore requires constant monitoring.

PAPERWORK

You will need a Portuguese tax identification number (NIF) to purchase the property. The total cost of a purchase in Portugal consists of the purchase price and closing costs, amounting to about 6-10% of the purchase price. The largest additional cost is the IMT (Imposto Municipal sobre Transações Onerosas de Imóveis), or real estate transfer tax. Its amount depends on the type and type of property, location and value, but is usually 2-8% of the transaction price.

source: hugo sousa, unsplash



CROATIA

Croatia is well known to Polish tourists, who are attracted en masse by its climate, views and relatively short trip, easily passable even by car. Investors are attracted by favorable apartment prices - lower than in Western European countries, with no less tourist appeal. Polish buyers are most often looking for properties in the middle and upper price bracket. They choose smaller houses, unless partial rental is in the plans. The average size of a house is 200 sq. m, but resorts and cities are dominated by smaller ones of 100-150 sq. m. A popular choice is northern Dalmatia in the Šibenik region (Vodice), the Zadar region (Zaton, Nin) and the islands of Pag and Vir. Buying a high-end property is possible at a price of EUR 600,000, but offers in the neighborhood of a million euros predominate.

PAPERWORK

When buying a property in Croatia from the primary market, it is necessary to pay VAT of 25% of the net price of the property and the cost of notary and court fees of 1-2% of the purchase price. When buying an apartment from the secondary market, you also have to add a real estate transfer tax of 3% of the transaction price. All additional costs associated with the purchase of the property amount to about 7% of its value. An OIB identification number is also required.

source: spencer davis, unsplash



ITALY

Polish investors are most often looking for high-end properties in the country on the Ligurian coast, in Sardinia, Capri and Tuscany. In the former, average prices for properties in the luxury segment are an outlay of EUR 1.5-1.7 million, while in Tuscany they exceed EUR 2.1 million. There is also interest in the largest cities, where the search is mainly focused on apartments in townhouses. Italy's luxury real estate segment compares unimpressively with Western Europe, accounting for 2.3% of the residential market in 2022²¹. However, eager buyers are rapidly increasing, especially since the outbreak of the war in Ukraine, and foreigners (70%) by far dominate among premium property buyers²².

PAPERWORK

As part of the property purchase, you must have an Italian fiscal code (codice fiscale), pay property registration tax (imposta di registro), mortgage tax (imposta ipotecaria) and cadastral tax (imposta catastale). The total cost of buying a property reaches 10-20% of the transaction price. In the case of purchasing a second home or a first home, but considered a luxury home, the owner is required to pay an additional property tax (imposta municipale propria) 2-3 times a year. It is part of the IUC's unified municipal tax (imposta unica comunale).

source: mikita yo, unsplash



CYPRUS

Cyprus is becoming increasingly popular with tourists, which directly translates into an increased interest in buying property for investment purposes and for use as a vacation home. In 2023, buyers from Poland accounted for the third largest group there coming from the EU²³. The largest number of high-standard apartments can be found near Limassol, a major resort experiencing a real estate boom, as evidenced by the modern high-rise apartment buildings under construction there. The median price of premium category homes fluctuates between 700,000 and one million euros - lower prices can be found in Paphos and Nicosia, higher in Larnaca and Limassol. In the case of apartments, we are talking about an investment of 220-330 thousand euros. It's much cheaper in Northern Cyprus, but investors may be deterred by the complicated legal situation of the region, which is not recognized by the European Union as an independent country.

PAPERWORK

When you buy a new property in Cyprus, you have to pay VAT at 19%, but this can be only 5% if it is your first purchase of a property in Cyprus for your own purposes. In addition, you have to pay a title fee (3, 5 or 8% of the transaction price) and pay stamp duty, which is 0.15% for properties valued up to EUR 170,000 or 0.20% above that amount. The IPT property tax was abolished in 2017.

source: datingscout, unsplash



FRANCE

France is the world's most visited country with a large and stable economy, as well as a rich and varied range of high-standard properties. Between 2014 and 2022, the number of transactions over two million euros grew rapidly²⁴. The French Riviera remains the most prestigious region. Numerous premium apartments can also be found in Alpine resorts and in Paris, continuously a global tourist, business and cultural center. It is popular there to buy high-standard properties for short-term rentals. However, it is important to be aware of the city's apartment rental limits, the length of which depends on the size and nature of the property.

