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PHARE PROGRAMME  
TOURISM DEVELOPMENT IN POLAND  
ROZWÓJ TURYSTYKI W POLSCE

**TOWARDS PARADORES  
FOR  
POLAND**

WORKING PAPER  
MATERIAŁ ROBOCZY

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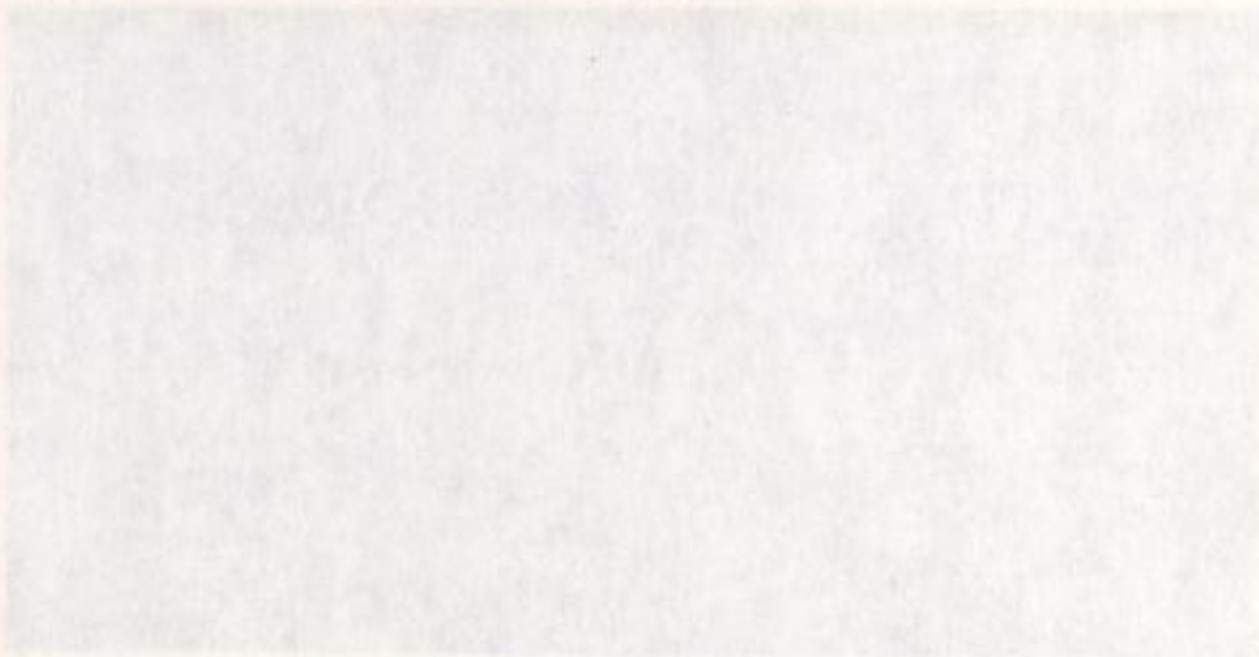
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BIBLIOTEKA IT  
Archiwum Prac  
Naukowo-Badawczych

A discussion paper and preliminary report  
linking Marketing and Product Development

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and  
Miss M.B. Raszewski

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# TOWARDS PARADORES FOR POLAND

## Introduction to the Paradores Concept

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## TOWARDS PARADORES FOR POLAND

### 1) Introduction to the Paradores Concept:

#### a) Background:

Historically in Spain the 'parador' was an inn, stopping place, or good lodging offered to the more respected guests, whilst the posada was for the stabling of horses and the accommodating of humbler guests.

In 1926 the idea was accepted of creating a series of State Paradores in Spain. Originally these were to be conserved and renovated historic buildings used as high quality hotels for tourists in remoter areas. The very first such building was a converted former royal hunting lodge, in a rural area - offering holidays commercially.

Several successive aims emerged in the development of the Spanish Paradores system, namely:

- 1) providing high-quality hotels in existing historic buildings in under-privileged or remote regions, as a form of regional development, gaining public investment where the commercial sector was reluctant to invest;
- 2) re-use of or new uses for historic buildings such as palaces, castles, old hospices, and convents, retaining their integrity as conserved monuments, but carefully adapting them to their use as hotels;
- 3) providing a network of such hostelleries on a nation-wide basis, each located an easy day's journey away from the last parador; thus creating a system, taking visitors from international gateways, through to all major tourist regions upland, coastal, deeper-rural, and in or near high-quality, historic cities.

By 1990 some 86 such State Paradores existed in Spain.

#### b) Why develop such an idea for application to Poland?

Poland has an extra-ordinary richness of historic buildings covering much of its territory, but skewed in favor of some regions. This heritage of palaces, castles, manor houses, together with a natural heritage of national-parks, landscape-parks, and reserves, represent a twin resource of great importance for Poland, in terms of both international and domestic tourism.

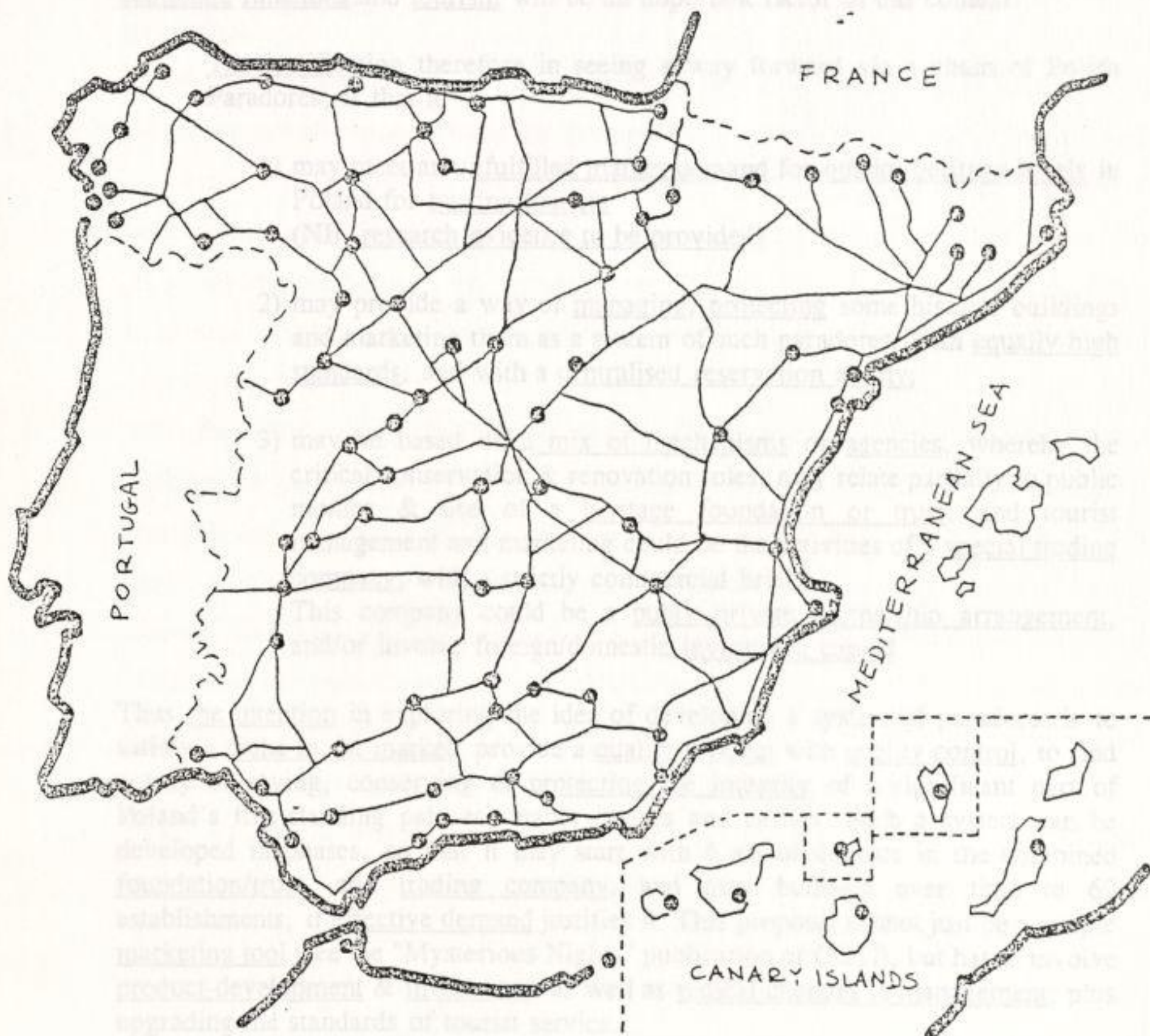
The problems of negative image, and damaged natural resources badly affect Poland's competitive position in tourism: sea pollution in the Baltic, the death of forests in Silesia, are a handicap for an industry which must be competitive.

