

The Public Defense
of the Doctoral Thesis in Economics
by

Gábor Révész

on

Essays on Housing and Media Markets

will be held on

Thursday, February 17, 2022 at 3:30 p.m.

online via Zoom (registration: szimlerk@ceu.edu)

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The doctoral thesis is available for inspection
at the CEU Department of Economics and Business.

Abstract

The thesis consists of three solo-authored chapters. The first chapter discusses the connection between market conditions and the prevalence of round prices on the housing market. The second chapter evaluates a policy aimed at curbing the spread of short-term rental services in Budapest, Hungary. Finally, the third chapter discusses how the behaviour of a profit-maximizing media outlet can establish a connection between the beliefs and welfare of politically heterogeneous agents. The content of the individual chapters are summarized by the following abstracts.

Chapter 1: Round prices and market power on the housing market

Round prices are disproportionately common on the housing market, and they become even more common as demand gets stronger. To explain this finding, I show that in a simple model of uncertain sale left-digit biased sellers will be more likely to post round price quotes if they gain market power, that is, when demand is higher for the item they want to sell. Intuitively, sellers trade away the monetary benefits of favorable market conditions to utility coming from their preference for round numbers. The model also predicts that depending which party (the buyer or the seller) is biased changes the type of prices that are disproportionately more common in optimum. Data on housing transactions between 2008 and 2017 from Budapest, Hungary is consistent with my model with left-digit biased sellers.

Chapter 2: Short-term rentals and house prices: evidence from a policy change

I study the effect of a local policy change that unexpectedly introduced a de facto licensing fee for new short-term rental units in a district popular with Airbnb hosts. I find strong deterrence effects on new entrants to the short-term rental market. However, local house prices fell only marginally and temporarily after the introduction of the policy: I find the largest, statistically borderline significant effects for larger and more expensive apartments. Using balance sheet and online customer review data, I cannot detect any effect on local business outcomes.

Chapter 3: Media-mediated cross-party effects of political beliefs

In a simple model of politically heterogeneous news consumers with preference for like-minded (pro-attitudinal) slant and a profit-maximizing news media, prior beliefs of left-leaning consumers will affect the posterior beliefs and average welfare of right-leaning customers. This relationship is mediated through the reporting and pricing decision of the news media. I identify two key mechanisms. First, as left-leaning consumers move further to the left, the news media may gain monopoly power over rightists (and thereby extracting all of their surplus) or it may stop serving them altogether. Second, if the taste for like-minded news is high enough, the media will follow the leftward move of left-leaning customer by issuing progressively more left-leaning reporting that rightist consumer will not trust, hence right-leaning news consumers will be more wrong on average.

Gábor Révész

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INFORMATION

EDUCATION

Central European University, Budapest, Hungary

PhD Economics

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MA Economics,

2015

Corvinus University of Budapest, Budapest, Hungary

BA Economics,

2011

EXPERIENCE

Data Scientist Eltinga Center for Real Estate Research, Budapest

2019–

Instructor

Corvinus University, Budapest

2017–2020

Introduction to Statistics, Introduction to Mathematics, Pre-Session Statistics.

Teacher Training

CERGE-EI Teaching Fellows Program, Prague

2018

Teaching Mathematical Methods at Eötvös Loránd University (2018, 2019).

Teaching Assistant

Central European University

2016–2019

Pre-session Mathematics for MA in Economic Policy, Introduction to Econometrics, International Trade Policy, Policy Evaluation.

Research Assistant University College London (remote)

2014

OTHER SKILLS

Programming.

Python, R, Matlab, Mathematica, Stata (varying degrees of familiarity)

Languages.

English (working proficiency), Hungarian (native), German (fair), French (fair)