

# Paper: School shootings affect school quality, housing value

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Credit: David Wagner/public domain

A new paper co-written by a University of Illinois scholar who studies urban economics says that home prices within a school district affected by a mass shooting episode in a school declined by 7.8 percent – more than \$15,000 – over the course of at least three years after the incident.

The drop in property prices is most pronounced among houses with more bedrooms, a measure that serves as a proxy for properties most likely to have school-age children in the household, said Juan Sebastian Munoz, a graduate student in economics at Illinois.

"Not a lot of good things happen to property values in the aftermath of a [school shooting](#), and that effect persists, lasting for at least three years," Munoz said. "The effect is more pronounced the closer you are to the school [district](#) boundary."

When shopping for a house, families care about the quality of schools, "so it's no secret that there's a link between [property prices](#) and school quality," Munoz said. "But if there's a mass shooting event, that's a negative signal to the market that the future of the school district is not likely to be good."

The paper, co-written by Ruchi Singh of the University of Georgia, suggests that potential homebuyers avoid [school districts](#) in which a school shooting has taken place because they believe school quality will inevitably decline due to lower student enrollment rates, the departure of teachers and lower [standardized test scores](#) after the shooting.

The researchers said the effect is not merely limited to houses in the immediate vicinity of the school.

"On average, the [property values](#) within the school district boundary decreased by about 13.6 percent or \$20,337 – a decline that persists for at least five years after the shooting," Munoz said. "That decrease is attributable not just to the fear factor. It's about the quality of the school, with both teachers and students likely to leave the district."

Additionally, the researchers found a decrease in the sheer number of residential real estate transactions taking place after the shooting.

"It becomes a demand issue," Munoz said. "The people who would potentially buy in the area aren't all that interested in paying a lot for a house that's in a school district that just experienced this horrific event."

Although housing prices for family homes within the [school](#) district went down, prices for commercial and industrial properties in the same area didn't experience the same dip.

"We do not find much evidence of place-based stigmas as being the mechanism for decline in house prices, but we do find strong evidence that our results are driven by a perceived deterioration in [school quality](#), since schools are a highly valued amenity among prospective home buyers with children," Munoz said.

Provided by University of Illinois at Urbana-Champaign

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