

**Investment, Inequality, and Urban Change: A Worldwide Perspective with
the Atlanta Beltline as a Case Study**

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1. Introduction

Economic development does not occur evenly across space. Investment tends to concentrate in specific cities and neighborhoods, transforming local economies and reshaping communities. One of the most widely discussed outcomes of this process is gentrification, a phenomenon in which previously lower-income urban areas experience rising property values, new development, and demographic shifts toward more affluent residents.

While these changes can bring improvements such as infrastructure, public spaces, and economic growth, they often come with significant challenges. As neighborhoods become more desirable, housing costs increase, placing pressure on long-term residents, particularly renters, who may be forced to relocate. In contrast, property owners often benefit from rising home values, highlighting the unequal distribution of gains and losses associated with urban redevelopment.

This paper examines gentrification as a global phenomenon driven by uneven economic development and evaluates whether the Atlanta Beltline has successfully balanced urban growth with affordable housing.

2. Understanding Gentrification

Gentrification refers to the process by which urban neighborhoods experience economic reinvestment and demographic change, often resulting in rising property values and the displacement of lower-income residents. The term was first introduced by sociologist Ruth Glass in 1964 while studying changes in working-class neighborhoods in London, where middle-class residents began moving in and transforming the social and economic structure of these areas. Over time, the concept has expanded to describe broader patterns of urban redevelopment in cities around the world.

At its core, gentrification reflects the movement of capital and investment back into previously underdeveloped or neglected urban areas. This process is often explained through the concept of the “rent gap,” defined as the difference between a property’s current value and its potential value after redevelopment (Smith, 1979). As a result, neighborhoods frequently experience visible improvements, including renovated housing, new businesses, and enhanced public infrastructure.

However, these changes are typically accompanied by rising housing costs, which place increasing pressure on long-term residents. As neighborhoods become more desirable, property values increase, benefiting homeowners while making it more difficult for renters to afford rising rents. As a result, while some residents gain wealth through increased property values, others face housing instability or are forced to relocate.

Definitions of gentrification also emphasize its socioeconomic dimension. The Cambridge Dictionary defines gentrification as “the process by which a place, especially part of a city, changes from being a poor area to a richer one, where people from a higher social class live” (Cambridge Dictionary, n.d.). This definition highlights how shifts in income and class structure are central to the process. In addition to economic change, gentrification often alters the cultural and social identity of neighborhoods, reshaping community dynamics and long-standing local networks.

Although gentrification can bring economic growth and urban revitalization, its impacts are uneven. The benefits are often concentrated among property owners and new, higher-income residents, while lower-income populations face greater risks of displacement. This imbalance highlights the broader issue of inequality embedded within urban development, making gentrification a complex and widely debated phenomenon.

3. Gentrification as a Global Phenomenon

Gentrification is not limited to the United States but rather reflects broader global patterns of urban growth and economic concentration. As cities continue to expand and attract investment, similar processes of redevelopment and displacement can be observed across different regions of the world. Although each city has its own unique characteristics, the overall pattern remains consistent: investment flows into certain areas, leading to rising property values and changes in the social and economic structure of neighborhoods.

According to the United Nations, more than half of the world's population currently lives in urban areas, and this number is expected to continue increasing in the coming decades. As more people move to cities in search of opportunities, the demand for housing rises, often faster than the available supply. This imbalance contributes to increasing housing costs and creates pressure on lower-income residents (Metcalf, 2018).

While the process of gentrification may look different depending on the region, its effects are often similar. In cities such as London and Paris, redevelopment has been shaped by long-standing urban planning traditions. In rapidly growing cities like Tokyo, Seoul, and Shanghai, economic expansion and population density have accelerated neighborhood change. In places such as Mexico City and Lagos, redevelopment is often connected to issues such as informal housing and uneven access to infrastructure. Although these contexts differ, they all demonstrate how investment can reshape communities in ways that are not equally experienced by all residents.

Research institutions and international organizations continue to study these patterns in order to better understand their impact. Universities such as New York University and Harvard University, along with organizations like the World Bank and the Brookings Institution, analyze how housing markets, economic development, and public policy interact. Their research shows that

gentrification is not simply a local issue, but part of a larger global process that reflects deeper inequalities in how resources and opportunities are distributed.