The variety of Polish palaces, castles, and manor-houses their content, their quality



# PARADORES

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of architecture, their landscape settings, their cultural & historic associations, make them both tourist-products, as well as tourist facilities. As will be seen from later sections of this report, such buildings already provide Poland with museums, interpreted interiors for visiting, and many already have para-hotel functions, serving as places used for visitors to stay in, by a variety of management bodies such as the Academy of Science, Agricultural Co-operatives and others. However, standards of accommodation vary, and though COTI now starts to market some of them as though they were a system, they are neither managed as such, vary in standards nor are they run consistently.

In a time of privatisation, it is re-assuring that Poland has an excellent "law on the protection of cultural property and on museums" but, regardless of how far some historic properties may revert to their former owners, it is clear that a significant number of historic castles, palaces, and manor houses, will in future have to find new economic functions, and tourism will be an important factor in this context.

The justification therefore in seeing a way forward via a chain of Polish Paradores, is that it:

- 1) may meet an unfulfilled market demand for quality-heritage-hotels in Poland for touring tourists  
(NB. research evidence to be provided)

- 2) may provide a way of managing, protecting some historic buildings and marketing them as a system of such paradores, with equally high standards, and with a centralised reservation ability;

- 3) may be based on a mix of mechanisms or agencies, whereby the critical conservation & renovation roles, may relate partially to public monies & use of a heritage foundation or trust, and tourist management and marketing could be the activities of a special trading company, with a strictly commercial brief.

This company could be a public-private partnership arrangement, and/or involve foreign/domestic investment capital.

Thus the intention in exploring the idea of developing a system of paradores, is to satisfy a niche in the market, provide a quality-product with quality control, to find a way of saving, conserving & protecting the integrity of a significant part of Poland's free-standing palaces, manor houses and castles. Such a system can be developed in phases, so that it may start with 6 establishments in the combined foundation/trust, and trading company, and may build-up over time to 60 establishments, if effective demand justifies it. This proposal cannot just be a simple marketing tool (see the "Mysterious Nights" publication of COTI), but has to involve product-development & investment, as well as radical changes in management, plus upgrading the standards of tourist service.

Criteria will later be discussed in terms of choice of buildings, in which type of landscapes, and in which sort of strategic locations relative to roads and access, nearness to clusters of appropriate tourist attractions, and tourist activities and the desirable spacing between such paradores.



### C) Constraints : legal and privatisation in a period of transition

The legal status of estates, castles, palaces and manor houses, changed under the Polish Nationalisation Law of 1944, when because of administrative decisions taken after the Second World War, such properties were taken out of private hands and became State property. This matter is still one of the basic and urgent issues requiring clarification and regulation, in relation to such properties.

Political and economic changes in the country in 1989 caused a flood of re-privatisation claims related to such properties, and some of these were well-founded, whilst others were groundless.

In the period 1989-1990, a project was prepared on the privatisation of monuments and this concerned all historical buildings managed by the Principal Inspector of Monuments. The basis of this project was that the Principal Inspector of Monuments had the right to decide which specific monuments could be sold, and where the right could be established of giving compensation to the former owner. That project did not assure any possible restitution of property to former private owners (i.e. re-privatisation, in terms of "payment in kind").

After the collapse of the Tadeusz Mazowiecki Government, during the Presidential and Parliamentary campaigns the attitude towards re-privatisation issues amongst politicians changed, and promises of early clarification of these problems by "reprivatisation paid in kind" was raised. Those electoral slogans in response to the resulting claims of former owners, were associated with the Polish Gentry Union and the slogans fanned the public feelings on this issue. However, in spite of all the promises, re-privatisation issues remain unsolved till now, and no law concerning this question has been elaborated and accepted to date.

There are current lawsuits taking place in the courts. This exacerbates administrative decisions about the nationalisation of private property, made after the Second World War, which do not accord with legal regulations of that period. Annuling previous nationalisation decisions enables, theoretically speaking, the former owner to get back ownership of the buildings. However in practice they can not receive their property,



because usually some agencies have their offices in them (sometimes there are people living there or sometimes institutions are located in them etc).

Simultaneously, action is also being taken on the privatisation of former State Owned Agricultural Co-operatives (PGR-Państwowe Gospodarstwa Rolne)- which also usually include country manor houses and palaces. Those farms are being taken over now by the State Agency of Agricultural Property, and put up for sale to potential investors.

The privatisation process looks different in various parts of Poland. In North and West Poland (the so called "Regained Territories"), where former German property dominates, re-privatisation claims seldom occur and the privatisation process can develop faster, as there are no plans and ideas even for any bilateral agreement between Poland and Germany on that matter). In the rest of Poland however, re-privatisation demands are appearing and likely to increase, and while there are no clear rules and system for solving that issue - it will always be a risk for every potential investor. So as to avoid that sort of problem, one has to remember that such issues exist in Poland, and have to be taken into account. There is no need to exaggerate the significance and make the re-privatisation issue more important than it is.

Therefore the only recommendation necessary concerning this project, is therefore to :

- take the re-privatisation issue into account,
- where possible, to make that question clear, and
- if there are outstanding re-privatisation claims concerning particular buildings, then consult with the former owners, if they are known + can be located.

It is also likely that during the time of elaboration and implementation of the Polish Paradores Project some legal regulation on re-privatisation issues will be introduced.

There are also many other questions (not necessarily connected with the transformation of the system), which can be a kind of constraint for the given project. Some of them are listed below:

1. the potential of existing historical buildings is relatively large, but the number of those of unique and high architectural and historical value, is rather limited (in comparison with Spain, for example)
2. the technical state of the available castles, palaces and manor houses ranges from



very good to very poor, and most of them need to be renovated (repair, capital repair or reconstruction)

3. many of the castles, palaces and manor houses are presently used by museums, schools, cultural agencies and private persons (inhabitants) etc. - therefore there is a need to clarify how to combine a new hotel-function, with existing functions of buildings, or to prepare/find another location for the present users.

The list can of course be much longer, but the issues mentioned above seem to be the most important ones for the Project.

