

Abstract

This thesis compares rent vs home ownership based on the net present value, within the periods of the Great Recession and current year. The analysis is focused on the Czech Republic real estate market as a whole. Rent and real estate price are forecasted, and factors determining the price of rent and real estate are identified. The ARIMA model used for forecasting performs accurate short-term predictions. The results expect 3,2 percent annual growth of rent in the following year and 7,2 percent increase for the real estate prices. The results of net present value analysis indicate, that for years 2008 and 2009 renting was superior choice, while for years 2011, 2013 and 2019 home ownership was to be preferred from financial aspect.