Unemployment and Regional Structure of Housing Market

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Basic Idea

• Discussion with students
  • Are the countries with a high share of homeownership richer?
  • Is rental housing suitable only for poor?
  • Should the governments support homeownership?
    • Housing policy of Great Britain of 90’s, USA 2008, Eastern Europe of 90’s
• A. Oswald – The Housing Market and Europe’s Unemployment, 1999
  
  • Low level of employment mobility of families in home ownership
  
  • Low level of regional development due the ownership clubs, who restrict technical infrastructure development.
Research questions

• Is there any relationship between unemployment and regional supply structure of housing market within Czech Republic?

• If there is any relationship indicated, what will be the likely reason for explanation of indicated relationship?
Advertisements Analysis

- www.sreality.cz
- Periods 30.5.2015, 03 – 05/2016, 02 – 03/2017
- The advertisements were inspected from regional point of view
- Recalculated as average to avoid seasonal fluctuations
- The adverts were sorted into homogenous segments:
  - Rental housing
  - Home ownership
  - Cooperative housing
- There were searched the shares of each segments
Statistical estimation

- Pearson correlation coefficient
- Ordinary least squares
# Pearson correlation coefficient

<table>
<thead>
<tr>
<th></th>
<th>Unemployment</th>
<th>Cooperative</th>
<th>Home ownership</th>
<th>Rental</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unempl.</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cooperative</td>
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<td>-</td>
<td>-</td>
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<tr>
<td>Homeowners.</td>
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<td>Rental</td>
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<td>-0.783180795</td>
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</table>
Genetic Code of the Real Estate Market – 51 years

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Results

• The results show relationship between unemployment and share of cooperative housing.

• The results do not confirm relationship between unemployment and home ownership.
The likely explanation

• Legal status of cooperative housing
  • Legal barriers
  • Financial barriers
  • Concentration of elderly generation