Does Gentrification Help or Harm a Community?

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What is Gentrification?

Gentrification is a generalized term used to describe the movement of wealthier people into an already existing urban area causing an increase in property values and the arrival of new business. Two things consistently occur when observing gentrification: a class shift from poorer occupants to young, educated, wealthier residents who bring a new form of culture, and the restoration and rehabilitation of existing buildings.

Benefits and Costs

The general conclusion of gentrification has found that it leads to rising property values in the neighborhood that gentrification is occurring in. Along with rising property values, a reduction of crime has also been a trend in many gentrifying neighborhoods. Longtime residents of gentrifying neighborhoods are not happy about the changes that are occurring. Neighborhoods with predominately black residents claim the changes are causing a shift in the culture of the neighborhood by pushing out longtime residents due to rising rent costs.

History of Over-the-Rhine

In the mid-nineteenth century, German immigrants moved into what is now known as “Over-the-Rhine (OTR)” in Cincinnati, Ohio. A heavily German influenced culture quickly took over the area. Soon after World War I began the German residents began moving out of OTR and into neighborhoods further away from the downtown area due to discrimination. Poor “Appalachian” migrants came into the abandoned neighborhood to work in the booming industrial area. During the 1960s, the construction of I-75 displaced many African American residents to Over-the-Rhine. In 2001 there were riots in the Over-the-Rhine area caused by a police officer killing an unarmed black man. This led to the cities initiative to clean up the Over-the-Rhine neighborhood. This initiative has led to gentrification of the neighborhood.

Economic Theory & Research

Over-the-Rhine in Cincinnati, Ohio will be used in the research and data analysis of this thesis.

Literature Review & Economic Theory

There is a difference between redevelopment of low socioeconomic areas and gentrification. Gentrification is a shift of middle class individuals moving into and restoring low income areas. Most of the literature that I’ve found on gentrification do not answer if it is overall helpful or harmful to the community and its residents. This will be the main focus of my study. Utilization is the economic theory that will be used during this study. Utilization or Utility is an economic term referring to the satisfaction received from consuming a good or service. [Investopedia.com] This theory will be related to my research of gentrification in the Over-the-Rhine neighborhood by examining the relationship between property values, crime, and social changes through different policies set in place by the City of Cincinnati.

Data

- Property values – The Hamilton county auditors website has been helpful in looking up different property values. Once I find multiple sales of property over a ten year period I hope to observe a trend of an average rise in property values.
- Crime – There are not a lot of empirical tests studying the connections between gentrification and crime that link the decline in crime to gentrification. Part of my research will include looking at the Cincinnati Police department records and observing the trends between the rise or decline of different types of crime over the past ten years.
- Social changes due to public policy – looking at the differences between before and after different public policies took place will be a part of my research.

There are many new businesses in the Over-the-Rhine neighborhood that attract young people. These businesses have popped up within the last 5 years. An example of this is in this image of a renovated church that has been transformed into a microbrewery.

Although a lot has changed in the past ten years in OTR, there is still a lot of work to come. This image is a store front in 2015 that has yet to be touched by gentrification in the neighborhood.

Over-the-Rhine is located just north of the central business district in downtown Cincinnati. Interstate 75 runs just to the west of the Over-the-Rhine neighborhood. Over-the-Rhine has a rich history due to the changing landscape of the Cincinnati area over the past 150 years.