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Second homes

A growing market

The Polish market offers ample opportunities to invest in property located in holiday resorts

The second home market in Poland has been growing steadily in recent years, with an increasing number of projects of this kind being announced in the country's major holiday destinations. Developers claim that sales are going well and tout the profitability of investing in vacation apartments.

Location matters

Jan Wróblewski, member of the management board of developer Zdrojowa Invest, said that the highest number of second home transactions are now concluded on the Baltic Sea, where despite a large supply, well-located projects are successful, and the Sudety Mountains, where few second home schemes exist.

He noted that the main tourism destinations in Poland, including the Baltic and the mountains, are diverse in terms of their attractiveness to second home builders. The Tatra Mountains' popular Zakopane resort, for one, is now overinvested and features considerable competition, he said.

Some of the most popular locations for second home developers include Kołobrzeg, Świnoujście, Jastrzębia Góra and Mielno on the Baltic Sea. In the latter location, for

instance, developer Mielno Holding – Firmus Group is now constructing a luxury apartment building called Dune.

In the Polish mountains, under-construction and planned second home projects include Zdrojowa Invest's Cristal Resort Szklarska Poręba in Szklarska Poręba and Kudowa Towers in Kudowa-Zdrój, as well as Univitae's Sun & Snow Resorts Szklarska Poręba in Szklarska Poręba.

Zdrojowa Invest's Wróblewski said that the Mazury Lake District also has ample second home market potential, with the market there expected to develop in the next few years. One of the largest ongoing schemes of this kind there are Inpro's apartments in Mikołajki.

Investment opportunities

According to Paweł Grząbka, president of the management board of real estate advisory CEE Property Group, the market has changed a lot over the last five years. He said that second homes developed today are much different to those which were built in Poland just a few years ago.

He stressed that investments of this kind are nowadays better tailored to buyers' needs in that they are often built within well-organized complexes which, apart from homes, also offer common spaces including spas, swimming pools and restaurants.

Mr Grząbka also noted



Mielno Holding-Firmus Group is building a luxury apartment complex in Mielno, on the Baltic Sea

that investors are increasingly offering second homes for investment purposes, often guaranteeing from six to nine percent annual returns from renting. "Well prepared projects see good sales, usually of several apartments per month," he said.

Bartosz Turek, an analyst at real estate advisory and brokerage Home Broker concurred, saying that the profitability of so-called condo hotel apartments, which are rented out while the owner is not using them, is often higher than that of bank deposits.

"Home Broker has recently sold a whole hotel project before construction even reached the ground level," Mr Turek said. He added that there is still room for this kind

of investment in the Polish hotel market.

Satisfying sales

Developers building second homes in Poland claim that demand is high. Stein Christian Knutsen, president of the management board of Mielno Holding – Firmus Group, said that the company's under-construction Dune project has already reached a sales level of over 60 percent.

Apartments in the scheme are priced between zł9,000 and zł15,000 per sqm. Mr Knutsen added that most of his clients buy smaller apartments for their own use. Those who are interested in profiting from renting tend to choose the larger homes.

Zdrojowa Invest's Wró-

blewski said that approximately 55-60 percent of the owners of the homes built by the developer use them, while 40-45 percent merely treat them as an investment.

Mr Wróblewski said that interest in the purchase of second homes is on the rise, even if the increase is only moderate. He noted that the economic slowdown has not changed this – while buyers may be a little bit more cautious, they also see real estate as a safe investment in these uncertain times.

According to Mielno Holding – Firmus Group's Knutsen, the second homes market in Poland is actually just starting to develop. "Its prospects are promising as tourism data are also optimistic," he said.

Adam Zdrodowski