

Report on Bachelor / Master Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University in Prague

Student:	Ondřej Šváb
Advisor:	Petr Pleticha
Title of the thesis:	Best predictors of apartment prices: Empirical Evidence from Czechia

OVERALL ASSESSMENT (provided in English, Czech, or Slovak):

Contribution

This thesis is trying to identify the best predictors of apartment prices in the Czech Republic. The results can serve as an input for other model dealing with real estate. Ondrej updates the previous studies (especially the one by Hlavacek and Komarek) and also introduces some novel methods which, in this context, have not yet been employed. The results show that it is only a few variables which can satisfactorily predict apartment prices. This thesis thus serves as an argument for more parsimonious models.

Methods

The chosen methods fit the problem at hand. Apart from standard panel data approaches, Ondrej also uses rather novel LASSO techniques. These add an extra twist to the thesis. Such techniques are slightly above those expected from a bachelor's thesis, which is at times obvious from the text, yet Ondrej uses them carefully and without major flaws or omissions.

Literature

The thesis provides an extensive literature review which is connected to the topic, but it fails to state explicitly how it relates to the thesis itself. Framing the literature review in this manner would, in my opinion, help the thesis substantially.

Manuscript form

The manuscript requires significant improvement. It suffers from numerous typos, non-academic English and formulations, which often obscure the author's ideas. The great example is the abstract which should be clear and concise but sadly is not. Next time, I would advise finishing earlier so that more time can be dedicated to proof-reading and polishing the text.

Summary and suggested questions for the discussion during the defense

In my opinion, the thesis meets the requirements of the program. The manuscript form should be significantly improved, but the content is satisfying. Yet, some issues remain. For instance, some methods yield strange results which are rejected immediately. But why? Those instances should be explained better. Also, Ondrej does not test for the unit root of the first-differenced time series. Why? The persistence of non-stationarity is not likely, but it is advisable to test it. I would like Ondrej to discuss the potential logarithmic transformation of the dependent variables. Would that affect the results? Why can such transformation be feasible concerning the data at hand? Lastly, would you trust the results of the analysis such as they are? What data would you need and what methods would you choose to settle this question for good?

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SUMMARY OF POINTS AWARDED (for details, see below):

CATEGORY	POINTS
Contribution (max. 30 points)	25
Methods (max. 30 points)	28
Literature (max. 20 points)	18
Manuscript Form (max. 20 points)	11
TOTAL POINTS (max. 100 points)	82
GRADE (A – B – C – D – E – F)	B

NAME OF THE REFEREE: Petr Pleticha

DATE OF EVALUATION: 13/8/2019



Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

CONTRIBUTION: *The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
30	15	0

METHODS: *The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
30	15	0

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
20	10	0

MANUSCRIPT FORM: *The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
20	10	0

Overall grading:

TOTAL	GRADE
91 – 100	A
81 - 90	B
71 - 80	C
61 – 70	D
51 – 60	E
0 – 50	F