

MARKET SUMMARY & OUTLOOK

	YoY Chg	12-Mo. Forecast	
<b>Investment Trends</b>	—	▲	Hotel investment activity in CEE-6 remained limited in H2 2022 due to the climate of uncertainty (incl. the Russian war in Ukraine, rising energy and other costs, and general recession concerns). This prompted investors to adopt a wait-and-see approach for most of 2022. Looking ahead, 2023 transaction activity is expected to pick up as investors need to deploy capital while some owners are considering the disposal of their non-core assets to address their liquidity needs. Limited transactional evidence within recent months has restricted transparency on the yield shift. Certain deals have seen an upward movement, primarily driven by the increased cost of capital. The interest rates are expected to moderate throughout 2023, which should allow for the stabilization of yield levels.
<b>Prime Yields</b>	▲	—	
<b>Market Performance</b>	▲	▲	Hotels across the CEE-6 region recorded robust RevPAR growth in 2022, with most markets nearing 2019 levels. Thanks to record-high ADR, Budapest achieved the highest RevPAR in the region, followed by Prague and Bucharest. Going forward, hotels across most CEE markets are expected to remain an effective hedge against inflation, and revenue growth will help compensate for the increasing expenses.
<b>Supply</b>	▲	▲	The capital cities in CEE-6 saw a moderate supply growth in 2022, with new openings totalling 18 hotels with 2,420 rooms, while 6 hotels with 1,145 rooms closed for re-positioning. A more robust pipeline is expected in 2023, with 25 new hotels (3,187 rooms), including several re-openings, such as the Intercontinental Athenee Palace in Bucharest and Almanac X Prague.
<b>Demand</b>	▲	▲	Demand is on a solid path to recovery, with room nights occupied for the CEE-6 up 111.5% compared to 2021. While robust improvements were recorded in occupancy, pre-pandemic levels have yet to be regained in CEE markets (except for Warsaw), primarily due to the Russian war in Ukraine dissuading travellers from visiting the region. Also, corporate and MICE demand has yet to recover, but there are signs of major improvements for 2023.

Sources: C&W, STR

INVESTMENT TRENDS

**HIGHLIGHTS - 2022**

- € 439 million transacted
- 25 properties comprising 3,354 rooms sold
- 18% of capital was from international buyers
- 78% of volume was invested in Upper Upscale & Upscale hotels

RECENT TRANSACTION TRENDS

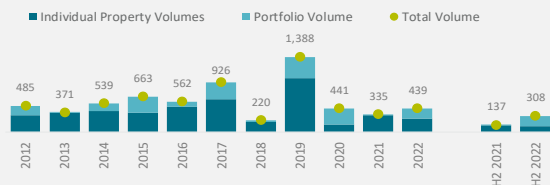
	Last 6 months (H2 2022)				CALENDAR YEAR 2022			
	Properties Sold	Rooms Sold	Volume Transacted	% Change*	Properties Sold	Rooms Sold	Volume Transacted	% Change*
CEE-6	14	1,891	308	124.3%	25	3,354	439	30.9%
Capital	9	1,448	276	276.4%	14	2,189	317	34.4%
Hungary	4	789	191	155.8%	7	1,444	239	119.0%
Romania	4	622	52	132.4%	7	882	79	65.7%
Poland	n/a	n/a	n/a	-53.0%	4	431	36	-52.7%
Czech Republic	3	259	47	n/a	4	393	71	-23.1%

Volume transacted in EUR, millions. Not displayed (n/a) if < 3 deals  
\*Refers to the % change in transaction volume from the previous period

A contingency of 5% is assumed for 2022, based on past experience, with additional deals being revealed several months after the period.