PAPERWORK

When buying property in France, you have to pay a fee to purchase the property, including registration fees (frais d'acquisition), which amount to about 2-3% of the value. The purchase of a new property involves the addition of 20% VAT. In the secondary market, frais d'acquisition of 7-8% of the purchase price is paid. Non-residents are required to pay an IFI tax each year for property values above EUR 1.3 million, at rates ranging from 0.50% to 1.5%.

source: maschio, unsplash



source: martijn vonk, unsplash

UNITED ARAB EMIRATES

Polish investors in the UAE are most attracted to Dubai, a city of cutting-edge architecture, tourism and business. In addition to the sunshine, Dubai guarantees attractive tax regulations and is experiencing a real estate boom. Between 2020 and 2023, prices in the city increased by as much as 225%²⁵, with a 67% increase in 2023 for foreign property buyers²⁶. Dubai is one of the most active luxury real estate markets in the world. This segment is dominated by the Palm Jumeirah neighborhood, concentrating more than 57% of property transactions worth more than \$10 million in the second half of 2023²⁷. Equally attractive areas include Emirates Hill, MBR City and Jumeirah Bay Island.

PAPERWORK

A fee of 4% of the value must be paid to the Land Dubai Department when purchasing the property. In the primary market, administrative fees (up to AED 5,000) When buying a property from the secondary market, you must pay an additional AED 4,250 for notary services and AED 580 for the title deed. Using an agency involves commission fees and fees associated with the preparation of the necessary documentation. In the case of a first purchase or the absence of a bank account, the funds are transferred to so-called trust accounts, which also have to be paid for. All the additional per-transaction costs amount to about 7-10% of the value of the property.

renters prestige: new quality of short-term rentals

To qualify for the premium segment, an apartment should meet a number of criteria. Keep in mind that the target client will be a more discerning guest, for whom both the design and appearance of the apartment in question, the quality of the materials used and the additional amenities awaiting them during their stay are important. Such apartments are often developments designed entirely by an architect, characterized by following current trends. The view is always an asset - the Baltic Sea or the Palace of

Culture illuminated at night will influence the correspondingly high rate per night.

Some estates offer additional attractions, such as a spa area, gym, swimming pool, underground garage, observation deck or reception area. In the case of tourist destinations, given the unpredictability of the weather and the lack of guaranteed sunny days in the high season in our home market, the added advantage of an indoor pool or wellness center often determines higher

occupancy or even the lack of cancellations in case of unfavorable conditions. All this makes the premium segment more resilient to market turbulence.

Apartments are also rented for the filming of commercial spots, music videos or even popular reality shows, where they often pretend to be places inhabited by celebrities. Their image is also lent for photo shoots or recording influencer content.

Responding to the growing demand for the premium segment in short-term rentals is the dedicated Renters Prestige program. This is an exclusive collection of apartments bringing together only carefully selected properties of the highest standard. This is a program prepared for the growing number of clients who are guided in their choice of a place to stay not only by the price per night, but also by the aesthetics of the facility's finishes and the possibilities of additional services. They offer numerous amenities known from five-star hotels, including luxury toiletries, a dedicated 24-hour hotline channel with VIP status, concierge services, and a restaurant menu with delivery.

