



” Short-term rental properties in major tourist cities in Poland

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According to the data of Central Statistical Office, in 2022 tourist accommodation facilities were used by 34.2 million tourists, who were provided with 90.0 million overnight stays. Compared to 2021, it was more by respectively 54.3% and 43.2%. However, these data do not include persons using non-registered accommodations, including private houses and flats rented to tourists for a short time. At the same time, according to data from the National Census 2021, housing stock in Poland amounted to over 15.4 million dwellings. So, how many properties in Poland are used for short-term rental?

This article concerns a growing category of private apartments for short-term tourist rental. The aim is to analyse the market of flats and houses intended for tourists located in the 6 most frequently visited cities in Poland, i.e. Warsaw, Cracow, Gdansk, Wroclaw, Zakopane and Poznan. The main sources of information were Booking.com, Airbnb and AirDNA platforms. These properties constitute a growing part of the dwelling stock in Poland, as well as they became an important part of the accommodation base.

Why short-term rental is so popular?

Short-term rental has gained a lot of popularity in recent years among tourists, as well as people on business trips or travelling for family occasions. This has been influenced by several factors.

The development of tourism over last 20 years has also meant that the mobility of people has increased in both domestic, as well as international terms. Thus, the demand for tourist accommodation has increased as well. The creation of new tourist accommodation facilities, such as hotels, is associated with high costs and high risks. Houses and apartments offered for tourists in short-term rental have partly filled this gap in the market.

In addition, the development of short-term rentals has also been fostered by changing perception of housing, not just as a place to live permanently, but more and more often – as a commodity. Over the past few years, investments in real estate have enjoyed record levels of interest. This was due to the higher profitability compared to other forms of capital investments. In addition, interest rates remained low until 2022 and thus the mortgage loans costs were relatively low. These circumstances led many Poles to buy flats for investment purposes. In all major cities and tourist destinations, flat owners decide to rent their properties in a short-term rental, because in the monthly calculation, this kind of rental very often pays off more than renting a flat for a longer period of time. Thus, some dwellings that could be used by long-term tenants or people who cannot afford their own housing unit, are starting to disappear from the long-term rental market.

Often, short-term rentals require more commitment from the owners and involve more risks, including damage to the property. Therefore, with the development of this type of activity, a sector of companies specialising in the operation and management of flats for short-term rentals has also developed.

The growth in popularity and development of online rental platforms, i.e. booking.com or Airbnb, has also been significant. They enable contact between hosts and tenants, facilitate transactions or provide security of payment for both parties.

Characteristics of offers in short-term rental

Offers of houses and flats for rent for tourists are very diverse. We can find both modest and budget options, as well as those of a high standard, with very extensive equipment and additional attractions such as sauna or jacuzzi. This is why the booking platforms are kit out with expanded filter section is very extensive, by so that everyone can find something for himself.

Approximately 50% of the offers on booking platforms in Poland are concentrated in 6 cities with the highest number of tourists per year. A significant number of tourist apartments can be found in coastal and mountainous counties. Compared to other counties in Poland, an increased number of offers can also be found in the lake districts.



The number of short-term rental apartments is the highest in cities, where the number of tourists staying in accommodation facilities is the highest in the country. At the same time, these are cities with the highest average transaction prices per 1 sqm of a housing unit. The average daily rent rate in selected cities ranges from PLN 283 to PLN 435. However, this amount depends on the rental period or demand for accommodation at a given time and a given location.

TABLE 1. NUMBER OF SHORT-TERM RENTAL PROPERTIES ON BOOKING PLATFORMS WITH AVERAGE DAILY RENT RATE

City	Number of properties listed on Airbnb and vrbo - entire properties	Number of properties listed on booking.com - whole properties	Average daily rate [PLN]	Number of tourists using accommodation in 2020. [thousand persons]	Average transaction prices per 1 sqm of a housing unit in Q4 2022 [PLN]
Warsaw	6 156	1 058	307	1 322,9	11 213
Cracow	4 901	643	303	818,2	9 648
Gdansk	3 435	409	330	639,9	9 382
Wroclaw	2 038	343	317	595,1	8 744
Zakopane	1 277	115	435	Tatra district - 725,2	bd
Poznan	1 036	212	284	402,6	7 733

source: own compilation based on data from AirDNA, booking.com, Statistic Poland and the AMRON Centre data

