

Microeconomic Consequences of the Housing Market Deformation in the Selected Region of the Czech Republic

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Abstract : Housing can be sorted as basic needs of households. Purchase of acceptable ownership housing is important investments for most them. For rental housing households must consider the part of rent expenditure paid in the total household income. For this reason, financial considerations of households in this area depend on the government interventions (public administration) in housing - on housing policy. Market system of housing allocation, whether ownership or tenancy, is based on the fact that housing is a scarce good. The allocation of housing is based on demand and supply. The market system of housing can sometimes have a negative impact on some households, the market is unable to satisfy certain groups of the population that are not able or willing to accept market price. For these reasons, there is a more or less regulation of the market. Regulation is both on the demand and supply side, and the state determines the rules of behaviour for all economic entities of the housing market. This article submits results of analysis of selected regulatory interference of the state in the housing market and assesses their implications deforming the market in the selected region of the Czech Republic. The first part describes tools of supports and the second part discusses deformations and analyses their consequences on the demand side of housing market and on supply side.

Keywords : housing, housing market, microeconomic consequences, deformation

Conference Title : ICMM 2017 : International Conference on Microeconomics and Macroeconomics

Conference Location : Barcelona, Spain

Conference Dates : December 14-15, 2017