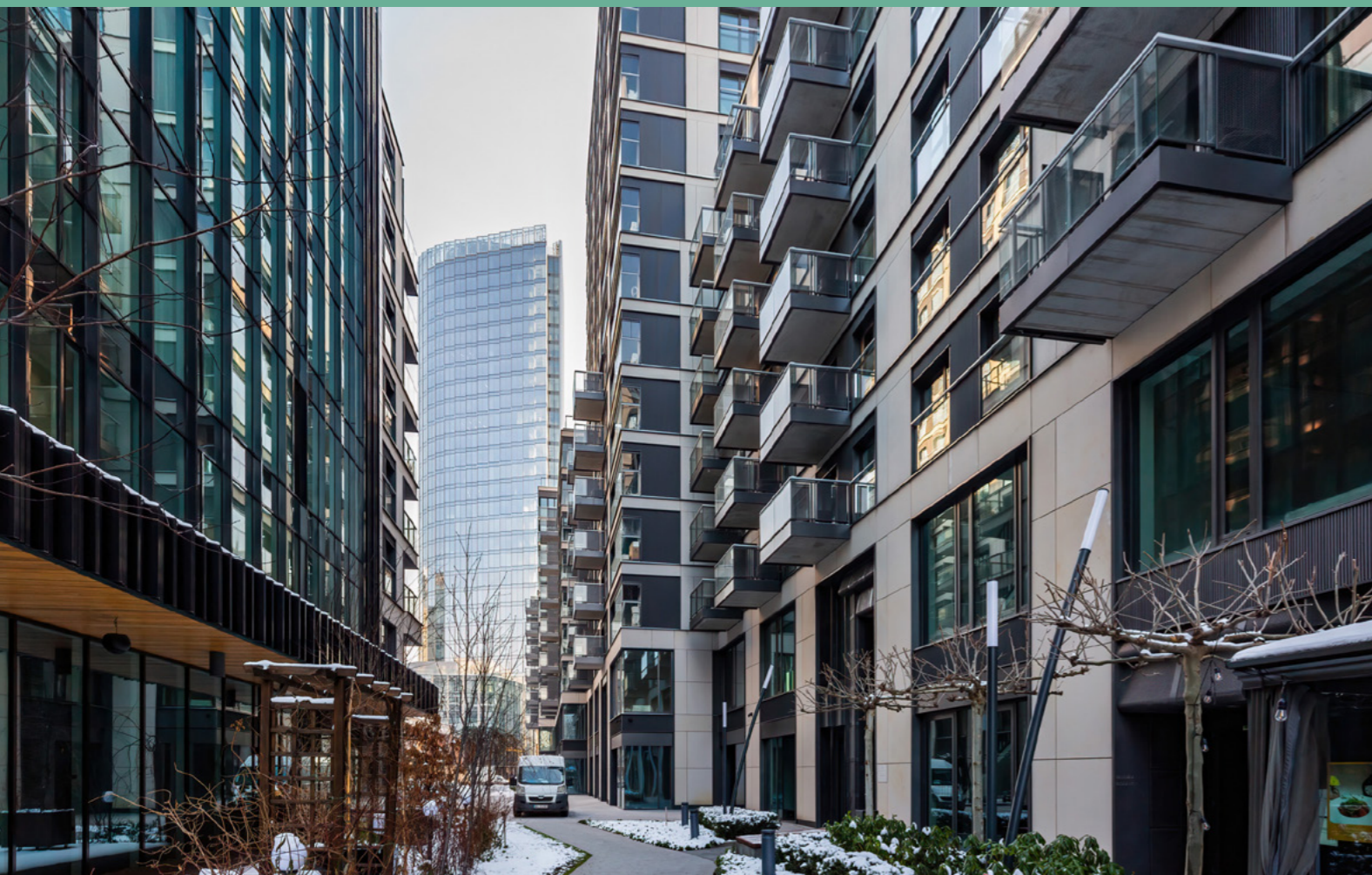
We are also open to special requests from our guests, such as preparing champagne or flowers for their stay. Apartments in the prestige category are often distinguished by their unique location, comfortable common areas, professional interior finishing according to the architect's idea. For guests, a stay at such a property is a guarantee of superior comfort, and for owners it's a program that gives them the opportunity to maintain higher prices for their stay and allows them to rent without direct competition with lower-end apartments on booking portals, as they are promoted on additional sales channels and a dedicated website.

Interestingly, only 10% of Renters.pl's portfolio consists of high-standard apartments that meet a number of criteria of the Prestige program, which emphasizes their exclusive nature and potential value for investors.



Exclusive apartment on the 7th floor of the Wave Resort & SPA in Międzyzdroje. This remarkable resort complex is inspired by the movement of the sea waves and impresses with its perfect architectural form and original design, as well as its on-site restaurant, swimming pool and direct descent to the beach.

source: Renters



source: Renters



Mennica Residence in Warsaw. The 120-square-meter luxury suite generated rental income of PLN 90,000 for a 51-day stay. The average price for an overnight stay is PLN 1,200 per night, with can exceed PLN 2,000.

source: Renters

off market, or shopping behind the scenes

One of the distinguishing features of the premium real estate segment is off market transactions, i.e. the purchase or sale of property outside the official market. It's an activity that responds to the specific needs of wealthy buyers and sellers, and in addition to the benefits, it also involves several risky situations.

This is quite the opposite model to the traditional one, in which sellers care about reaching as many potential buyers as possible. With an off market strategy, it is important to focus on a small group of selected clients who are able to appreciate and pay appropriately for exceptional housing. Real estate

agencies specializing in this type of transaction have the right contacts to reach out to potential buyers interested in exclusive deals. So the key to finding the perfect property is relationships. It is through acquaintances and referrals that you can find yourself in the right place at the right time to take advantage of an attractive offer.

why silent transactions?

The purpose of this type of strategy is primarily to enable the discreet disposal of real estate. In a situation where the seller wishes to maintain privacy,

source: Hamilton May



off-market activities provide full control over the visibility of the listing. The off market segment is dominated by facilities with a residential function, but there are also some thriving businesses, such as hotels. There is less competition here, which, along with the lack of time pressure, creates a convenient negotiating position. This makes both sellers and buyers more relaxed, which is conducive to reaching reasonable contract terms. This makes it possible for such sales to proceed more efficiently than traditional sales, despite a smaller group of interested parties.

Off market transactions also offer other benefits for both parties involved. They make it possible, for example, to verify whether a property can fetch a higher price than originally expected. In addition, it targets a select group of buyers who are often willing to pay more for an apartment that fully meets their expectations. A sense of uniqueness and inaccessibility makes real estate more desirable. Buyers want exclusivity, they want to get something that not everyone can have.

