

Protecting waterfront property values, local tax base

A growing body of research shows that waterfront property owners, local communities and taxpayers benefit economically from the amenities shoreland protection standards preserve: clean water, wildlife, scenic beauty, and peace and quiet. Here's a sampling of the benefits:

Benefits to private property owners

- A 2004 study of lakes in north-central Minnesota by Bemidji State University researchers found that a change in water clarity (an increase or decrease) can influence property values by as much as \$400 per foot of shoreline, or \$32,000 on an 80 foot lot. Removing native trees and plants and introducing lawns, as often results from development, can send more polluted runoff into a waterbody, altering its ecology and water quality.¹
- Shoreline frontage values in Vilas and Oneida counties increased an average of 7 to 12 percent when towns had zoning requirements of a minimum 200 feet of frontage for lots, according to a University of Wisconsin study based on data collected on the selling prices of 892 vacant lakefront properties in those counties from 1986-1995. The study indicated that the zoning requirement, by preserving clean water, natural scenic beauty and peace and quiet, generated an economic gain that more than offset the economic loss resulting from the constraints on development.²
- A 3-foot improvement in water clarity would result in \$11 to \$200 more per foot of shoreline property value, potentially generating millions of dollars in increased value per lake according to a 5-year Maine study of 900 lakefront properties on 34 lakes. Likewise, declining water clarity accounted for a 10-20 percent drop in selling price.³
- Peace and quiet, a rural atmosphere, recreational activities, privacy and natural amenities were ranked by recreational home owners in Burnett and Forest counties as the most important reasons for their site selection, according to a 1996 University of Wisconsin study.⁴ These findings echo findings of a 1995 survey of Maine waterfront residents, which found that the reasons for choosing the location to buy included water clarity (98%), quality of swimming (87%) and scenic beauty (82%).⁵

Community benefits from safeguarding clean water, good habitat, scenic beauty

- Scenic beauty and relaxation were the top reasons tourists gave for visiting Wisconsin and spending \$11.8 billion in the state in 2004. Tourism supported 309,000 full-time jobs and generated \$1.8 billion in revenues for state and local governments.⁵
- Each year 1.4 million licensed anglers spend 22 million days fishing in Wisconsin and \$1.1 billion on retail goods. That spending generates \$2.1 billion in economic activity and \$90 million in tax revenues.⁶
- 400 Wisconsin business executives surveyed in 2000 gave Wisconsin its highest rankings relative to other states for its quality of life, government services, and loyalty to area. **Availability and quality of water were the highest ranked quality of life topics.**⁷
- A Maine study showed that lake water clarity declining below the regional average caused a loss in property value -- and a resulting loss in tax valuation for the community. A 3-foot decline in average minimum water clarity would cause a loss of \$10.5 million, roughly 5 percent in total property value.³

¹Krysel, Charles; Elizabeth Marsh Boyer, Charles Parson, Patrick Welle. 2003. *Lakeshore Property Values and Water Quality: Evidence from property sales in the Mississippi Headwaters Region*. Mississippi Headwaters Board. ²Spalatro, Fiorenza, Bill Provencher. 2000. *Analysis of Minimum Frontage Zoning to Preserve Lakefront Amenities*. ³*More on Dollars and Sense: The Economic Impact of Lake Use and Water Quality*. Maine Department of Environmental Protection Lake Assessment Program. ⁴Pressing, John, David W. Marcouiller, Gary P. Green, Steven C. Deller and N.R. Sumathi. 1996. *Recreational homeowners and regional development: A comparison of two Northern Wisconsin counties part 2*. UW-Extension Staff paper. ⁵Wisconsin Department of Tourism. ⁶*Sportfishing in America: Values of Our Traditional Pastime*. American Sportfishing Association. 2001. ⁷Udell, John G., Nelly Navarro. 2000. *Wisconsin's Quality of Life as Seen by Manufacturers and Business Service Providers: A study of the Quality of Business and Personal Life in Wisconsin*. ⁸*State Equalized Values Up 7.3%*, Department of Revenue press release, 2002. 3. Davidson-Peterson Associates. 2001. *Economic Impact of Traveler Expenditures on Wisconsin*. Department of Tourism. 4. *In-Market Research Study*. 1998. Department of Tourism. 5. *1996 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation, State Overview*. 1998. U.S. Fish & Wildlife Service.