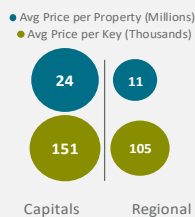
Source: Cushman & Wakefield

ANNUAL TRANSACTION VOLUMES (2012 - 2022, EUR MILLIONS)

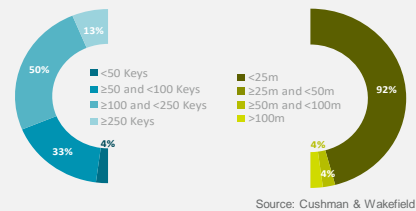


Source: Cushman & Wakefield / RCA

AVERAGE TRANSACTION PRICE (2022, EUR)



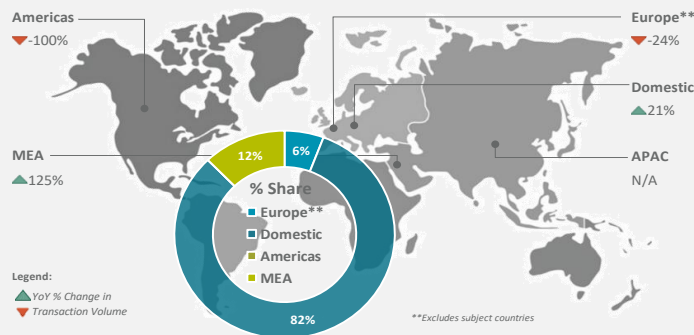
BREAKDOWN BY NO. OF ROOMS SOLD & DEAL SIZE (2022, % SHARE OF DEALS)



Source: Cushman & Wakefield

NATURE OF INVESTMENTS

TRANSACTION VOLUME\* BY SOURCE OF CAPITAL (% CHANGE, 2022 vs 2021)



\*Based on buyers whose identity is known  
Source: Cushman & Wakefield

TRANSACTION VOLUME PER HOTEL CLASS (% CHANGE, 2022 vs 2021)

HOTEL CLASS	% OF TOTAL VOLUME	% CHANGE	HOTEL CLASS	% OF ROOMS SOLD	% CHANGE
Luxury	2%	-93%	Luxury	3%	-79%
Upper Upscale	41%	140%	Upper Upscale	23%	-12%
Upscale	37%	210%	Upscale	39%	42%
Upper Midscale	8%	-60%	Upper Midscale	13%	-46%
Midscale	13%	143%	Midscale	22%	48%
Economy	0%	-100%	Economy	0%	-100%

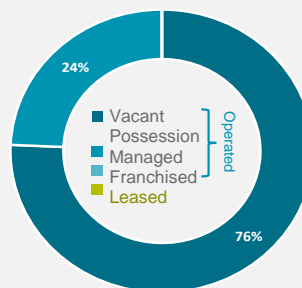
Source: Cushman & Wakefield

TRANSACTIONED VOLUME BY TYPE OF INVESTOR (2022, % SHARE OF TOTAL VOLUME)

	BUYERS (% Share) Last 12 Months		SELLERS (% Share) Last 12 Months	
	% Share	% Change	% Share	% Change
Institutional	0%	N/A	33%	15%
Private	79%	-9%	35%	-48%
Public	16%	18%	31%	545%
User/Other	6%	23%	0%	N/A

Source: Cushman & Wakefield / RCA

TRANSACTIONED VOLUME BY OPERATING STRUCTURE (2022, % SHARE)



