

Crime and Housing Prices

Dept of Economics, Florida State University: K. Ihlanfeldt, T. Mayock, 2009

“Our results suggest that of the two major categories of crime (property and violent), only violent crimes exert a meaningful influence upon neighborhood housing values. A 10 per cent increase in violent crimes within a neighborhood is found to reduce housing values by as much as 6 per cent.

“We find no evidence that property crime has an impact on housing prices.”

“The unimportance of property crime may reflect the fact that such crimes cause far less psychic harm to victims in comparison to violent crime. Moreover, self-protection measures are more effective in deterring property crimes. In particular, alarm systems can effectively protect residents from both burglary and auto theft. In comparison, there are a limited number of options that can offer protection against most acts of violence. The best option may be to self-select peaceful living environments, which our results suggest is an option that many households adopt.”

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Has Falling Crime Driven New York City's RE Boom?

A. Schwartz, S. Susin, I. Voicu

Journal of Housing Research /Fannie Mae Foundation, 2003

Their conclusions were the same as the above study. The fall in violent crime since 1988 “raised property values by 8% with most of the effect accruing from 1994 and later”. It was not the only factor driving property values, but its effect was not small.