

# Report on Bachelor / Master Thesis

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

<b>Student:</b>	<b>Dominik Benk</b>
<b>Advisor:</b>	<b>Mgr. Petr Polák MSc.</b>
<b>Title of the thesis:</b>	<b>Regional Analysis of Real Estate Bubbles in the Czech Republic</b>

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

*Please provide your assessment of each of the following four categories, summary and suggested questions for the discussion. The minimum length of the report is 300 words.*

### **Contribution**

Dominik analyses fundamental determinants of real estate prices with the main purpose of indicating price bubbles in the regions of the Czech Republic between 2000 and 2017. As a core literature he uses the analysis conducted by Hlaváček and Komárek (2009). His main contribution lies in extending the study period of the analysis done by Hlaváček and Komárek (2009) as well as using balanced panel dataset for all regions in the Czech Republic over the long time period. He also provides results of two alternative approaches, which deal with nonstationarity of data to increase the robustness of his findings. He concludes that the majority group of regions suggested bubble periods for 2003 and 2008, while only Prague and Jihomoravský seem to currently face a high risk of price overvaluation

### **Methods**

I strongly appreciate Dominik's methodology part. He deeply explains the reason for choosing fixed effect over the random effect. Furthermore, he provides reasonable statistical test for his results. On the other hand, in the section 4, I would appreciate more interconnection of the methodology with his own data and findings.

### **Literature**

The literature part is very well structured and provides a clear introduction to the topic. Dominik provides a rich list of related literature for both the housing prices issue as well as for the methodology he used.

### **Manuscript form**

The manuscript form well suit the needs for Bachelor thesis. I appreciate using advanced editing tools.

### **Summary and suggested questions for the discussion during the defense**

Overall, a student shows a very good practical use of a theoretical knowledge earned during the bachelor studies. The thesis is well structured and a reader is able to understand the main message of the thesis from the beginning. For the discussion during the defense I would aim on the interpreting of the results from the economic point of view. For example I would like to elaborate a bit more his footnote number 6 on the page 30 „increase of 1000 CZK in  $\Delta$  rwage (in other words rwage accelerates by 1000 CZK) is expected to increase rprices by 668 CZK/m<sup>2</sup> (model 1)?

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

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<b>CATEGORY</b>	<b>POINTS</b>
<i>Contribution (max. 30 points)</i>	25
<i>Methods (max. 30 points)</i>	26
<i>Literature (max. 20 points)</i>	18
<i>Manuscript Form (max. 20 points)</i>	17
<b>TOTAL POINTS (max. 100 points)</b>	<b>86</b>
<b>GRADE (A – B – C – D – E – F)</b>	<b>B</b>

**NAME OF THE REFEREE: Matěj Opatrný**

**DATE OF EVALUATION: 23.8.2019**

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**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