This section was prepared not to discourage the Project, but to strengthen it, because, one of the most important aspects is knowledge of the weaknesses and threats, which helps to avoid potential problems.

by creating a brand image and an identity for a new set of tourism products which are also tourist facilities: the paradores system - a single system which encompasses and recognises the variety in scale and physical character of the buildings offered, and of the international and domestic clientele who use them.

e) in terms of feedback from Spain, which has a large stock of small historic cities, long coastline, and extensive mountain areas, the locational breakdown of the Spanish paradores is as follows:

1st - linked to historic towns	43 Paradores
2nd - linked to the coast	14 Paradores
3rd - linked to mountain locations	11 Paradores
4th - linked to beaches	10 Paradores
5th - linked to main roads	8 Paradores

TOTAL	86 Paradores
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#### AL Public-Private Partnership Arrangement for Polish Paradores:

The above four things are vital feedbacks for Poland, but an essential difference between the experience elsewhere, and potential introduction in Poland, is that it does not all have to be done by the State. A mixed public-private partnership arrangement, would not only be appropriate in a time of privatisation, but helpful in evolving a system, part of whose focus is conservation and re-use of historic building stock, and part of whose focus is obtaining new (commercial sector) investment, and trading as a company within the international tourism industry. Levels of costs, are explored in Section 4 of this Report, the vital question of investment, and access to investment capital is considered in Section 7 of the Report.



## 2) Evolution of Paradores internationally and feedbacks for Poland:

The 'paradores movement' which started in Spain, subsequently was extended to Portugal, and then on to other countries beyond Europe. This movement has been effective in doing at least four things:

- a) creating a system of provision on a nationwide basis, offering a consistently high standard of offer, and one which is managed, marketed, and presented as a single organisation;
- b) conserving and renovating a very large number of historic buildings, and buildings with important historic and cultural associations, maintaining their integrity, and doing extensive and internal architectural, interior decoration, and furnishing work to a very high standard, with modern bathrooms and facilities complementing retained historic features;
- c) adding modern extensions (or in some instances - even whole new buildings) in a discreet and sensitive way - where locational needs dictate, and an appropriately-scaled historic building is not available,
- d) creating a brand image and an identity for a new set of tourism products which are also tourist facilities: ie. the paradores system - a single system which encompasses and recognizes the variety in scale and physical character of the buildings offered, and of the international and domestic clientele who use them.
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### A) Public-Private Partnership Arrangement for Polish Paradores:

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### 3) Does an embryo of a Potential Paradoxes System Exist ?

Many Polish historic buildings have already been used for tourism purposes, and amongst these many used as hotels. Hotels in castles, palaces and manor houses differ essentially - their ownership status, historical value, technical parameters (such as size, technical conditions, architecture and internal + external decoration), equipment and furniture, service quality, range and quality of the prepared offer (available attraction and activity) etc. are neither uniform nor classified in any way. Those buildings do not yet comprise a whole-polish tourist product/offer, which can be marketed abroad. The marketing of those structures proceeds in a spontaneous, and unorganised way. Many of them are marketed separately and many are not marketed at all (or in a very poor way).

The only marketing (promotional) materials of the whole-polish hotels in historic buildings has been prepared by the Centre of Tourist Information commissioned by the State Sport and Tourism Administration and some prepared by ORBIS. These include:

a). COTI/SSTA publications

- 'Mysterious Nights'; (MN)
- 'Castles and Palaces'; (C&P)
- 'Architecture in Poland';
- and additional information in: 'Travelling to Poland - Tourist Guidebook'93'; 'Transit Routes through Poland'; 'Destination Poland, 92'; 'Poland Invites'; 'Pomorze Gdańskie - Catalogue of Tourist Offers', + others such as 'Poznań and its neighbourhood'; 'Wrocław' (english version); 'Wrocław i Dolny Śląsk' (polish version); 'Wrocław, województwo wrocławskie-Informator Turystyczny';

b). ORBIS publications

- 'Poland, Palaces and Castles' (leaflet) (C&P);
- 'Poland Incoming Guide - A destination for all seasons';
- and others, such as 'Orbis invites You to Poland - weekend in Poznań'; 'Orbis invites You to Poland - Horse Riding';

c). Other Domestic Publications

- 'Krajobraz-Ogród-Park Informacje Bieżące' no 4/92



(not marketing material);

- 'Pałac w Radziejowicach' (leaflet - polish version);
- 'Pałac w Kozłowie' (leaflet english and polish version);
- 'Welcome to the Lublin Region - Poland at its most historic, unspoiled and traditional';

d). foreign publications

- 'Eastern Europe and Austria' - Canterbury Travel (UK)
- ( 'Polish Manor Houses and Castles' );
- 'Exodus - adventure trip dossier' - 'Historic Poland'; (UK)
- 'Ost Reise Service - 1993 '. (Germany)

Amongst all items mentioned above only, 'Mysterious Nights' (COTI/SSTA) and 'Poland - Palaces and Castles' (ORBIS) are marketing materials in the strict sense and contain the presentation of the whole-polish offer of hotels in palaces, castles and manor houses.

The information provided by both publications, however, is not sufficient for marketing purposes.

There is a lack of information concerning quality and standards of the offer (facility, furniture and service available). MN - is a publication prepared with great care , very attractive and properly designed (pictures and maps). One of the disadvantages is that there is a lack of prices (no inserts), and insufficient (sometimes inadequate) information on what the hotel-offer contains. The offer of hotels in palaces, castles and manor houses located in the country-side, outside of big conurbations, and those regular hotels in the big towns (many of them already built as hotels) as in Warsaw, Cracow, Wrocław, Łódź, Bielsko-Biała, Bydgoszcz and Sopot has been presented together here, which does not seem to be a good idea.

The publication prepared by ORBIS - P&C - contains only very limited information about some selected buildings (size; publication is rather small - leaflet) - presented in poorer than MN form (design). There is no information on standards, but there is some information regarding history of buildings + some information concerning location. The information on prices is imprecise (only approximate data is given) and is too general (estimation of the range of possible prices from 22 to 102 USD) and so in practice it is useless.



The publication 'Palaces and Castles' contains only a review of some selected buildings and gives short historic descriptions, plus sometimes a sentence regarding present usage of the building.

There is no (or not enough) practical information - about hotels (the sort of accommodation available, where to get more information-addresses etc.), museums (when are they open, is it possible to have a guide etc.) and restaurants located in given historic buildings.

In the three following publications - Poland Invites You (COTI/SSTA), 'Destination Poland'93' (COTI/SSTA) and 'Poland destination for all seasons' (ORBIS), one can find only some journalistic articles about castles, palaces and manor houses. The latter gives suggestions for two tours to polish castles, palaces and manor houses.

'Travelling to Poland - Tourist Guidebook'93' contains one chapter dedicated to historic buildings ('Monuments of architecture'), and does not contain any detailed information concerning its hotel-functions.

'Transit routes through Poland' - briefly informs the reader about some castles, palaces and manor houses located near the main transit roads.

The rest of the previously mentioned materials will not be the subject of further consideration in this chapter.

However the only publication, which is not addressed to a potential tourists, is the one on Poznań Voivodship's historic buildings; it provides much information on the hotel - capacity (number and standards of rooms and beds, available facility - conference rooms etc.), architecture (with pictures), prepared attractions in hotels and their surroundings, but there are no prices included.

The comparison of alternative materials prepared for foreigners by domestic agencies is interesting especially if linked to those prepared abroad by foreign agencies containing information about Polish historic buildings with hotel-functions; the comparison between how the offer looks from inside, and how it looks from outside the country. It could be treated as a kind of test for the efficiency of domestic marketing efforts about polish hotels within historic buildings.

The fundamental conclusion is that:



- only a small number of polish hotels in historic buildings pass such a test ;
- domestic marketing of such hotels should be improved (with a necessary focus upon segmentation, and the Marketing Mix)

The analysis of these publications is helpful, and allows us to build a list of historic buildings (castles, palaces and manor houses) presently used as hotels - so to indicate the potential Polish Paradores in embryo.

Of course only some of these will become part of a Paradores System in future, because in many cases such factors as low quality of the historic building, poor architecture, excessive costs of renovation as compared to potential future returns, inconvenient location (in accessibility, lack of related attractions, pollution etc.) prevent their to inclusion in the future system.

