

Cities for Tourists: The Demographic Consequences of Urban Land Rents

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Abstract

Tourism is widely recognized as a driver of local economic development (attracting investments, creating jobs, and expanding business opportunities), an effect commonly referred to as “tourism-led growth” (Balaguer & Cantavella-Jordá, 2002). However, it is also a determinant of social, cultural, environmental, and economic costs (e.g., gentrification and the displacement of local communities, Adie et al., 2020; Boussa, 2021) especially in situations of overtourism. Contemporary debates on overtourism see it not only as a matter of disproportionate increase in tourists’ number but as growing penetration into the residential fabric (Celata and Romano, 2022). In particular, urban centers are key hotspots of overtourism, and cities worldwide are increasingly shaped by global touristification and transnational mobility (Milano et al., 2024; Canada and Murray, 2019). Urban areas have been increasingly promoted as tourism products (Balletto et al., 2025) often prioritizing temporary visitors (travelers) over permanent residents (inhabitants), transforming and sometimes compromising urban space.

Since the 1990s, urban tourism has grown due to the expanded travel opportunities and strategic city marketing that increasingly commodifies urban spaces (Martinotti, 2005). Rising hypermobility and the concentration of visitors and temporary populations in cities have created negative impacts on residents—such as housing pressures, public space changes, and transport congestion—fueling academic debate and social protests (Bertocchi and Visentin, 2019; Celata and Romano, 2022; Koens et al., 2018; Milano et al., 2019). Mass tourism and the growth of short-term rentals—primarily driven by platformization—often clash with residential life, reshaping the spatial and social structure of contemporary cities. In particular, rising living costs – especially in central, historic, and highly touristic areas – are assumed to influence the areas of the cities where residents can afford to live and whether they can remain within the urban boundaries at all. This may influence the city’s demographic structure. While tourism can attract new populations (e.g., workers, residents, investors, second-home owners) it can also displace existing residents, with significant consequences for the urban socio-economic fabric.

This work investigates the interrelationships between tourism attractiveness, housing prices, and population dynamics across Italian provincial capitals. Specifically, it aims at testing the hypothesis that higher levels of tourist flows, in association with housing prices, influence local population trends. As tourism increasingly shapes urban economies, it also transforms real estate markets and potentially raises living costs, thereby affecting residential choices across demographic groups. For the purpose of testing these relationships, we develop a Structural Equation Model empirical framework that examines the effects of tourism intensity and housing prices on population turnover and on its mobility share. The results contribute to the

urban economics and tourism literature by shedding light on the demographic implications of tourism and real estate market related dynamics and offer relevant insights for urban planning and housing policy, especially in tourism-oriented cities.

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