In off-market activities, 100 percent commitment from the intermediary is expected. A personalized approach builds trust between the parties, which improves the entire process. Related to this is also a security concern. This is especially important for people who have valuable items or works of art in the property they are selling. Making such information available could attract potential thieves or fraudsters.

challenges

Success in off-market transactions is based on a solid base of contacts and referrals - whisper marketing plays a fundamental role here. Without them, it's difficult to both attract clients and reach the ideal offer for you. This excludes people who would be good partners but do not yet have the right rela-



source: bernard hermant, unsplash

tionships in the industry. For the vendor, this could mean difficulties in finding an investor.

A serious risk that buyers must take into account is the possibility of fraud. Properties sold off market are generally more expensive, considered exclusive. At the same time, it definitely makes it more difficult to compare the offer and verify all its elements. This can result in fraudulent attempts to sell mediocre properties under the guise of something extremely luxurious. Limited access to information alone can also be a major barrier to obtaining financing for real estate purchases.

7 live in a historical building

The revival of historic properties through modernization and adaptation to a new function can be seen in many cities. This is because of the unique charm of such facilities, which is difficult to achieve with new projects. But that's not all - for they have a number of advantages that buyers of premium apartments appreciate. At the same time, it should not be forgotten that interference with the historic fabric also raises otherwise unprecedented challenges.

from palace to factory

We can mention several categories of monuments adapted to residential function. Among the most impressive are palaces, mansions or castles, often located in picturesque park settings and usually far from the city center. For those interested in close proximity to both greenery and the historic center, urban villas and residences that can combine these two features may be appropriate. Churches and monasteries that are beginning to undergo the process of desacralization are interesting. In

Poland, this topic is highly controversial and there are only a few realizations of this type, but we can expect this to change with the increasing secularization of society.

Revitalizations of townhouses and post-industrial buildings are the most popular. The former are mostly located along densely developed streets, but brownfield sites are usually large areas isolated from the urban fabric by fences and buildings closed to the surrounding streets. Introducing life into them requires a comprehensive and well-considered action that will lead to the mixing of various essential functions. Mixed-use developments on post-industrial sites can be found in many Polish cities. Multifunctionality addresses the need to develop large spaces and complement the neighborhood's offerings, while historical character supports branding of the entire development.

It is worth bearing in mind that not every building that looks like a monument is in fact one. Due to defects and structural limitations, some buildings are being partially or fully dismantled and reconstructed, and some buildings on brownfield sites are not suitable for renovation, so new ones are being built in their place, using the original design

