

Report on Bachelor / Master Thesis

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

Student:	Marek Lipán
Advisor:	Mgr. Tomáš Křehlík, M.A.
Title of the thesis:	Spatial approaches to hedonic modelling of housing market: Prague case

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

The thesis models the Prague realty market using several spatial econometric methods and then uses the proposed model in one use case scenario: tenure choice for flats in Prague.

To begin with, the thesis is, according to my previous experience, outstanding in all the respects of evaluation, hence my assessment will be rather a brief summation of why I view the thesis as outstanding. As a matter of fact, I hope that Marek will agree to continue with the work and potentially turn the thesis into a working paper.

Literature

The literature is nicely summarized and I especially value the fact that the thesis in its current form is self-contained and could serve anyone with potential interest in both spatial methods or housing markets as a reasonable introduction into the literature.

Methods

The methods are at and well beyond bachelor level. In the econometric part, methods from simple OLS, spatial autoregression, spatial error, up to complicated kriging (Wiener-Kolmogorov filters) models are used. In the economic part, the already built models are used to make a NPV analysis of potential tenure choice (should I buy or rent a flat).

Contribution

The contribution of the thesis is twofold. Firstly, it employs a highly sophisticated kriging model on relatively unique dataset of Prague flat markets. Such work has not been done until now. Secondly, the models are not built for its own sake, but the author presents a very informative tenure choice model that could be useful to broad public.

Manuscript form

Besides highlighting the very nice graphics (especially the heatmaps showing the geospatial results) that are a nightmare, at least for beginners, to create (for anyone who tried), I have no remarks.

I would like to also bring to attention that throughout the thesis, it is evident that the author is aware of potential shortcomings of the methods that he is using and he is very concrete about applicability of his results.

For these reasons I **suggest, with great pleasure, the thesis for defense and propose the grade "A"**.

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

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

NAME OF THE REFEREE: *Mgr. Tomáš Křehlík, M.A.*

DATE OF EVALUATION: 20. 5. 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