

Berlin real estate prices: additional price mark-up due to reputation of districts?

Konstantin Häusler

Alex Truesdale

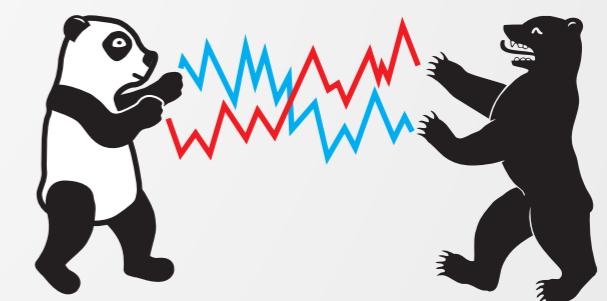
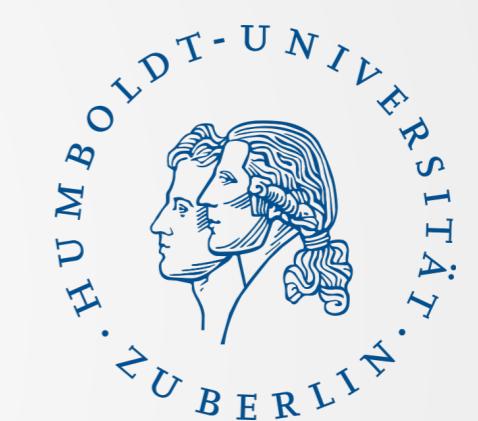
Hamid Mostofi

IRTG 1792

High Dimensional Nonstationary Time Series

Humboldt-Universität zu Berlin

IRTG1792.HU-Berlin.de



Dynamics of house prices

- How does the „reputation/name“ of a district affects its house prices?
 - ▶ Regression Discontinuity Approach



Data

- Combined data from Google Maps and Immoscout24 API
 - ▶ 2 months (Dec.-Jan.) for-sale apartment listings in Berlin from Immobilienscout24 ~ 5700 listings
 - ▶ Thousands of „social indicators“ (restaurants, public transport, hospitals, schools...) from Google Maps



