

# Gentrification triggers 16 percent drop in city crime in Cambridge, Massachusetts

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The end of rent control and the addition of new developments caused gentrification to increase in neighborhoods like Cambridge's Area Four in the 1990s. Credit: Mimi Phan

Gentrification reduces crime rates and increases public safety in city

neighborhoods, according to a new study by MIT researchers.

The paper, authored by MIT Sloan assistant professor Christopher Palmer, along with MIT professors David Autor and Parag Pathak, all economists, looked at what happened when gentrification accelerated after rent-controlled housing abruptly ended in Cambridge, Massachusetts, in 1995. They found that not only did [crime](#) drop 16 percent—it resulted in measurable [economic gains](#) for the city.

Prior to 1995, more than one-third of Cambridge housing was subject to rent control—those units rented at 25-40 percent below what other comparable units did. After rent control ended, property values in Cambridge rose significantly: 18-25 percent for previously rent-controlled units and 12 percent for units that had not previously been rent controlled. The researchers studied this in a [2012 paper](#) on the spillover effect on the end of rent control that found that, overall, it accounted for nearly \$2 billion of the value appreciations of Cambridge residential properties by 2004.

They then asked why this was. "What became so valuable about being in a neighborhood that used to have lots of rent control?" Palmer said.

They found there could be many reasons. "These neighborhoods had higher turnover, buildings were fixed up, dive bars became yoga studios and coffee shops, and people value this sort of upgrading of neighborhood amenities," Palmer said. "People also suggested that the neighborhoods got safer."

While the Cambridge Police agreed this was likely the case, no scientific research existed to corroborate the theory. Palmer, Autor, and Pathak set out to find out if it was true.

It was. They determined that crime dropped by an extra 16 percent

because of the end of rent control, saving city residents on average \$10-15 million annually. Of the \$2 billion total appreciation of Cambridge housing value attributable to the end of rent control, approximately 10-15 percent, or \$200 million, was due to [public safety](#) improvements.

When the researchers drilled down further, they found that a reduction in violent crimes, specifically, resulted in the largest economic gains. That is because "avoiding violent crime is extremely important to residents of a city," Palmer said. While the biggest value came from the reduction in violent crime, property crimes and public disturbances saw the biggest drop in terms of raw numbers.

Palmer, Autor, and Pathak found that the results were extremely local, also. "If a given block is gentrifying, the biggest effects are with a quarter mile of this block," Palmer said.

So why did crime drop when gentrification happened in Cambridge? "According to the police, most of the people who commit crimes in Cambridge don't live there, so it is probably not simply a story that criminals were priced out and moved away," Palmer said. An optimistic interpretation is that crime went down overall, though that was outside the scope of the study. "There is evidence in the criminology and economics literatures that sometimes, when you disrupt violent social networks, crime declines in aggregate. For example, researchers found that when Chicago demolished certain public housing projects and former residents end up scattered, crime went down in total."

Additionally, the researchers heard anecdotally from members of the police force that some of the new city residents installed alarm systems, better deadlocks, or barred first floor windows. These increased personal security measures could have contributed to the reduction in property crimes.

The results weren't all beneficial, though—the gentrifying neighborhoods experienced a 20 percent increase in turnover. This indicates that some people who previously lived in rent-controlled apartments were likely priced out of the area and did not reap the benefits of gentrification. The researchers don't know if those people settled in comparable areas nearby or had to move farther way, but "the next frontier of gentrification research is looking at what happens to those who are displaced by neighborhood change," Palmer said. To prevent displacement in the future, though, Palmer thinks that policymakers can reinvest some money from increased property taxes into rental vouchers that help those at risk of displacement.

While crime was already decreasing in Cambridge before the end of rent control, when the researchers compared Cambridge to peer cities around the U.S. with similar demographics, they found that Cambridge crime fell more. "This accelerated the urban renaissance that was happening in a lot of cities," Palmer said. "We think a big part of that is the extra gentrification that happened in Cambridge."

**More information:** Gentrification and the Amenity Value of Crime Reductions: Evidence from Rent Deregulation.

[mitsloan.mit.edu/shared/ods/do ... nts/?DocumentID=4304](https://mitsloan.mit.edu/shared/ods/documents/?DocumentID=4304)

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