

DOES
MONEY
GROW ON TREES?

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BECAUSE THERE IS A
GREAT TREE
OFFER

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What is this report about?

A wide range of benefits are commonly attributed to high quality green spaces and the contribution of parks to a higher quality of urban life has been increasingly recognised in policy over the last 10 years.

Under-investment over previous decades has meant that too many parks and green spaces have been allowed to fall into neglect, acting as a magnet for crime and deterring investment in the area. Investing in green spaces reverses this spiral of decline enhancing the social, economic and environmental well-being of our communities. Across government, the emphasis on delivering Cleaner Safer Greener communities is prioritising improving the quality of local public space.

Specifically through the Sustainable Communities Plan, the creation of new communities in the South East and the revitalisation of blighted areas in the North and Midlands will necessitate the provision of well integrated, good quality green spaces in these neighbourhoods. It is hoped that the findings of this report contribute to securing the presence of good quality parks and green spaces as a key component of these areas.

The economic benefits of high quality green space

This report investigates the economic benefits of urban green space, specifically examining the impact of recent improvements to parks and green spaces on local property values as an indicator of the relative attraction local green spaces have for house buyers.

It aims to establish the impact of good quality parks and green spaces on the surrounding area. By looking at a number of case studies across the country, it suggests that high quality parks and green spaces contribute to the economic vitality of, and confidence in, a locality. Local perceptions of the value of a local area and its future have been improved because of the physical improvements to the park, increasing the confidence of people who live and invest in the area to stay there and not leave.

The key factors that impact on property values

Our research aimed to establish the effect of a park or green space on surrounding property values.

Each of the case studies surveyed revealed that some form of higher property value was associated with the presence of a high quality park. In some cases, this effect was highly localised, impacting only the properties immediately adjacent to the park, in others the influence appeared to go wider.

It was clear from the case study findings that a number of factors influence the park's impact on property values, including:

- Security and layout
- Building heights, density and housing layout
- Part of a wider park-like environment
- Park age
- Park size
- Maintenance
- Innovation



The higher property values associated with good quality green spaces reflects the preferences of house buyers for the type of environment in which they want to live (Image: Bristol City Council)

Security and layout

Security and perceptions of danger or anti-social behaviour in parks was found to have a major impact on keeping value premiums low or non-existent.

A very important factor relating to security was whether properties backed onto a park or faced it over a road. A street of houses overlooking a park may have a more effective 'caretaking and policing' function than one where activity behind back gardens is not so visible. This is an important consideration in the design of new developments incorporating public open space with residential properties.

Building heights, density and housing layout

In some locations the impact of a park may be limited by the nature of the buildings around it.

Where buildings are tall and block views of the park there is less of a value impact on the surrounding area. The potential for parks to have a wide area of influence may be affected by the orientation and height of buildings and the ability to glimpse the park through vistas or across the rooftops in the surrounding streets.



The more established, renovated parks, such as Mowbray Park, appeared to influence a greater uplift in property values (Image: Andy Hendry)

A street of houses overlooking a visually accessible park, positively influences feeling of safety and security (Image: Anwar Puneekar)



Part of a wider park-like environment

Parks which have a clearly defined boundary and are tightly enclosed by surrounding urban development seem to have a lesser sphere of influence than those where the visual impact of the park extends beyond the park's boundaries in the form of tree-planting and landscape.

Where the park is very much a feature of the wider surrounding area, with the road layouts and buildings forming part of the whole park area, the value premium associated with the park extends beyond the first block and is an important consideration in the design of new developments.

Park age and establishment

A number of the parks investigated in this study had been recently renovated or reclaimed.

The renovated parks tended to be well established (three of them were either Georgian or Victorian) and consequently the properties nearer to the park were older and in most cases much larger than the modern properties found around new parks. These older parks appear to experience a greater uplift in property values. While this uplift may be caused by the well-established nature of the neighbourhood, it is interesting that the nature of housing design and layout, dating from Georgian and Victorian times, and the tendency for properties to face the park rather than back onto it are also likely contributory factors impacting on higher values.

Park size

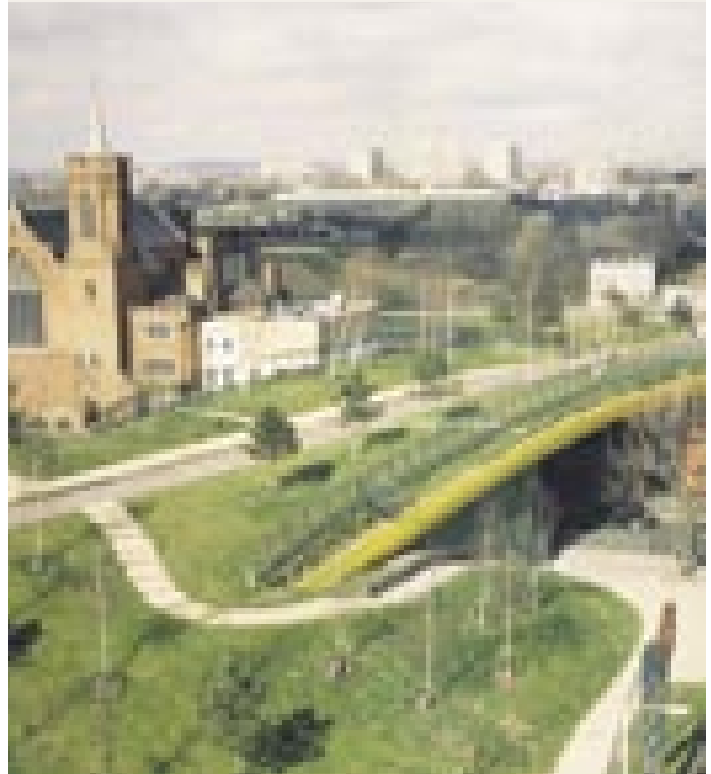
Larger parks can have a positive impact on local property prices, especially in relation to 'off park' locations. The larger the park the wider the value uplift associated with the park extends.

