

Where Walmart Builds, Higher Home Prices Follow



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*"Coming Soon --
Walmart!"*

Imagine that's what the sign on your street corner read. Did reading it fill you with hope or dread?

Over the years, a lot of consumers have had mixed reactions to the arrival of Walmart ([WMT](#)) in their neighborhood.

Branded the "Bully of Bentonville," Walmart has been blamed for killing the corner store -- indeed, for laying waste to entire small-town retail marketplaces. And of course, when a big-box store drops on your block, you can be sure traffic on your local street is going to pick up. Some reports even accuse Walmart of contributing to an increase in crime in the neighborhoods it moves into.

When you combine these kinds of reports with Walmart's announcement last year that it intends to open hundreds, and perhaps thousands, of "Walmart Neighborhood Markets" -- smaller-footprint stores -- across the nation, people are bound to get nervous. But here's one report you may not have heard of: When Walmart drops by your neighborhood, your property values are likely to go up!

Welcome, Walmart



Cassandra Hubbard, AOL

That's the finding of a new report out of the University of Chicago and Brigham Young University, which finds that when Walmart builds a store anywhere from half a mile to one mile from your home, your resale value rises 1% to 2%. Even better, it turns out that the closer to Walmart you are, the more money you get -- homes located less than half a mile from a new Walmart see their values increase by 2% to 3% on average.

The study, which examined the effect on home prices over the course of 2000 to 2006 (yes, and the researchers reassure that they controlled for the effects of a bubbly housing market during the time period) focused on how resale values reacted to the opening of a Walmart over the 30 months following the ribbon-cutting. Covering 159 neighborhoods across 20 states, the results appear conclusive: Walmart means better home prices. Always.

Well ... Maybe Not *Always*

If you find these results surprising, you're not alone. Presented with the data and asked by ABC News for their responses, some homeowners viewed the results with suspicion. In particular, homeowners in high-income districts were particularly skeptical that dropping a Walmart next to their McMansion would increase their homes' values. And this makes sense, considering how upper-income folks often like to look down their noses at the plebeian retailer -- and prefer to patronize its archenemy, Target ([TGT](#)).

But if you think about it, it makes just as much sense that, *on average*, building a Walmart might do exactly what the university study says it does. Consider: Across America, some 1.4 million people work at Walmart, earning average hourly wages in the low teens. Finding a potential employer appear, as if by magic, within walking distance of their homes would almost certainly sound like good news to many. And [the higher the price of gas goes](#), the greater the economic value of being able to walk to work.

Less Driving, More Veggies

And another thing: Disdain Walmart if you like, but not everyone likes the idea of having to burn a gallon of gas, and \$4 of cash, for the privilege of making a round-trip run to a big-box retailer out in the suburbs, 15 miles away. Shoppers living in the city -- or eco-friendly folks living anywhere -- might well consider it a good thing to be able to walk to a Walmart for one-stop shopping.

Gallery: At Walmart Stores, 'Bizzaro World' Episodes Unfold



Speaking of city dwellers, one of the big downsides constantly being touted as contributing to [America's obesity epidemic](#) is a lack of retailers [offering fruits and vegetables](#) in urban neighborhoods. Walmart's initiative to bring smaller-footprint stores to America's inner cities provides lower-income shoppers another place to buy fresh fruits and vegetables. It may not be Whole Foods ([WFM](#)), but it will at least be close, cheap and fresh.

If building a Walmart downtown helps lift property values for nearby homeowners, then that's just icing on the cake.

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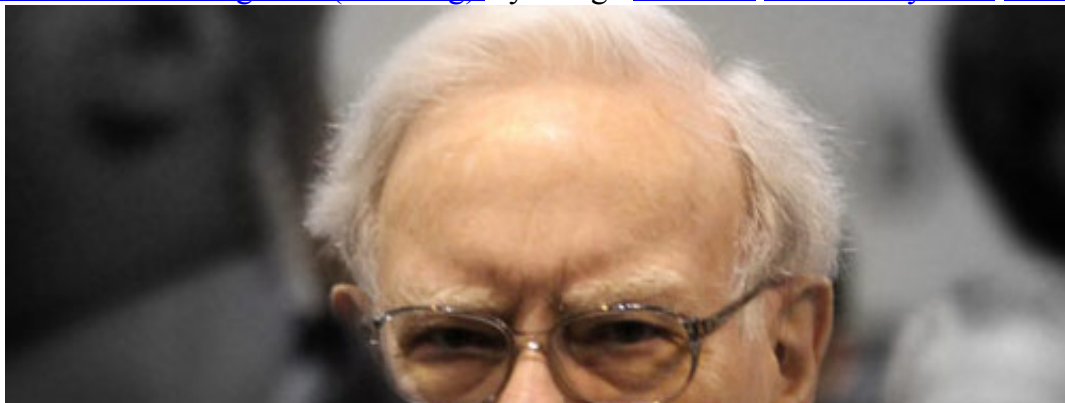
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