



HOMECONNECTICUT
For Our Economy, Our Families, Our Future
a campaign of the Partnership for Strong Communities

The Property Value Myth: Mixed-Income & Affordable Housing Doesn't Lower Property Values

MIT research shows that mixed-income and affordable housing **does not** lower property values

Effects of Mixed-income, Multi-family Rental Housing Developments on Single-family Housing Values

Massachusetts Institute of Technology's Center for Real Estate

Study found **no significant differences** between home values close to affordable developments and those in other parts of town. Study methodology:

- MIT researchers looked at 7 mixed-income rental housing developments in Massachusetts.
- They chose densely populated, controversial developments they predicted would be most likely to adversely impact property values.
- Their analysis of each development focused on an "impact area" around the development, and a "control area" in another part of town. They made the impact area intentionally small, to not dilute the potential impact observed.
- Instead of simply reporting whether surrounding property values went up or down, they compared property value changes in the impact area with property value changes in control area. This method controls for other impacts on house prices.

MIT report available at <http://web.mit.edu/cre/research/hai/>

Research done by others on property values near affordable housing also indicates no negative effects

Affordable Housing and Property Values

Enterprise Foundation

Reviews and summarizes 14 research publications, finding that subsidized, special-purpose or manufactured housing had either a positive effect or no negative effect on nearby property values.

Enterprise report available at <http://www.practitionerresources.org/showdoc.html?id=19395>

Why Affordable Housing Does Not Lower Property Values

Habitat for Humanity

A brief discussion of common perceptions, studies conducted and what the studies found in regards to the relationship between affordable housing and neighboring properties. Includes a list of 11 studies conducted to test the effect of affordable housing on surrounding properties.

Habitat for Humanity report available at <http://www.habitat.org/how/propertyvalues.aspx>



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