4. Causes of Gentrification

Several factors contribute to the process of gentrification, many of which are connected to broader economic, political, and social dynamics. While the effects of gentrification are often visible through rising housing costs and demographic changes, the underlying causes are more complex and involve the interaction between investment patterns, public policy, and urban development decisions.

One of the most widely recognized explanations is the concept of the “rent gap,” which describes the difference between a property’s current value and its potential value after redevelopment (Smith, 1979). When this gap becomes large enough, it creates a strong incentive for investors and developers to purchase and renovate properties, leading to neighborhood transformation. This process is not simply the result of individual choices but rather reflects broader patterns in how capital moves and seeks profit in urban areas.

In addition to economic incentives, infrastructure and urban improvements play a significant role in accelerating gentrification. Projects such as public transportation systems, new parks, and redevelopment initiatives increase the desirability of certain neighborhoods. As these improvements attract new residents and businesses, property values tend to rise. Although these changes can enhance the quality of life in an area, they also contribute to higher housing costs, which can make it difficult for long-term residents to remain in their communities.

Government policies and planning decisions also shape the process of gentrification. Zoning laws, development incentives, and investment in urban projects can influence where and how

redevelopment occurs. In many cases, cities support large-scale development projects to promote economic growth. However, these policies may unintentionally contribute to rising housing costs if they are not accompanied by strong affordability measures (Metcalf, 2018). This highlights how public policy can both encourage development and create challenges for housing stability.

Finally, gentrification is closely linked to broader patterns of inequality. As higher-income individuals move into previously lower-income neighborhoods, the social and economic composition of these areas changes. While property owners may benefit from increased property values, renters often face rising costs and greater risk of displacement. This dynamic reinforces existing inequalities, as the benefits of redevelopment are among all residents. In this way, gentrification should be understood not as a single cause, but as the result of multiple interacting forces that shape how cities grow and change over time.

5. Government Policy and Housing Affordability

Governments have implemented a variety of policies to address housing affordability and reduce the negative effects of gentrification. These policies are often designed to balance economic development with housing stability, but their effectiveness remains widely debated. While some strategies aim to support lower-income residents, they often struggle to keep pace with the broader forces driving rising housing costs.

One common approach is the development of subsidized or affordable housing programs. These include government-funded housing projects, housing vouchers, and inclusionary zoning policies that require developers to set aside a portion of units at below-market rates. These initiatives are intended to make housing more accessible to lower-income populations and prevent displacement. However, the number of units created through these programs is often limited

compared to the overall demand for housing, especially in rapidly growing urban areas (Metcalf, 2018).

Another important factor is the role of developers and market incentives. Cities often encourage development by providing financial incentives or approving large-scale projects in order to stimulate economic growth. While these decisions can bring investment and improve infrastructure, they can also contribute to rising property values and increased housing costs if affordability measures are not strong enough. As a result, development can benefit the overall economy while still creating challenges for long-term residents.

In addition, housing policies are often influenced by local government decisions, such as zoning regulations and land use planning. In many cities, these regulations can limit the supply of housing, making it more difficult to meet growing demand. According to Gabriel Metcalf (2018), restrictions on housing development can significantly contribute to higher housing costs, as demand continues to increase while supply remains constrained. This suggests that, in some cases, policies intended to manage development may unintentionally worsen affordability issues.

Overall, while government policies play a critical role in addressing housing challenges, they are often not sufficient on their own. The scale of housing demand in growing cities tends to exceed the impact of existing programs, highlighting the need for more comprehensive and effective solutions. This reinforces the idea that gentrification is not only a result of market forces, but also policy decisions that shape how cities develop over time.

6. The Atlanta Beltline: Development and displacement

One of the most widely discussed examples of urban redevelopment and gentrification in the United States is the Atlanta Beltline. Originally proposed in 1999 by Ryan Gravel as a graduate

thesis project, the Beltline was later adopted by the city of Atlanta as a large-scale development initiative. The project aims to transform a 22-mile loop of former railway corridors into a network of parks, walking trails, transit, and new development. Over time, it has become a central part of Atlanta's urban growth strategy, attracting significant public and private investment.

Since its development began in the early 2000s, the Atlanta Beltline has contributed to substantial economic growth in surrounding neighborhoods. New residential buildings, restaurants, retail spaces, and public amenities have emerged along the corridor, particularly near the Eastside Trail. As a result, the project is often viewed as a successful example of urban revitalization.