It needs to be stressed, however, that the existing Embryo Paradores should be considered in the future plans ,with special care.

The table below provides information based on the analysis of available marketing materials . The table is supplemented by a map, which gives an impression of their geographical spread.

#### POLISH HOTELS IN HISTORIC BUILDINGS and their marketing

no	town structure voivodship	MN (COTI/ SSTA)	P&C ORBIS	P&C (COTI/ SSTA)	OTHER DOMESTIC	FOREIG N
1	Antonin manor house Kalisz-voivod.	X	X	X		
2	Arcugowo palace Poznań-voivod.				X	
3	Baranów Sandomierski palace Tarnobrzeg-voivid.	X		X		



4	Będlewo palace Poznań-voivod.	X	X		X	
5	Białokosz manor house Poznań-voivod.		X	X	X	
6	Biedrusko palace Poznań-voivod.	X			X	
7	Brodnica manor house Poznań-voivod.				X	
8	Bugaj hunting castle Poznań-voivod.	X	X	X	X	
9	Bytów castle Ślupsk-voivod.	X	X	X		X
10	Cykowo palace Poznań-voivod.	X		X	X	X
11	Czempin palace Poznan-voivod.	X		X	X	X
12	Czerniejewo palace Poznań-voivod.	X			X	X
13	Gniew castle Gdańsk-voivod.	X	X	X		
14	Iwno palace Poznań-voivod.		X	X	X	
15	Jankowice palace Poznań-voivod.			X	X	



16	Kadyny palace Elbląg-voivod.	X	X	X	X	
17	Kamieniec Ząbkowicki castle Wałbrzych-voivod.		X	X		X
18	Kobylniki palace Poznań-voivod	X			X	
19	Komorowo manor house Poznań-voivod.				X	
20	Krasiczyn castle Przemyśl-voivod.	X	X	X		
21	Krerowo manor house Poznań-voivod.				X	
22	Książ castle Wałbrzych-voivod.	X		X	X	X
23	Łańcut palace Rzeszów-voivod.	X		X		X
24	Łęg manor house Poznań-voivod.				X	
25	Maciejewo manor house Szczecin-voivod.	X	X			
26	Malbork castle Elbląg-voivod.		X	X		X
27	Manieczki manor house Poznań-voivod.			X		



28	Międzylesie castle Wałbrzych-voivod.	X	X	X		X
29	Nieborow palace Skierniewice-voivod.	X	X	X	X	X
30	Nosowo palace Koszalin-voivod.	X	X			
31	Nozdrzec palace Krosno-voivod.	X				
32	Podzamcze manor house Elbląg-voivod.	X	X	X		
33	Promnice hunter castle Katowice-voivod	X				
34	Pułtusk castle Ciechanów-voivod.	X	X	X	X	
35	Radziejowice palace manor house Skierniewice-voivod.	X			X	
36	Rakoniewice palace Poznań-voivod.				X	
37	Rokosowo castle Leszno-voivod.	X	X			
38	Rydzyna castle Leszno-voivod.	X	X			X
39	Sapowice palace Poznań-voivod.				X	



40	Sieniawa palace Przemyśl-voivod.	X	X			X
41	Skrzynki palace Leszno-voivod.	X			X	
42	Trzebieszowice palace Wałbrzych-voivod.		X			
43	Tuczno castle Piła-voivod.	X				
44	Walewice palace Skierniewice-voivod.		X	X		
45	Waplewo palace Elbląg-voivod.	X				
46	Wojnowice castle Wrocław-voivod.				X	
47	Zająchkowo palace Poznań-voivod.	X			X	
48	Zakrzewo palace Poznań				X	

The total number of existing embryo Polish Paradores, according to this analysis consists of some 49 buildings.

These include:

- castles - 14
- palaces - 25
- manor houses - 10

The majority of buildings are located in Poznań Voivodship.







The only hotels in historic buildings mentioned in the available foreign publications are: Bytów, Czarniejewo, Książ, Łańcut, Nieborów, Rydzyna and Sieniawa.

The most frequently mentioned hotels are:

Information in **four** publications from the list

- Bytów
- Książ

Information in **three** publications from the list

- Antonin
- Nieborów
- Pułtusk
- Rydzyna
- Czarniejewo
- Kadyny
- Krasieczyn
- Łańcut
- Sieniawa

Information in **two** publications from the list

- Baranów Sandomierski
- Malbork
- Międzylesie
- Rokosowo
- Iwno
- Kamieniec Ząbkowicki
- Kobylniki
- Maciejewo
- Skrzynki
- Walewice
- Zajączkowo

These results give a preliminary impression of the existing potential and marketing. However, one has to be very careful with such data, because the sample-size for



the given analysis was very limited. One has to realise that the stock of hotels in historical buildings in Poland is much bigger. On the other hand, the information which has already been collected - allows us to justify the project - the number of 49 buildings seems to give a quite high potential for the System.

#### CONCLUSIONS:

- Only part of the existing embryo set of Paradores can be used in the proposed Project
- Not all the existing buildings can be adopted and included in the Project at once.
- Almost every one of the existing set to be incorporated into the Project has to improve:
  - the technical state of the building (outside,inside,facility-WC,telephone etc)
  - the style of room decoration
  - the character of the surroundings  
(parks,gardens,paths and roads)
  - the hotel service quality
  - the restaurant quality and style
  - the quality and number of attractions associated with the hotel offer
- All buildings chosen for the Project have to be selected in accordance with the criteria defined in Chapter 5
- The marketing of existing buildings has to be improved and changed - with joint marketing of the whole Chain of "Polish Paradores" in future
- The first preliminary selection of buildings should be made jointly by the monuments conservation experts (Inspectors of Monuments, State Service for the Protection of Monuments) and tourism experts (State Sport and Tourism Administration, foreign tourism advisers from the PHARE Programme 'Tourism Development in Poland') and should be subject to consultation with the present hotels owners and users. (It is also recommended that all selected in the proposal have to be visited).

#### b). Target Markets

Three Target Market Segments need to be assessed, quantified and evaluated in relation to Polish paradores, namely:

- i) foreign markets
- ii) domestic Polish market, and the
- iii) expatriate foreign market, of foreigners resident in Poland

To examine them more closely:



#### 4) Existing and Potential Demand for Paradores:

##### a) Demand

Before embarking on investment, development and marketing of paradores, or a paradores system, there is the essential need to review market-demand, and evaluate the realistic potential demand, for a developed system of quality-products, which function as a system, and are well-marketed. What is the level of potential (or covert) demand? Which are the target market segments, and why? How far are there domestic as well as international demands? What pricing policy, and levels of returns can be expected?

Prior to demand or market assessment, one has first to define the character and nature of the hypothetical product offer on a propositional basis, as the intended product does not exist as yet in its exact proposed form. The assumption is that in Phase I of a development programme, the 'test product offer' might be of some six strategically located Polish Paradores, each of a capacity of 100 high quality, en-suite twin bedrooms, and fine public rooms. Thus 6 paradores, each of 100 twin bedrooms, would offer 600 bedrooms, with 1200 beds. As IOT 1993 Tourism Statistics show that the only two 5 star hotels in Poland (in Warsaw) achieved a near 66 % occupancy rate in 1992, compared to a 46 % occupancy rate for 4 star hotels, the target would be a 60 % occupancy rate over the 12 month period, ie. use not only in spring and summer, but extensive shoulder-season use, and some off-season special events, conferences, and meetings. Current 5 star hotels are both concentrated in Warsaw, but paradores would offer such a quality in a range of six strategic locations across the country both for the touring market, active weekend, shortbreak, and conference markets.

