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### Quieter Streets Lift Home Prices

**When sound barriers are built along highways, the value of houses nearest to them spike**

BY LISA WARD

How much more money are homeowners willing to pay for a house with less traffic noise?

According to a recent study, a lot. Researchers analyzed home prices for nearly 600,000 properties in Florida before and after sound barriers were constructed along busy highways. They found that in the five years after noise barriers were built, the price of properties within 100 meters (about 109 yards) of a barrier saw a rise of almost 6.8% compared with homes in a control group.

The barrier's effect on property values declined with distance, the researchers found. They observed price increases of about 3.9% for homes located 100 to 200 meters from a newly constructed sound barrier, 3.1% for homes located 200 to 300 meters from a barrier and 2.8% for homes 300 to 400 meters from a barrier. Beyond those distances, there was little effect.

### **Paying a premium**

"Buyers are willing to pay a substantial premium for each decibel of noise reduction," says Enrico Moretti, a professor at the University of California, Berkeley and one of the paper's co-authors. The study found there is an almost 1% jump in property values for every decibel of traffic noise muffled by the average sound barrier in their sample, Moretti says.

The study's control group consisted of properties in the same neighborhood that were 500 meters or more away from the highway, where traffic noise wasn't very audible. Five years before the construction of the sound barrier, home prices in both the treatment and control groups moved in tandem, influenced by similar variables such as school quality, crime and street cleanliness.

But in the five years after noise barriers were built, properties closest to the busy highway saw an immediate and largely permanent increase in property values, above and beyond any normal price moves.

In their analysis the authors controlled for other factors that could also contribute to the higher property values, such as less air pollution or a visual blockade of the highway.

After widening the scope of their analysis, the authors estimated that --traffic noise reduces property values by about \$110 billion nationally. Lower-income homeowners often bear the brunt of this, the researchers say, because their



neighborhoods tend to be most affected by things like pollution, crime and traffic noise.

### **The EV question**

The authors then asked a hypothetical question: If every car in the U.S. were an electric vehicle, how would that affect property values nationally? They created a model that found a shift to electric vehicles, which are less noisy than cars with combustion engines, would increase property values by about \$77.3 billion nationally.

Finally, the authors analyzed seven counties with the highest rates of EV adoption and modeled the realized benefit to property values. They found that Santa Clara County in California, which has the highest EV adoption in the nation, EV use helped boost property values by about \$264 million collectively in 2023.

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