

# Project Outline - Data Analysis Using R

Impact of school index on housing prices in NRW

Yanyi Yi   Daniel Tobien   Luc Wichtmann

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## Research question

How does the social index of schools influence housing prices, and does the proximity to schools modulate this effect in urban areas?

## Findings from literature

Many papers suggest that there is a connection between school performance or school quality and housing prices as parents value the education of their children (see Machin 2011).

## Usage of available data

## Proposed empirical model

## Shortcomings of our empirical strategy

- A regression-based hedonic model in the housing context might be prone to certain endogeneity problems due to omitted variables.
- A reason for that is the extensive scope of relevant housing characteristics and demographic features

*Source: Machin (2011)*

## References

Machin, Stephen. 2011. "Houses and Schools: Valuation of School Quality Through the Housing Market." *Labour Economics* 18 (6): 723–29. <https://doi.org/10.1016/j.labeco.2011.05.005>.