Source: Cushman & Wakefield

MAJOR DEALS

SELECTED RECENT MAJOR HOTEL TRANSACTIONS

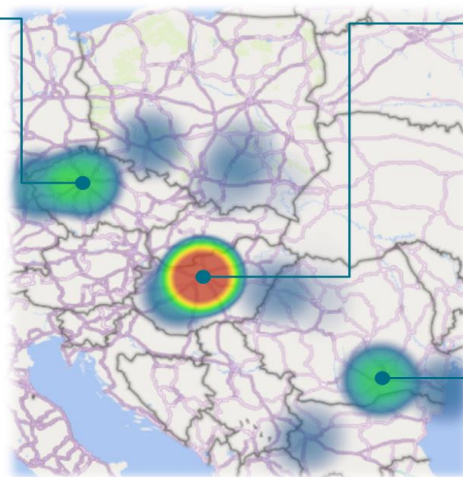
Year	Property	Market	Keys	Buyer	Buyer Origin	Seller	Seller Origin
2022	Clemenceau 2-10	Bucharest	123	One United Properties	ROU	Keys Reims	ROU
2022	Grand Hotel Rex	Constanta	102	Hagag Group	ISR	Carmen Palade Amadescu	ROU
2022	Grand Hotel Nabokov	Marianske Lazne	127	Ceska Hotelova	CZE	Nagama	CZE
2022	Aligaliget	Balatonvilagos	122	Bayer Property	HUN	Appenn Holding / LEXAN Holding	HUN
2022	Suite Hotel	Sofia	122	Melexis	USA	NIKMI	BGR
2021	Paulay Ede Utca 23	Budapest	250	Puro Hotels	POL	Mellow Mood	HUN
2021	Hotel Eger & park	Eger	211	Hunguest Hotels	HUN	Unknown	N/A
2021	Mercure Bratislava	Bratislava	175	CPI Hotels	FRA	Invesco	FRA
2021	D8 Hotel	Budapest	121	BDPST Group	HUN	Dominarium	HUN
2021	Grand Hotel Aranybika	Debrecen	253	Mathias Corvinus Collegium	ROU	Unknown	N/A
2021	Hotel Ewerdin SPA	Swinoujscie	140	Stanislaw Marzec	POL	Platinum Resort	POL
2021	Regent Hotel Warsaw	Warsaw	246	Polski Holding Nieruchomosc / Polski Holding Hotelowy	POL	Cosmar Polska	POL
2020	Hotel Balkan	Gabrovo	147	Unknown	N/A	Unknown	N/A
2020	Holiday Inn Sofia	Sofia	130	Videolux Holding	BGR	Meridian Leisure Hotels	GBR
2020	New York Palace	Budapest	185	Covivio	FRA	Varde Partners	USA
2020	Carlo IV Hotel	Prague	152	Covivio	FRA	Varde Partners	USA
2020	Mystery Hotel	Budapest	82	Unknown	N/A	Unknown	N/A
2019	Sofitel Budapest Chain Bridge	Budapest	357	Indotek Group	HUN	Starwood Capital Group	GBR
2019	Radisson Collection Warsaw	Warsaw	311	Wenaasgruppen	NOR	Europa Capital	GBR
2019	K+K Portfolio	Bucharest & Prague	523	InterGlobe / Event Hotel Group	IND / DEU	Highgate Holdings / Goldman Sachs	USA

CEE-6 TRANSACTIONS - MAP VIEW 2022

<€1M <€220M

Prague

Transaction Volume\* € 47  
 Properties Sold 3  
 Rooms Sold 259



Budapest

Transaction Volume\* € 213  
 Properties Sold 6  
 Rooms Sold 1,316

Bucharest

Transaction Volume\* € 46  
 Properties Sold 3  
 Rooms Sold 486

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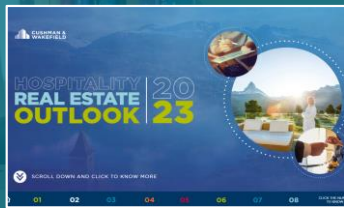
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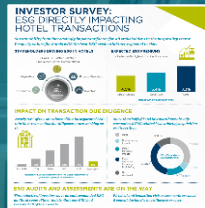
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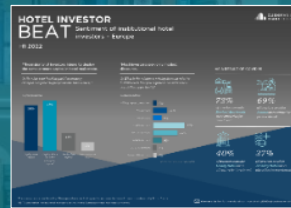
## RECENT PUBLICATIONS



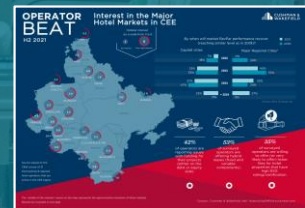
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**INVESTOR ESG  
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**HOTEL INVESTOR  
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