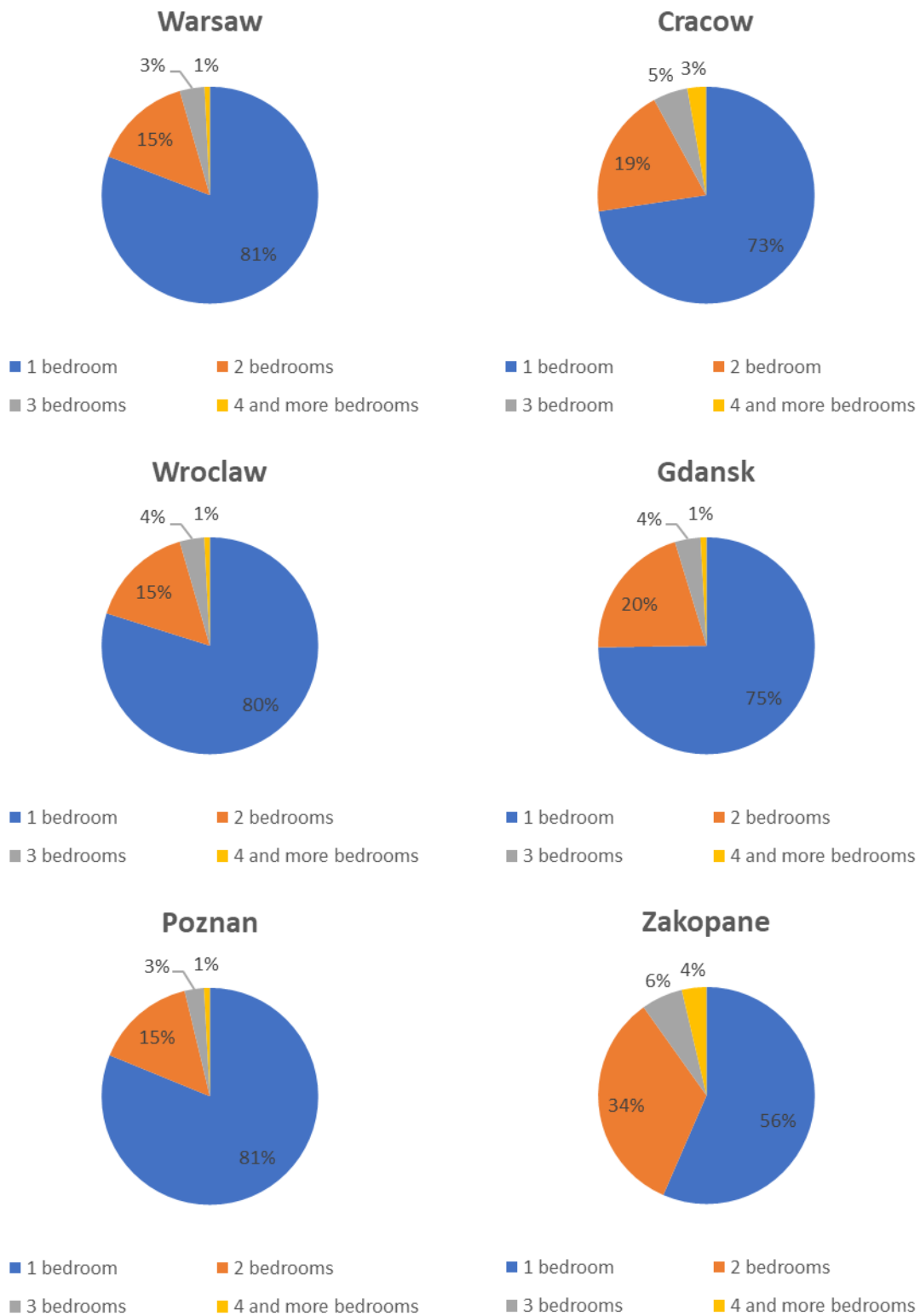
What kind of dwellings are available in short-term rental?

The types of properties were analysed according to data from Airbnb and Vrbo platforms. The location related to the city centre were analysed basing on data from Booking.com.

