

# Lublin

## Hotel Investment Guide

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### Lublin - the city of inspirations

Lublin, inhabited by approximately 350 thousand citizens, is the largest and most rapidly developing city in eastern Poland. It is also a strong, academic, cultural, and economic centre conveniently connected with the rest of the country. As the capital of the Province, Lublin is also the administrative centre of the region. Since Lublin is located in close proximity to the eastern border of the European Union, it plays a vital strategic and economic role in maintaining relationship with Member States of the Eastern Partnership - Ukraine in particular.

Lublin has a clearly academic character; there are nine higher education institutions located here. Every year, over 70 thousand Polish and international students graduate from diverse courses delivered in Lublin. Statistically, every fourth citizen is a student and the city ranks second in terms of internationalisation of Polish academic centres.

Its rich, over 700-year old history as well as its location in a multicultural pot are not only reflected in architecture. These factors influence the social image of the city in which the culture and artists are the background. It is thanks to them that Lublin has become the most important cultural centre in Eastern Poland. A great number of international film, theatre, and music festivals are organised in this European centre, where several dozen cultural institutions are seated. Unique atmosphere, local flamboyance, vast array of activities being undertaken as well as considerable number of events being organised make Lublin an attractive place not only for tourists but also film-makers, who successfully look for inspiration here - because Lublin is the city of inspiration.

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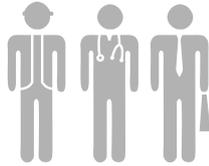


# 1. LUBLIN – KEY STATISTICS



**341'722**

City Population  
[31.12.2014]



**62,4%**

Working age  
population



**8,1%**

Unemployment  
rate



**3'956 PLN**

Average gross  
monthly salary [2014]