At the same time, however, this growth has been accompanied by rising housing costs. Property values near the Beltline have increased significantly, often at a faster rate than in other parts of the city. In addition, rents and property taxes have risen, creating financial pressure for long-term residents. This trend reflects a broader pattern observed in growing cities, where housing demand increases more rapidly than supply (Metcalf, 2018).

Although the Beltline has made measurable progress in addressing affordability, the scale of development remains significant. The project has committed to creating or preserving 5,600 affordable housing units, and as of 2026, it has reached approximately 79 percent of that goal, with over 4,400 units delivered (Atlanta Beltline, Inc., 2026). Additionally, hundreds of new affordable units continue to be added each year through partnerships and public funding initiatives.

Nevertheless, these efforts must be understood in the context of rapidly rising housing demand. While thousands of units have been created, the increase in property values and overall housing costs has continued to outpace affordability efforts (Rough Draft Atlanta, 2025). As a result, many lower-income residents and renters still face displacement pressures despite ongoing housing initiatives.

Overall, the Atlanta Beltline illustrates both the opportunities and challenges of large-scale urban redevelopment. While it has successfully stimulated economic growth and improved infrastructure, it also highlights how development can produce uneven outcomes across different groups of residents.

7. Evaluating Affordable Housing Outcomes

While the Atlanta Beltline has been widely recognized for promoting economic development, its impact on affordable housing remains more complex. Although the project included clear goals to support affordability, the outcomes have not fully matched the scale of rising demand in surrounding neighborhoods. This raises important questions about whether large-scale development can effectively balance growth with housing accessibility.

One of the main challenges is that property values have increased more rapidly than affordable housing has been created. As investment flowed into areas near the Beltline, housing prices and rental costs rose significantly, making it more difficult for lower-income residents to remain in these neighborhoods. Although affordability programs exist, they represent only a portion of the total housing market. Consequently, many residents continue to experience financial pressure despite these efforts.

In addition, there is a noticeable gap between policy intentions and actual outcomes. Large redevelopment projects are often introduced with promises to support affordable housing and protect long-term residents. However, in practice, a significant portion of financial investment is directed toward infrastructure and economic development, while affordability programs receive comparatively fewer resources. This imbalance creates a situation in which economic growth is

achieved more successfully than housing stability, leading to a disconnect between policy goals and residents lived experiences.

Furthermore, affordability can be difficult to define and measure. A common standard suggests that households should spend no more than 25 to 30 percent of their income on housing. However, in rapidly developing areas, many residents exceed this threshold, indicating that affordability programs may not fully address the needs of those most affected by rising costs.

Ultimately, the case of the Atlanta Beltline demonstrates that redevelopment does not automatically produce equitable outcomes. While property owners and higher-income residents often benefit from increased values and new opportunities, renters and lower-income households face greater risks of displacement. Therefore, addressing affordable housing requires more than development alone. Without stronger and more comprehensive policy interventions, the pressures created by rising demand and investment are likely to continue outweighing affordability efforts.

8. Conclusion

Gentrification reflects the uneven distribution of economic growth and investment across urban spaces. As this paper has shown, redevelopment is not simply a local issue but part of a broader global pattern in which capital flows into specific areas, transforming neighborhoods and reshaping communities. While these changes can bring economic growth, improved infrastructure, and new opportunities, they also create challenges related to housing affordability and displacement.

The case of the Atlanta Beltline demonstrates both the potential benefits and the limitations of large-scale urban development. Although the project has successfully attracted investment and revitalized surrounding neighborhoods, it has also contributed to rising housing costs that affect

long-term residents. This highlights the difficulty of balancing economic growth with housing stability, particularly in rapidly developing urban areas.

In addition, the comparison between policy goals and actual outcomes suggests that current approaches to affordable housing may not be sufficient. While governments often introduce programs aimed at supporting lower-income residents, these efforts are frequently smaller in scale than the forces driving housing demand and price increases. As a result, the benefits of development are not equally distributed, reinforcing existing social and economic inequalities.

Ultimately, the challenge is not whether cities should pursue development, but how they can do so in a way that is more inclusive. Understanding gentrification as both an economic and social process is essential for creating policies that better address housing needs. Without stronger and more comprehensive strategies, urban development will likely continue to benefit some groups more than others, leaving many residents at risk of being displaced from the communities they have long called home.

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