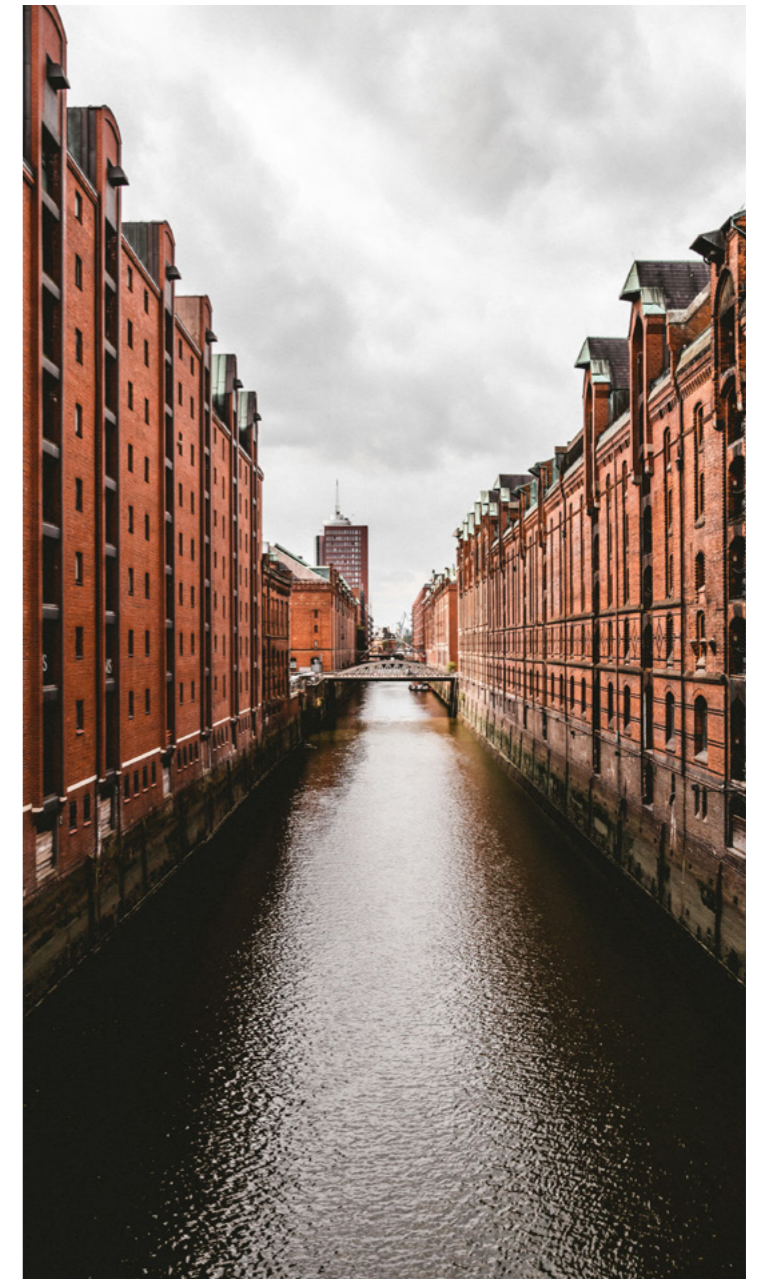


source: aaron huber, unsplash

and materials to a greater or lesser extent. It echoes loudly when only the facade is historic and the interior is built from scratch. Expansions that change the appearance of the entire building also generate interest - and often excitement. This shows how important the issue of the architectural heritage of their cities is to some residents - those who decide to adapt historic buildings must expect increased interest from the local community.

why high standard

Investors adapting historic buildings for residential purposes often choose to offer high standard and luxury units in them for several reasons. Historic properties are often located in central areas of cities, where new land is the most expensive - at the same time the most desirable and hardest to find. Prestigious neighborhoods attract discerning clients, and simply living in a historic building can be seen as a symbol of high social status. These types of units are also often simply comfortable and have many features that are difficult to find in standard construction, such as richly decorated staircases, high and spacious rooms, large windows, wooden floors and windows or open floor plans, especially in post-industrial buildings.



source: max fuchs, unsplash



Read more about mixed-use projects in the report **Mixed-use. Characteristics of mixed-use investments in Poland and the world**

TYPES OF HISTORIC BUILDINGS ADAPTED FOR RESIDENTIAL PURPOSES

 <p>palaces, mansions and castles</p>	<ul style="list-style-type: none"> • mainly suburban and non-urban areas • spacious apartments • surrounded by extensive green areas • recreational and leisure function
 <p>townhouses</p>	<ul style="list-style-type: none"> • historic city centers • high and spacious rooms • large windows • historical materials and details
 <p>villas and residences</p>	<ul style="list-style-type: none"> • villa districts, suburban areas • surrounded by greenery • often have basements adapted for new functions
 <p>post-industrial facilities</p>	<ul style="list-style-type: none"> • often central, well-connected neighborhoods • loft-style apartments • open floor plan • often under mixed-use assumptions
 <p>monasteries and churches</p>	<ul style="list-style-type: none"> • mainly historic city centers • the need for desacralization • spacious, impressive and unique • unusual architectural details

Location aside, the reuse of historic buildings for housing is a long and expensive process. However, there are ways to reduce the cost of this type of project.

The matter is facilitated by subsidies, discounts and tax breaks that can be used by those who want to renovate properties listed in the register of monuments; funds can be applied for from the Ministry of Culture and National Heritage, from the Provincial Conservator of Monuments and from local government units. In addition, the Government's Monument Reconstruction Program, which supports local governments in improving the condition of listed buildings, has been in operation since 2022. Funding arrangements are determined on a case-by-case basis and depend on the level of historic preservation.

specific challenges, costly solutions

Not always the entire building is a monument, often only a specific group of architectural elements, such as the facade, staircase or window woodwork, are covered by conservation protection. Regardless of the form of protection, it is essential to work with a conservator during renovation, preferably even before design work begins. However, even this does not guarantee adherence to set deadlines, as new challenges, such as structural damage or installation problems, can be discovered at any stage of the work. They require repeated consultations with specialists, all of which makes it difficult to accurately estimate the budget.

As a rule, this budget is high - in historic buildings, one should also expect higher costs for custom-made elements. An example is elevators, which are often difficult to fit due to the unusual layout of the wall structure. In such cases, it is necessary to use a customized design for the entire shaft. At the same time, the location of the elevator outside the building may prove to be an even

“

Implementing revitalization projects in the premium real estate area is a task that requires not only vision, but also a deep understanding and respect for history, while looking to the future. Quality and timelessness are the cornerstones of any revitalization, transforming historic buildings into icons of modernity that enrich the urban fabric on many levels - visually, aesthetically, as well as socially. These thoughtful investments are becoming an integral part of the city, reflecting its evolution and aspirations.

Responsibility in the revitalization process extends far beyond the architecture itself. It's about urbanity - how the project affects the surrounding space and the life of the community. NOHO's developments, which are a mix of residential, commercial and restaurant functions, are proof that a modern approach to revitalization can simultaneously address the past and shape the future of cities. The pursuit of sustainability, through the integration of greenery and the creation of spaces open to all, is key to creating healthy, dynamic environments.



Rafał Kula

Prezes NOHO Investment



source: NOHO Investment

bigger problem. In addition to the positive opinion of the conservator, one must then be sure that the building line set in the Local Development Plan allows such a treatment, and that the increase in the building area is within the norms set by the city. Another issue is the course of the plot boundaries. In the case of old buildings, it happens to be outdated, requiring additional measures.