**70'000**

University  
students



**20'469**

University  
graduates



**4'500**

University  
foreign students



**9**

Universities and  
other higher  
education institutions

## LUBLIN IN POLAND AND IN EUROPE



EUROPE

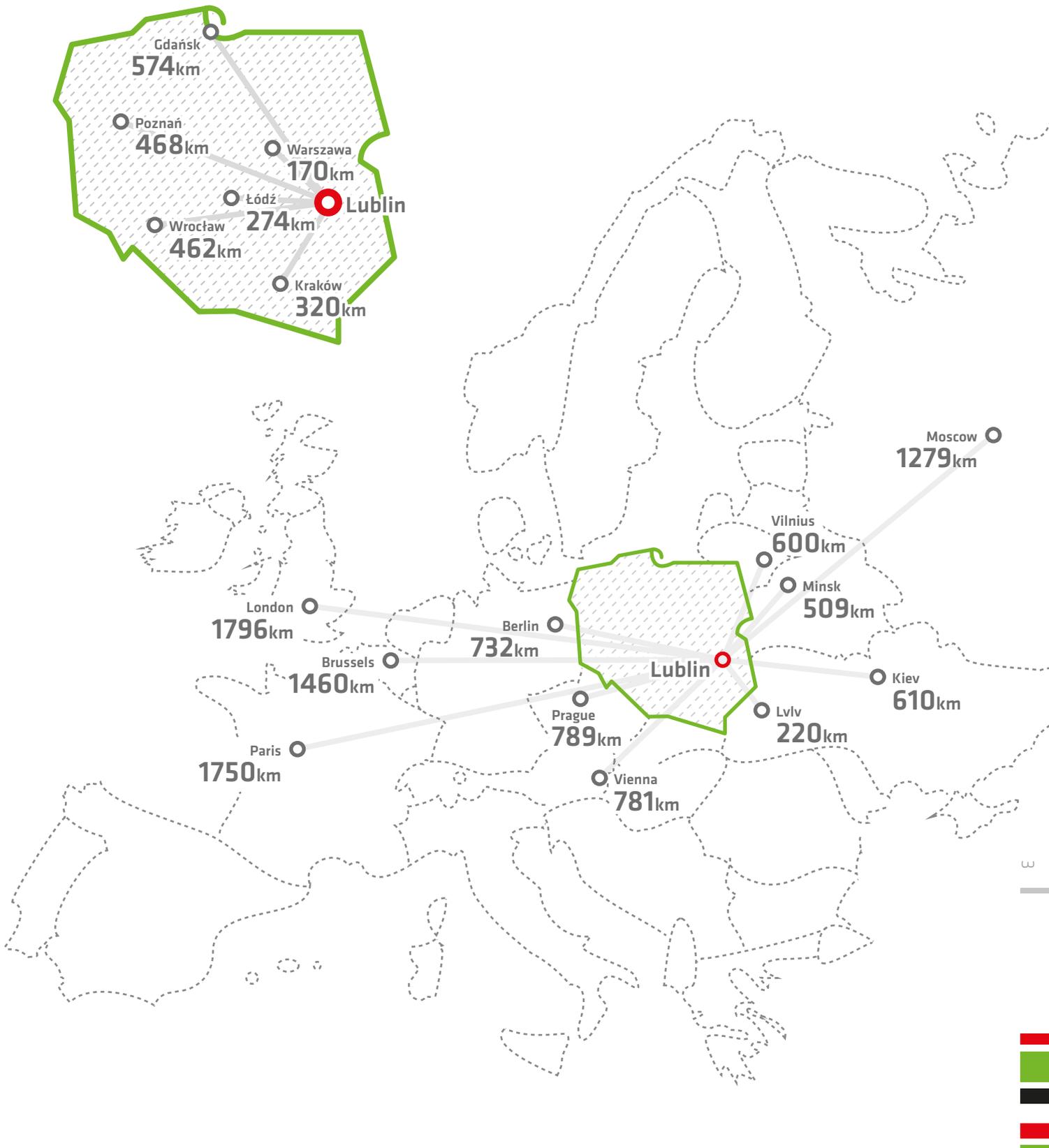


POLAND



LUBLIN PROVINCE

## 2. LUBLIN - LOCATION IN EUROPE



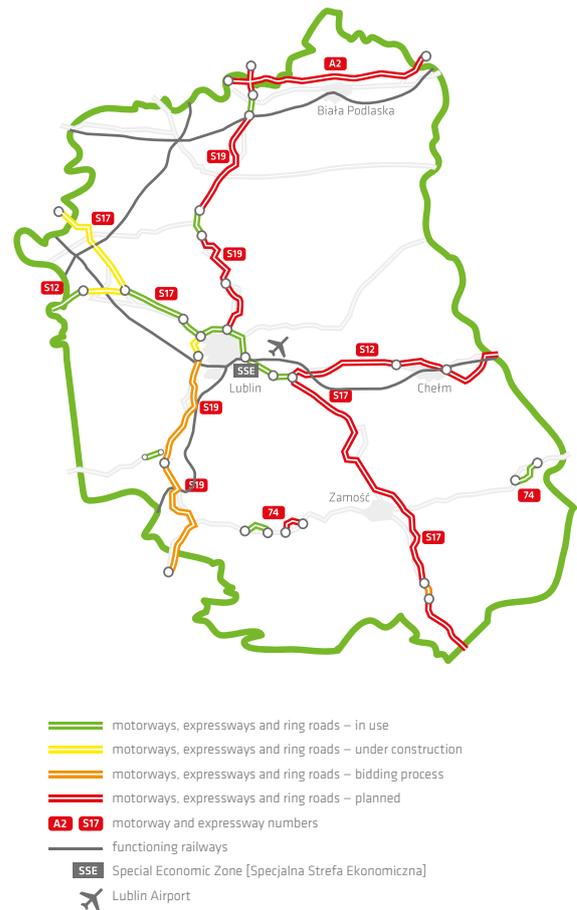
### 3. LUBLIN'S ACCESSIBILITY

#### ROAD TRANSPORT

The main traffic artery in the region is the national road no. 17 connecting Lublin with Warsaw from the west and with the Ukrainian border from the east. The Kurów - Lublin - Piaski section of this road has the expressway status (S17). The remaining sections of the S17 expressway project between Warsaw and Lublin has been accommodated in the "National Road Construction Programme for the years 2014-2023". The project has been divided into 4 sections which the investor (GDDKiA) plans to complete by 2020.

The S19 expressway connecting Lublin with Rzeszów and thus with A4 motorway is also planned to be completed by 2020. Currently, the western bypass of Lublin is being built under this investment project scheduled for completion in 2016.

#### ROAD NETWORK



#### RAIL TRANSPORT

For Lublin, the most important railway line is line no. 7, connecting the city with Warsaw. Modernization of this route planned for 2020 between Lublin and Otwock will reduce travel time to hour and a half. The trains will reach a speed of 160 km/h at 90% of the Dęblin - Lublin section of this route.

