

# Congestion charges and property prices: an empirical analysis of the effects of congestion charges in Gothenburg

2023-01-31

*Abstract:* We analyze how the introduction of congestion charges in Gothenburg, Sweden, in 2013 affected the prices of condominiums. Using hedonic price regressions and employing a geographical regression discontinuity approach, our baseline regressions suggest that congestion charges reduced the prices of condominiums inside the toll zone by about 7 percent compared to the control group (other condominiums in Gothenburg outside the toll zone). However, results are sensitive against limiting the sample to units that are close to the toll zone border. With a reduced sample, our results suggest a weaker negative effect (about 2-3 percent). The conclusion is though that there is strong evidence that the congestion charges had a negative effect on property prices within the toll zone in Gothenburg.

**Work in progress. Do not quote. Comments welcome.**