Editors' Introduction

This issue of *Research in Economics and Business: Central and Eastern Europe* includes three empirical research papers. Two of them concern with the research on real estate markets and the third one with the research on start-up capital.

The first paper examines the link between the value of residential real estate stock and private consumption using data from Estonia. Estonia has a high share of owner-occupancy due to the ownership reform that started after the regaining of independence in 1991, and Estonia also has seen large changes in real estate prices. A vector error correction model was constructed with private consumption, real estate stock value, GDP and household debt as the variables. Using the vector error correction model and impulse response functions, the paper studies the impact of a change in real estate value on private consumption in a post-Socialist country that has witnessed a large boom and bust – a topic that has not been studied extensively before.

The second paper defines first the housing market cycles in Estonia through the analysis of price and transaction volume dynamics and secondly, postulates factors that have the most substantial influence on real estate prices in the new market growth phase. The authors have applied a Honeycomb cycle, theory-based method to analyse the cyclical nature of price and volume interactivity and present regression analysis as a basis of a dedicated econometric model. The Honeycomb method serves as a novel tool for studying an emerging economy in the process of convergence. The methodological contribution of the approach is a two-phased model, initially determining the current cycle phase with Honeycomb and then determining influences on price via regression, outputting market insights to planning decisions.

The third paper examines the micro and macro level environmental factors that have impact on the local concentration of start-up companies in the Estonian capital Tallinn. Tallinn is a suitable and interesting town due to its geographical location in Europe and the size similar to many towns. In order to identify the profiles of influential factors, means, regression and t-test analyses were used. The main theoretical contribution is the description of a new field – start-up capital. We can find sufficient research about the macro-environment and less about the micro-environment, but research into them together and particularly in this area was largely missing so far.

For this issue, the rate of acceptance for submissions was 40%. We are grateful to all the authors who submitted papers to our journal, and we are very thankful to the external reviewers for their kind assistance to the Editorial Board in the paper review process.

On behalf of the Editorial Board,

Urve Venesaar   Aaro Hazak
Editor-in-Chief   *Managing Editor*