Dart electric multiple units designed and built by Bydgoszcz Pesa will begin to run on the Warsaw-Lublin route as early as December 2015. They will improve significantly the comfort of traveling on this route.

Lublin has also a good rail connections with other major Polish cities: Katowice (ca. 5h), Kraków (ca. 4h), Poznań (5h 40 min), Szczecin (9h), Gdańsk (ca. 8,5h), Wrocław (ca. 8h), Bydgoszcz (6,5h) and Rzeszów (ca. 3h). Moreover, the direct train connection allows for accessing the Lublin Airport from the city centre within 15 minutes.

## AIR TRANSPORT

The key moment for the development of international transport accessibility of Lublin was the opening of Lublin Airport in late 2012.

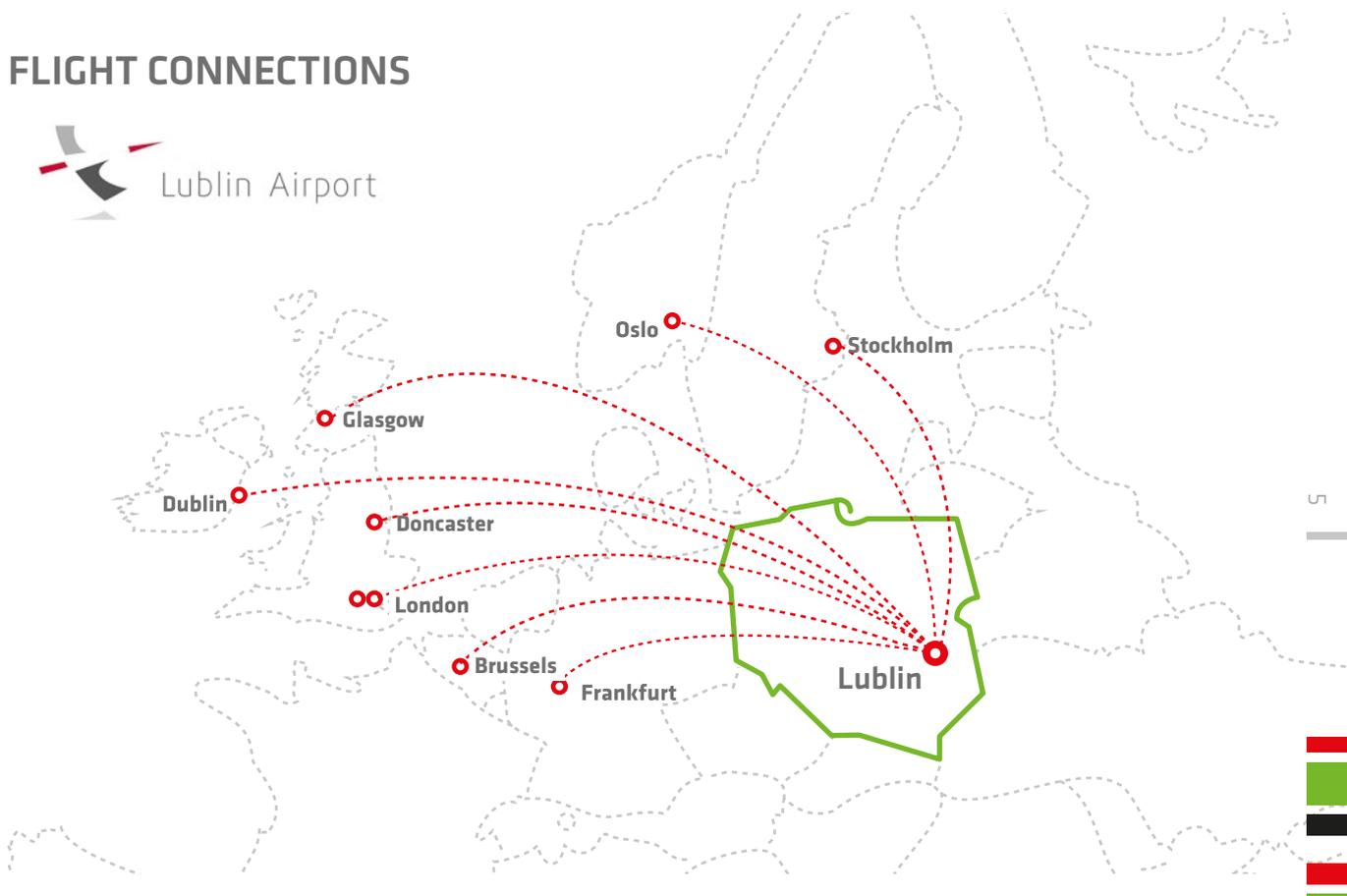
Currently, the airport has 3 regular carriers (Lufthansa, Ryanair, Wizzair) and offers flights to London (Luton, Stansted), Oslo, Stockholm and Frankfurt. In autumn 2015 new routes opened, to Dublin, Brussels (Charleroi), Doncaster / Sheffield and Glasgow.

