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# Rental housing market segmentation in Germany according to ownership

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## Abstract

We analyze landlord market heterogeneity in the German rental housing market. Using data from the German Social-Economic Panel survey for the years 2000–2005, we firstly identify ...

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# Acknowledgements

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## Notes

1. For sale prices, besides these market attributes, the length of time on the market of housing objects for sale can become important for creating a homogenous market environment (Pryce & Gibb, [2006](#)).
2. For market segmentation concerning one office rental market, see Dunse and Jones ([2002](#)).
3. For implications on real estate prices, see Dust and Maennig ([2008](#)).
4. While Dascher ([2005](#)) casts doubt on the subsidised demolition policy and advocates a rent reduction by half, Maennig ([2006](#)) emphasises the necessity for creating reinvestment incentives for owners.
5. For general information about GSOEP see Frick, Jenkins, Lillard, Lipps and Wooden ([2007](#)).
6. We assume a dualist rental market (Kemeny, Kersloot, & Thalmann, [2005](#)).
7. For 2002 and 2005 we used the data from the GSOEP, for 2006 and 2007 we used the data from the IHS.
8. Table 1.
9. The threshold rent level is taken from the long-term rental market. The rent level is taken from the long-term rental market and is taken from the long-term rental market.
10. Our results are robust to different specifications, so that the results are very high. The essential results are already captured by the results. The results are highly correlated with the results.

- spurious results. That is why we conduct pooling regressions. We did not include additional waves due to the household selection criteria of avoiding missing values.
11. That implies, we exclude the necessity of sit discounts given only in the first year, because based on stylised facts described in Section 2, landlords may prefer and reward long-term tenants. IV- regressions, where lagged duration is used as an instrument for duration, lead to similar parameter results.
12. Although there exists a dummy variable called «Central Business District» describing the housing environment of residential buildings, the applicable number contained here in the sample is marginally small and hence cannot be used.
13. Herewith, we also address the problem of heteroskedasticity, which, as Stevenson ([2004](#)) points out, can appear due to varying property ages.
14. The literature does not mention any limit value. While Schnare and Struyk ([1976](#)) interpret a reduction by 10% as an indication of market segmentation, Dale-Johnson ([1982](#)) deem 5% as sufficient for this purpose. The tests performed are described in the Appendix.
15. The correct interpretation of the estimated coefficients  $\gamma_j$  in semi-logarithmic models is derived from  $\exp(\gamma_j \Delta t)$  with  $\Delta t$  representing the change over time (Halvorsen & Palmquist, [1980](#)). For the purposes of our paper, we have interpreted only the coefficients that have been computed precisely.
16. Maurer, Pitzer and Sebastian ([2004](#)) find for the Paris housing market a u-shaped impact for the year 1947. It demonstrates that the impact of the war on the housing market between those years is u-shaped.
17. Specifications of the model are given in the Appendix. The impact of the age of the building on the rent is given in the Appendix.
18. The impact of the age of the building on the rent is given in the Appendix.




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