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Sochi Hotel Rooms to Have Price Caps

By The Moscow Times

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The Economic Development Ministry has published a draft decree on state regulation of hotel room prices for the 2014 Olympics and Paralympics in Sochi.

It foresees a maximum daily rate of 14,000 rubles ($453) for the most expensive room in a five-star hotel, down to 2,936 rubles in one and two-star hotels.

Such prices were stated in Russia's original application to host the games, said Sergei Korneyev, the head of the tourism department at the Culture Ministry. The prices were set by an expert committee, which considered hotel prices in Sochi and rates in cities that were competing with Russia to win the right to host the Olympics.

Hotel rooms in Sochi are now much more expensive, according to hospitality managers there. A five-star hotel room for 14,000 rubles per night is basically "at cost" said Maxim Slipkin, deputy general director of Grand Hotel and Spa Rodina.

Price caps for luxury hotel rooms are ludicrous, Penny Lane Realty general director Georgy

Dzagurov said.

“I have visited all the Olympic games since Turkey in 2006 and seen that the cost of high-end rooms exceeds $1,000 per day,” he said.

Dzagurov said that price regulation will facilitate scalping and that it would be fairer to allow the developers to be the ones to earn more.

Olympic officials have said that people who charge inflated prices will be punished and might lose their accreditation.

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