Bars / Cafés / Restaurants

13.826

Medical Centres

481

Parks / Green Spaces

1.349

Data



Zur Glühlampe

Website Route Speichern

4,5 ★★★★☆ 159 Google-Rezensionen

Bar

Adresse: Lehmbruckstraße 1, 10245 Berlin

Öffnungszeiten: Closed · Opens 6PM

Telefon: 01525 2162388

Änderung vorschlagen

Kommende Veranstaltungen

Mi., 15. Jan. LELÉKA





IMMOBILIEN

SCOUT24

192 Eigentumswohnungen in Friedrichshain, Kreuzberg, Mitte, Neukölln, Pankow, Prenzlauer Berg, Schöneberg u...

Friedrichshain, Kreuzberg, Mi... bis 295.000 € ab 30 m² ab 1 Zi. Weitere Filter

Aktualität (neueste zuerst) Neue Treffer erhalten

NEU BEZUGSFREI! Schöne Single-Wohnung in Kreuzberg (Kreuzberg), Berlin

169.000 € 34,24 m² 1
Kaufpreis Wohnfläche Zi.
Einbauküche Keller > Grundriss

Herr Philip Levin
L & Partner Immobilien GbR

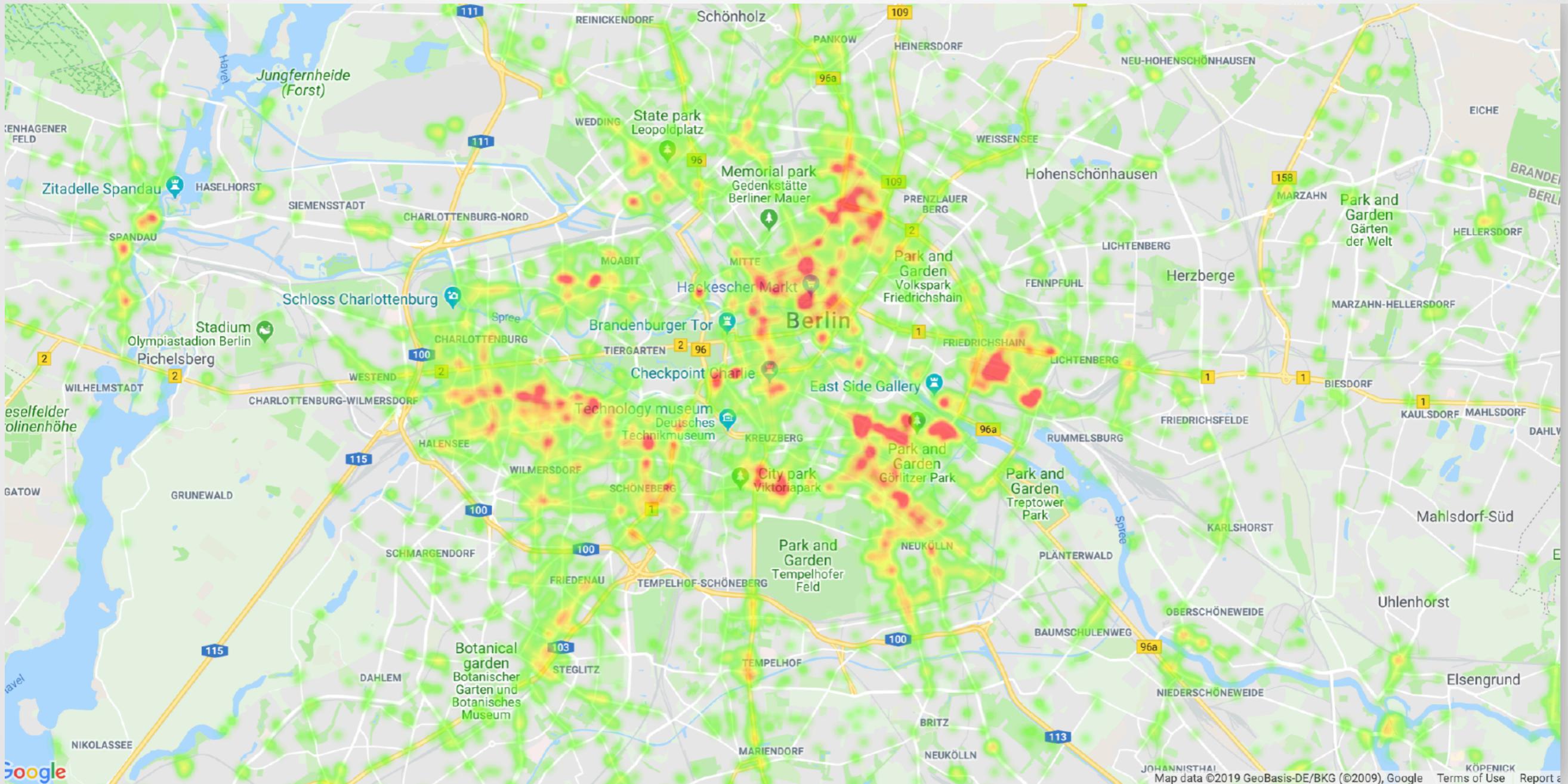
NEU Bezugsfrei! 3. Zi. Whg. Innsbrucker Straße in Schöneberg (Schöneberg), Berlin

275.000 € 77,58 m² 3
Kaufpreis Wohnfläche Zi.

Friedrichshain (Friedrichshain): Immobilienmarkt und Preise
Wie entwickeln sich die Miet- und Kaufpreise? Entdecken Sie mehr über den Immobilienmarkt in Friedrichshain (Friedrichshain) mit unserem ImmobilienAtlas



