

CZECH REPUBLIC: END OF GRAY ZONE FOR TOURIST RENTALS



The Czech Republic has decided to address the increasing issue of unregulated tourist rentals, sometimes called the "gray zone" of tourism. This problem, fueled by platforms like Airbnb, has worsened tourist overcrowding and tax evasion, particularly in Prague. To tackle this, Czech authorities plan to introduce legal measures to formalize this activity and minimize its adverse effects in the most impacted areas.

Some proposed measures include mandatory registration for all homeowners renting their properties for tourism and compliance with tax regulations. **This will involve reporting rental income and paying the applicable taxes.** Additionally, there will be limits on the duration of the rentals, and stringent controls will be enforced to ensure adherence to these regulations.

Homeowners Registry

The new measures will include creating a national registry of property owners and requiring them to obtain a license to rent homes for tourism. These changes aim to close legal loopholes that have allowed many owners to operate outside the law. Those who do not comply could face significant fines and restrictions on their ability to continue renting.

These measures are intended to regulate tourist rentals and address the overcrowding caused by tourism, which has negatively affected local communities. In Prague, the historic center and iconic neighborhoods such as Malá Strana and Staré Město have been particularly impacted by increased tourism, leading to higher rents and a lower quality of life for permanent residents.

Limit of Tourist Rental Duration

The new regulations are expected to bring about positive changes, reducing the uncontrolled supply of tourist rentals and stabilizing house prices in the most stressed areas. By limiting the number of days that a dwelling can be rented, the regulations also aim to discourage the purchase of properties for purely tourist purposes, thus favoring access to housing for local residents.

In Prague, residents have expressed frustration of the negative impact of the proliferation of tourist rentals on their communities. Protests by the Czechs over the overcrowding of tourists in some areas are not new. The widespread feeling is that while tourism is crucial to the economy, the lack of regulation has allowed mass tourism to displace inhabitants, eroding local identity. This effect is similar to what has been occurring in other European destinations.

Prague Lost Control

Prague, with its astonishing architecture and rich history, has been one of the epicenters of this problem in the country. The saturation of tourists has led the city to look for new ways to control the influx of visitors and protect its heritage. The proposed changes could be a significant first step in giving citizens back control over their neighborhoods and improving coexistence with tourists.

It should be remembered that in other European cities facing similar problems, provisions are already being taken along the same lines as those now announced in the Czech capital. **Thus,**

Amsterdam, Barcelona, and Paris have implemented strict regulations on tourist rentals, with mixed results. These experiences will serve as a reference for the Czech republic, which seeks to balance promoting tourism and protecting its citizens.

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