Measuring Trails Benefits: Property Value

How are trails related to property value?
Trails can be associated with higher property value, especially when a trail is designed to provide neighborhood access and maintain residents’ privacy. Trails, like good schools or low crime, create an amenity that commands a higher price for nearby homes. Trails are valued by those who live nearby as places to recreate, convenient opportunities for physical activity and improving health, and safe corridors for walking or cycling to work or school.

Price is not property owners’ only concern. Legal, well-marked access eliminates problems with trail users trespassing. Research also shows that those who opposed a trail prior to construction generally find a trail to be a much better neighbor than they anticipated.

When trails increase property value, local governments receive more property tax revenue. Depending on the trail, this revenue boost can help to partially offset the trail’s construction and maintenance costs.

Additional details on each of these topics, as well as other relevant research, are available at http://headwaterseconomics.org/trail.

Select Research Highlights
• In San Antonio, Texas, neighborhood trails were associated with a two percent house price premium. Trails that were surrounded by greenbelts were associated with a five percent house price premium.¹

• In southwestern Ohio, the Little Miami Scenic Trail is associated with higher property value in urban, suburban, and rural settings. Up to a mile away from the trail, for every foot closer to the trail, property value increase by about $7. A home a half mile from the trail would sell for approximately nine percent less than a home adjacent to the trail.²

• In suburban New Castle County, Delaware, homes within 50 meters of bike paths commanded a four percent price premium.³

• In rural Methow Valley, Washington, homes within one-quarter mile of trails benefited from a 10 percent price premium.⁴

• Along a popular trail in Austin, Texas, the price premium ranged from 6 to 20 percent, depending on whether the neighborhood had views of the greenbelt surrounding the trail and whether it had direct neighborhood access to the trail.⁵ This price premium translated to roughly $59,000 per year in additional tax revenue or five percent of the annual cost of trail construction and maintenance.⁶

How to use this information:
This research is of interest to property owners adjacent to a proposed trail, residential developers who are considering incorporating trails in new subdivisions, and local government staff who want to understand trails’ fiscal impacts.

This summary is one of five handouts describing the state of research related to the benefits of trails. The four other summaries address:
• Public health
• Business impacts
• Quality of life
• Overall benefits

This series offers a succinct review of common benefits identified in the 100+ studies in Headwaters Economics’ free, online, searchable Trails Benefits Library.
• In Indianapolis, researchers found that a high-profile, destination trail was associated with an 11 percent price premium for homes within a half mile of the trail. Other trails had no price premium.  

• In Seattle, Washington and upstate New York, adjacent property owners were concerned about trail-related crime before the trail was built. Researchers found no change in crime rate after the trail was built.

Methods
To measure the price premium attributable to proximity to trails, researchers use statistical models that compare the price of homes identical in all ways (e.g., size, age, number of bedrooms) except their distance from a trail. When this price difference is calculated over thousands of homes, researchers are able to estimate the average price premium for homes near trails.

Some research uses surveys to ask homeowners whether they believe the trail increases their property value and by how much. Due to the subjective and likely biased nature of these questions, conclusions from these surveys are unreliable. Careful statistical modeling provides more objective estimates.

Original studies and additional details on methods can be found in the Trails Benefits Library at http://headwaterseconomics.org/trail.

Contact
Megan Lawson, Ph.D. megan@headwaterseconomics.org, 406.570.7475.

Footnotes