

Abstract

This paper investigates determinants of daily rate of Airbnb listings in Prague, Czech Republic. Sample of 13 500 properties was examined to identify a relationship between property attributes and rental price using the ordinary least squares estimation method. The study provides an empirical evidence that twenty-five independent variables describing space, reputational, location, commerciality attributes or management policies significantly impact the average daily rate. According to the analysis the most relevant rental price determinants are property location, its size in terms of number of bedrooms, bathrooms and capacity. Author demonstrated in two robustness checks that the results are stable. The study is conducive to better understanding of the Prague Airbnb market. Insights from the analysis could help hosts in developing a suitable pricing strategy as well as Airbnb or similar platforms in designing a pricing tool to increase hosts efficiency.