The most common property is a 1-bedroom flat or a studio flat. In Warsaw, Wroclaw and Poznan, the structure of properties by number of bedrooms is very similar. In Gdansk and Zakopane, i.e. cities located in holiday areas, there is a higher share of flats with more than 1 bedroom, thus there are more houses and flats of a larger size.



GRAPH 1. STRUCTURE OF SHORT-TERM RENTAL PROPERTIES BY NUMBER OF BEDROOMS IN SELECTED CITIES



source: own compilation based on data from airdna.co



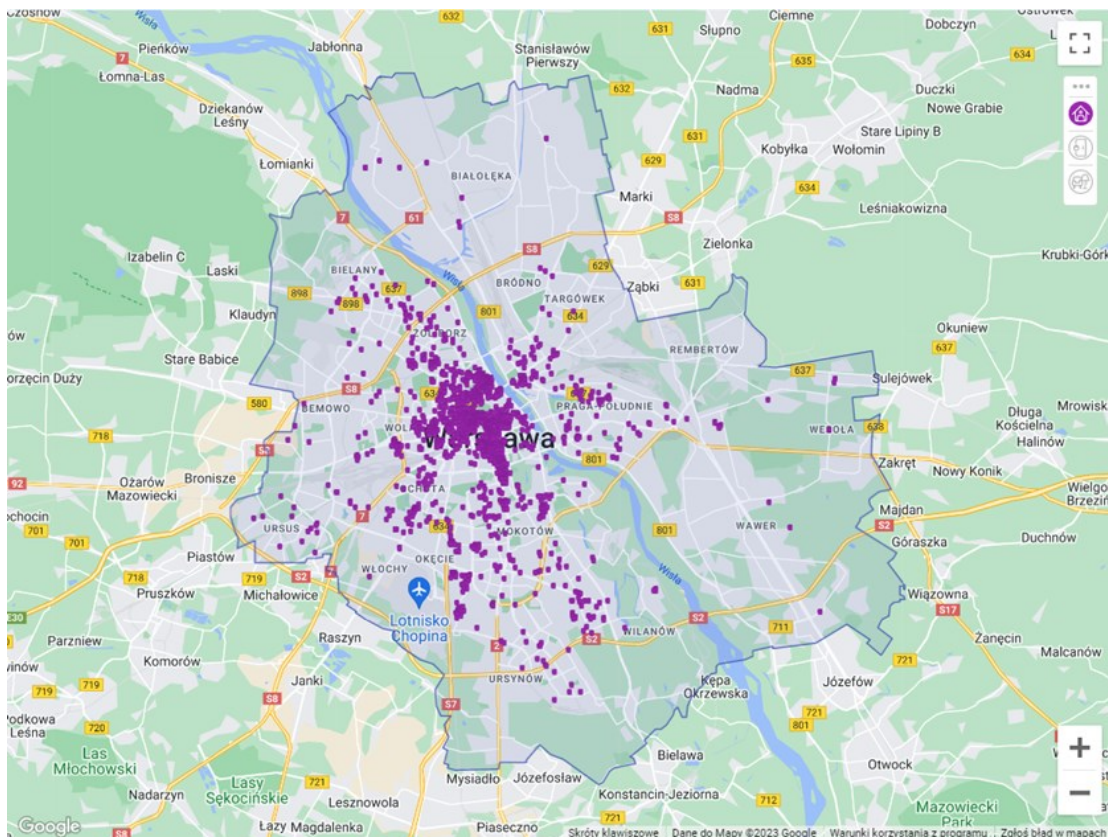
In Poznan, Wroclaw and Cracow, the majority of flats and houses for tourist are located close to the city centre, i.e. near the main attractions of those cities. In Warsaw, due to the size of the city and the biggest number of short-term rental flats on offer, the share of apartments located in the centre is lower. However, when analysing the distribution of the housing units for short-term rent in the capital city related to the housing density (number of units in the 1 km grid according to the National Census 2021), we can see that the location of housing units offered on Airbnb is more correlated with the distance to the city centre and tourist attractions or proximity to fast public transport, than with the number of dwellings in a given area. In Gdansk and Zakopane, the properties are more dispersed, because in these cities the attractions are the sea and the mountains, not only the centre.

