

# Report on Bachelor / Master Thesis

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

<b>Student:</b>	<b>Anna Hakenová</b>
<b>Advisor:</b>	<b>Mgr. Roman Kalabiška</b>
<b>Title of the thesis:</b>	<b>The Effect of the Mestro Extension on Real Estate Prices in Prague</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**

In her bachelor thesis, Anna investigates the effect of opening new metro lines on values of properties in their proximity. She found out that the metro excentions to Depo Hostivař, Ládví and Letňany had a positive effect on the real estate around newly opened metro stations. The opposite was found in case of Nemocnice Motol.

### **Contribution**

As Anna points out, the majority of academic literature on the subject of the relationship between public transport and real estate focuses on the spatial variation. She contributes to the existing literature, such as Lukavec and Kadeřábková (2017) or Bugris (2010) by combining both spatial and temporal approach. A possible improvement could have been to enlarge the dataset to include larger area around the existing metro stations for a more comprehensive analysis.

### **Methods**

The analysis conducted in the thesis relies on the use of difference in difference estimation. Together with dividing the area around the metro stations at 500 or 750 meters distance, it allows Anna to quantify the effect of proximity of properties to metro stations as well as the change of their value over time and thus estimate the effect of opening new metro stations. She studies four different metro extensions using publicly unavailable data from IPR Prague. Although she briefly explains her work with the dataset, she did not provide any descriptive statistics, which would actually could help her reveal a problem with her dataset. On page 27 she says that "*the average price per m<sup>2</sup> of housing units further than 750m from the station Depo Hostivař before the opening of the stations was  $e^{7.501} = 1,809.85$  CZK per m<sup>2</sup>*". Similar statements are repeated in all four parts of analysis. Unfortunately, from reading the thesis it is not obvious how did she arrive to this number (*errors in the dataset / author's calculation / or wrongly performed analysis?*).

### **Literature**

The thesis includes a fairly long literature review (8 pages), which summarizes relevant literature in detail and describes the Prague metro system and opening new stations which is examined later in the empirical part. All citations are made correctly throughout the thesis. One extra thing I would welcome is that Anna could have elaborated on her results with respect to existing research in a little more detail, but it's just because of my curiosity about the topic.

### **Manuscript form**

The thesis is written in good english and is convenient to read. I appreciate the use of references throughout the text, except the missing references to tables in the appendix. Some graphs are not formatted very well, but they are still readable. It just spoils the overall look of the thesis a little bit.

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

Anna chose an interesting topic and performed a complete analysis without any obvious mistakes. However, the issue with the average price make me wonder about the quality of her data and about the contribution of the thesis. Unfortunately, the data she uses are not publicly available so we cannot see where the problem originates. On the bright side, she wrote a good thesis and demonstrated her knowledge obtained during her studies.

The results of the Urkund analysis do not indicate significant text similarity with other available sources. I believe that the thesis fulfills the requirements for a bachelor thesis at the Institute of Economic Studies, Faculty of Social Sciences, Charles University. I recommend the thesis for the defense and suggest a grade B.

## Question for the defense

During her defense Anna should address the problem with her dataset, provide descriptive statistics and try to answer how did she calculate the average property prices. This could have been easily avoided just by consulting her thesis with me periodically, not just once (*and a short version none the less*) or not rushing to write the thesis just before deadline. She could also try to explain the negative effect of the line A extension to Nemocnice Motol.

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

<b>CATEGORY</b>	<b>POINTS</b>
<i>Contribution (max. 30 points)</i>	20
<i>Methods (max. 30 points)</i>	28
<i>Literature (max. 20 points)</i>	20
<i>Manuscript Form (max. 20 points)</i>	14
<b>TOTAL POINTS (max. 100 points)</b>	<b>82</b>
<b>GRADE (A – B – C – D – E – F)</b>	<b>B</b>

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

**DATE OF EVALUATION:** 15/01/2023

Digitálně podepsáno (15.1.2023)  
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