

Abstract

The main objective of the thesis was to investigate disparities in affordability of own housing across regions of the Czech Republic using three different approaches. Physical availability was monitored by indicators of Number of dwellings per 1000 citizens and Number of dwellings per 100 housekeeping households. Subsequently, the price-to-income ratio was applied to assess financial affordability for flats and for family houses, separately. The empirical part of the thesis applied first-difference model to uncover the determinants that could explain the disparities in housing affordability. Thus, only those variables that reported sufficient variability across regions were included in the model. As significant determinants of affordability of flats, volume of mortgage loans, number of finished dwellings, the volume of construction works both in the lagged and unlagged version of variable, the unemployment rate and the number of job vacancies were reported.

JEL Classification F12, F21, F23, H25, H71, H87

Keywords housing affordability, price-to-income, panel data, regional analysis

Title Affordability of own housing across regions of the Czech Republic

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