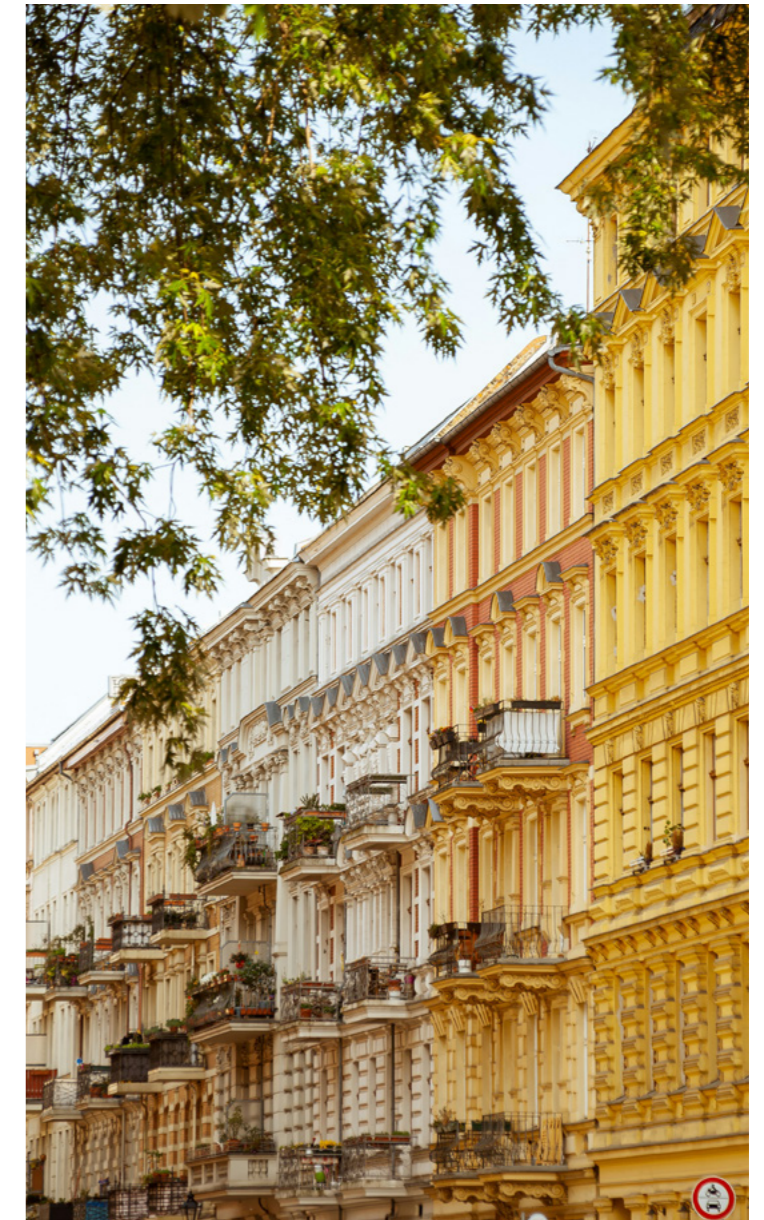
It can be problematic to introduce standard installations, such as ven-

tilation, air conditioning or photovoltaic panels. In many cases, their key elements are placed on roofs, but it happens that this part of the building is covered. Then activities within it are significantly limited. The same can apply to facades, which must remain free of disruptive historical elements. Such situations force compromises that are not always satisfactory - for example, placing the installation in the attic at the expense of arranging a living space there.

Underground parking also often proves problematic. In addition to conservation issues, it may be that such work cannot be carried out because it threatens the structure of the building being upgraded or neighboring structures. In this case, it is necessary to provide an adequate number of above-ground parking spaces, which is not easy in dense downtown areas.

benefits for everyone

The number of potential problems is much longer, and their intertwining brings further challenges, such as adapting the monument to the needs of people with disabilities. However, the difficulties involved in adapting historic buildings are rewarded by the high prices of apartments in this type of development. Buyers are willing to pay more for the prestige of living in a high-quality apartment in a historic building, and all the other benefits that come with it. At the same time, it should be noted that the restoration of historical objects brings value to the entire city. The idea is to protect architectural heritage, preserve local identity and have a positive aesthetic effect, but also to attract wealthy residents - and their taxes.



source: Sebastian Lubjahn, unsplash

PROFIT AND LOSS ACCOUNT

+	-
<ul style="list-style-type: none"> • preservation of local heritage • prestige and recognition • striking interiors • higher investment value 	<ul style="list-style-type: none"> • conservation and social control • lengthy and costly work • design limitations • need to make compromises

boldly introduce premium services in the world of real estate services



Marcin Kawecki,
General Manager for Real Estate, Grupa OLX

Poles are increasingly demanding of developers and real estate agents - are they also demanding of real estate services?