TABLE 2. MARKET SHARE OF SHORT-TERM RENTAL PROPERTIES IN RELATION TO DISTANCE TO THE CITY CENTRE

City	distance from the city centre		
	Less than 1 km	Less than 3 km	Less than 5 km
Warsaw	23%	59%	78%
Cracow	42%	84%	93%
Gdansk	36%	58%	67%
Wroclaw	43%	80%	89%
Zakopane	37%	85%	99%
Poznan	51%	82%	92%

Source: Own compilation based on data from Booking.com

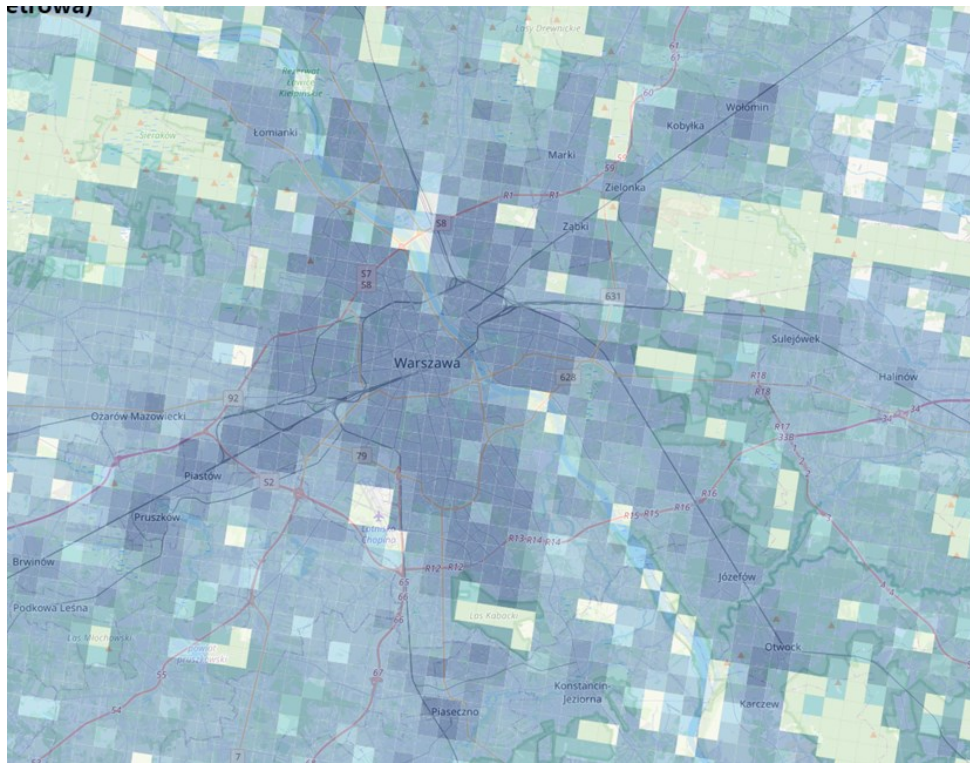
MAP 1. DISTRIBUTION OF THE HOUSING UNITS FOR SHORT-TERM RENT IN WARSAW



Source: airDNA.co



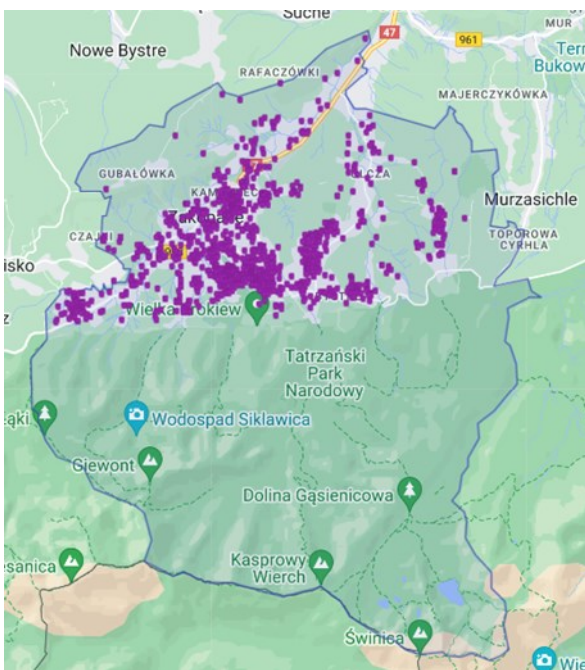
MAP 2. NUMBER OF DWELLINGS IN 1-KILOMETRE GRID ACCORDING TO THE NATIONAL CENSUS 2021



