

Report on Bachelor Thesis

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

Student:	Peter Smolár
Advisor:	Mgr. Hana Hejlová
Title of the thesis:	Regional Determinants of Housing Affordability in the Czech Republic

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

The aim of the bachelor thesis is to study regional determinants of housing affordability. The research question is clearly defined and there have not been many studies which would study it with the Czech data. The thesis describes a list of potential determinants and the intuition why they should affect housing affordability. The key part includes an econometric analysis which relies on appropriate methods. The thesis is written in sound English. Although it is obvious that Peter read a vast amount of related literature, one would expect that there have been many studies performed outside of the Czech Republic which ask the same question and run similar analysis, but none of these are cited in the text. The author mostly cites local studies or international literature which focuses on determinants of wages, not housing affordability.

The questions which can be discussed during the defence are the following:

- Housing affordability, which is the key variable in the analysis, is defined as average price of an average sized apartment divided by disposable income per capita. What are the reasons for not using average price of meter squared divided by disposable income per capita? To what extent does the average size of apartment differ across regions and how would taking the variation in size of apartments into account affect the results?
- Can apartment prices be affected by the proportion of people living in apartments vs. houses (which are not included in the analysis)? How could one control for such an effect in the regressions?

To summarize, I believe the thesis fulfills the requirements for a bachelor thesis at IES FSS, Charles University, and suggest grade B (2).

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

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	15
<i>Methods</i> (max. 30 points)	25
<i>Contribution</i> (max. 30 points)	25
<i>Manuscript Form</i> (max. 20 points)	10
TOTAL POINTS (max. 100 points)	75
GRADE (1 – 2 – 3 – 4)	2

NAME OF THE REFEREE: *Julie Chytilová*

DATE OF EVALUATION: *September 2, 2016*

Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

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

Strong Average Weak
20 10 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.*

Strong Average Weak
30 15 0

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.*

Strong Average Weak
30 15 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.*

Strong Average Weak
20 10 0

Overall grading:

TOTAL POINTS	GRADE		
81 – 100	1	= excellent	= výborně
61 – 80	2	= good	= velmi dobře
41 – 60	3	= satisfactory	= dobře
0 – 40	4	= fail	= nedoporučuji k obhajobě