The airport also handles charter flights, the destinations include Turkey (Antalya) and Crete (Chania). Further growth of the airport is supported by the opening of a new Wizzair operating base in Lublin, in September 2015. This will allow for creating new jobs, as well as extending the offer for travellers to and from Lublin.

A new electrified railway line no. 581 was built for the purposes of the airport. It connects the Świdnik Miasto station and Lublin Airport station, which is adjacent to the terminal. This allowed for direct connection between the Lublin railway station and the airport.

In 2014 the airport handled 187 595 passengers at 3 254 operations. In the first 9 months of 2015 the number of passengers handled amounted to 181 491, which shows significant progress.

## FLIGHT CONNECTIONS





## 4. THE LARGEST COMPANIES OPERATING IN THE CITY AND REGION

Lublin has a strong position in many traditional industries, and in recent years has become also an important economic center oriented to innovation and support for business processes. There is a huge academic potential in the city with almost 70 thousand students currently at Lublin universities including 4,5 thousand of international students (which gives a second result in Poland after Warsaw and before Krakow and Wrocław).

This causes the dynamic development of modern business services sector including BPO,SSC, IT, ICT, etc). Major IT companies operating in the city include Asseco Business Solutions, Eleader and CompuGroup Medical Polska.

The automotive industry is working well and the main representatives include URSUS, Inergy Automotive Systems Poland, Daewon, MW Poland.

The biotechnology industry is another industry with strong presence in Lublin, mainly due to very good scientific and research facilities. Major companies in this field include Biomaxima, PZ CORMAY, BIOMED - LUBLIN.

Traditionally the food industry is responsible for a large part of the local economy. Lubelskie voivodeship produces 35% of Polish foods. Well known companies, such as Solidarność, Pszczółka, Herbapol, Apis, Lubella, Perła and Stock operate in Lublin.

## 5. MAIN PLACES OF INTEREST

**Old Town** is one of the most precious Polish complexes of historic buildings. The Crown Tribunal and the 14th-century Kraków Gate leading from the Old Town to the city centre are commonly considered symbols of the city. Other main symbols include Dominican Basilica and Convent from XIV century, Grodzka Gate also from XIV century, Trynatarska Gate and Tower or Old Theatre – one of the oldest theatre buildings in Poland.

Part of the Old Town is the Lublin Royal Castle with the Chapel of the Holy Trinity, Lublin Museum and lookout tower. Other important attraction is Lublin underground route which goes under the Old Market and is 300 m long. The route goes through the Old Town basements on 3 levels 9-12 m deep.

### **Krakowskie Przedmieście and Plac Litewski**

is a representative part of the city with its numerous monuments, shops and restaurants and cafes. It is the main artery of the city centre starting to run from the Saski Park and ending it at the Krakow Gate, the main entrance to the Old City. A large part of this area is intended only for pedestrian traffic.

**The State Museum at Majdanek** is site of the former concentration camp in 1941-1944. Majdanek, during the Nazi occupation, was the second largest, after Auschwitz, a death camp on Polish soil. Today it is an important destination of visits for many foreign tourists.

**Village Museum in Lublin** is located on the exit road to Warsaw and collects wooden architecture, brick and ethnographic collections from the region of the former Lublin province. It is also a place used in film scenes. A short walk away from the museum one can find an interesting Botanical Garden of UMCS.