A 60 % annual occupancy rate-would be equal to 220 days, or a 264,000 bednights target for the first paradores. Such hotels in other countries often work on a 3-5 % penetration rate of their selected market segment. This also would give some Polish comparability in the mid 1990's, to the Spanish Paradores position in the early 1950's. At that time Spain was unfashionable, unpopular, and had a negative image (because of the Fascist Regime). Poland still suffers a negative image because of its Communist past, the fact it is unknown, and is perceived as poor, polluted and under-developed.

Existing markets cannot be assessed, as there is no existing, fully fledged paradores product - to which one can relate them. Therefore market potential has to be assessed in terms of a potential share of existing general tourism markets of Poland, trends affecting them, and trends affecting the upper quality and special interest segments.

##### b) Target Markets

Three Target Market Segments need to be assessed, quantified and evaluated in relation to Polish paradores, namely:

- i) foreign markets
- ii) domestic Polish market, and the
- iii) expatriate foreign market, of foreigners resident in Poland

To examine them more closely:



### i) Foreign Markets:

This relates to higher-spend and more educated segments of foreign tourists visiting Poland, who are touring, and or have specific active interests, (such as horse riding, hunting, angling going on photographic safaris, etc.) or who may wish to attend conferences or have high quality rest and haute cuisine breaks here. Such a group might represent 15 % of the higher-spend foreign tourists, \* would relate to some 2.19 million people. In terms of per capita spend per day the ranking is -

1st highest spend:- Austrians

2nd highest spend:- U.S.tourists

3rd highest spend:- French

4th highest spend:- British

5th highest spend:- Swedish

/source IOT, 1993/

though it is of course recognized that the majority of foreign arrivals are from Germany, Czechia, Slovakia and The Former USSR.

As , however, such visitors are normally car-based, this would give a skew not only towards the Austrian, and Swedish but also the higher spend part of the German visitor market. As Americans and Scandinavians were the longest stay tourists in Poland, in 1992 (averaging 12 and 10 days respectively), how far they are both car-based and Touring, needs to be examined more closely.

A 5 % market penetration rate would give a potential catchment of persons 109,000 (ie 5 % of 2.19 million).

### ii) Polish Domestic Market:

Of the 38.3 million of the Polish population some 49 % take holidays and breaks away from home, and it is estimated that some 1 % of the Polish population (383,000) represent both a higher-income group, with a propensity to spend part of their discretionary income on specific categories of tourism in Poland, namely those who may:

(Data source: Central Stat.Office - Sept.1993)

- Take shortbreaks in Poland
- Want to attend Conference Meetings in pleasant rural or historic town settings
- Use 'country hotels' for negotiative business meetings, social contact or special interests

A 5 % penetration rate would give a potential catchment of 19,000 persons. Exploration of a middle income Polish market demand will be necessary, if the proposition to develop a second chain of hotels based on Manor Houses and Farms, and with a diffent name and brand image, is explored further.

### iii) Expatriate Foreign Market (in Poland)

There is a relatively well-off expatriate foreign market of people resident in Poland, who work for foreign embassies and consultants, for foreign commercial companies and banks, technical aid programmes, etc. who lack

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\* Footnote: 7.35 million is 15 % of gross 49 million visitors, whilst 2.19 million is 15 % of net tourists, excluding shopping and most business visitors (ie 14.9 million total)



quality-offers of paradores-based weekends in Poland - for shortbreaks, conferences, meetings, special-interest activity-based pastimes in prime locations outside the cities. It is estimated that this community may now be as much as 5 -6,000 persons, who could well give rise to a high market penetration rate, say of 25 %, giving rise to a potential catchment of over 1,000 persons.

c) Costs, Pricing and Returns:

Assessing questions of costs, pricing and returns, is based on the assumption (made earlier in this report), that a twin-mechanism approach is accepted. Such an approach would employ:

i) A Trust or Foundation:

to deal with capital assembly from the public, voluntary and private sectors for the conservation, protection, and essential renovation of the primary resource of the historical monuments themselves, and

ii) A Trading Company:

which would deal with the cost of adaptation/and conversion (if necessary), for at least part of monument into the parador/hotel, ie. creating high-quality, en-suite bedrooms, their decoration, equipment, and furnishing, lifts, public rooms, restaurants, bars, health-suites, etc. also special costs relating to upgrading telecommunications and other technical modernisation, plus

trading, marketing and management

costs, to cover the setting-up, on going management, and marketing of the parador - as part of the 'paradores' system's costs of effective functioning and trading. Such funding would essentially come from the commercial sector.

It would be necessary, with regard to c(i) above, that this foundation 'should be both a protective and a development mechanism, which could be in receipt both of public monies, and could also receive income from commercial and voluntary sector sources.

North and North-East Poland:

the lake district belt, with a focus on the Mazurian Lake District  
(tourist attractions, lakes district)

(II)

the coastal belt with a focus on the Gdansk Coast (Gdansk Region) and Western Pomerania (Szczecin Region)

(tourist attractions, gateways, coast and inland)

(I)



## 5) Review of Supply and Geographical Spread of Historic Buildings with potential for Paradores

### Project

As has already been shown in Chapter 3 of this Report many historic buildings are now being used as hotels, and this is illustrated in map 1. Those 'Embryo-Paradores' should be the first to be considered for this Project. The existence of an Embryo-Parador however, is not sufficient for a given hotel (historic building) to be selected and used it in the Project.

The first, preliminary analysis of existing potential - review of supply, was based on materials and data collected at the Monuments Documentation Centre in Warsaw (their white and green cards), material available for potential investors 'Zabytkowe obiekty architektoniczne do zagospodarowania' - 'Historic Buildings for Investment' (October, 1992) and the many other available materials listed in the bibliography.

Analysis has been done for the whole of Poland, but with a focus upon some clusters with higher tourist potential.

The assumption is that following areas have legitimate tourist potential, because of their:

- tourist attractions -natural,built,cultural & social;
- tourist flows/movement patterns;
- good accessibility (by road);
- nearness to border crossing locations (or gateways)

and are therefore suitable for the location of Paradores:

#### - North and North-East Poland:-

- the lake district belt, with a focus on the Masurian Lake District  
(tourist attractions,lakes district)

(II)

- the coastal belt with a focus on the Gdańsk Coast (Gdańsk Region) and Western Pomerania (Szczecin Region) -  
(tourist attractions,gateways,coast and lakes)

(I)



- Western Poland:-
  - 'Great Poland' with a focus upon the Poznań Region (Historic city/Gateway,tourist attractions,good accessibility)  
(III)
- Southern Poland:-
  - Lower Silesia  
(Mountains/Gateway,tourist attractions,and good accessibility)  
(V)
  - Cracow and Carpathian Plateau  
(Historic City/Uplands/Mountains,tourist attractions)  
(VI)
- Central and Eastern Poland
  - Warsaw surroundings  
(Historic city,Gateway,good accessibility including telecommunication)  
(IV)
  - additionally:
    - (\*)some places within the Lublin Region are suggested  
(tourism and economic activation)