The Polish housing market has become a mature market, and this means that all its participants are becoming more and more conscious about the transactions they make. They are also more aware of the opportunities provided by technology, access to information. This raises the bar for everyone - including platforms like ours.

And what is your answer to these growing demands?

Comprehensiveness and professionalization. And I'm not just talking about providing the widest range of properties in all categories. I'm talking about the complementary services that come with real estate transactions. One example is facilitating our users' access to financial experts from partner companies. We also work with BIK, so we provide easy access to your credit history. We provide a myriad of price and supply data in open dashboards to facilitate decision-making. We welcome experts who share their knowledge in a wide variety of fields, including design and finishes, to make life better in these properties, whether bought or rented. We also give a number of tools that make it easier, for example, to estimate values.

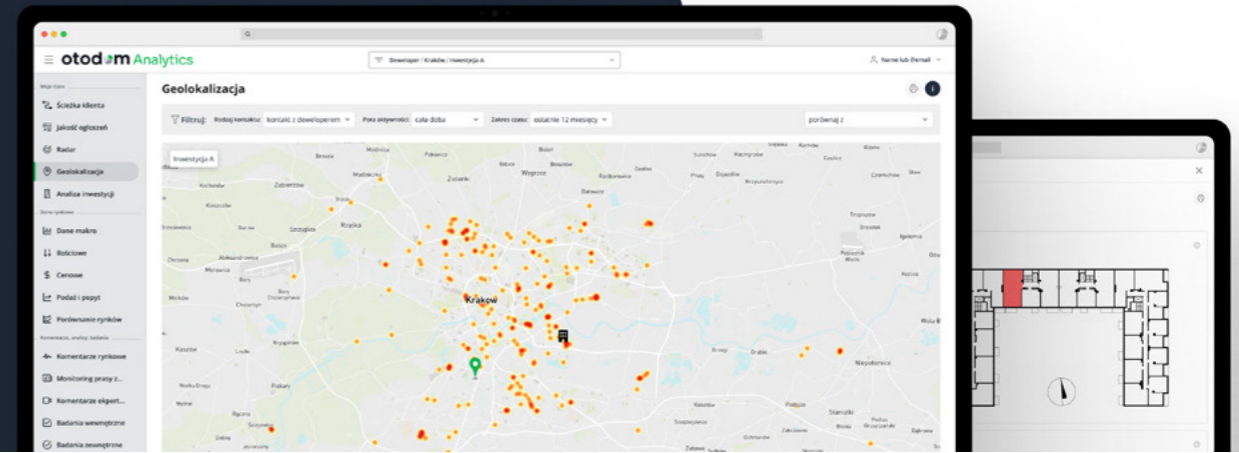
So we have everything you can think of in terms of real estate. Using the Fixly platform, which is also part of the OLX group, it is even easier to find renovation specialists. Is this the right direction? There are many indications that this is the case, because according to GEMIUS data, we are the most visited real estate platform by searchers in our country.

Is there any unique service that you particularly distinguish yourself from others?

There are quite a few, but two that we launched last year are particularly noteworthy. The first - Otodom Concierge - even by its very name may be associated with the premium services segment.

What is its uniqueness in? We combine technology and advanced recommendation systems with expert knowledge and experience to help clients define their expectations so they can get to the most suitable property for their needs faster. During the conversation, they help refine the criteria presented in the questionnaire, analyze the offers selected by the algorithm and prepare personalized recommendations. In doing so, they use the database of ads available on all OLX Group real estate sites.

We don't take on the burden of selec-



source: otodom

tion or guide clients through the buying process - because that's what developers and real estate agencies have their own specialized staff for. However, we facilitate and accelerate the moment when a potential buyer reaches them.

And the other service?

It is aimed precisely at developers and real estate agents. I am referring to Otodom Analytics. It's not so much a service as an entire platform that gives them access to the most up-to-date data related to the housing market. But above all, to information related to the quality of their ads, their competitiveness, the flow of clients interested in a particular location or a selected apartment.

Our clients can take a macro view of the market in one place, as we present there supply, demand and buyer preference data on the country's largest markets. Or they can go down to the level of their own micro-market and there observe the behavior of the demand side and the current supply. How is this supposed to help? In a more effective selection of marketing tools, sales strategies, in making decisions on the direction of their own companies. But also in preparation for the changes that are increasingly dynamic in Polish real estate.

Is it actually a premium service?

Yes, it is definitely the most modern tool of its kind on the market. And yet we develop and improve them all the time, just like our other products. We constantly monitor what works best in our services and try to further improve it to bring tangible benefits to our clients' businesses. We also look at what's happening in the world, at the cutting-edge solutions that we can also implement at home. Our goal is that, just like for searchers, Otodom becomes a place for business clients to find everything they need to act quickly and efficiently.



information on the study of the scale of the premium housing market in Polish cities

what data?

