

Smaller hotels are transforming into blocks of flats

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Smaller hotels are not particularly profitable at the moment, so their fate will probably be converting them into blocks of flats. This reasoning relates to, among others, the historically valuable neo-renaissance building in Opatovická street in Prague's New Town, where the Koruna hotel is located. Company Naxos is selling it - the hotel is for sale in the form of involuntary auction, which will be held on 27th October, due to its owner's debts. "We know from experience that the consideration to transform hotels into blocks of flats, especially in residentially attractive locations, is quite common and there is logic to it. We expect this trend to continue in future years," says Libor Nevšímal from Naxos. "In the boom period, hotel owners had fully occupied hotels without major effort. Today, it requires higher expenditure, for example for agents," explains Libor Nevšímal.

Naxos has considerable experience with selling hotels. "In the recent years, we have sold the four-star hotel Venus in the centre of Karlovy Vary with the capacity of 106 beds for CZK 200 mill.; there were the Bern and Vítkov hotels in Prague-Žižkov, also hotels in the Krkonoše mountains at Mísečky and Na Zámečku location in Prague-Záběhlce were subjects to transactions," says Nevšímal. He adds that Naxos is currently selling the Trilobit hotel in Veselí nad Lužnicí and a similar facility in Kamenice nad Lipou. "Investors have also expressed interest in small hotels. Especially today when they believe that the market will not continue to fall and the value of these properties will not decrease. It is also a way of safeguarding capital for some potential buyers."

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