



UNIVERSITY OF MASSACHUSETTS SCHOOL OF PUBLIC HEALTH AND HEALTH SCIENCES

# Real Estate Impacts of the Plainridge Park Casino on Plainville and Surrounding Communities

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## **Executive Summary**

### **Background and Methods**

This report focuses on the initial impacts of Plainridge Park Casino (PPC) on the residential, commercial, and industrial real estate markets for Plainville and its surrounding communities. It follows an earlier report that documented residential and commercial real estate trends prior to the opening of PPC. Our analysis uses several sources of secondary data, including property sales records from the Massachusetts Department of Revenue Division of Local Services, data on rental market conditions from the American Community Survey (ACS), the U.S. Census Bureau's Manufacturing and Construction Division, and proprietary data obtained from CoStar, the nation's largest provider of data on commercial properties, and Valassis Lists, a direct mail marketing firm.

### ***Key Findings: Residential Real Estate Indicators***

- Plainville's residential real estate market is relatively small and predominantly comprised of single-family homes with a scattering of condominiums. Multi-family home sales are rare.
- There has been an increase in single-family home and condominium sales following the awarding of the gaming license and opening of PPC in both Plainville and surrounding communities. However, this rise is consistent with historic and/or broader trends in the region and therefore unlikely to be purely attributable to PPC.
- There have been relatively few sales of single-family homes and condominiums near the casino development site in recent years. The location of residential home and condo sales has not noticeably changed since the opening or construction of PPC.
- We find no evidence that the opening of PPC has had a negative impact on area home and condo sales prices in either Plainville or surrounding communities.
- There has been a slight rise in the real sales price of single-family homes in Plainville and surrounding communities in the first year following the opening of PPC. However, this rise is comparable to regional and statewide trends and was not found to be statistically significant after controlling for trends and home characteristics.
- There has also been an increase in the real sales price of condominiums in Plainville and surrounding communities after the opening of PPC. However, this growth is generally consistent with trends that began before the awarding of the gaming license. Our statistical analysis finds weak evidence of a small casino-related bump in condominium selling prices in surrounding communities, but no effect on Plainville condominium prices.
- Building permits are an important indicator of future development, but their natural variability makes it difficult to distinguish possible impacts from serendipitous events. In Plainville, there was a rise in the number of multi-family permits that coincided with the awarding of the gaming license. But the rise was only temporary. There was no apparent impact on single-family permits.
- The value of single-family permits tends to be more stable than the number of permits. In Plainville, the awarding of the license and opening of PPC had no impact on the value of single-family permits. Surrounding communities saw a rise in the value of single-family permits. However, this rise was consistent with trends in the broader region and therefore difficult to attribute to PPC.

### ***Key Findings: Commercial and Industrial Real Estate Indicators***

- While the number of commercial and industrial buildings has increased slightly in recent years, the increase of commercial rentable building area has outpaced the increase in buildings, suggesting a tendency towards larger commercial spaces in new development, including PPC.

The opposite trend is true of Plainville's small industrial real estate market, where the limited growth in industrial buildings has still outpaced the growth of new industrial space.

- Vacancy rates in Plainville have remained consistently lower than those of its surrounding communities or Massachusetts as a whole, but the very small number of commercial properties in Plainville means that these rates are also much more volatile.
- Plainville and its surrounding communities tend to have average lease rates lower than the State average, although some surrounding communities have seen higher industrial lease rates.

### **Conclusion**

Other than an increase in the amount of commercial space, the evidence suggests that the opening of PPC did not substantially change commercial or industrial real estate conditions in Plainville or its surrounding communities. This is unsurprising as the slot parlor component of PPC was developed on the site of an existing harness racing facility in a relatively remote part of the town, with no new buildings being occupied or displaced in the process. While some large increases or decreases have occurred across certain measures, historical levels of volatility make it impossible to tell whether PPC was a factor in those changes.