

The housing prices in Prague had risen by more than 63% between 2002 and 2008. However since August 2008, when they reached their peak, they have been almost constantly falling. Most of the publications regarding housing prices are taking into account Prague as one of the Czech regions. On the contrary, this work analyzes housing prices in Prague and its 22 districts.

In first part of this work the indicators of rent-to-price ratio, price-to-income ratio and new building development factors are considered to explain possible future development of housing prices. This is seemed to continue falling during the year 2011.

The second analytical part tries to explain the housing prices according to specific locality features and macroeconomic aspects. The panel regression is used and it reveals that the most significant attributes are the macroeconomic features.