

The impact of parks on property values: empirical evidence from the past two decades in the United States

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The notion that parks have a positive impact on proximate property values was recognized in the debates surrounding the pioneering of large urban parks in England in the first half of the nineteenth century, and subsequently in the spread of this movement to the US in the latter half of that century. The empirical basis for these early assertions was rudimentary and naïve. This paper reviews contemporary research using the more advanced analytical procedures now available to social scientists that has examined this issue. The findings confirm the initial rationale and suggest that a positive impact of 20% on property values abutting or fronting a passive park is a reasonable starting point guideline for estimating such a park's impact.

INTRODUCTION

The premise that parks have a positive impact on proximate property values derives from the observation that people frequently are willing to pay a larger amount of money for a home located close to a park, than they are for a comparable home. In effect, this represents a 'capitalization' of park land into increased property values of proximate land owners. The increments of enhanced value attributable to a park were used to fund early parks; just as such increments are used to fund golf courses in community golf developments in contemporary US society. The premise of the proximate principle undergirded the earliest parks in England. It was the central principle in John Nash's development of London's Regent's Park which was commenced in 1812; it was the core rationale for Richard Vaughan Yates' investment in Prince's Park, Liverpool, in 1842; and it provided the rationale for

investment of tax funds in the world's first publicly funded park in Birkenhead in 1847 (Crompton, 2004).

After touring Birkenhead Park in 1850, Frederick Law Olmsted was responsible for transitioning both its picturesque design principles and its proximate principle funding rationale to Central Park in New York City, and from there to urban park systems across the US. Thus, from the earliest days of urban park development in the United States from the 1850s through the 1930s, there was an insistent, almost inviolate conviction among park advocates of the legitimacy of the proximate principle. It was conventional wisdom among them, but it was also espoused by city planners and elected officials.

Olmsted and others undertook studies that appeared to confirm the intuitive validity of the proximate principle. Thus, for example, his studies at Central Park concluded that the annual debt charges incurred