Krakowska Gate | photo Jacek Scherer



Royal Castle

Old Town tenement houses

Grodzka Gate

New City Hall

Tribunal

Dominican church and monastery

Kraków Gate

Archcathedral

## 6. MAIN CULTURAL EVENTS

**Night of Culture** inspires residents and tourists to discover anew the climate of the city by literally opening wide the doors of museums, theatres and galleries, and by encouraging first-hand contact with culture and the energies of the city. On this night unusual events take place as artists dialogise with the urban space around them, residents and each other to create one of a kind pieces which the next day vanish, becoming a mere memory of the night gone by. The event is being attended by around 100 000 people.

**East of Culture - Different Sounds** is one of most inspiring and innovative musical events in Poland. The event enables meeting with the most interesting musical phenomena of all genres and cultures and offers the ambitious, remarkable music, which is searching for new solutions. In addition to the main musical programme there are attractions for enthusiasts of the ambitious cinema, literature and art. The youngest may take part in The Little Different Sounds. An average of 45 000 people participate in the event.

**Carnaval Sztukmistrzów** makes us laugh our heads off, shocks us and moves us to tears. The event focuses on syncretic undertakings that combine the stylings of theatre with the grammar of New Circus extravaganza. Walking the streets of Lublin, one can frequently come across jugglers, tightrope walkers, and acrobats that are the focal points and crowd-pullers of the event. The name refers to the form of The Magician of Lublin - book hero Nobel Prize winner Isaac Bashevis Singer. The event involves an average of 150 000 people.

**The Jagiellonian Fair** merges tradition with contemporary trends, dazzles with its folk art and craft, uniting people who share their passions with others. During the Fair borders and barriers do not exist. Old Town is filled by stalls containing goods produced (often hand-made) by artists and artisans from Poland, Ukraine, Belarus, Slovakia, and Lithuania. There are meetings, stories, exhibitions, theatre plays, workshops, concerts and famous outdoor dance parties aplenty! The event involves an average of 170 thousand people.

In 2017 Lublin will also co-host the **UEFA European Football Championship Under-21 (U21)**.



## 7. NEW INVESTMENTS AFFECTING HOTEL MARKET IN LUBLIN

**Trade Fair Lublin** is an important exhibition centre in the country. In 2012 new exhibition hall together with reception area and conference rooms was completed. The centre has the possibility to organize events for 5 000 people (one-off) in newly created object.

**Arena Lublin** is a city stadium, whose construction was completed in 2014. The capacity of the Arena is up to 15,5 thousand viewers. The stadium also host concerts.

**Aqua Lublin** The complex consists of three parts: sporting, recreational and social. The main feature is the 50-meter-long Olympic swimming pool. The complex also consists of three recreational pools, saunas and steam baths and two tube slides: with a length of 76 and 116 meters. The venue can accommodate up to 700 people, and the maximum number of viewers at the Olympic swimming pool audience amounts to 2 100.

**Lublin Conference Centre** is located at Al. Racławickie - the main street of the city centre. The facility will contribute to the growth of economic activity in the region and its attractiveness for investors, business tourists and residents of the region. The centre will organize events to promote the regions of Eastern Polish nationally and internationally. The facility with a total area of approx. 12 850m<sup>2</sup> has 6 floors above ground intended for office space, conference and exhibition. The opening is planned for the first quarter of 2016.

**The Centre for the Meeting of Cultures** will conduct cultural activities including performance, theatre music in particular opera, operetta, ballet, drama, concerts, recitals, meetings with authors, discussions, exhibitions, conferences and symposia. The centre will offer an auditorium for 1 000 people.



## 8. LUBLIN HOTEL MARKET



**29**

Number of hotels



**1'444**

Number of hotel rooms



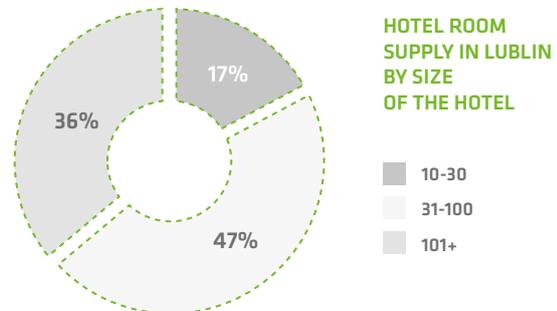
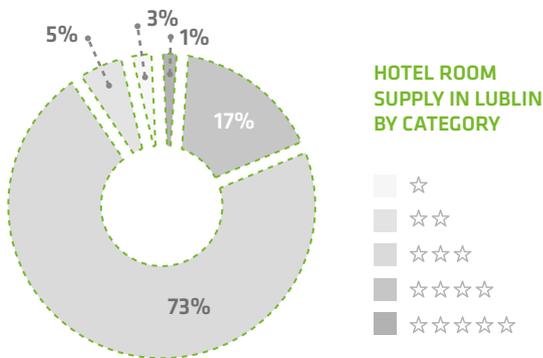
**258'955**

