

## Could '420' be code for marijuana and climbing property values? Study says yes

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As April 20 approaches, local property owners may have just as much reason to celebrate "Weed Day" as their cannabis-culture counterparts.

Marijuana consumers across the globe recognize "420" as slang for getting high and a day to partake in all things cannabis.

But "420" could also be code for rising property values, based on a handful of studies that found home prices tend to increase in states where marijuana has been legalized.

Between 2014 and 2019, cities with legal marijuana dispensaries saw home values increase \$22,888 more than in cities where marijuana remains illegal, according to a new study from Clever Real Estate.

Cities where marijuana is legal for recreational use saw the biggest gains, with home prices increasing \$6,337 more than in cities where consuming or possessing marijuana is still a crime, Clever found.

But even in cities like Cincinnati, where legalized marijuana is restricted for medical use, home values increased \$2,799 more than in cities where marijuana is still illegal from 2012 to 2019, according to the study.

"Our theory is that more businesses are created, resulting in more job-seekers flocking to these areas, which leads to an increase in demand (for housing)," said Luke Babich, a Clever researcher, referring specifically to areas where marijuana has been legalized for recreational use.

The Clever study contradicts fears among homeowners that increases in crime and other negative consequences of legalized marijuana would bring down home prices.

But Clever study doesn't stand on its own.

Another study from the University of Mississippi found that the legalization of marijuana in Colorado - which was one of the first states to legalize marijuana for recreational use in 2012 - drove property values up by about 6 percent (or \$15,600 per property) from 2013 to 2014.

The study was consistent with findings from the CATO Institute, which found prices for single-family homes in Denver less than a mile away from marijuana dispensaries increased in value by about 8.4 percent more than houses located further away from 2013 to 2014.

Still, Realtor Donna Deaton said it's too early to tell what impact the dispensaries might have on real estate prices in Greater Cincinnati - mainly because no dispensaries have opened yet in the Cincinnati area.

"Once the dispensaries open, we'll find out one way or the other," said Deaton, a Realtor at RE/MAX Victory in Liberty Township. "So far, I haven't heard anyone say they want to move in or move out of the area because of a dispensary. And, so far, it hasn't affected property values whatsoever."

