

# Report on Bachelor / Master Thesis

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

<b>Student:</b>	<b>Bc. Maximilian Hönig</b>
<b>Advisor:</b>	<b>Mgr. Roman Kalabiška</b>
<b>Title of the thesis:</b>	<b>The effect of financial stimulus on housing prices and the relationship of housing and rental prices in European countries</b>

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

*Please provide a short summary of the thesis, your assessment of each of the four key categories, and an overall evaluation and suggested questions for the discussion. The minimum length of the report is 300 words.*

### **Short summary**

This thesis investigates the determinants of housing prices in selected European countries. These results are then used to calculate the theoretical equilibrium price in the year 2020 and thus quantify the impact of the COVID pandemic. After that, Max continues to analyze the Granger causality between housing price and rent.

### **Contribution**

The contribution of this thesis is overall rather average. The study of housing price determinants, quantifying the impact of COVID pandemic and causal relationship between home ownership and rental are all very important. However, this thesis provides little value added in all of them. I would account that to the last-minute writing of the thesis. For that reason, I believe that Max was a bit too ambitious in his thesis proposal as some parts are not studied in the thesis and some would deserve more attention. Therefore, it would have been better to fully commit to only one area of research and conduct a more detailed and thorough analysis.

### **Methods**

This thesis works with quarterly data from the period of 2000-2020, but for the main part of his analysis Max works with 2000Q1-2019Q4 so that the year 2020 does not enter the model, because he then analyses the impact of the „COVID year“ 2020 in Chapter 4. For the analysis of determinants in Chapter 3, Max employed VECM due to non-stationarity and cointegration. However, I believe that a more detailed discussion on his choice of estimation would be helpful. It would also be useful to explain the overall logic behind this research, especially why does Max analyse each country separately without comparing with a joint regression or other research. What are the implications of these results? How exactly could they be useful to the policy makers? Chapter 4 uses the previous results in order to compute the equilibrium housing prices in all countries for the year 2020. In Chapter 5, Max explores the relationships between housing price and rent using Granger causality test. However, this section would benefit from adding more detailed theory and interpretation of results.

### **Literature**

Max did a good job with the literature review as he cites a number of articles that are relevant to his study, i.e. analyse housing prices, their determinants and the impact of COVID pandemic. He also puts them into perspective of his research and uses citations throughout the text effectively to make a point and explain his theory and results.

### **Manuscript form**

The text of the thesis is easily readable, but its structure has a lot of room for improvement. For example, the graphs and tables are often difficult to read. Since there are many tables with a high quantity of numbers, it is easy to get lost and miss the main point. On the other hand, some graphs are

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redundant and could be merged with others to save space. The tables are presented as screenshots, which does not look professional. Overall, the graphs and tables lack any quality formatting expected in a master thesis.

## Overall evaluation and suggested questions for the discussion during the defense

**Question 1:** On what basis were the countries used in this thesis selected?

**Question 2:** In chapter 5 you found out that in some countries housing price granger causes rent, some the relationship is mutual and in others there is no granger causality between housing price and rent. How would you explain these results?

The results of the Urkund analysis do not indicate significant text similarity with other available sources.

In my view, the thesis fulfills the requirements for a bachelor thesis at IES, Faculty of Social Sciences, Charles University, I recommend it for the defense and suggest a grade D.

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

<b>CATEGORY</b>	<b>POINTS</b>
<i>Contribution (max. 30 points)</i>	18
<i>Methods (max. 30 points)</i>	18
<i>Literature (max. 20 points)</i>	20
<i>Manuscript Form (max. 20 points)</i>	6
<b>TOTAL POINTS (max. 100 points)</b>	<b>62</b>
<b>GRADE (A – B – C – D – E – F)</b>	<b>D</b>

**NAME OF THE REFEREE:** *Mgr. Roman Kalabiška*

**DATE OF EVALUATION:** *06/09/2021*

Digitálně podepsáno (6.9.2021)  
Roman Kalabiška

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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.*

**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.*

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

**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.*

**Overall grading:**

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