The data are from Otodom and cover the period from January 1 to 31, 2024. They refer to provincial cities with a population of at least 180,000 people and Gdynia.

criteria

→ Luxury apartments in all cities include units that meet the following conditions:
- a price per sq. m of at least 180% of the average price in the city; - only apartments of at least 60 sq. m were considered

→ The higher standard apartments in Warsaw, Kraków, Wrocław, Łódź, Poznań, Szczecin, Bydgoszcz, Lublin, Białystok, Katowice, Rzeszow, Toruń and Kielce include units that meet the following conditions:
- a price per sq. m of 130-180% of the average price in the city for studios and two-room apartments; only studios of at least 35 sqm and at least two-room apartments of at least 50 sqm were considered;
- a price per sq. m of 110-180% of the average price in the city for apartments of at least 70 sq. m.

→ Higher standard apartments in Gdańsk and Gdynia include units that meet the following conditions:
- a price per sq. m of 130-180% of the average price in the city for studios and two-room apartments; only studios of at least 35 sq. m and at least two-room apartments of at least 50 sq. m were considered; - a price per sq. m of 120-180%

of the average price in the city for apartments of at least 70 sq. m.

The narrower criteria for Gdańsk and Gdynia are due to the unique nature of these centers, which combine features of large cities and tourist destinations. This distorts housing prices and offerings relative to other major cities in Poland.

how were the percentage thresholds indicated?

The ThinkCo team analyzed the available listings on Otodom in major cities in Poland in search of a bottom level of housing prices that meet the criteria for high standard and luxury properties. The criteria are described in the article high standard, or what standard? on p. 8 and were developed on the basis of analyses of market practices and interviews with real estate market representatives.

why January?

In the survey, we use the average price per square meter of housing in a given city. When taking into account periods longer than a month, it would be necessary to base offers published at times of widely varying average prices. At the same time, January was the first month in which the 2% Safe Credit program was not in effect. The program rapidly affected the number and price of bids in the standard segment, which distorted the final results of the analysis.

source: Hamilton May





strategic partners

NOHO[™]
INVESTMENT

NOHO Investment is a nationwide premium segment developer realizing properties of the highest quality, functional and timeless in terms of architecture, design and attention to detail in central points of major Polish cities. The company is setting a new standard in mixed-use development projects - combining residential and commercial space, tailored to the needs of the affluent and most demanding clients, according to the NOHO PREMIUM LIFESTYLE philosophy. NOHO is currently developing 5,000 housing units nationwide with a total area of more than 300,000 square meters.

otodam

The most popular real estate website in Poland, as confirmed by independent Gemius /PBI audits. Every month we get about 4 million unique users to browse and post ads for the sale and rental of real estate: apartments, houses, real estate development projects or offices. In addition to a comprehensive database of ads, Otodom makes the real estate market more accessible to all stakeholders: it supports transactions, introduces innovative tools and shares the latest data, and makes the dream of a happy home come true. Otodom is part of the OLX Group, which operates the OLX, Otomoto, Fixly and obido websites, among others.

RENTERS 

We support apartment owners in managing short-term rentals. We originated in West Pomerania, where we have been involved since 2005. We currently service apartments in dozens of locations on the coast and in major cities. With our own tools and experience, we increase the return on investment by up to 50% compared to competitive offers. For the most discerning guests, we have prepared an exclusive collection of Renters Prestige apartments, with amenities known from 5-star hotels. Our apartments are also available through the prestigious Homes & Villas by Marriott International program. Renters.co.uk has been ranked 36th among the world's top 50 short-term rental operators by Top Property Managers in 2021 and 2022.

notes

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source: Hamilton May

about us

ThinkCo is a consulting firm specializing in the real estate market.

We help implement strategies for this sector with the aim of creating better processes, products, and places.

ThinkCo is a team of analysts, strategists, and designers working in the fields of real estate, technology, media, and advertising. We design buildings, products, services, and brands based on in-depth research.

We offer design and consulting services, working on the most innovative investments in Poland. We combine the know-how of architects and researchers with experience in the business world in order to create better processes, products, and places. Our areas of expertise are:

- mixed-use teams
- the rental market (PRS, PBSA, coliving, senior housing)
- ESG
- architecture and urban planning
- market reports

ANALYSIS

We conduct research and analysis in an effort to understand the changes happening in the real estate market. We study the role of design in the development and creation of processes, products, and places.

- reports
- studies
- workshops

CONSULTING

We create and help implement strategies that allow you to run a successful business and to communicate authentically. We help not just plan new solutions, but also adjust existing ones.

- strategies
- insights
- consulting

DESIGN

We are an interdisciplinary team of specialists, which allows us to create both architecture and product design, as well as branding, brand communication, and UX and functionalities for digital services.

- audits
- guidelines
- architecture and urban planning

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