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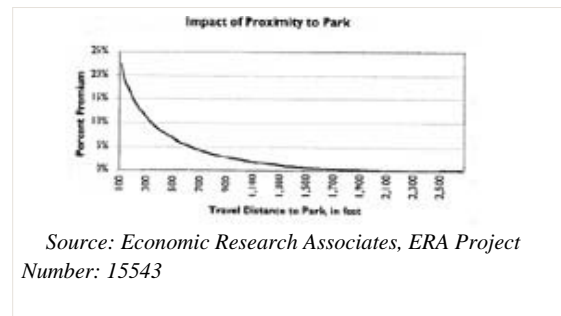
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Open Spaces & Their Impact On The Real Estate Market

As our parks arrive at the forefront of community and economic development projects, they have had a substantial impact among their surrounding properties. The real estate market consistently demonstrates that many people are willing to pay a larger amount for a property located close to parks and open space areas than for a home that does not offer this amenity. There are numerous quantitative as well as qualitative studies that support this assertion.



Statistical analyses is a common method used to measure the effect of park proximity and property values. These analyses attempt to isolate the effect of open space from other variables, which can affect property values, such as age, square footage, and the structural condition of homes.

In a recent study conducted by the National Association of Realtors, 50 percent of respondents said they would be willing to pay 10 percent more for a house located near a park or other protected open space. Other research has suggested that neighborhood parks can provide up to a 20 percent increase for homes within 200 feet of a park.

These findings have inspired real estate companies to promote park growth through their advertisements. They are highlighting our open spaces as a selling point in convincing buyers and renters to consider their properties.

The findings also hold true for commercial properties. After an extensive 12-year renovation, Bryant Park reopened in 1992 and quickly became the nucleus for fashion shows, jazz festivals and numerous other recreational events. Within two years of the reopening, leasing activity on Sixth Avenue increased 60 percent over the previous years. Between 1990 and 2000, rents for commercial office space near Bryant Park increased between 115 percent and 225 percent, compared with increases of between 41 percent and 73 percent in the surrounding area.

While academics have found renewed interest in testing the correlation between parks and property values, it is hardly a new idea. This process of capitalization of parkland into the value of nearby properties is termed the "proximate principle." This was something Frederick Law Olmsted used more than 100 years ago to justify the expense of building Central Park. Olmsted submitted calculations to the Board of Commissioners of Central Park in an effort to demonstrate how the Park would increase annual tax receipts for the surrounding wards by \$5.2 million from 1856-1873. He also predicted that real estate values in the surrounding wards would increase at a much higher rate than other city wards.

Research demonstrates that beautiful, well maintained parks contribute to enhanced real estate values. Hopefully, this correlation will encourage municipalities to view investments in public

Exhibit DD

parkland as increasingly essential.


Written by Danielle King

QUOTATION FOR THE DAY

"Where I was born and where and how I have lived is unimportant. It is what I have done with where I have been that should be of more interest."

Georgia O'Keeffe

(1887 – 1986)

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