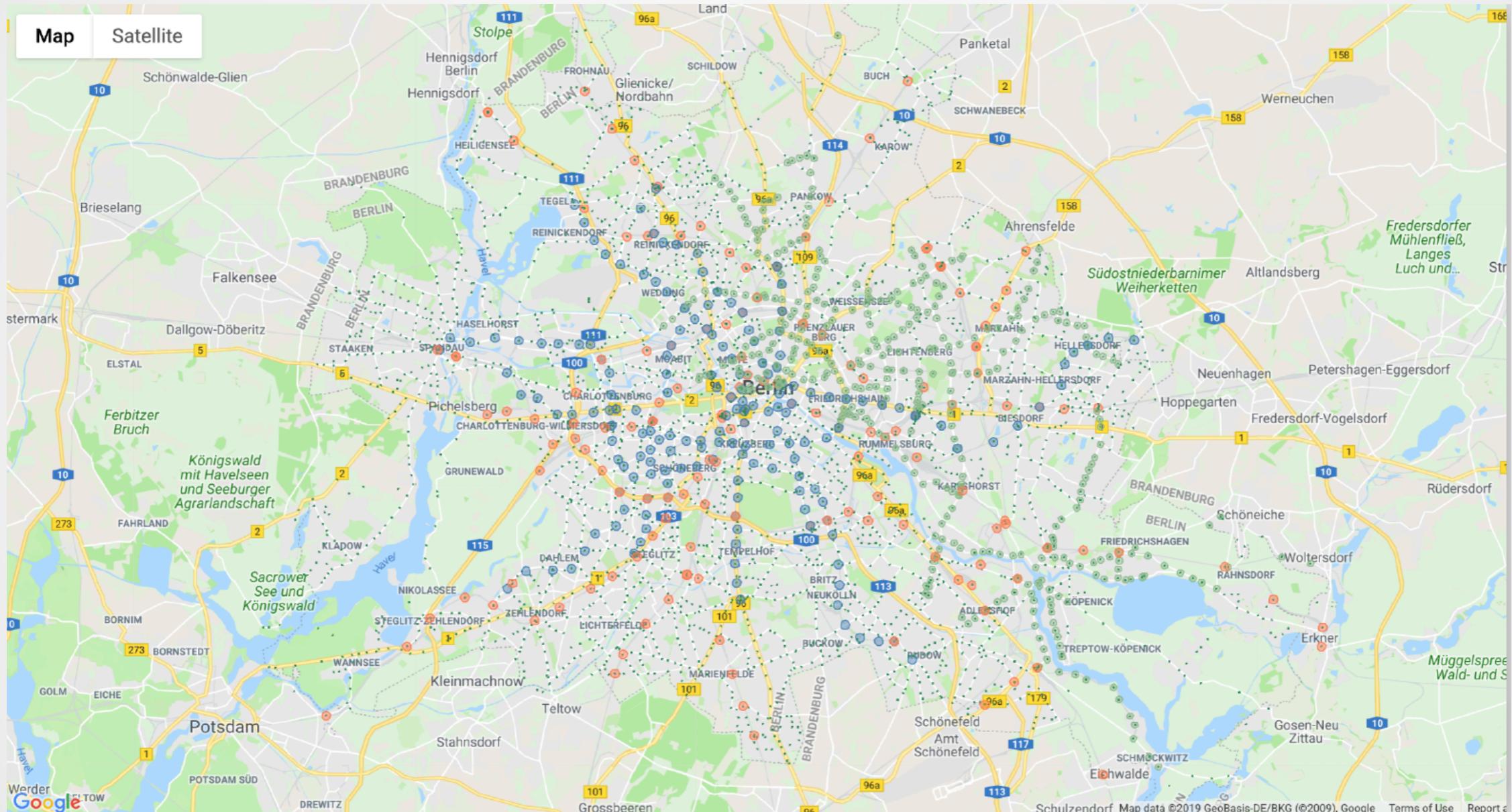
Social Indicators



Restaurants, Cafés, and Bars



Social Indicators



Public transport



Reputation and House Prices

To which extent are house prices driven by the „reputation/ name“ of a district?

Idea:

- Houses with similar characteristics are expected to have similar prices
- however, if prices differ significantly, we argue that this is caused by the „reputation“ of the district
- Structural assumption: unobserved variables are equal among the districts of Berlin



