

Abstract

Thesis title: **The Real Estate Market in the Czech Republic – Analysis and Forecasts of Trends**

This paper deals with the residential real-estate market in the Czech Republic. It analyses the development of the real-estate market in the last several years, investigates factors which have had substantial influence on the existing character of the market and forecasts future trends of the market.

The first part of the thesis characterizes subjects operating on the Czech real-estate market. It also defines major segments of the real-estate market. In the following part, it evaluates a progress of the market – especially development (increase) of prices and size of the market.

A location plays the main and crucial role on the real-estate market. Therefore, this paper points out differences of particular locations – both within the Czech Republic and later also within the European context. From the comparison of Czech and European markets we can see that Czech market develops in predictable direction and it exactly belongs to the region of middle Europe.

The thesis introduces major factors influencing the market in the past years – factors influencing demand, supply and also generally character of the market.

In regard to the demand – it focuses on people's expectations, economy development and disposable income of households, factor of demographical changes (with special attention to specifics of the youngest buyer's generation) and furthermore questions of mortgage financing availability. Mortgage financing plays important role for existence of a real demand with purchasing power. The thesis also characterizes demand of investor-buyers and alternatives of ownership dwellings.

In case of supply – we focus on people's expectations too, we analyze specifics of new dwelling development and business environment of developers. The thesis furthermore emphasizes factor of a real-estate taxation and legislation changes.

Taking into consideration all discussed factors, the paper forecasts future development of the Czech real-estate market and major trends. It expects that increase of prices will continue also in the foreseeable future – just the speed of increase will be different in particular market segments and in different regions. Questions arises from the possible influence of potential legislative changes coming from the new government and from restrictions of mortgage market ordered by Czech National Bank. Such changes could quickly lead to reduction of living achievability for the young buyers and low-income parts of the society. That would lead to a change of demand structure and to reduction of transactions number.