

BEHAVIORAL FACTORS OF PRICE BUBBLES AND THEIR INFLUENCE ON THE FORMATION OF A CRISIS

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Abstract

The paper contains a detailed analysis of price bubbles that were important causes of financial crises. A proper assessment of the role of price bubbles in the creation of a crisis requires, first of all, the analysis and evaluation of the impact of various factors on the creation of price bubbles. However, generalizations must be cautious since every crisis has a specific structure and causes. As a result of a crisis, there are also cases of contagious price bubbles in other countries which spread through international channels. This paper presents a case study of a country where it was admittedly not the subprime crisis, but the price bubble burst in the property market. The main purpose of the article is an analysis of the factors that create price bubbles and an analysis of the specific role of behavioral factors on the example of the real estate market. The authors also presented the results of their survey of consumer behavior in the real estate market in a situation of sudden changes in the prices of houses and apartments.

Keywords: price bubble, behavioral factors, channel of contamination, financial crisis, real estate market

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