

This thesis describes on one hand the evolution of the real estate market in The Czech Republic and more specifically in Prague after the Velvet revolution in 1989 - the creation of new institutional and legislative environment. On the other hand this thesis focuses on the data of the first decade of the 21st century to try and detect the symptoms that should have alarmed the society, banks and investors of the upcoming burst of the bubble as a consequence of the global financial crisis in 2008. Finally we are going to setup a simple econometric model which would partly describe the influence of some factors on the price of real estate.