

Some Economic Facts Related to Trees and Land Use Decisions

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Why Manage Growth?



- Some growth will come to your city or county whether you want it or not.
- Some growth won't come to your city or county no matter what you do.
- Then there is a middle ground you can impact
 - **This part will decide your fate**

Some Economic Growth Facts

- Green Space
- The Impact of Development Types
- Southeastern US Results
- The Effect of Development Patterns
- Trees, Business and Property Values



Economic Benefits of Green Space



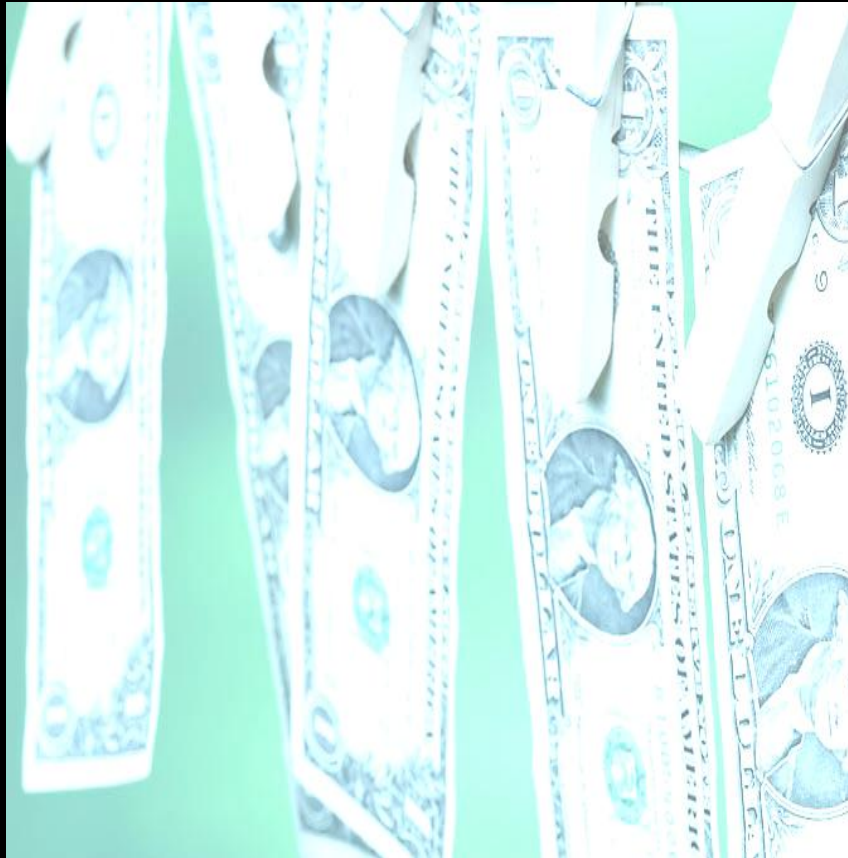
- Green spaces increase property values of surrounding land
- Green and open spaces can provide environmental amenities for free
- If green spaces contribute to quality of life, you attract people and jobs to community

Economic Benefits of Farm and Forest Lands



- These lands produce valuable products for consumers, generate jobs and tax revenues
 - **1/6 of all jobs and gross state product in GA**
- These lands attract businesses and families
- These lands also provide a net surplus to local government finances

