

Gap between rich, poor neighborhoods growing in some cities

May 28 2020, by Jeff Grabmeier



Credit: CC0 Public Domain

New research provides insight into how housing prices and neighborhood values have become polarized in some urban areas, with the rich getting richer and the poor becoming poorer.

The results of the study, done in Columbus, Ohio, suggest that some of the factors long thought to impact neighborhood values—such as the distance to downtown, nearby highways, or attractions such as [city parks](#)—no longer matter much to changing housing [prices](#) in an area.

Instead, what drives neighborhood values are the unique, local amenities and characteristics of each area, such as local businesses, schools, crime rates and social networks.

And these features are self-reinforcing over time, said Jinhyung Lee, lead author of the study and graduate student in geography at The Ohio State University.

"Over 15 years, we see the divide between rich and [poor neighborhoods](#) getting deeper and wider in Columbus," Lee said.

The results suggest that [government officials](#) need to provide direct investments in low-valued [neighborhoods](#) to break the self-reinforcing [negative effects](#), he said.

The study, led by researchers in Ohio State's Center for Urban and Regional Analysis (CURA), was published online recently in the journal *Geographical Analysis*.

Researchers used a high-resolution housing transactions database provided by the firm CoreLogic that allowed them to analyze nearly 480,000 home sales in the Columbus area between 2000 and 2015 to see how housing values have changed in specific neighborhoods.

Traditionally high-valued neighborhoods, which include suburbs (Upper Arlington, Grandview Heights, Bexley), became even more prosperous over the 15 years. Low-valued neighborhoods in the city (Linden, Franklinton) lost value.

The study captured the impact of the Great Recession on the value of houses in the Columbus area.

Housing prices dropped significantly in all parts of the city between 2008 and 2011, as they did throughout the United States. But the recovery did not happen equally throughout the Columbus area.

"Areas that traditionally had high housing prices regained much of the recession-induced loss, while other areas did not," Lee said.

"This unequal recovery made the polarized neighborhood values in Columbus even worse."

Overall, high housing prices were clustered near the center of the city and in suburban areas, Lee said.

"In contrast, the areas between the city center and suburban areas had low housing prices, resulting in a donut-shaped [housing](#) price landscape," he said.

The researchers calculated how far each neighborhood was from major Columbus amenities, including downtown, the nearest rivers, Ohio State's campus, the Columbus Zoo and the closest city-maintained park.

Analysis of the data showed that the distance from these features didn't shape patterns of neighborhood value over time, as some long-standing theories indicated they might, Lee said.

"This suggests that the reasons why neighborhoods are becoming more polarized has more to do with what is going on each individual neighborhood," he said.

Results showed that the location of major highways in Columbus,

particularly U.S. Interstate 71, shaped polarization. Many of the richer neighborhoods are clustered west of I-71, with the poorer neighborhoods to the east.

"This is consistent with work by public policy and urban history scholars documenting that highways were constructed to purposefully cut through poorer, minority neighborhoods and avoid more affluent ones," Lee said.

"It has served to further reinforce patterns of economic segregation."

The findings suggest that low-value neighborhoods are unlikely to improve over time on their own, according to Lee.

"Our research underscores the need for direct investments in neighborhoods to spark a development process," he said.

For example, governments can invest in job market training programs in low-value neighborhoods to offset the self-reinforcing negative effects that can make these neighborhoods worse off over time, he said.

Lee said he expects similar polarizing trends exist in neighborhood values in cities across the nation. But the exact ways they get there may differ depending on factors like the size of the cities and their levels of decentralization.

More information: Jinhyung Lee et al. The Role of Distance-Dependent Versus Localized Amenities in Polarizing Urban Spatial Structure: A Spatio-Temporal Analysis of Residential Location Value in Columbus, Ohio, 2000–2015, *Geographical Analysis* (2020). [DOI: 10.1111/gean.12238](https://doi.org/10.1111/gean.12238)

Provided by The Ohio State University

Citation: Gap between rich, poor neighborhoods growing in some cities (2020, May 28) retrieved 22 June 2024 from <https://phys.org/news/2020-05-gap-rich-poor-neighborhoods-cities.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.