

Quantitative Study on the Effect of Historic District Designation and the Possibility of Gentrification Considering the Heterogeneity of Property Price Ranges

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[SYNOPSIS]

Historic district designation typically attempts to curtail change and preserve past built environment within districts. An historic preservation policy tool can have markedly different implications for original residents, prospective residents, and developers, even in the same city. Therefore, like other urban policies, merely identifying its average effect can obscure important heterogeneity in its impact. This study examines the price impacts of historic districts designated on the national register or by the local government across the distribution of home sales prices and how those differential impacts vary with the restrictiveness of the designation policy. A quantile-regression model identifies the heterogeneity of price effects among higher- and lower-end properties. In addition to revealing large differences between national and local districts and between interior and buffer properties, the results show some significant differences in hedonic prices for homes of different values. These findings highlight the importance of and complexity in how housing markets react to attempts to manage the built environment.