# Cost/price parameter

**Problem**: Individuals might have low current costs (due to rent control, low mortgage costs, etc), therefore using current cost as a benchmark may be problematic

**Solution**: Use percentages based off "current budget" for housing instead of “current costs” a la Aitken et al (2024). Their levels:

* same as your current budget
* 1% more than your current budget
* 3% more than your current budget
* 8% more than your current budget
* 12% more than your current budget

**Suggested levels**:

* 20% less than your current budget
* 10% less than your current budget
* same as your current budget
* 10% more than your current budget
* 20% more than your current budget

Higher percentages ? perhaps problematic – we would like to only look at differences

Additional question: How much is your current cost?

How much would are you planning to spend on your new accomadion?

If you would move, where would you like to move to?

Discuss with magnus – about dividing with survey into three surveys: attributes levels across

# Levels and their intervals

**Problem 1**: The levels we are choosing for our experiment may not be realistic for all respondents (for someone living in a city, 500 meters, 5km, or 15km to shops may all be too far to be realistic)

**Solution 2: create 3 surveys: want to move to rural, semi-urban, urban area?**

**Problem 2:** The intervals we decide on may not capture what we want to capture. We would like to capture the utility of the levels and examine the differences compared to a reference level. The interval length and the number of intervals is therefore essential in estimating the utility the attribute levels and the marginal willingness to pay. The below figure illustrates:

A comparison of a line graph

Description automatically generated with medium confidence

The intervals are treated as equidistant in the analysis. If we

**Problem 3:** If the intervals are different across attributes, we can’t compare the utility or willingness to pay effects across the attributes in a meaningful way.

**Solution 3:** Use the same set of levels across all attributes so we can compare the effects.