

# Responses to the Challenges: The Effects on Property Values

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- ▶ A careful study of housing markets can reveal what is important about location
- ▶ Housing markets can reveal people's willingness to pay for many real estate related attributes
  - ▶ How much are property owners willing to pay to clean up a polluted lake?
  - ▶ Are people excited about living closer to a Metro Link station?
  - ▶ Do foreclosed properties depress neighborhood housing values?

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- ▶ With the help of others, I've been able to collect detailed information on several hundred thousand properties
  - ▶ Mostly in Saint Louis County and City, but I'm looking to expand
- ▶ This presentation represents a small sample of my investigation into the Saint Louis area housing markets

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- ▶ Implication: mixed-income urban neighborhoods require mixed density developments
- ▶ Given the “Jobs and Housing” presentation, should we expect more apartments in the suburbs?

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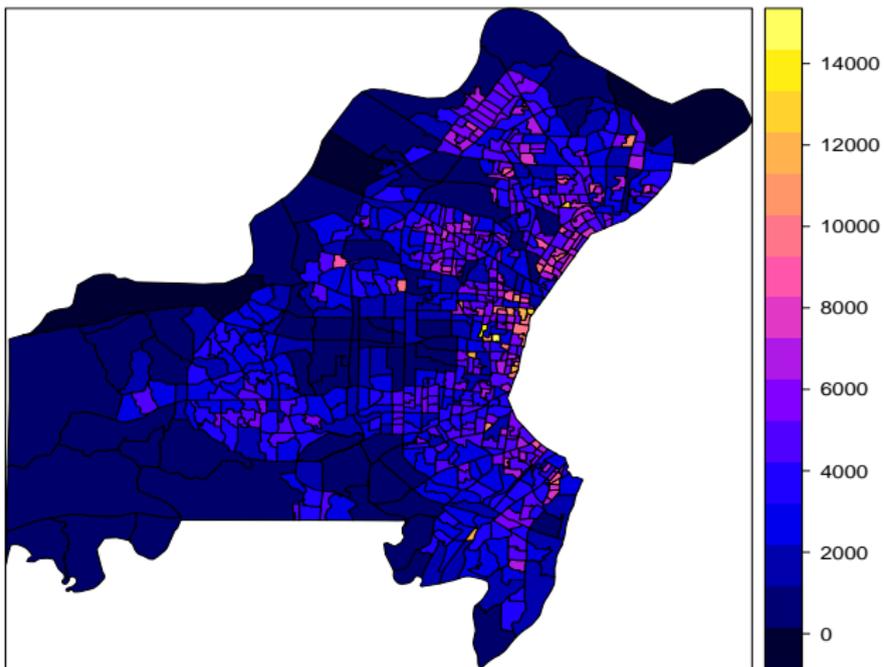
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- ▶ Let's look at the data: Saint Louis County in 2000

# Population Density in Saint Louis County 2000



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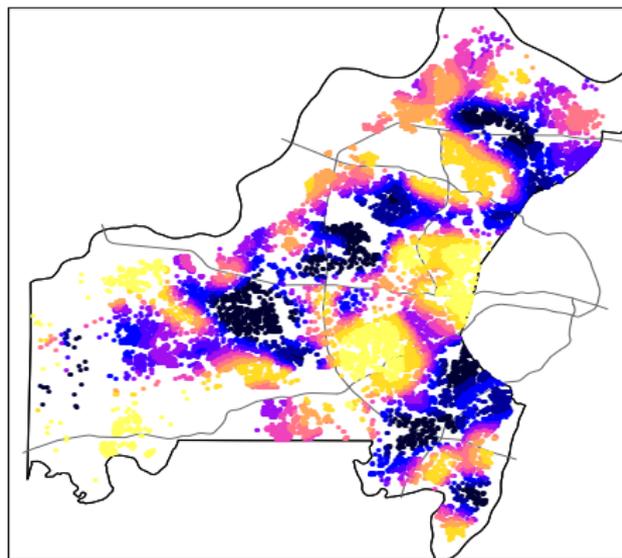
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- ▶ My initial results: Saint Louis County single-family housing sales in 2000

# What will a Small Increase in Density do to Housing Prices?



- $[-4.157, -0.084]$
- $[-0.084, -0.062]$
- $[-0.062, -0.041]$
- $[-0.041, -0.028]$
- $[-0.028, -0.013]$
- $[-0.013, -0.001]$
- $[-0.001, 0.011]$
- $[0.011, 0.028]$
- $[0.028, 0.064]$
- $[0.064, 1.744]$

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- ▶ What communities could benefit from higher density?
  - ▶ Initial results: Kirkwood, University City, some “I-70” municipalities
  - ▶ Other communities may require zoning changes