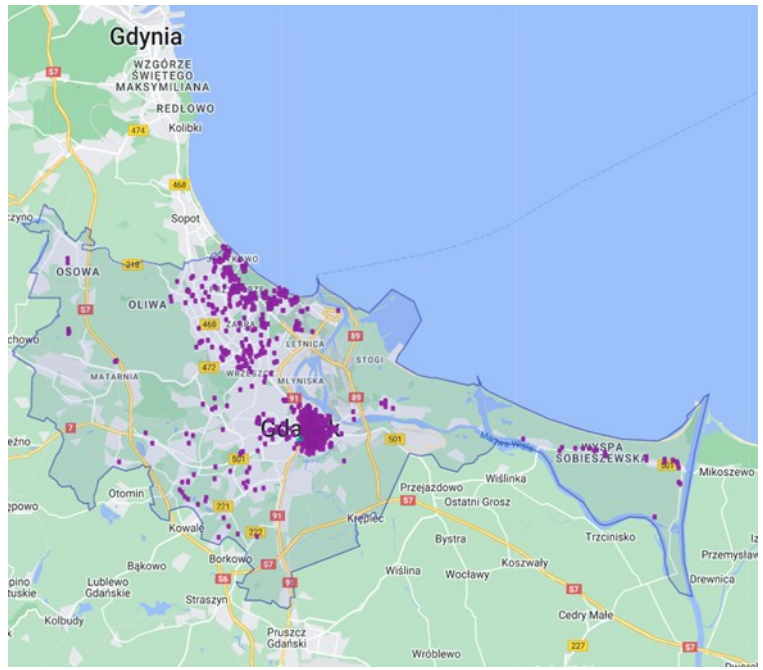
source: geo.stat.gov.pl

MAP 3. DISTRIBUTION OF THE HOUSING UNITS FOR SHORT-TERM RENT IN ZAKOPANE

MAP 4. DISTRIBUTION OF THE HOUSING UNITS FOR SHORT-TERM RENT IN GDANSK



Source: airDNA.co



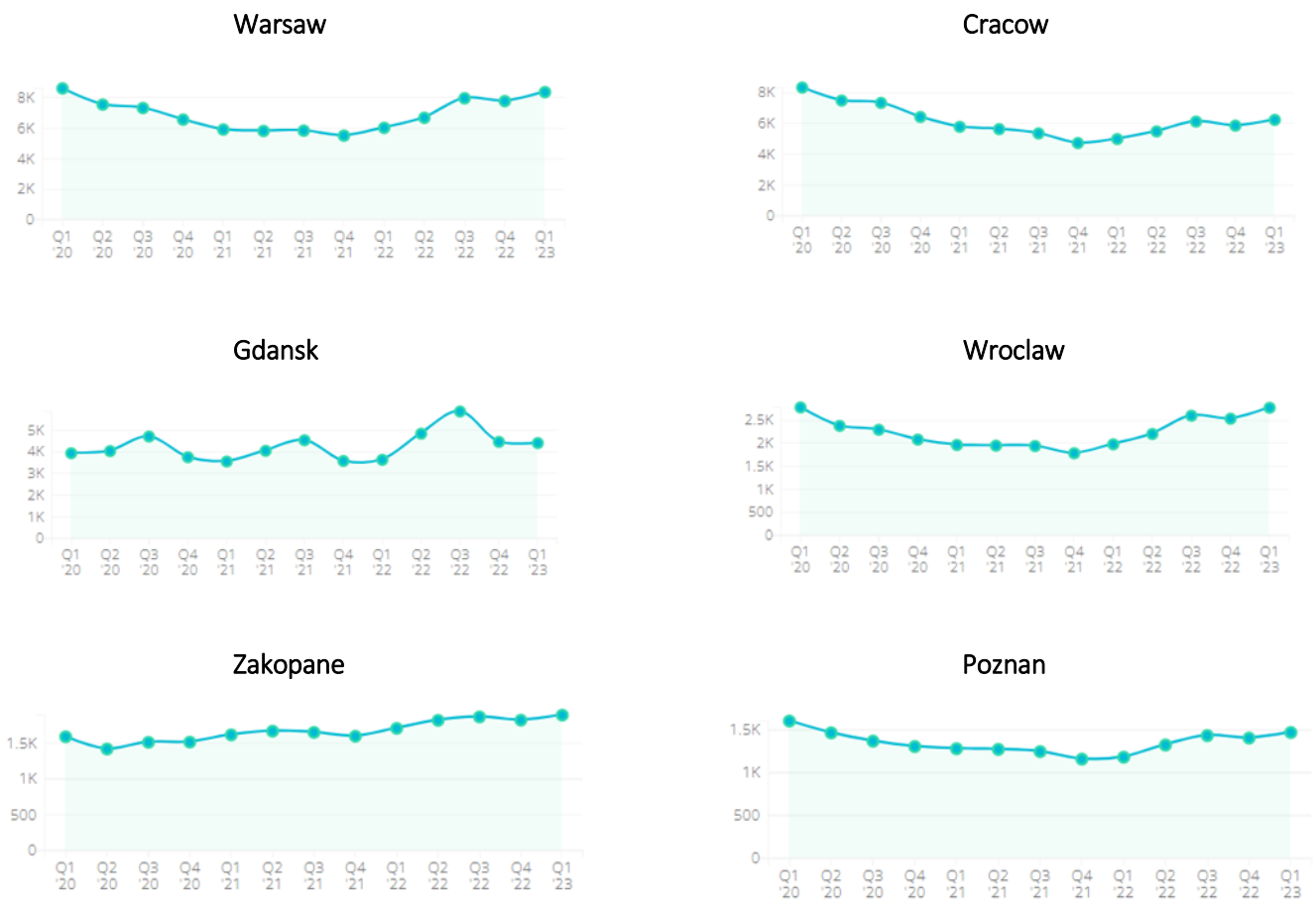
Source: airDNA.co



Use of dwellings in short-term rentals

The occupancy of housing units offered for short-term rental is diverse, however in all selected cities the impact of the COVID-19 pandemic on rental growth in last 3 years is evident. It is related to restrictions in both rental activity and travelling. In the case of the biggest cities, the quarterly changes caused by the pandemic were more apparent, due to tourism in these locations is focused mostly on cultural facilities that were partially closed. The highest seasonality of tourist rentals can be observed in Gdansk (high increase in Q3). In all analysed cities, the situation is returning to the status before the pandemic.

GRAPH 2. RENTAL GROWTH IN SPECIFIC QUARTERS IN 6 SELECTED CITIES IN POLAND



Source: airDNA.co

The highest occupancy rates are recorded in big cities – in Warsaw and Cracow, they have averaged over 70% over the past 12 months. Considering the revenues from short-term rentals compared to the revenues from long-term rentals, it is no wonder that the number of vacation rental properties has still been increasing. However, it is worth pointing out that the occupancy and therefore incomes vary from month to month. The final income is also dependant from rental service charges, such as cleaning charge, or those for maintaining the property, such as administration fees. Short-term rentals consume more time, but with more risk, yield higher profits.