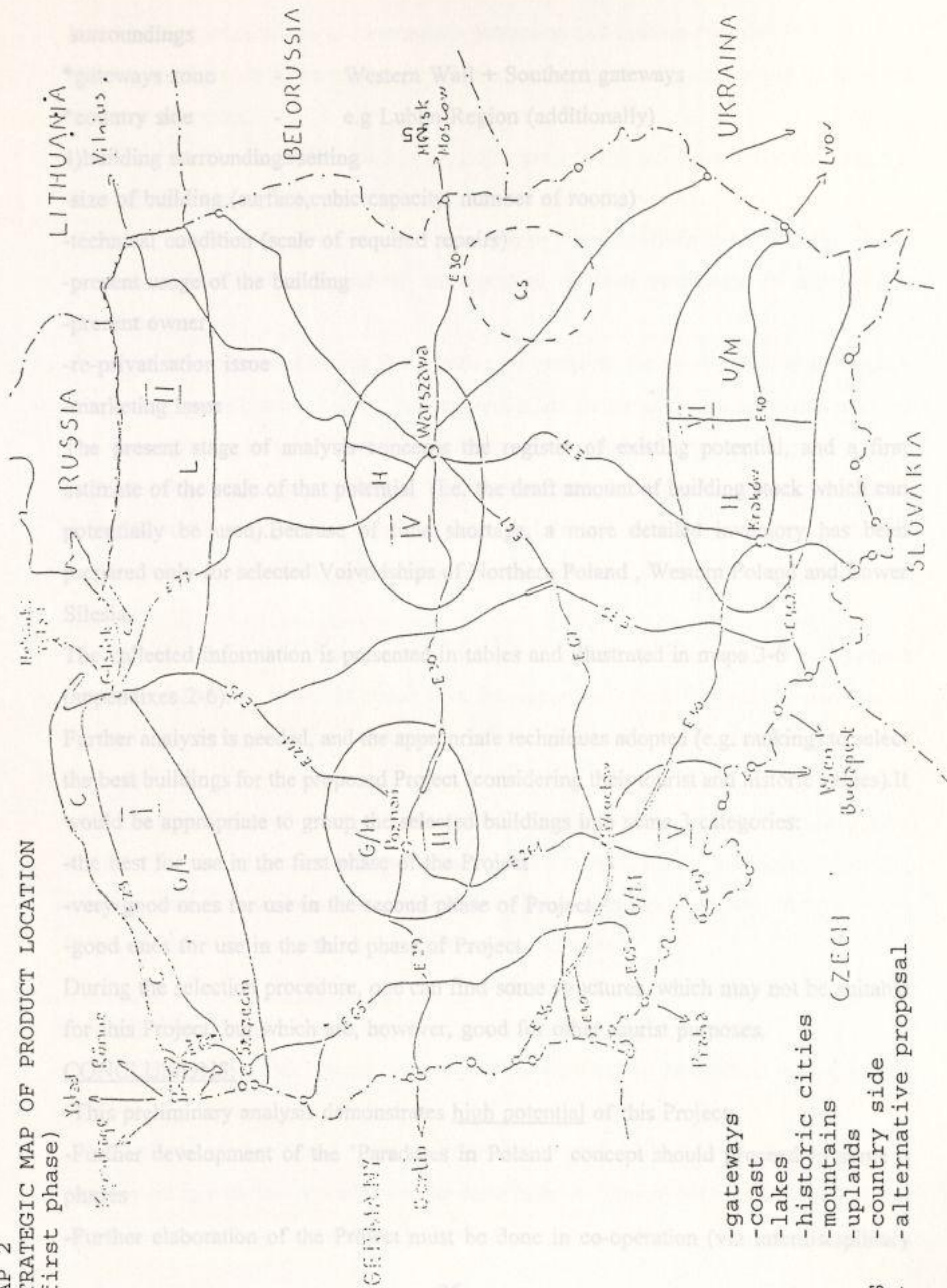
Map 2 illustrates these assumptions.It is the strategic map of locations for Polish Paradores (adequate for the first stage of the Project).

The following set of features has been taken into account,in recognising existing potential:

- 1)age and architectural appeal of the buildings
  - 2)accessibility (international and secondary roads,air ports, railway network and gateways)
  - 3)location of the building
- |                  |   |   |
|------------------|---|---|
| *lakes zone      | - | Masuria and Pomerania   |
| *coast zone      | - | Słowińskie Coast,Gdańskie Coast   |
| *uplands zone    | - | Roztocze and Carpathian Plateau   |
| *mountains zone  | - | Sudety Mountains and Sudety Foreland, (Tatra and Beskidy Mountains, Bieszczady Mountains) |
| *historic cities | - | Warsaw,Cracow,Poznan and Wrocław  |



MAP 2  
STRATEGIC MAP OF PRODUCT LOCATION  
(first phase)





surroundings

\*gateways zone - Western Wall + Southern gateways

\*country side - e.g Lublin Region (additionally)

4)building surroundings/setting

-size of building (surface,cubic capacity, number of rooms)

-technical condition (scale of required repairs)

-present usage of the building

-present owner

-re-privatisation issue

-marketing issue

The present stage of analysis concerns the register of existing potential, and a first estimate of the scale of that potential (i.e. the draft amount of building stock which can potentially be used).Because of time shortage, a more detailed inventory has been prepared only for selected Voivodships of Northern Poland , Western Poland and Lower Silesia.

The collected information is presented in tables and illustrated in maps 3-6 (appendixes 2-6).

Further analysis is needed, and the appropriate techniques adopted (e.g. ranking) to select the best buildings for the proposed Project (considering their tourist and historic values).It would be appropriate to group the selected buildings into some 3 categories:

-the best for use in the first phase of the Project

-very good ones for use in the second phase of Project

-good ones for use in the third phase of Project

During the selection procedure, one can find some structures, which may not be suitable for this Project, but which are, however, good for other tourist purposes.

#### CONCLUSIONS:

-This preliminary analysis demonstrates high potential of this Project;

-Further development of the 'Paradores in Poland' concept should proceed in some 3 phases

-Further elaboration of the Project must be done in co-operation (via interdisciplinary



- team) with representatives of monuments protection and tourism experts
- When decisions are to be made, the criteria set out in this chapter should be used for guidance purposes;
  - All decisions have to be preceded by a specific project evaluation for every building, but some general assumptions for all the Chain have to be the same;
  - This Project allows for the combination of two or more functions in one building (hotel + museum), but with independent management of those institutions (+ independent entrances );
  - It might be worth considering the question of realising the great potential of smaller structures (manor houses, hunting lodges) and other buildings, which are less attractive, but conveniently located (tourist destination areas, tourist routes and transit routes, gateways nearby) historic buildings, which can be used for tourist purposes, but for a different market segment, this may need a second Project, as already mentioned for this lower category of buildings, involving creating a second chain, for a separate market segment;
  - A special category of historic buildings are the farm palaces and manor houses surrounded by farm buildings, which give the opportunity both for 'palace' and 'rural' tourism development. Joint Marketing of those structures can proceed in a specially organised way.
  - Another question which needs to be answered (if there is such a market demand), is what sort of offer can be prepared for potential middle income domestic and foreign tourists, probably this second chain of 'paradores' may be an appropriate answer, but they must have a different image, character + different 'brand name'.

#### Additional comments:

- We have excluded ruins from the analysis (as their future renovation would be too costly).
- The lack of available and updated information implies the need to verify and to supplement this preliminary analysis. For these reasons Tourism PHARE Programme has sent letters requesting data from the Voivodic Inspectors of Monuments. Information from



these experts will provide the most important and credible source for further analysis.

-We have received 14 answers to our request so far (end- August,1993).Eight of them are especially important for the first part of this Project,as they relate to the chosen six strategic areas.(see Map 2 ).

Those 8 opinions relate to the following Regions:

- |               |   |          |
|---------------|---|----------|
| -Olsztyn      | - | area II  |
| -Poznań       | - | area III |
| -Ciechanów    | - | area IV  |
| -Siedlce      | - | area IV  |
| -Wałbrzych    | - | area V   |
| -Jelenia Góra | - | area V   |
| -Przemyśl     | - | area VI  |
| -Rzeszów      | - | area VI  |

All this information will be incorporated in our Report and help to verify the preliminary analysis.

