

## Impact of Natural Features on Property Values

### Ecological Goods & Services Fact Sheet

#### Fast Facts

- Proximity to natural spaces adds, on average, between \$8,000 and \$10,000 to individual property values in Mississauga.
- In total, natural features add more than a quarter of a billion dollars to real estate values in just two areas of Mississauga.
- Other ways communities benefit from natural features include healthy recreation, clean water, and protection from floods.



Credit Valley Conservation (CVC) studied real estate values in Mississauga in an effort to quantify the monetary value that residents place on living near green space<sup>1</sup>.

The study looked at residential properties located within 100m of natural spaces such as ravines and parkland, using data drawn from the Ontario Municipal Property Assessment Corporation's databases to carry out a *hedonic analysis*<sup>2</sup>.

#### The Findings

- The majority of the increase in property values was attributed to green open spaces<sup>3</sup>.
- In the southern part of the city, deep, connected ravines with substantial tree cover were found to be more valuable than shallower ravines. In the north, ravine types in the middle of the range were found to be most valuable.
- The closer a home is to the natural feature, the greater the impact of the feature on the home's value.
- On average, natural features in **south Mississauga** increase individual property values by about \$8,010, or about 2.4% of the average property value in the area.
- Natural features in **north Mississauga** increase individual property values by about \$10,273, or 3.6% of the average property value.
- In total, natural features in the two market areas increase property values by about \$255,446,956.

In addition to the amenity values highlighted in this study, natural features in the watershed provide other valuable ecosystem services such as removing pollutants from the air, purifying water, and helping to protect property from extreme weather events such as flooding and wind storms.

CVC undertook this property values study as part of its ongoing research to better measure the true value of green spaces in our communities.

#### Protecting & Enhancing Natural Features

- Consider the natural features in your neighbourhood and community, and the benefits they provide.
- Learn more about how to protect and restore these natural areas. Participate in community clean-ups, and make your voice heard on development proposals.

<sup>1</sup>The Credit River Watershed - Property Value Appreciation: Impacts of Natural Features<sup>3</sup> was conducted with the assistance of DSS Management Consultants in 2009. For more information visit <http://www.creditvalleycons.com/bulletin/resources.htm>

<sup>2</sup>The hedonic pricing method is used to estimate economic values for environmental attributes that directly affect market prices (e.g., housing prices).

<sup>3</sup>The green space categories include publicly owned land with public access that is not planned for development.