This paper investigates the impact of real estate prices on local economic businesses within cities. I use a novel geo-located dataset of retailers and service providers, combined with information on sale and rental prices. I propose a unique empirical strategy that leverages the staggered implementation of a district heating system in Turin as an exogenous shock to housing prices. The analysis reveals that housing prices differently affect local economic sectors. While tradable sectors show resilience, non-tradable sectors experience a notable decline following the housing price shifts, exhibiting a negative effect of approximately 3\%. This is probably due to demographic changes, particularly among college students, who are primary consumers in the non-tradable sector. The paper highlight the complex interplay between housing market changes, demographic shifts, and urban economic businesses. Moreover, it emphasizes the critical role of housing market dynamics in shaping urban planning and policy decisions.