Prague: The number of tourists grows faster than of the hotel beds. Sharing platforms profit on that

**Prague, 18 November 2019** – The influx of tourists in Prague increases every year by an average of 300 thousand, while the number of hotel beds remains almost the same. Their number increased by only 1.4% in two years. On the other hand, the capacity offered via accommodation sharing platforms (e.g. Airbnb or HomeAway) increased by 34.1% over the same period. Those are the findings of the Deloitte’s *Prague Hospitality Report*.

The number of available units in Prague offered via shared accommodation platforms increased from 10,310 in 2016 to almost 14,000 in 2018. Last year, the estimated amount of lost income from local fees for the city of Prague ranged from CZK 88.5 to 124 million. Due to planned changes in fees, the amount is expected to increase to more than CZK 250 million.

“The prospect of interesting earnings via short-term accommodation platforms pushes residents out of the city centre. We expect this effect to continue to the wider city centre. Recent forecasts show that by 2025, more than 330,000 additional tourists will come to Prague every year,” says Miroslav Linhart, partner and head of real estate department at Deloitte.

In addition to Prague, the study also focused on Amsterdam, Barcelona, Budapest and Vienna. And Prague remains one of the most popular destinations. This confirms the difference foreign tourists make, the number of which increased between 2016 and 2018 by 838 thousand per year. In the given period, only Amsterdam was visited by more tourists, recording an increase of more than 1.5 million.

Among the monitored cities, accommodation platforms in Prague and Budapest have transformed the most from the so-called shared economy to commercial business. In both cities, more than 80% of the accommodation offered represent whole apartments. Almost half of the offer is available for more than 180 days a year. Two-thirds of the offers are advertised by hosts who offer more than one accommodation option.

“Unfortunately, the growth in tourism and the popularity of shared platforms have negative effects on the city or parts of it, as well as on the local property market. In addition, legislation and local administration react slowly to all this. The response could be not only a possible regulation of shared accommodation, but also a new offer from hotels, which would increase the market flexibility,” adds Petr Hána, senior manager of real estate department at Deloitte.

If hotels do not expand their accommodation capacity by 2025, the new demand will be covered by the accommodation platforms. The authors of the study estimate that approximately 4,500 new accommodation units will be needed to cover future demand, mainly in the city centre and the wider city centre. For example that is approximately 80% of the housing capacity of the entire Old Town.

Between 2016 and 2018, overall accommodation capacity in the monitored European cities increased by at least 5%. With the exception of Amsterdam, most of the growth was due to shared accommodation platforms.
The complete Prague Hospitality Report is available here.

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