

Abstract

This thesis investigates the properties of real estate as a potential tool for protecting the purchasing power of money. The study focuses on the Visegrad Group countries, which are historically and geographically closely connected, making them suitable for comparative analysis. This work provides a comprehensive summary of the historical development of the real estate market in relation to inflation trends across these countries. Readers are given a detailed overview of publicly available data sources, their limitations, and the specific characteristics of real estate data that must be considered. The empirical analysis is conducted using the Fama and Schwert model, followed by the ARDL model and its ECM specification to estimate short-term dynamics. The analysis is performed at both the national level and with a focus on comparing major cities with national averages and distinguishing between new and existing properties. Although the statistical power of the interpreted models is limited and the results should be taken with caution, the findings suggest that real estate in Hungary offers the best protection against inflation, followed by properties in Slovakia. While major cities do not show a clear distinction from national averages, existing properties have been found to be a better hedge against inflation than new properties.

JEL Classification F12, F21, F23, H25, H71, H87

Keywords real estate, inflation, investment, inflation hedge, Visegrad Group, empirical analysis

Title Inflation hedging properties of investment into real estate: evidence from countries of Visegrad Group

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