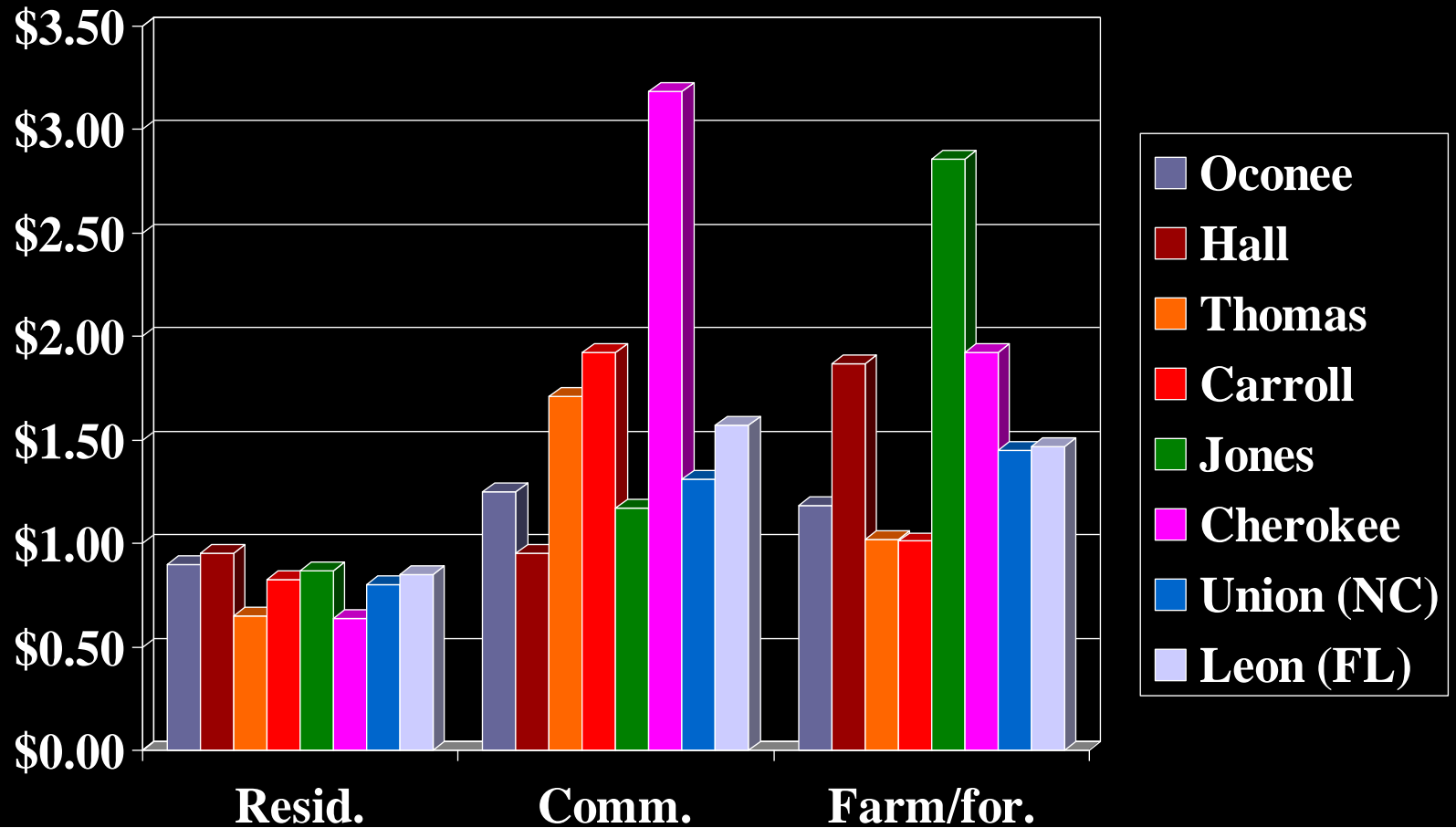
Development by Type



- Many counties and cities think that **growth** and **development** mean an **increasing tax base** and better financial health for the local government.
- Unfortunately a growing tax base is not enough to guarantee financial health, **you must get revenue to grow faster than expenditures.**