Number of hotel room nights sold



**51%**

Occupancy



Source: www.turystyka.gov.pl, Christie + Co, HAM

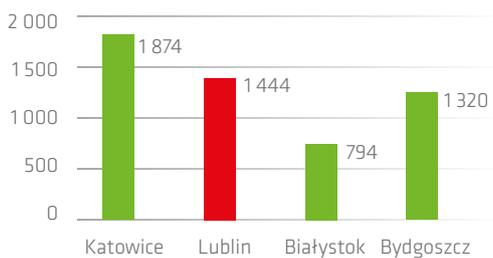
Source: www.turystyka.gov.pl, Christie + Co, HAM

### 📊 SUPPLY

Hotel market in Lublin currently offers 1 444 rooms in 29 hotel facilities. The vast majority of rooms (73%) is offered in three star hotels. The entire supply is diverse and it comprises both chain hotels (27% of rooms) as well as small boutique hotels, including the only five star hotel in town - Hotel Alter.

There are no large hotel facility in Lublin. The largest hotel - Hotel Victoria - offers 159 rooms. The average size of hotels in Lublin is 50 rooms, while the average size of chain hotels is 98 rooms.

#### HOTEL BASE - NUMBER OF HOTEL ROOMS



#### CHAIN HOTELS IN LUBLIN

hotel name	number of rooms
Huzar	128
Mercure Lublin Centrum	110
Louvre Hotels Group	81
IBB Grand Hotel Lublinianka	72
Total number of branded hotel rooms	<b>391</b>
Total number of independent hotel rooms	<b>1 053</b>
Share of branded hotel rooms in the total supply	<b>27%</b>

Source: Central Statistical Office, Christie + Co, HAM

Source: www.turystyka.gov.pl, Christie + Co, HAM

## CONFERENCE SPACE

Several hotels in Lublin offer guests conference area, but only a few of them have the capacity to organize events for over 200 people. The economic growth of the city and the region, as well as increased demand for MICE services influenced the development of conference facilities, such as the Fair Lublin SA, or newly built

Lublin Conference Centre. These venues offer modern conference and exhibition space, where large scale events can be organized. It is an important factor in increasing the demand for hotel services, including sales of the rooms.

### HOTELS IN LUBLIN OFFERING LARGE CONFERENCE AREA

Hotel name	Number of rooms	Number of conf. rooms	Capacity of the largest room theatre style
Luxor	44	3	300
Focus Centrum Konferencyjne	20	3	300
Agit CONGRESS & SPA	21	5	280
Pod Kasztanami	33	3	280
Hotel Korona Spa & Wellness	60	6	250
Mercure Lublin Centrum	110	8	220
Hotel Lwów	34	4	200

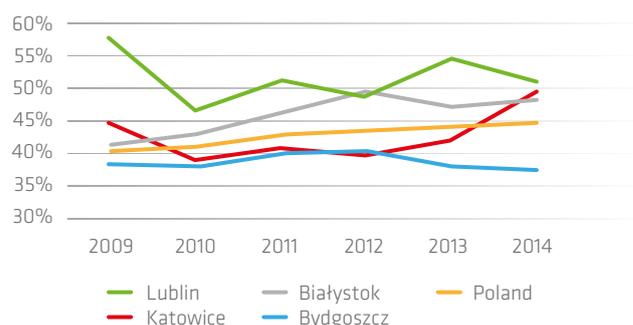
### CONFERENCE SPACE IN OTHER FACILITIES IN LUBLIN

Name	Exhibition space [m <sup>2</sup> ]	Number of conf. rooms	Capacity of the largest room theatre style
Targi Lublin SA	10 800	2	1 500
Lubelski Park Naukowo Technologiczny S.A.	-	3	420
Lubelskie Centrum Konferencyjne (w budowie)	800	8	1 000
Centrum Spotkania Kultur w Lublinie	-	3	969

