

Abstract: Construction of high speed rail integrates regions and can possibly have significant impacts on the distribution of economic activities. Using the opening and extensions of high speed rail, Shinkansen, in Kyusyu, Japan, we examine the effects on the distribution of economic activities across urban agglomerations. We focus on changes in land price and estimate hedonic price equations to conduct the Difference-In-Difference analysis. We find that the large metropolitan areas gained from it by experiencing increases in land price whereas small metropolitan areas locating between them lost by experiencing decreases in it. However, such positive effects are shown to be limited to areas close to the Shinkansen stations.