

[More](#) [Next Blog»](#)

# Spatial Economics Research Centre

Friday, 26 August 2011

## Stadium 1, Neighbourhood 0?

Posted by [Gabriel Ahlfeldt](#), [SERC](#) and [LSE](#)

Imagine some wealthy developer wants to use their millions to build a new stadium. Is this good or bad for local residents? When is the right time to buy into the neighbourhood - or cash in if you already live there? These are the questions many East London homeowners, and potential buyers, are asking as we [approach the 2012 Olympics](#). Of course, others might be wondering if new sports arenas might price them out of the neighbourhood.

So what do stadium developments do to house prices? [SERC has just published research](#) that tries to answer the question. My coauthors and I took a detailed look at two of the UK's most impressive recent stadium projects: the reborn [Wembley Arena](#) and Arsenal's new [Emirates Stadium](#).

These are interesting cases as they allow us to observe what happens to house prices if a) only the external appearance of a stadium changes (Wembley) or b) a stadium moves within the neighbourhood but doesn't involve particularly ground-breaking architecture (Emirates).

A number of nice results emerge. 'New Wembley' - with its iconic [Foster-designed arch](#) - raised local house prices by up to 15%, with effects diminishing with distance and disappearing after about 4-5km. Given that the previous stadium provided identical basic facilities, and the surrounding infrastructure didn't change much, it's likely that these house price shifts are at least partly a visual amenity effect (just as people pay for scenic views). Significantly, prices peaked in 2004, exactly when the iconic arch was raised and illuminated.

The Emirates story is a little different. House prices went up around the new site, and down around the old Arsenal stadium. Price rises also kicked off the plans for Emirates were announced, not at completion. But in streets used by spectators to get to the old stadium, house prices went up by about 30% after it closed.

So what does this tell us? First, [as Henry's suggested](#), for homeowners there is an economic downside to a nearby stadium if your street fills with football fans every Saturday afternoon. There's also a surprisingly big upside if the stadium moves somewhere else. Second, if you want to cash in on the Olympics, it's [probably too late already](#) - anticipation effects do most of the work.

That takes us back to regeneration. Property effects of stadia accrue mainly to landowners, homeowners and landlords. But one person's gentrification is another's displacement. And wider economic effects of big sports projects for the local community [aren't always easy to see](#). That means local policymakers need to be very clear-eyed about all this before [offering to help pay for it](#).

Posted by [Gabriel Ahlfeldt](#) on [Friday, August 26, 2011](#)

+1 Recommend this on Google

### No comments:

[Post a Comment](#)[Newer Post](#)[Home](#)[Older Post](#)Subscribe to: [Post Comments \(Atom\)](#)

---

Simple theme. Powered by [Blogger](#).