Some Southeastern US Results

Revenue:Expenditure Ratios

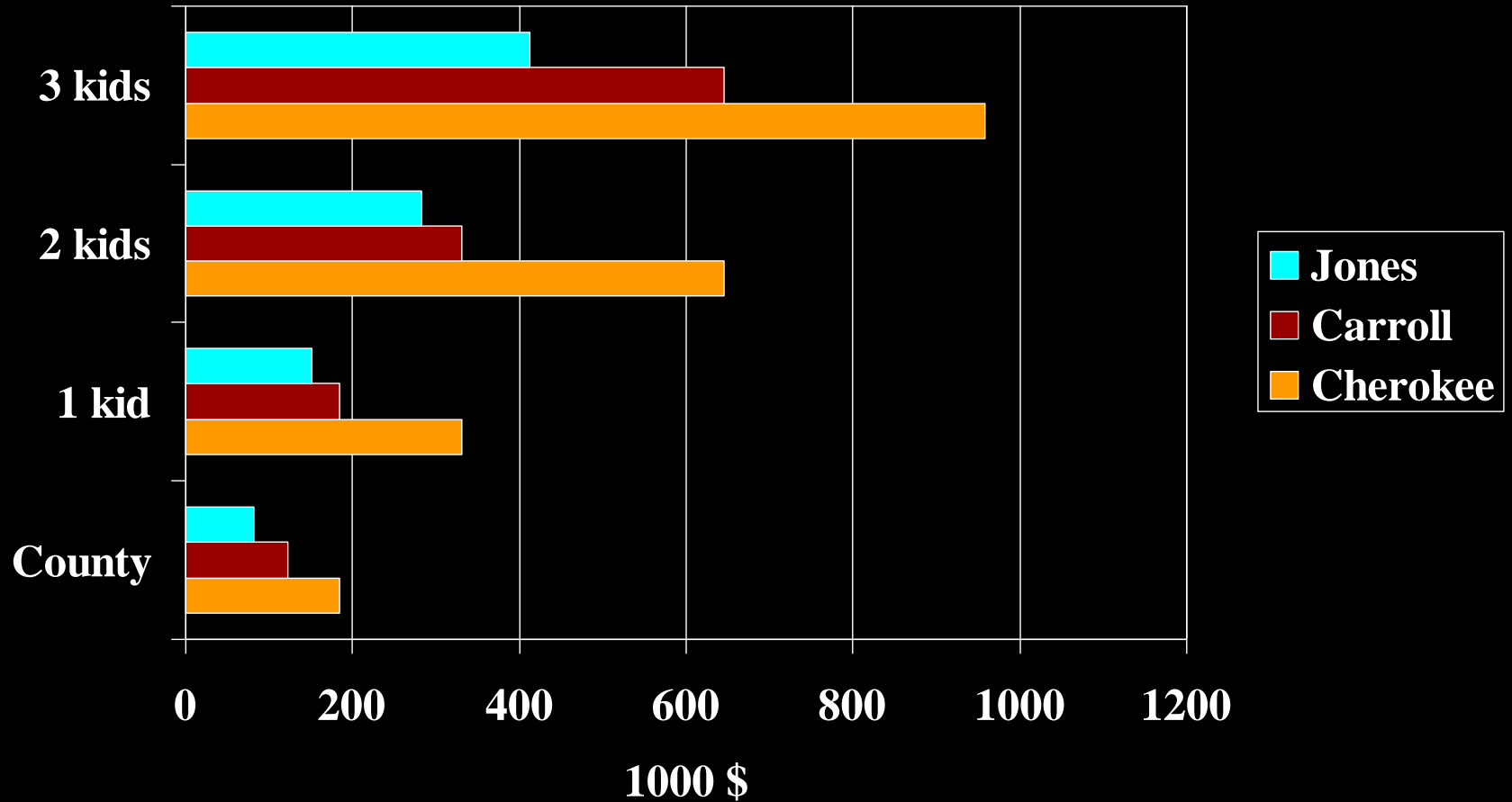


Jobs, Commuting, and Home



- 31% of workers in Rural South work in a different county than where they live.
- 52% of employment growth in metro areas was from in-commuters.
- 27% of employment growth in rural areas was from in-commuters.
- **jobs ≠ housing growth**
- Source: Mitch Renkow, NC State