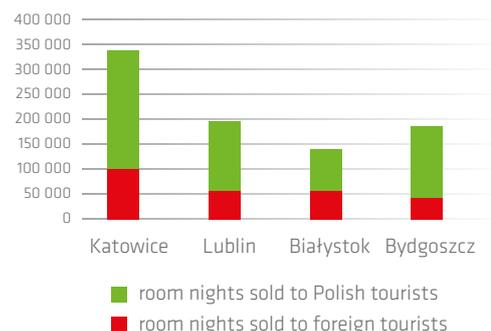
## DEMAND

Lublin hotel market is characterized by high occupancy of hotel rooms. This ratio in recent years is higher for Lublin than for cities of similar size, as well as the Polish average. In 2014 the occupancy rate in hotels in Lublin according to the Central Statistical Office amounted to 51%. Chain hotels in the city achieve higher occupancy levels, above 60%.

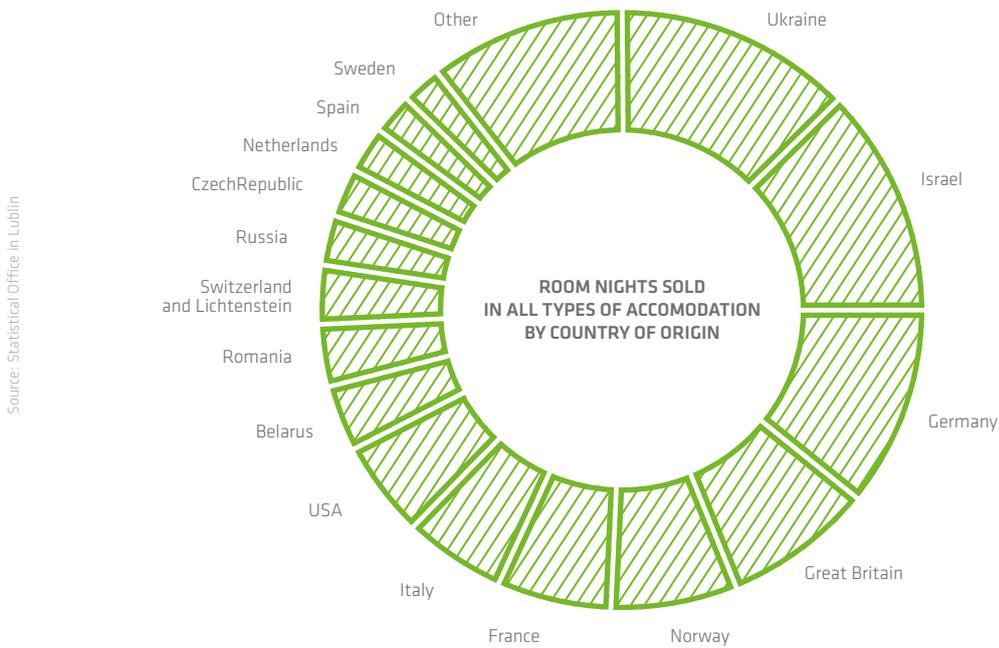
### OCCUPANCY IN LUBLIN AND OTHER CITIES OF SIMILAR SIZE



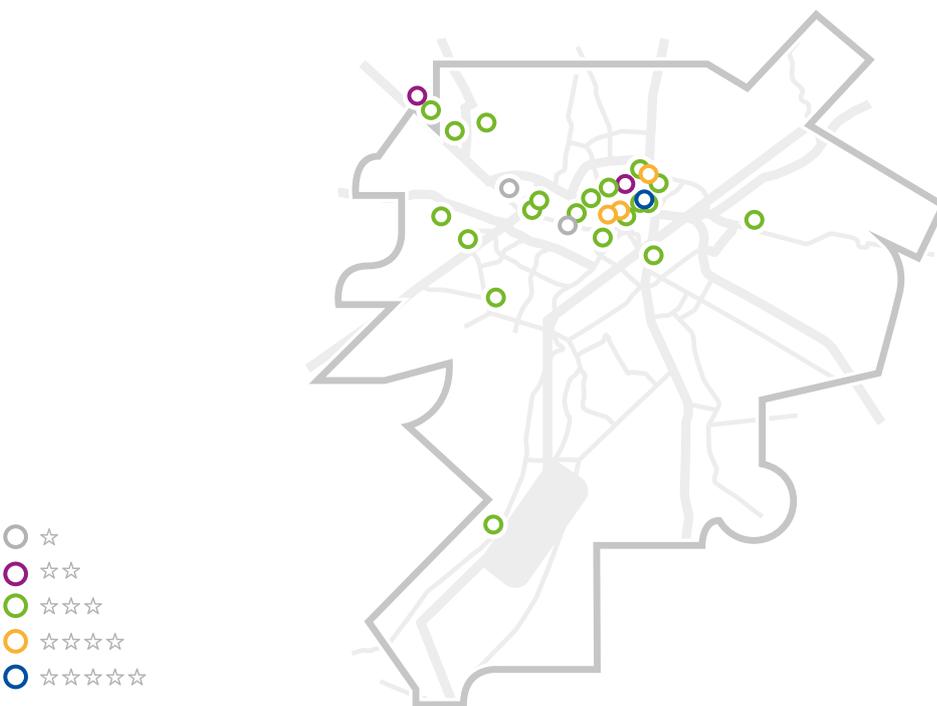
### NUMBER OF ROOM NIGHTS SOLD



Foreigners account for approx. 1/3 of tourists staying in hotels in Lublin. It is mainly due to numerous international companies operating in the city, as well as the high percentage of foreign students at local universities, cultural heritage and location near the eastern border of the country. The largest number of nights is purchased by guests from Ukraine, Israel and Germany.



## HOTELS IN LUBLIN



The following hotels are outside of the scope of the map: 4\* Korona in Zemborzyce Tereszyńskie and 3\* Hotel pod Kasztanami.

