

The Property Value Effects of the South Ridgeline Trail

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Executive Summary

Our paper examines the effects of the South Ridgeline Trail on the property values of nearby homes. The Lane Council of Governments' RLID database provided us with us with all single-family homes with housing characteristics and sales data within our sample area. The sample area was bounded by I-5, Chambers, 24th st., and the urban growth boundary.

We used a hedonic price model and regression to construct a model for home sale prices within our sample area. This model provided us with estimates for the effects of a change in a number of housing characteristics along with the effects of a change in a number of distance variables. Of those distance variables, the distance to the nearest trailhead was the one of focus for our study.

The distance to the nearest trailhead was strongly significant in our model, indicating that a change in that distance has a definite effect on the sale price of a home. One model we estimated has the value of a home increasing by \$6.77 for every foot of decrease in this distance, while another has the value increasing by 0.1% for every 1% decrease in distance.

Using those estimates we were able to get estimates for the total increase in property value enjoyed by all homes in our sample area from the South Ridgeline Trail. This estimate had a lower bound of \$80 million and an upper bound of \$300 million. This puts the annual property tax increases attributable to the trail at between \$0.64 million and \$4.5 million using the lower estimate and a property tax millage rate of \$8 per \$1000 and the higher estimate and a millage rate of \$15 per \$1000.