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**Diploma Thesis
Extended Abstract**

**Public space as one of the key elements of urban
environment in relation to real estate prices in
Krasnodar and Prague**

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Summary

The diploma thesis is focused on studying the urban environment as a collection of physical, economic, social, cultural, and public spaces. A public space of an urban environment as one of its key elements seems to incorporate characteristics of all the mentioned spaces while combining economic, social and cultural activities and tying them to its physical features. The author identified the processes of urban areas going global and the special features of urban areas' functioning in a globalized economy. The study of modern activities tied to urban restructuring was provided where the possible ways of the future urban development were proposed. The real estate development processes in the diploma thesis were successfully linked with the overall urban development. The influence of public spaces, and namely the influence of proximity to them on the real estate prices of residential properties, was estimated by constructing two econometric models for the cities of Krasnodar, the Russian Federation, and Prague, the Czech Republic.

Key words

Public space, urban environment, urban areas, urban economics, hedonic price model, real estate prices, Krasnodar, Prague.

Objectives and methodology

The goal of the research is to prove the hypothesis that a public space is a one of the key elements of any urban environment by evaluating the influence of public spaces on the formation of real estate prices for residential properties. To reach the goal the following objectives were formulated:

- to specify existing approaches to studies of urban areas and follow their development;
- to identify the role and functioning of urban areas in the world economy;
- to analyze the current processes of urban restructuring;
- to define the concept of urban environment;
- to determine the peculiarities of a physical space of an urban environment;
- to study the essence of an economic space of an urban area;
- to examine the features of social and cultural spaces of an urban environment;
- to scrutinize the public space of an urban area and to point out its importance;
- to link urban development with the real estate development processes;
- to construct econometric models for the cities of Prague and Krasnodar to evaluate the impact of public spaces proximity on real estate prices for residential properties.

All of the mentioned objectives were represented in the chapters of the diploma thesis.

In the diploma thesis both qualitative and quantitative methods of research were applied. Quantitative research is a more logical and data-led approach which provides a measure of what people think from a statistical and numerical point of view. Quantitative research can gather a large amount of data that can be easily organized and manipulated into reports for analysis. Unlike quantitative research which relies on numbers and data, qualitative research is more focused on how people feel, what they think and why they make certain choices. Combining these two sets of information can produce insightful results for a looking to learn more about people's opinions, preferences and reactions.

Basically, the following methods of research were used: document analysis, statistical data analysis, the overview of media and deep study of other secondary resources. Being a part of a city, residents, participant observation method was also included to the diploma thesis.

To construct econometric models the hedonic pricing method was applied. After the data had been collected the regression analysis was applied in order to identify the correlation of for each of the feature – both physical and spatial – against the market value - the transactional price. These correlations later were used for constructing a hedonic price model which would assist in determining the expected price of a real estate asset.

Results and conclusions

In accordance to the research goal the major result of the diploma thesis is that the hypothesis set in the beginning and stating that a public space is a one of the key elements of any urban environment was proven by evaluating the influence of public spaces on the formation of real estate prices for residential properties in the cities of Krasnodar and Prague through constructing econometric models. The research questions were fully answered in the previous chapters of the diploma thesis by following the order of given objectives.

Firstly, the existing approaches to urban studies were specified by overviewing their development from their emergence up to modern days. The fundamental German school of urban location studies represented in the diploma thesis by the works of Johann Heinrich von Thunen, Alfred Weber, Walter Christaller, and August Losch. Urban morphology approach, positivist, behavioral, humanistic and structuralism approaches were given account of. A special attention was paid to recent approaches to urban location studies which led to understanding the contemporary role of cities in a world economy. The author identified the processes of urban areas going global and the special features of urban areas' functioning in a globalized economy. The study of modern activities tied to urban restructuring was provided where the possible ways of the future urban development were proposed.

In the diploma thesis an urban environment was defined as a collection of various spaces. The peculiarities of a physical space of an urban environment were determined and several components of it such as paths, edges, nodes, districts and landmarks were identified. The dimension of the economic space of a city was studied by looking into factors driving the economic development of urban areas. The features of social and cultural spaces of an urban environment were examined underlining their importance for the continuous urban improvement. The nature of the public space of an urban environment was scrutinized to see that a public space in a way merges economic, social and cultural activities while connecting them to its physical environment.

The real estate development processes in the diploma thesis were successfully linked with the overall urban development. The influence of public spaces, and namely the proximity to them, was estimated by constructing two econometric models for the cities of Krasnodar, the Russian Federation, and Prague, the Czech Republic. The results of the models imply the price for the square meter of a residential property such as an apartment strongly depends on the proximity to the city center and to the nearest to the dwelling public space. Therefore, all of the set research objectives were met.

Selected resources

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