The relatively low value uplift associated with the large parks in this study this appears to be down to local demographics, as the medium sized parks clearly demonstrate a premium for 'off park' locations, around 15% higher than that seen for properties just off small parks.

The importance of maintenance

The standard of maintenance is all-important to the ongoing success of parks and green spaces. Renewal is a long-term process which needs to be characterised by high standards, ensuring that the mistakes of the past are not repeated. A number of the case studies have shown that the maintenance of a space and its facilities can be supported by a long-term strategy aimed at income generation.

High quality and innovative features within a green space can help to increase investor interest and confidence (Image: CZWG)



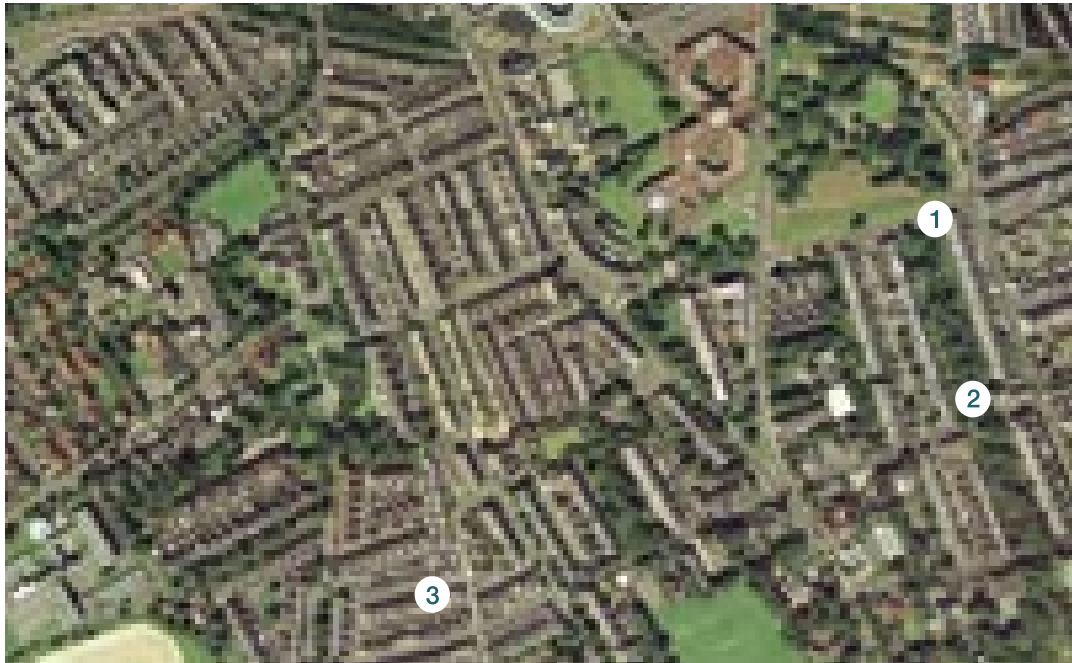
An investment in high quality public spaces has been instrumental in attracting new building occupiers to Canary Wharf (Image: H.G Esch Photography)

The importance of innovation

Unique or innovative features in the green space, especially those that meet the specific needs of the local community or relate to local contexts, will bring the scheme greater interest and offer potential wider marketing and publicity. The ability to blend tradition with innovation is often key to successful refurbishments of older parks and squares.

Are there commercial benefits for developers?

The conventional approach among developers is that land given over to open space represents a cost in the context of the whole development. This study shows that there can also be commercial benefits, by extended potential value uplift into neighbouring streets by careful landscape and urban design that preserves vistas and views of the park. In certain cases, for certain types of property, this cost could be offset, either partly or completely, by uplifts in land value. This is most likely to be the case in areas of higher housing demand and where local populations are more affluent. More sophisticated modelling of costs are recommended to test this potential.



Three property valuation locations were identified within the housing market area of each park

1

'on park' - adjacent to the park

2

'off park' - a street or block or two away from the park

3

'in area' - further away from the park

Research approach

The parks assessed in this study were:

Mesnes Park, Newton-le-Willows
Queen Square, Bristol
Boston Square Sensory Park, Hunstanton
Hulme Park, Manchester
Mowbray Park, Sunderland
Mile End Park, London
King George Recreation Ground, Bushey
Lister Park, Bradford

and for a commercial perspective;

Jubilee Park, Canary Wharf, London
Arlington Business Parks

The impact of both renovated parks and newly created green spaces on the surrounding community is assessed, with independent property valuations undertaken with selected local property market experts in each of the case study areas.

Market areas were defined on the basis of local knowledge and identifiable catchment areas for the local park, taking care to minimise the externalities of features known to influence the evaluation positively, such as inclusion within different school catchment areas or negatively such as busy main roads.

In each of the case studies identical properties in three different locations within the housing market area of each park were valued and compared:

- adjacent to the park (on park)
- a street or block or two away from the park (off park)
- further away from the park (in the market area)

There were wide variations in the results with uplift in property values of up to 34%. Properties adjacent to the park clustered at around a 5% to 7% premium over an identical property in the same market area, but outside of the influence of the park. Interviews were also undertaken with key local players affected by the improvements to the parks, covering local residential and business communities.

The full report can be freely downloaded as a PDF from: www.cabespace.org.uk

Research team

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 Supplementary information supplied
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