Break-even Home Values



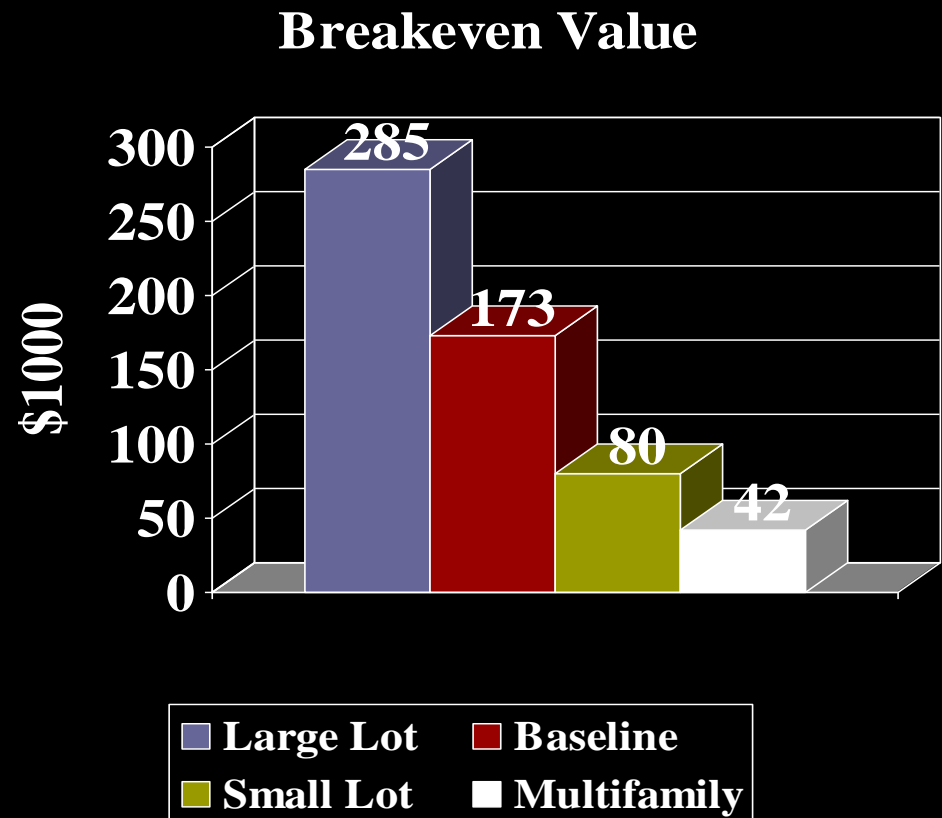
Development Patterns



- Development patterns have an impact on the cost of service delivery: **sprawl is expensive to service.**
- Cost of service goes down by 50% of land savings (use half the land, save 25%).
- If you have responsibility for infrastructure and utility systems, the savings can be even more.

Breakeven by Density, Location

- This city has average density of just < 1 per acre
- Can model density and location of housing
 - 2 acre lot, edge of town
 - 1/3 acre, midtown
 - Multifamily, in town



How to Save Trees

- Quality growth policies can lead to more tree canopy (.58% for each project).
- Better zoning ordinances save tree canopy.
- Stronger tree ordinances save tree canopy.



- Source: Hill, Dorfman, and Kramer, Land Use Policy (2009).

Trees and Home Values

- Home prices rise when within $\frac{1}{4}$ mile of trees and green space.
- Mixed forests increase value more than monoculture, hardwoods are better than pine.
- Smoother, managed edges are better than rough edges.
- Effects can be worth \$1000s on the average home price.
- Source: Nelson, Kramer, and Dorfman, “Estimating the economic benefit of landscape pattern: ...” Grant report to USFS (March 2004).

Example: Portland, Oregon

Distance	Urban Park	Natural Park	Specialty Park
< 200 ft	\$1,926	\$11,210	\$7,396
201 - 400 ft	\$2,061	\$10,216	\$5,744
401 - 600 ft	\$1,193	\$12,621	\$10,283
601 - 800 ft	\$817	\$11,269	\$5,661
801 – 1000 ft	\$943	\$8,981	\$4,972
1001 – 1200 ft	\$1,691	\$8,126	\$4,561
1201 – 1400 ft	\$342	\$9,980	\$3,839

Source: Lutzenhiser and Netusil “The effect of open spaces on a home’s sale price”
Cont. Econ. Policy 19 (2001). Study of 16,7474 home sales, avg price = \$66,198.

Why Trees are Good for Business

- Business attraction

- Parks, recreation, and open space amenities are most important quality of life measure in business location decisions



- Higher sales

- Attracts retirees, especially young, rich ones

- Source: Crompton, “Competitiveness: Parks and Open Space as Factors Shaping a Location’s Success in Attracting Companies, Labor Supplies, and Retirees,” in *The Economic Benefits of Land Conservation*, TPL, 2007.

Why Trees are Good for Taxpayers

- Avoided costs for average county
 - Stormwater
 - approx \$1000/ac
 - Water treatment
 - Air quality
 - approx. \$240/ac
 - Health costs
 - Energy savings



Other Resources



- To see similar slides to those printed here and other graphs, reports, and resources on the economics of growth and land use, you can use the web at:

landuse.uga.edu