## 9. HOTEL INVESTMENT OPPORTUNITIES IN LUBLIN

### Pałac Potockich

Property developed with a baroque palace

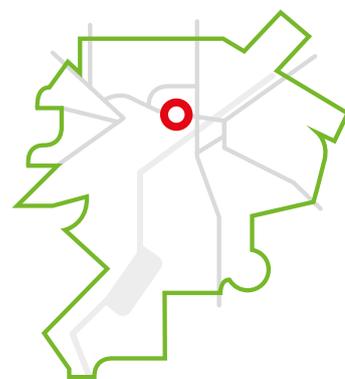
Location in the city centre

Plot size: 2 364 m<sup>2</sup>

Usable area of the building: 1 260,5 m<sup>2</sup>

Possible extension within existing site

Ownership: Catholic University of Lublin



### Dworek Graffa

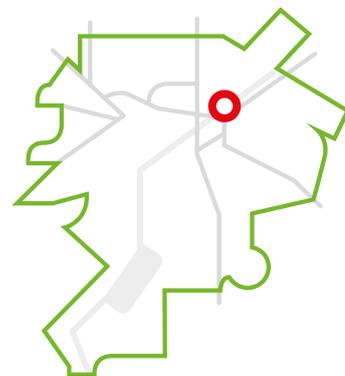
Property developed with a neoclassical historic building

Located in the western part of the city

Total area of the plots: 0,6131 ha

Ownership: the municipality of Lublin

Starting price: PLN 6 880 000 net



## Krakowskie Przedmieście 39b

Historic Property in dense development

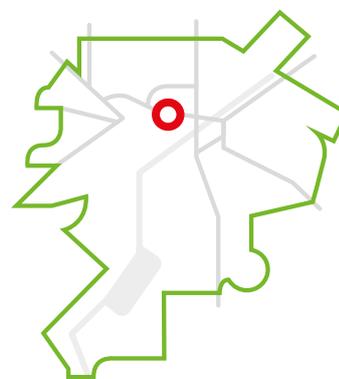
Located in the core city centre

Plot size: 579 m<sup>2</sup>

Usable area of the building: 1 727,42 m<sup>2</sup>

Ownership: the municipality of Lublin

Price: PLN 11 300 000 net (VAT exemption)

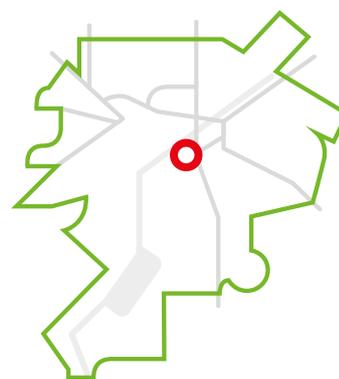


## Piłsudskiego 17

Developed property of total area of 0,8993 ha

Location in the vicinity of Trade Fair Lublin

Ownership: the municipality of Lublin





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