THE IMPACT ON PROPERTY VALUES OF
PARKS, TRAILS, GOLF COURSES,
AND WATER AMENITIES

John L. Crompton
Sarah Nicholls

SAGAMORE VENTURE
Contents

Preface.................................................................................................................................v

Executive Summary ...............................................................................................................vii

Chapter 1: Introduction ........................................................................................................1

Section 1: The Genesis and Evolution of the Proximate Principle ....................................25

Chapter 2: The Promise and Pitfalls of Using Proximate Real Estate to Fund England’s 19th Century Pioneering Urban Parks .................................................................29

Chapter 3: Early Evolution of the Proximate Principle in the United States .....................83

Chapter 4: The Impact of Parkways and Playgrounds on Proximate Property Values ..........143

Section 2: Empirical Evidence Relating to Parks and Property Values .............................161

Chapter 5: Empirical Studies from World War II to the New Millennium: The Era of Individual Park Studies .................................................................167

Chapter 6: The New Millennium Era of Mega Studies that Evaluated the Proximate Distance Hypothesis ..........................................................201

Chapter 7: Impact of Proximate Proportion of Park-like Spaces and of Views on Housing Prices .................................................................249

Section 3: Applications and Implications for Park Financing .............................................279

Chapter 8: Contemporary Applications of the Proximate Principle for Funding Parks ........281

Chapter 9: The Role of Parks and Open Space in Reducing Taxes ...................................297

Section 4: The Impact of Trails and Golf Courses on Property Values ..............................325

Chapter 10: The Impact of Trails and Greenways on Property Values ..............................327
<table>
<thead>
<tr>
<th>Chapter</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>The Impact on Property Values of Golf Courses</td>
<td>377</td>
</tr>
<tr>
<td></td>
<td><strong>Section 5: The Impact of Water Features on Property Values</strong></td>
<td>415</td>
</tr>
<tr>
<td>12</td>
<td>How Much Do Lakes and Reservoirs Contribute to Property Values?</td>
<td>421</td>
</tr>
<tr>
<td>13</td>
<td>The Effect of Rivers, Streams, and Canals on Property Values</td>
<td>449</td>
</tr>
<tr>
<td>14</td>
<td>The Impact of Surface Water Quality on Proximate Property Values</td>
<td>461</td>
</tr>
<tr>
<td>Appendix 1</td>
<td>Collective Public Benefits that May Accrue from Park and Recreation Services</td>
<td>505</td>
</tr>
<tr>
<td>Appendix 2</td>
<td>Potential Benefits Sought by Individuals by Participating in Park and Recreation Programs</td>
<td>509</td>
</tr>
<tr>
<td>Appendix 3</td>
<td>Template for Approximating the Contribution of the Proximate Premium to a Local Community's Tax Revenue</td>
<td>511</td>
</tr>
<tr>
<td>Index</td>
<td></td>
<td>520</td>
</tr>
<tr>
<td>About the Authors</td>
<td></td>
<td>531</td>
</tr>
</tbody>
</table>
Preface

In 1998, the National Recreation and Park Association (NRPA) published *The Impact of Parks and Open Space on Property Values and the Property Tax Base*, written by John Crompton. It reviewed the principles and empirical evidence relating to the economic contributions of public park and open space lands that were based on two premises.

First, they often increase the value of proximate properties, so an increase in revenues accrues to governments from the higher property taxes. In the pioneering eras of park development, this view was a central justification for urban parks and was widely articulated. However, after the Second World War it essentially disappeared from the lexicon of advocates, so by the 1990s few park professionals espoused it, and the author stated, “I have never heard it articulated by an elected official.”

The second premise is that public expenditures increase with development, because new residences require services and the cost of providing them invariably exceeds the tax revenues that accrue from them. Thus, the conversion of open space to housing generally results in an increase in the tax burden on existing residents.

The publication was a product of the enthusiastic support of Ms. Terry Hershey, who was the redoubtable doyenne of conservation in Texas. She heard the author discuss these issues over a period of many years and commented, “When are you going to write it all down? This is important for those of us fighting to protect the critters, open space and parks.” Ms. Hershey was a board member of NRPA and persuaded the executive director to publish that early effort.

The publication aroused a lot of interest in the parks field, and economists in other fields gave increasing empirical attention to this issue. As a result, NRPA commissioned and published an expanded version in 2004 under the title *The Proximate Principle*. Again, John Crompton was the author, but Sarah Nicholls wrote a new chapter addressing the impacts of water-based features on property values. In addition to including a chapter on water, this second edition offered an historical overview of the role of this economic impact in the development of urban parks in the 1800’s.

By 2004, a threshold number of empirical studies emerged about the nature and magnitude of the proximate principle to justify tentative generalizations. Thus, the edition included a “plug and chug” template for deriving an estimate of the proximate premium emanating from parks in a community.

In the 15 years since that second edition, an exponential increase in the number of empirical studies addressing this topic has emerged. The increase owes much to the emergence of geographical information systems, hedonic modeling, and enhanced statistical tools. These have led not only to an increase in the quantity of studies, but also a substantial improvement in their quality and level of accuracy.

Accordingly, Sarah Nicholls agreed to join Crompton in authoring this text, which aspires to present the current state-of-the-art in non-economist terms, so it is easily accessible to interested stakeholders. The number of chapters has expanded from seven in the second edition to fourteen and the depth of material in all the chapters is substantially enhanced.
Some of the sources used in the book are “fugitive” documents. That is, the material
did not appear in scientific journals or other mainstream publication outlets and, thus,
was difficult to find and access. Graduate students’ theses or dissertations; land trusts;
park advocacy groups; and planners and consultants produced much of this material for
the narrow purpose of making or evaluating the case for parks in specific local contexts;
rather than for the scientific purpose of exploring new methods or concepts. The sci­
tific quality of the work varies, but the remarkable consistency of the results with those
reported in the scientific literature generally reinforces them.

Since most professionals are generally interested in the “bottom line” rather than in
the methods used to get there, there are summaries of the chapter findings at the start
of the text.