



Distributional and Housing Price Effects from Vancouver's SkyTrain Expansion

Craig, Andrea "Distributional and Housing Price Effects from Vancouver's SkyTrain Expansion"
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What the researcher(s) did

The authors estimated a model of households' residential location choices and simulated Vancouver's rapid transit expansion from 2001 to 2011. In the counterfactual simulations, households update their (probabilistic) location choices and monthly dwelling prices adjust to clear the market.

What the researcher(s) found

Holding housing prices and households' locations fixed, the authors find that lower-income households benefit more from the transit expansion than higher-income households. Allowing prices and household locations to adjust, they find that the benefits of the transit expansion are positive for each income quartile and increasing across income quartiles.

RDC Datasets used

Canadian Population Census (2001 and 2006)
National Household Survey

Policy areas this research can inform

- Housing
- Transportation

Policy implications of this research

Investment in public transit infrastructure is often characterized as an expenditure that predominantly benefits lower-income households. These results show that in the longer term, higher-income households benefit more from this rapid transit expansion than lower-income households.

The authors also find that prices increase in both neighbourhoods that were near an existing station and neighbourhoods that gained access to the rapid transit network from the expansion. This result suggests public transit infrastructure should continue to be funded at a regional level because an expansion can provide significant benefits to areas already connected to the network.

Read the full article

Chernoff, A. & Craig A. (2022). Distributional and Housing Price Effects from Public Transit Investment: Evidence from Vancouver. *International Economic Review*, 63(1), 475-509. doi:10.1111/iere.12556.

The views expressed in this research are solely those of the authors and no responsibility for them should be attributed to the Bank of Canada.

