

Abstract

This paper investigates the pricing dynamics of Airbnb in Prague, a short-term rental platform that is one of the most successful examples of the sharing economy. The pricing dynamics were investigated using a combination of hedonic and spatial regression. We estimated different spatial models and explained the importance of including spatial terms in a regression. Finally, the paper confirmed that the prices of Airbnb listings in Prague exhibit spatial autocorrelation. Furthermore, we have shown that there is a negative and significant relationship between the price of the listing and the distance to the city centre, and that the relationship between the price of a listing and the attractiveness of its location is significant and positive. Finally, we also demonstrate that the spatial distribution of Prague Airbnb listings changed in response to the COVID-19 pandemic.

Keywords

Airbnb, spatial econometrics, COVID-19, sharing economy