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# Land Conservation Boosts Home Values in Western Subdivisions

by **Bendix Anderson**

Colorado homebuyers are willing to pay a premium to live in subdivisions with protected open space. These premiums range from 20 to 29 percent on average, according to a new study by Colorado State University (CSU).

"We were not surprised that there was an effect, but we were surprised by the magnitude," says Sarah Reed, a scientist with the Wildlife Conservation Society and a principal investigator for "Comparative Analysis of Housing in Conservation Developments: Colorado Case Studies." Read the full report.

In recent years, dozens of counties in Colorado have adopted land use guidelines that ask subdivision developers to set aside land for wildlife conservation. The study zeroes in on 205 of these "conservation development" subdivisions in five counties. Researchers chose Chaffee, Douglas, Larimer, Mesa, and Routt counties as a representative sample of Colorado communities and because they had large numbers of conservation developments.

Conservation developments range from just a few houses on a large tract of land to suburban conservation subdivisions to large master-planned communities in urban areas. Ideally, the natural resources of a property are mapped and protected at the beginning of the development process and homesites are then clustered on a smaller portion of the site. On average, 62 percent of each development site is set aside as protected open space, according to the study.

The study compares home prices at these conservation developments with those at conventionally developed subdivisions with similar development yields. These comps include homes on gigantic lots—for example, "35-acre developments," in which each single-family home comes with its own 35 acres of land. Other comparable subdivisions include "large lot" subdivisions with an average lot size of 4.6 acres per home and unregulated conservation development projects.

Homebuyers still pay a premium for a home on a large lot compared with an average Colorado home—but not much, according to home sales numbers provided for the study by data firm CoreLogic. At a conventionally developed large-lot development, the boost to the average home price of additional privately held land is only nine cents per square foot or $4,062 per acre. A comparable conservation development that turned two-thirds of its development site into protected open space and clustered its homes on smaller lots on the remaining land would provide roughly twice the premium in its sale prices, according to the study.

"Our hope is that these strong results would give real estate developers more confidence in the value of conservation," says Reed. In addition to the market benefit of including conservation land in developments, developers may save on construction costs. That is because clustering homes closer together can reduce the amount of infrastructure needed to develop a subdivision.

There is reason to think the results in Colorado could be applicable to other housing markets. A wealth of data already shows the boost in urban home values that comes with proximity to a park. Also, 90 percent of homebuyers in the United States say that "environmental features are important," according to a 2008 study from the National Association of Realtors, which also funded the CSU study on conservation development along with CSU's School of Global Environmental Sustainability.

In the future, Reed hopes to measure the benefits to the environment from conservation developments and how wildlife is using the land. Typically more than half of the development site is conserved, she says. However, that conservation land often includes strips of land between private lots. A small proportion of conservation ordinances includes guidelines on creating contiguous stretches of protected open space that allow wildlife to travel safely.

**To learn more about this topic, purchase Conservation Communities , by ULI fellow Edward T. McMahon.**