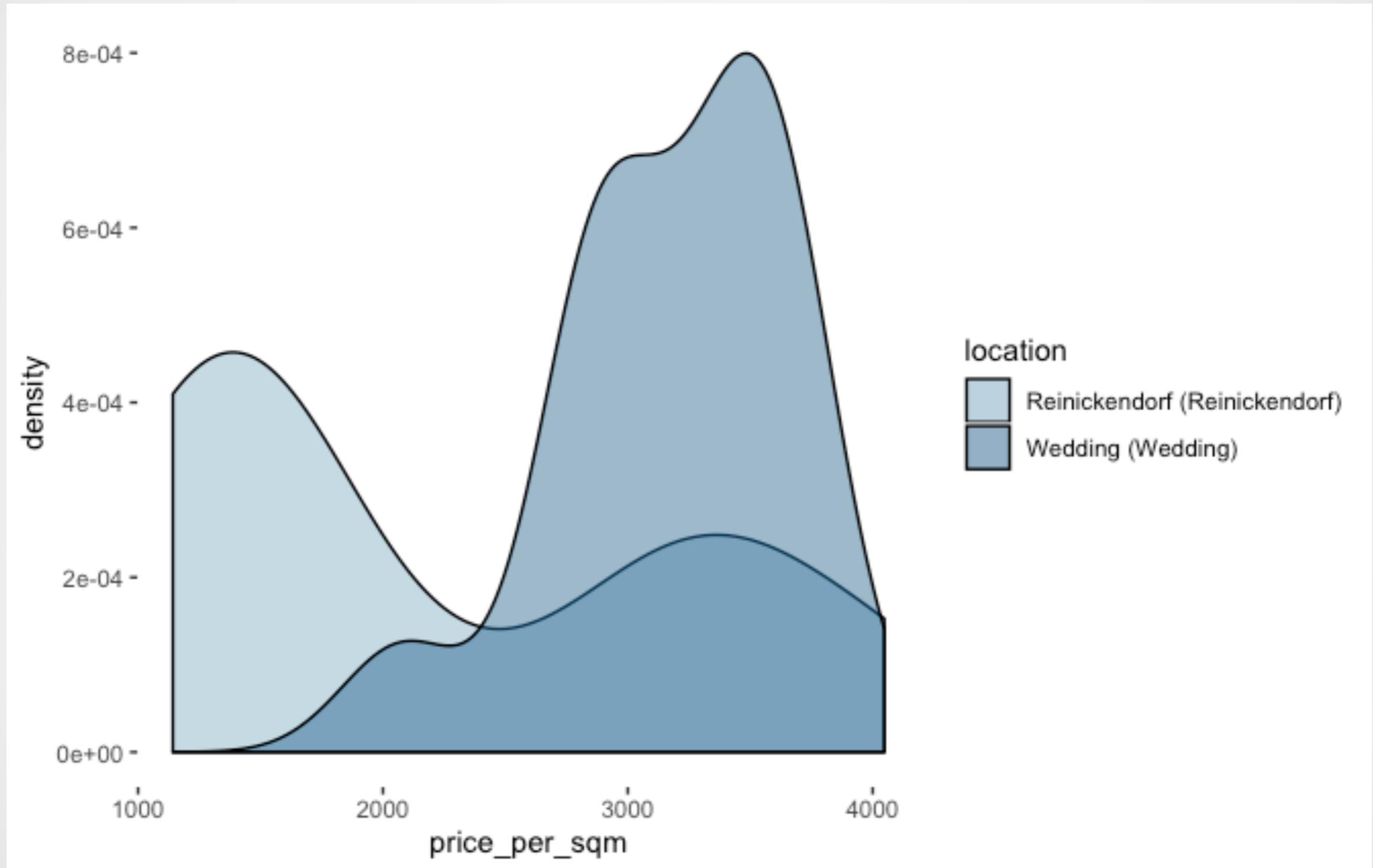
Reputation and House Prices

Approach: Regression Discontinuity

Exploit „natural experiment“: borders of districts divide regions randomly



Differences in Prices per Sqm



Reputation and House Prices

<i>Dependent variable:</i>	
price_per_sqm	
wedding	964.917*** (308.161)
Constant	2,213.613*** (171.445)
<hr/>	
Observations	42
R ²	0.197
Adjusted R ²	0.177
Residual Std. Error	923.258 (df = 40)
F Statistic	9.805*** (df = 1; 40)
<hr/>	
<i>Note:</i>	*p<0.1; **p<0.05; ***p<0.01



Price Markup due to „name/reputation“ of district



Findings

- Regression Discontinuity
 - ▶ Reputation effects observable for some districts
 - ▶ Actual markup is potentially even higher
 - ▶ Price-Markup due to the reputation of the districts, not only due to the house characteristics

Upcoming...

- Other matching approaches to be able to generalize these effects
- Inclusion of other variables
- ...

