

News

New Research Finds that Homeowners and City Planners Should 'Hit the Trail' When Considering Property Values

Two University of Cincinnati researchers will present interdisciplinary research at a national conference on planning and development of communities.

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Photos By: Trail photos by Ashley Kempfer

■ Location, location, location – it is often touted as affecting the value of residential property. Now, new University of Cincinnati research suggests that location near nature trails could hold a financial benefit for homeowners and ultimately neighboring communities.

University of Cincinnati researchers Rainer vom Hofe, an associate professor of planning, and Olivier Parent, an assistant professor of economics, will present their findings on **Sunday, Oct. 16, at the 52nd Annual Association of College Schools of Planning (ACSP) ENVISION Conference in Salt Lake City, Utah.**

The two researchers examined how the Little Miami Scenic Trail – a 12-mile southern stretch of the trail that runs through the Cincinnati metropolitan region – impacted residential property values in Hamilton County, Ohio. The scenic, multipurpose trail beckons walkers, hikers, skaters and bicycle enthusiasts and also has horseback riding paths.

“For the ‘New Urbanist,’ multipurpose trails provide the potential for bicycle commuting; help alleviate noise, pollution and congestion, and expand the means for green transportation and a community’s walkability,” write the authors.

Using a research model they developed, Parent and vom Hofe found that from a real estate perspective, trails can have significant, positive spillover effects on property values when these properties are located within reasonable distances to the trails.



Rainer vom Hofe, left, and Olivier Parent (Photo provided)

To be more specific, housing prices went up by nine dollars for every foot closer to the trail entrance. Ultimately, the study concluded that for the average home, homeowners were willing to pay a \$9,000 premium to be located one thousand feet closer to the trail.



Little Miami Scenic Trail

addition to standard parameter estimation. The average home studied was about 40 years old and had an average 2,203 square feet of living space. The average price was \$263,517.

As a planner, vom Hofe adds that even amid tough economic times and tough budget decisions by local governments, the research emphasizes that investment in infrastructure and public amenities is a solid investment that will result in a positive return for communities.

Parent adds that their future research will examine how the effect of the location of green spaces and transportation infrastructure on residential property prices has changed over the last decade in Hamilton County.

The research was supported by a \$21,000 interdisciplinary grant awarded in 2010 by the University Research Council at UC. The University Research Council Interdisciplinary Grant Program blends the diverse expertise of UC researchers and lays the groundwork for research that could open opportunities for federal funding.



The researchers say the majority of that funding was invested in developing a database of housing characteristics of some 300,000 properties over a 10-to-12 year period for use in this and future studies. The current study focused on 1,762 residential properties located within 10,000 feet of the trail.

The Association of Collegiate Schools of Planning promotes education, research, service and outreach related to planning, planning education and implementing planning beyond the classroom into the real world. The conference will examine how planning can play a more significant role in inspiring the positive transformation of towns, communities, cities and regions.

UC's School of Planning is one of the largest schools of its kind in the country. The Planetizen "2012 Guide to Graduate Urban Planning Programs" recently ranked UC's planning program among the best in the nation. UC's Department of Economics is part of the Carl H. Lindner College of Business, ranked as one of

The researchers say their study is among the first to quantify the impact of multipurpose trail proximity on residential property values while isolating the results from the biasing effect of nearby property values.

The research used street network distances between residential properties and the closest trail entrance, in



the top 100 best business schools by U.S. News & World Report 2011. The Department of Economics includes a core group of professionally active faculty in urban and regional economic development.

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