

The thesis analyses the costs of rental offers in Prague vs. four districts in CBR (Central Bohemian Region): Kladno, Příbram, Kolín, and Mladá Boleslav. We use data from the real estate agency to calculate the net present value of the costs of each apartment and compare it between the capital city and the districts in CBR. To do that, couples of the apartments (one from Prague and one from CBR district) are created based on matching characteristics. We assume individuals commute to Prague every workday and estimate their transportation and time costs. We evaluate 6 different scenarios and perform a sensitivity analysis of five different variables to see their effect on the probability that Prague is more expensive than one of the four districts mentioned above. The results suggest that Mladá Boleslav is unprofitable while the other three areas are comparably expensive to Prague in case an individual uses transit commuting, earns a low salary, or commutes by a car while keeping the cost of 1 km of around 2 CZK. Similarly, the annual growth rate of rental prices between 6 and 8 percent in all districts would result in comparable profitability of Kladno, Příbram, and Kolín to Prague.