- b) details of the priority properties concerned - their location, character and condition (illustrated), their settings in terms of landscape quality and environmental context, facilities and services, access and infrastructure;
- c) evaluation of capital costs, returns and likely ongoing accounts, with assumptions re amortisation and economic stability;
- d) a potential trading review, relative to the proposed "paradise trading company", with costs being separated from those of the Investor Foundation, whose major capital would relate to acquisition of ownership of the physical stock of the plant.

If all the parties concerned in The Ministry of Culture and Arts, the State Administration for Sport + Tourism, the State Agency for the Protection of Monuments, the Historical Monuments Documentation Centre, etc. agree on the proposition, that 'a paradise type of system' should be introduced, then such an investment Portfolio could be developed, signed, and hopefully quickly - between the agreeing parties, with a lead role by the Polish Tourism Team.



#### 6) Investment Opportunities Portfolio:

From preliminary discussions which have been held between Prof. A.S. Travis and Investment Groups (Banks/Pension/Firms with a range of Tourism Investments) in the Netherlands, and Great Britain, it is clear that a new phase of Leisure + Tourism investments is taking place in Hungary and the Czech Republic, but that generally UK + Dutch tourism investors are hesitant to enter the Polish market (though there are obvious exceptions like Forte Hotels and the Warsaw Bristol Hotel). Austrian, French, American and other investors have been active in Polish Tourism Developments in the last few years, and it has been estimated that 850 to 900 million U.S. dollars of foreign investment, has now gone into such Polish tourism development.

It became clear in the discussions in the Netherlands, that at least one or more of their major banks was prepared to consider investment in a proposition to develop "historic hotels of the paradores type" in Poland, if an "Investment Opportunities in Paradores - Portfolio", could be prepared in Poland, and then a presentation made to them in the Netherlands.

(i) The proposed portfolio would need to include:

- a) a summary introduction to the stable political and economic climates of Poland, and safeguards for foreign investors;
- b) details of the priority properties concerned - their location, character and condition (illustrated), their settings in terms of landscape quality and environmental context, facilities and services, access and infrastructure;
- c) evaluation of capital needs, returns and likely revenue accounts, with assumptions re amortisation and economic stability;
- d) a potential trading review, relative to the potential "paradores trading company", with costs being separated from those of the Trust or Foundation, whose major capital would relate to questions of upgrading of the physical stock of the plant.

If all the parties concerned ie. The Ministry of Culture and Arts, the State Administration for Sport + Tourism, the State Service for the Protection of Monuments, the Historical Monuments Documentation Centre, etc, were to agree on the proposition, that 'a paradores type of system' should be investigated seriously, then such an investment Portfolio could be developed, collaboratively, and hopefully quickly - between the agreeing parties, with a lead taken by the THR Phare Tourism Team.



## 7) Review of State of Repair and Technical Renovation:

In the limited time available for this report, it has been possible to do the following:

- a) make familiarisation-visits to a number of historic buildings, not in the context of preparation for a paradores review, but as part of regional visits arranged - as an introduction to regional product development work in Poland. Such visits have incidentally taken in Malbork Castle, Kozłówka Palace, Czerniejowo Palace/Manor House, Książ Castle, Podzamcze Manor House,
- b) do desk analyses of marketing materials by COTI and SSTA on stays in Palaces, Castles, and Historic Hotels in Poland
- c) do desk analyses of all available documentation on historic buildings and monuments, their location, character, accessibility, and where indicated - age and condition,
- d) put all available data into convenient tabular form, or-in locational mapform

At this stage we can make preliminary suggestions on the location of a first strategic six best bets, in terms of links to gateways, to destination product-clusters, key destination regions and ease of road access.

However, such test propositions have now to be related to more detailed analysis of several key factors:

- i) are any of the buildings proposed likely to be ruled out by early privatization?
- ii) the general structural condition, and state of repair of the priority 6 buildings?
- iii) what technical renovation needs are outstanding in a general condition sense?
- iv) how extensive would a programme of renovation/change need to be - to make a parador out of all, or part of this building?

## 8) Decision - making and Implementation Processes:

This preliminary report by Prof. Travis and Miss Rzażewska aims to provide sufficient data for the Informal Working Party to consider the draft proposition that there is a valid case to explore in detail the development of a Paradores System for Poland.

Such a preliminary decision is needed in September'93, if work is to be taken further, and sufficient hard evidence assembled both in relation to demand and supply - over the next 3 months, to take a case forward formally and consider establishing the mechanisms, and getting the necessary investment. Such further action is possible only if there is agreement by all the parties concerned, and collaborative-working, data-gathering, and full sharing of information is jointly welcomed. Preliminary agreement in September'93 leading to formal decision-making by the end of in 1993, and subsequent investment and implementation, is the best possible way forward.



## 9) Appendices

### Appendix 9a) References and Bibliography:

- \* Historical Monuments Documentation Centre Division of Information and Computer Technics (19 ) Law Protection of Cultural Property and on Museums
- \* Turespana (1990) Visiting the Paradores Ministerio de Transportes Turismo, y Comunicaciones, Madrid
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- \* Kombinat Państwowych Gospodarstw Rolnych-Zydowo (1992) (Combined Works of State Farm Zydowo (near Gniezno))
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- \* .....( ) Castles and Residences in Poland in the Past and Today
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- \* Bujak A. ( ) Zamki i Zamczyska Editions Spotkania
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- \* Krajobraz Ogród Park (4/92) Informacje Bieżące -
- \* P.T.I.C. (1993) Pilgrimages to Poland - Sanctuaries Warszawa
- \* Ośrodek Dokumentacji Zabytków (1992) Zabytkowe obiekty architektoniczne do zagospodarowania

### Appendix 9b) Organisational Contacts:

- \* Principal Inspector of Monuments
- \* State Service for the Protection of Monuments
- \* Historical Monuments Documents Centre (HMDC)
- \* State Sport and Tourism Administration
- \* Institute of Tourism
- \* Agency for State Treasury's Farmland
- \* PHARE Programme 'Tourism Development in Poland'



Appendix 9c

List of basic law regulations concerning nationalisation of  
land property (years 1944-1958)

