

Second Edition



The **Proximate PRINCIPLE**

**The Impact of Parks, Open Space and Water Features on
Residential Property Values and the Property Tax Base**

by
John L. Crompton

Distinguished Professor
Texas A&M University



**THE PROXIMATE PRINCIPLE:
The Impact of Parks, Open Space and Water Features on
Residential Property Values and the Property Tax Base**

by

John L. Crompton

Distinguished Professor
Texas A&M University

Second edition

Published by the National Recreation and Park Association
22377 Belmont Ridge Road
Ashburn, Virginia 20148
Phone: 703-858-2190

© 2004 National Recreation and Park Association
ISBN 0-9758926-2-2

	Preface	vii
	Executive Summary	1
	Estimating the Magnitude of the Proximate Premium in a Local Community	9
Chapter 1	Context of the Issue	13
	The Proximate Principle	18
	Factors Influencing Capitalization	23
	Potentially Negative Influences of Parks on Property Values	24
	Using the Proximate Principle to Pay for Parks and Open Spaces	27
	Excess Purchase or Condemnation	27
	Spatial Assessment Districts	28
	Tax-Increment Financing Districts	31
	Creating New Parks in Advance of Development	34
Chapter 2	The Early Empirical Evidence	37
	Genesis of the Proximate Principle	39
	Regent's Park	40
	Prince's Park	41
	Birkenhead Park	44

	Implementing the Proximate Principle at Central Park	49
	The Ripple Effect of the Central Park Data	52
	Additional Evidence from New Jersey	53
	The Impact of Parkways on Proximate Property Values	55
	The Impact of Playgrounds on Proximate Property Values	60
	Conclusions	64
Chapter 3	The Later Empirical Studies	69
	Results from Urban and Suburban Studies	75
	The Influence of Different Park Design and Use Characteristics	87
	Related Empirical Findings	93
	Findings from Non Urban Studies	94
	The Impact of Large Federal or State Park or Open Space Areas on the Local Tax Base	96
	Findings Not Supportive of the Proximate Principle in Urban/ Suburban Contexts	98
	Conclusions	100
Chapter 4	The Evidence Relating to Greenway Trails	107
	Review of Empirical Findings	111
	Summary	119
Chapter 5	The Impacts of Water-Based Features on Property Values	123
	<i>by Sarah Nicholls</i>	
	Rural/Recreational Lakes and Reservoirs	125
	Resort-Based Coastal Shorelines	130
	Urban and Residential Waterfronts	131
	Water Quality	133
	Wetlands	134
	Conclusions	135
Chapter 6	The Analogous Case of Golf Courses	141
	Context	143
	The Analogy with Parks	144
	Alternate Golf Course Configurations	145
	The Bottom Line	147

	The Case for a Shift from Golf Courses to Park Space	150
Chapter 7	The Role of Park and Open Space Lands in Reducing Taxes	155
	The Prevailing Myth	157
	The Emergence of a New Municipal Math	163
	Evolution of Cost of Community Services Studies	167
	Cost of Community Services Study Methodology	168
	Review of Empirical Findings	170
	Limitations of COCS Analyses	173
	Implications for Parks and Open Space	175
	Conclusions	176
Appendix 1	The Three "Public" Benefits that may accrue from Park and Recreation Services	185