

## Cannabis' Unexpected Impact on Home Prices (New Study Inside!)

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It's high time the real estate industry started to talk about marijuana. [A new study from Clever Real Estate](#) reveals the true impact legalizing marijuana has on local housing markets.

Opponents of legalizing marijuana argue that legalization leads to elevated crime rates. In the real estate world, higher crime rates lead to lower property values and poor investments, so we needed to get to the bottom of this debate.

Does legalization lead to budding industry or stoned cold housing markets?

Here are the takeaways you need to know.

Key Insights:

- Between 2014 and 2019, cities that allowed retail dispensaries saw home values increase \$22,888 more than those where marijuana remains illegal
- Cato research supports these findings, suggesting homes close in proximity to marijuana retail dispensaries tend to increase in value
- For cities where *only* medicinal marijuana is legal, home values increased at a comparable rate to cities where marijuana is illegal; a statistically significant increase in home values could not be attributed to medicinal marijuana legalization
- States that legalize recreational cannabis usage, however, see an immediate bump in home values following legalization – even before retail dispensaries begin to pop up
- From 2017 to 2019, cities that legalized recreational marijuana usage saw home values increase \$6,337 more than those where marijuana is illegal

Our findings show that in cities where recreational marijuana has been legalized, home values increase at higher rates than in those where marijuana is illegal or only legal medicinally.

Additionally, between 2014 and 2019, cities that allowed retail dispensaries saw home values increase \$22,888 more than those where marijuana remains illegal. These insights are consistent with findings from the Cato Institute; homes closer to retail dispensaries are approximately 8.4 percent more valuable than those further away.

Our study also found that from 2017 to 2019, cities that legalized recreational marijuana saw home values increase \$6,337 more than those where it remains illegal. This suggests that housing markets respond immediately to pro-market marijuana legislation.

The full report can be viewed here, and includes case studies from California and Colorado:  
<https://listwithclever.com/real-estate-blog/marijuana-housing-market-study-pr/>