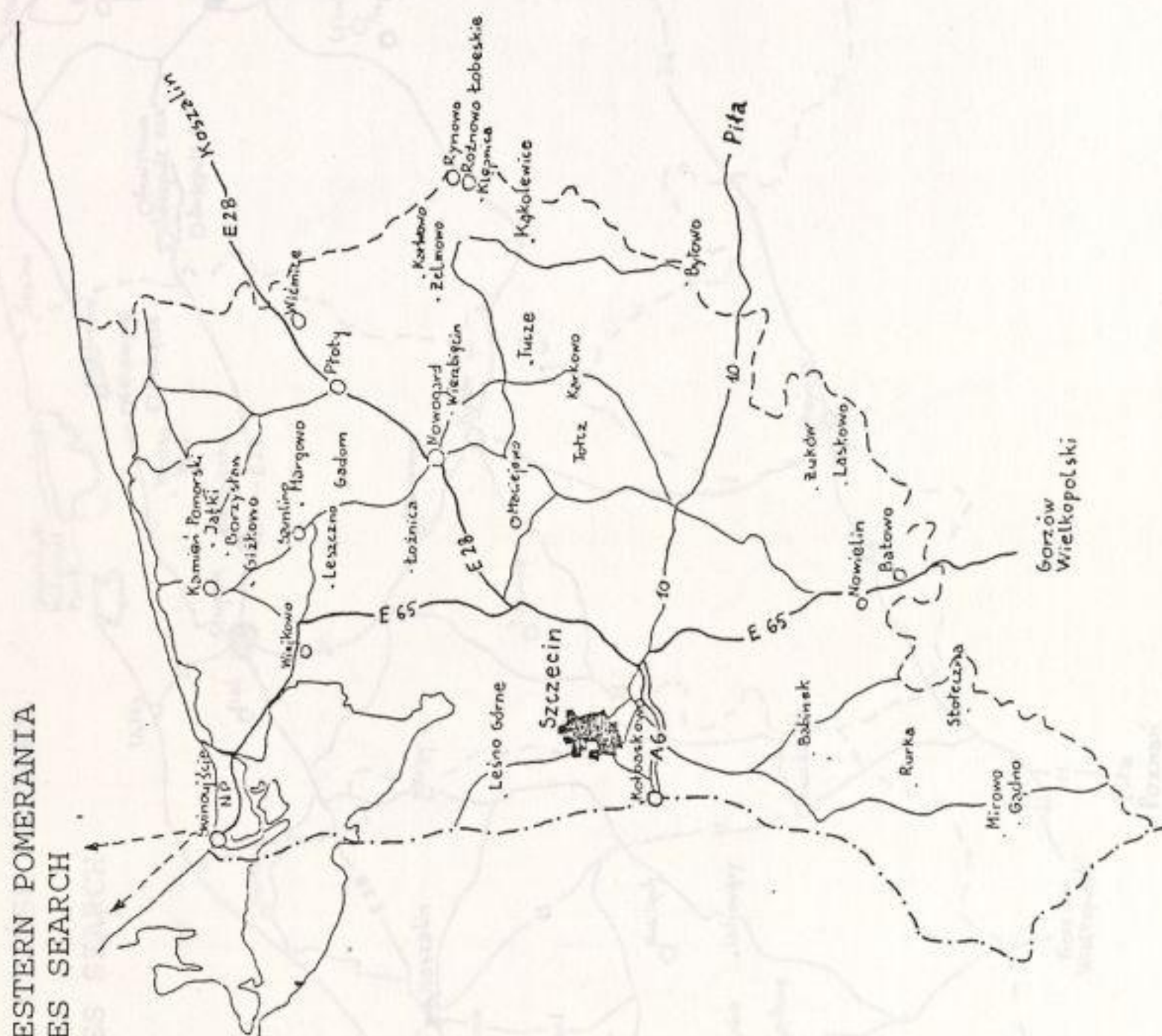
- 'Decree re Land Reform Execution'  
6th of September 1944  
TJDzU 1945 Nr3 poz13  
Jour.of Law 1945No3 item 13
- 'Decree re taking possession of some land property for land reform and colonisation purposes'  
28th of November 1945  
Dz.U. Nr52 poz32  
Jour.of Law No52 item 32
- 'Decree re land system and colonisation on the Regained Territories and former Gdańsk-Free City Territory'  
6th of September 1946  
Dz.U. Nr49 poz 279  
Jour.of Law No49 item279
- 'Decree re taking over of land property of some poviats of Białystok, Lublin, Rzeszów and Cracow Voivodships, staying without it's owners'  
27th of July 1949  
Dz.U. Nr46 poz 339  
Jour.of Law No46 item 339
- 'Decree re regulation of the legal situation of land property being under governmental management'  
25th of February 1958  
Dz.U. Nr11 poz 37  
Jour.of Law No11 item 37

In addition:

- 'Regulation re Obligatory Governmental Management'  
16th of December 1918  
Dz.Pr.P.P. Nr21 poz 67  
z p.zm.
- 'Decree re nationalisation of the basic branches of the National Economy'  
3rd of January 1946  
Dz.U. Nr3 poz 17  
Jour.of Law No3 item 17

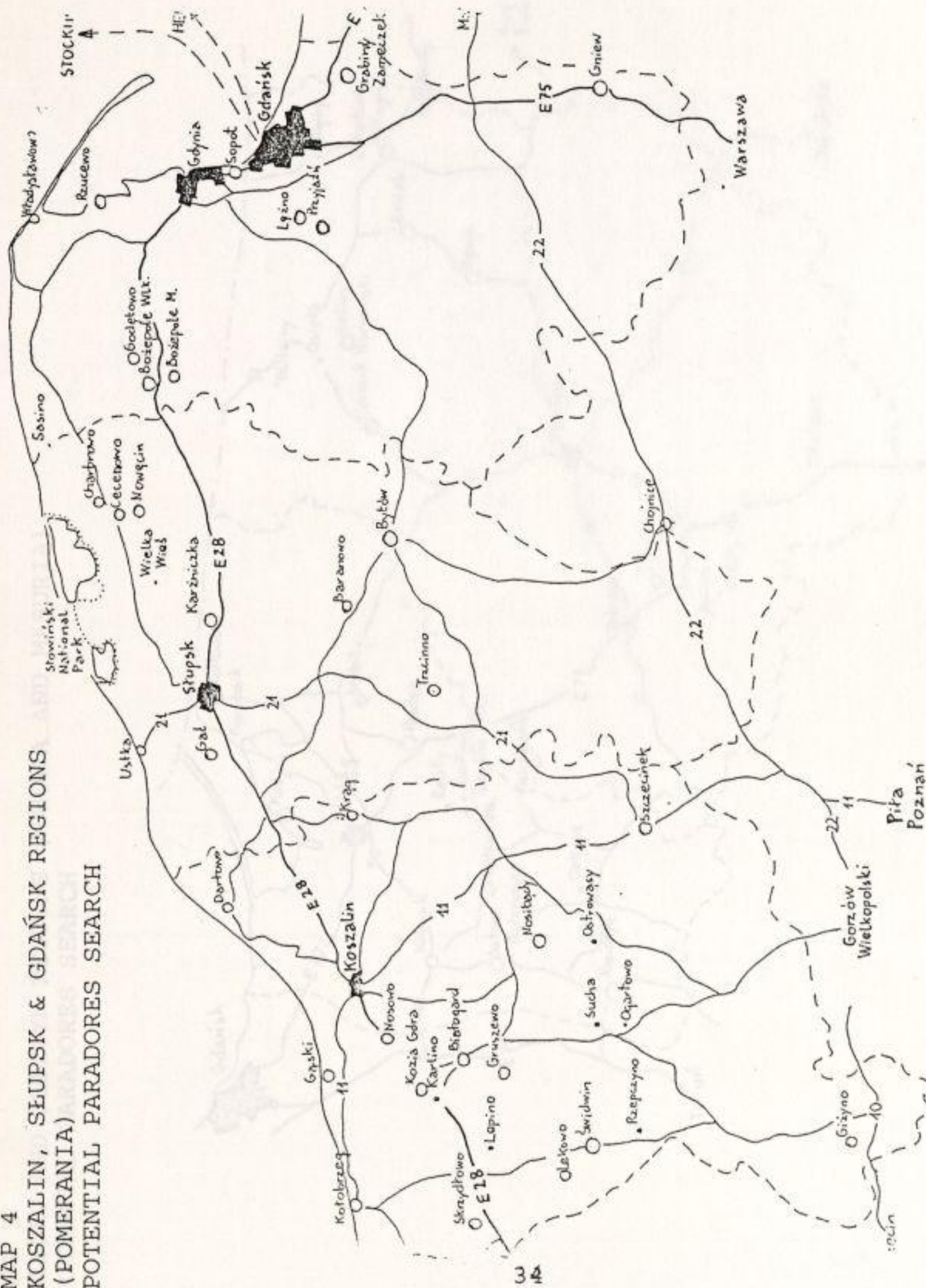


MAP 3  
SZCZECIN REGION/WESTERN POMERANIA  
POTENTIAL PARADOXES SEARCH

NP-National Parks  
o -border crossings



MAP 4  
KOSZALIN, ŚLUPSK & GDAŃSK REGIONS  
(POMERANIA)  
POTENTIAL PARADORES SEARCH



NP-National Parks  
o -border crossings