TABLE 3. OCCUPANCY AND SHORT-TERM RENTAL INCOME MEDIAN COMPARED TO THE AVERAGE LONG-TERM RENTAL RATES IN SELECTED CITIES

City	Occupancy rate [%]	Median monthly revenue in the last 12 months [PLN]*	Average monthly rent rates of a housing unit in selected cities [PLN]
Warsaw	74%	4 645	2 226
Cracow	73%	5 010	1 754
Gdansk	58%	4 387	1 997
Wroclaw	58%	4 071	1 908
Zakopane	50%	5 529	bd
Poznan	63%	4 111	1 512

* rate excludes taxes, service charges and surcharges

source: own compilation based on data from AirDNA, booking.com and own AMRON Centre data

Summary

The short-term rental market is developing the most in big cities and tourist areas, mainly due to increased tourist traffic in recent decades, as well as the increasing popularity of booking platforms. 1-bedroom units dominate in the offers. Most of them are located close to the city centre and tourist attractions or in areas with good public transport. Prices, as well as occupancy rates for entire houses and flats depend on the month of rental. The risks associated with short-term rental are greater compared to traditional long-term rental, moreover short-term rental requires more commitment from the landlord, but the higher profitability encourages an increasing number of rental homeowners to choose this type of rental.



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AMRON Centre

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