

FIN10

O Costco, where art thou going? The Impact of Costco's Intra-city Relocation on Commercial Real Estate Prices

Mohammadali Fallah, Andres Jauregui, Jacquelin Curry
California State University Fresno, Fresno, CA, USA

Abstract

We examine the impact of Costco's Intra-city relocation on commercial real estate prices in the Fresno-Clovis area, California. Using a spatial difference-in-difference method, we analyze commercial property transactions within 2 miles of Costco's old and new locations before and after the relocation, relative to a control area unaffected by the move. Specifically, we split the timeline of the event into assessment, construction, and post-relocation periods to better capture the effect of sequential information releases on real estate prices. We find that the commercial real estate prices have increased within the 2 miles of the new Costco location during both assessment and post-relocation periods.

Conference Track

Finance and Investment