



# Spatial Economics Research Centre

Tuesday, 3 May 2011

## Football Stadiums

SERC affiliate Gabriel Ahlfeldt has been doing some interesting work on the impact of [football stadiums on local house prices](#).

Looking at developments at Wembley and at Arsenal, they find that new stadiums have a significant positive effect on house prices. Does this mean the NIMBYs are wrong when they oppose this kind of development? Not necessarily, because the evidence tells us only that they receive a financial gain in terms of house prices (and that this exceeds construction costs). It is possible that this financial gain doesn't sufficiently compensate home owners for the added inconvenience of larger crowds (assuming the redesign increases capacity). Of course, although home owners are usually more vocal, large crowds and increased house prices will certainly make renters worse off. The other caveat is that this research predominantly provides evidence relative to *redevelopment* of an existing stadium.

Completely new developments generate additional issues that are much harder to assess. The authors try to tackle this issue, by considering the impact on housing near to Arsenal's old ground (house prices fall) but I find this a little harder to interpret. I can see that a view of an attractive stadium might partially offset the inconvenience of matchday crowds but I find it hard to see why the removal of crowds from areas around the old ground shouldn't be positively capitalised in to house prices.

For those of you who want to read further, the underlying research paper will shortly be available as a SERC discussion paper.

Posted by [Prof Henry G. Overman](#) on [Tuesday, May 03, 2011](#)

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## 2 comments:

### Anonymous said...

I saw this in the Observer and was fascinated (surprised) with the finding that prices fell near the old stadium.

A few thoughts: (i) the 2 stadiums are so close together, is the effect robust? (ii) the old stadium was then converted into high-end flats, which might plausibly have affected local prices due to: (a) heavy construction work depressed sale prices; (ii) a large increase in local supply - though I would have thought this would have had the same effect for housing near the Emirates, since it is so close.

Intriguing stuff!

[3 May 2011 at 14:52](#)

### Anonymous said...

THANKS!

well, it's a bit puzzling that effect go down around the old stadium, indeed.

at the very local level where the fans used to walk to the stadium prices go up quite substantially.

(i) think that should be alright

(ii) could be, although temporary effect should not have tremendous effect (thinking of discounted streams of utility and rents).

(iii) interesting - flat did not come on the market during our study period, but there could be anticipation effect...

Gabriel

[3 May 2011 at 20:20](#)

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