# Are School Districts Important for Real Estate Prices?

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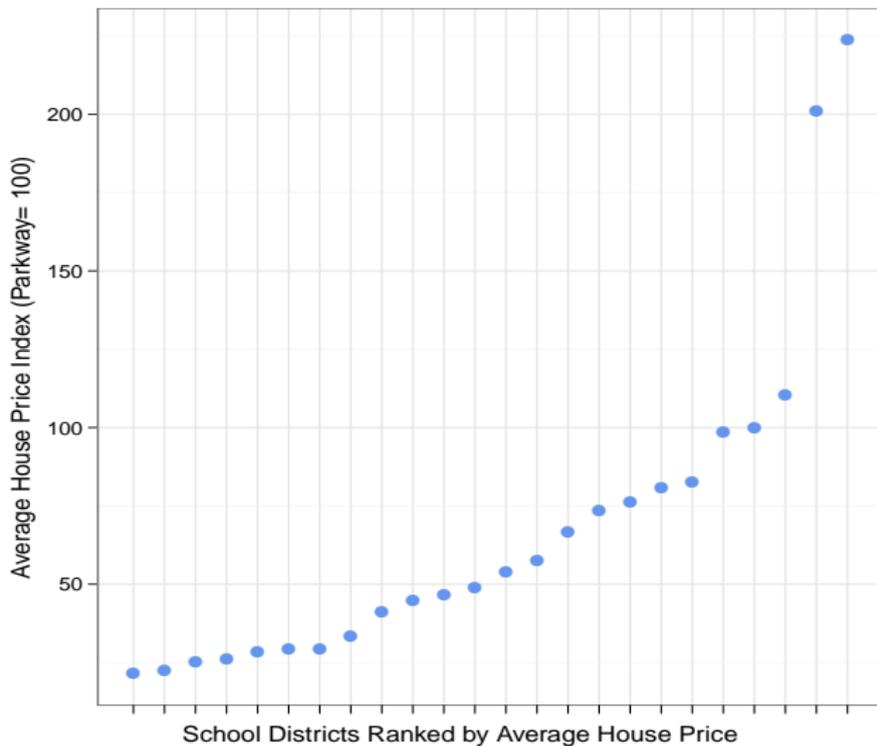
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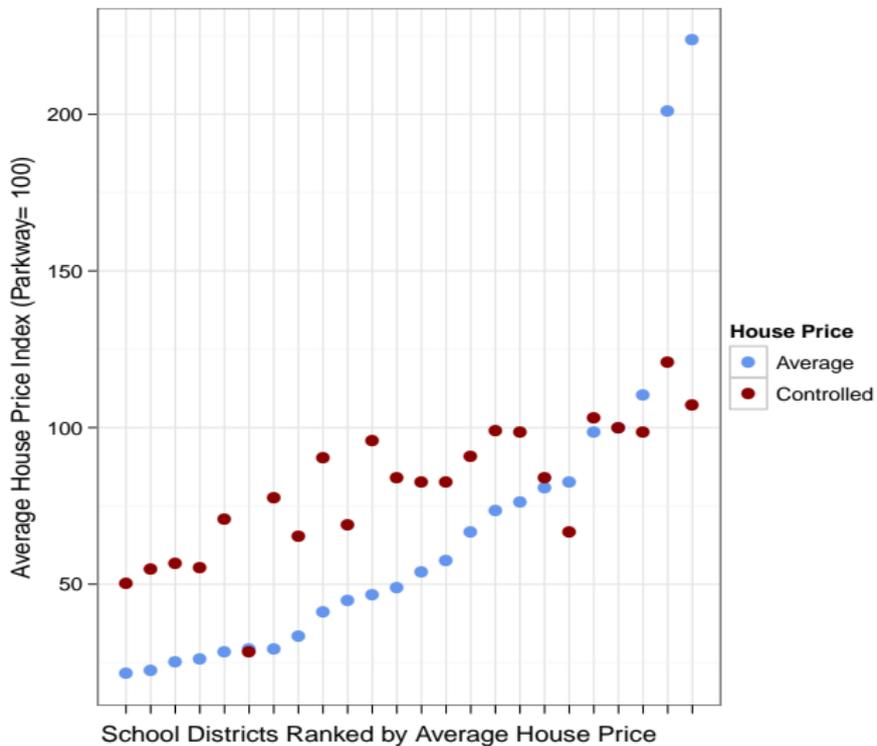
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- ▶ Let's look at the data: Saint Louis County from 2005 to 2008

# Housing Prices by Select School Districts



# How does the Hedonic Model Compare?



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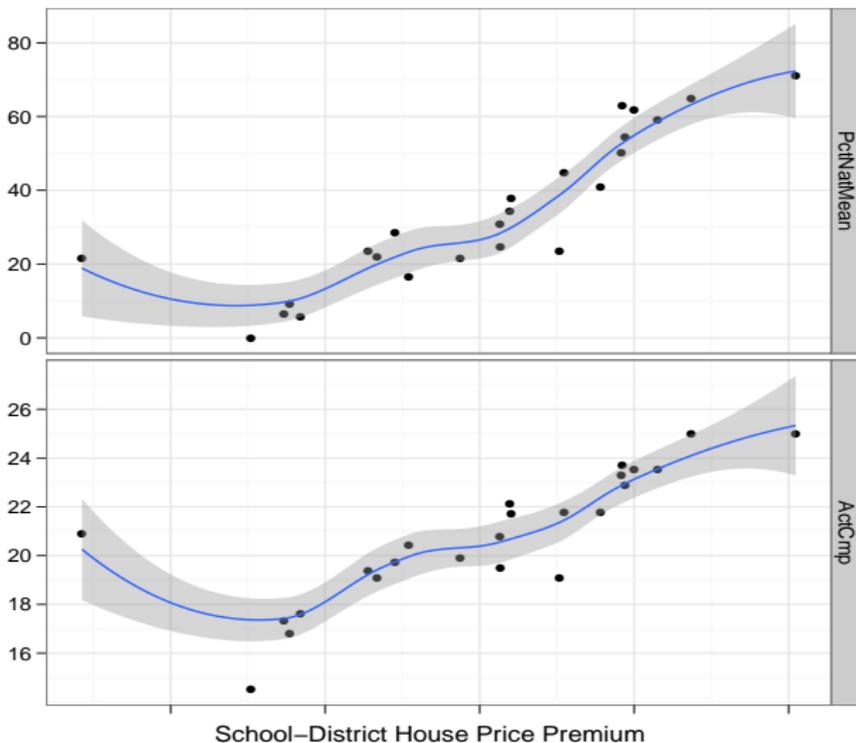
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# Do Saint Louis County Residents Value Test Scores?



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- ▶ Raw sales prices may greatly overstate the school district premium