

Banka Slovenije
in cooperation with
the Research Centre of the School of Economics and Business,
invites you to an on-line seminar
on Tuesday 29 September 2020 at 14:00 CEST

Author
Dr. Michael Scholz
Department of Economics, University of Graz
will present the working paper

Price-Rent Ratios and Expected Capital Gains: A Hedonic Spatio-Temporal Approach

Abstract:

The price-rent ratio is one of the most important measures for monitoring the housing market. We propose a novel hedonic Spatio-temporal methodology for estimating quality-adjusted price-rent ratios for apartments in 21 major cities in Germany. With the user-cost equilibrium condition, it is also possible to derive estimates of the cross-section of expected real capital gains. As a byproduct, quality-adjusted property price and rental indices are computed at the city-level. Using this new hedonic method applied to prices and rents over the period 2014Q2–2018Q1, we find a large degree of heterogeneity across cities and time. These findings deliver deep insights into the dynamics of the German housing market and have important implications for housing investment and urban planning.

About the author:

Michael Scholz is an Assistant Professor at the Institute of Economics at the University of Graz. He graduated in mathematical statistics at TU Dresden and obtained his PhD in econometrics from the University of Göttingen. In 2017, he worked at TU Dortmund as a visiting Professor in Statistics. He is a specialist in non- and semi-parametric methods, computational statistics, and hedonic modelling. He was and is currently engaged in several interdisciplinary projects working together with economists, actuaries, statisticians, econometricians, or geographers. He published in a variety of top-ranked scientific journals and was recently awarded the John W. Kendrick Prize of the International Association for Research in Income and Wealth.

How to sign up:

Please send an email to sign up for the seminar to seminar@bsi.si. You can sign up by Friday 25 September 2020.

Details about the on-line seminar will be sent to participants few days prior to the event via email.