

White Paper

SOLID WASTE LANDFILLS AND RESIDENTIAL PROPERTY VALUES

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Summary

The effects of landfills and other solid waste facilities on nearby residential properties cannot be easily generalized; however, academic research and other evidence indicate that residential property values are not necessarily adversely affected by close proximity to such facilities. In some circumstances, the impact can be positive.

State-of-the-art, environmentally safe landfills, transfer stations, and waste-to-energy facilities are able to contribute to healthy land values through host community fees, tax revenues, jobs, reliable waste disposal services, energy generation, and infrastructure improvements.

Parker cites several examples, such as a study in Texas for a planned landfill, which concluded, “Throughout the state, research at other landfills has shown no decline in property values and, in many cases, nearby property values have actually increased around well-designed and operated facilities.”

Parker comments, “Generalizations and misinformation about the community impacts of these needed facilities only exacerbate the problem. The nature of this problem is aptly summarized by the First Law of Garbage, which is: ‘Everybody wants it picked up, but nobody wants it put down.’ And, the second part of this Law is: ‘Nobody wants it put down anywhere near them.’”

“NSWMA supports efforts to reduce our waste generation and to reuse and recycle as much as we can,” Parker adds. “Over the past decade, states and local communities have been successfully moving in that direction. But safe, environmentally protective disposal facilities will be needed regardless of how much waste can be reduced or recycled.”

Parker notes there is a “growing compatibility” between modern, highly engineered landfills and the physical and economic environments of communities. In support of this view, he points to the statement of a former official of the Illinois Environmental Protection Agency: “Landfills and communities can work together and accept each other and actually benefit from each other.”

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INTRODUCTION

A recent staff paper ^{1*} by two Pennsylvania State University professors, “The Impact of Open Space and Potential Local Disamenities on Residential Property Values in Berks County, Pennsylvania,” examined the impact of neighboring land use on residential property values in a predominantly rural county. Included in the category of land uses (“potential local disamenities”) were: landfills, airports, mushroom production, large-scale animal production, sewage treatment plants, and high-traffic roads. Among the staff paper’s conclusions was that the residential property values-price distance relationship was most significant for landfills and large-scale animal production facilities.

The National Solid Wastes Management Association (NSWMA) offers the following comments on the Pennsylvania State University study:

1. Other academic studies – including a 1982 Penn State study -- reach very different conclusions regarding the impact of landfills on property values. In fact, today’s state-of-the-art landfills provide a variety of economic, employment and community-enhancement benefits that typically contribute to property values.
2. The staff paper’s findings cannot be generalized, and should not stand for the proposition that home values automatically suffer when located near a landfill. Indeed, the authors caution against “extrapolating the results of this research” beyond the rural county studied. Thus, sweeping generalizations about the effect of a landfill or other solid wastes facilities (e.g. transfer stations, material recovery & recycling facilities, waste-to-energy plants) on a community should not be accepted as universally true.
3. It has become increasingly more difficult to site or expand modern, state-of-the-art landfills, which are fully protective of the environment and public health in compliance with federal and state laws and regulations. Generalizations and misinformation about the community impacts of these needed facilities only exacerbates the problem. The nature of this problem is aptly summarized by the First Law of Garbage, which is: “Everybody wants it picked up, but nobody wants it put down.” And, the second part of this Law is: Nobody wants it put down anywhere near where they live, the so-called “not in my back yard” syndrome (NIMBY), or “locally unacceptable land use” (LULUs).

* According to Pennsylvania State University, “staff papers are circulated without formal review of the Department of Agricultural Economics and Rural Sociology. Contents are the sole responsibility of the authors.”

4. Some argue that NIMBY is acceptable, that we can reduce, reuse and recycle waste at the source to such an extent that our need for landfills will simply disappear. NSWMA supports efforts to reduce our waste generation and reuse and recycle as much as we can. Over the past decade states and local communities throughout the nation have been successfully moving in this direction. But safe, environmentally protective disposal facilities will be needed regardless of how much waste can be reduced or recycled. Modern landfills are still an important part of U.S. EPA's hierarchy of options to safely and economically manage our solid waste.

INFORMATION ON LANDFILLS AND PROPERTY VALUES

Penn State research that is inconsistent with 2003 staff paper: A 1982 study² by Penn State researchers sought to isolate from other variables the effect that proximity to a landfill might have on real property values, i.e., actual sales. Essentially, this study determined that there was no “conclusive” evidence that these landfills had any adverse impact on the rate of community development in surrounding areas. The researchers found that different variables, such as property characteristics, and other factors led to nearly the identical result: property characteristics other than distance to the landfill appeared much more important in explaining prices. Furthermore, the study concluded that even in those cases where distance to a disposal facility would weigh heavily in the equation, there would probably be sufficient depth to the real estate market to prevent property depreciation.

“The Town That Loves Trash”: A 1992 segment of ABC's television program, 20/20, featured the community of Riverview, where an affluent residential development of over 100 homes sits across the street from one of the state's largest active landfills.³ A scan of the new homes shows beautiful properties selling for as high as \$500,000. According to the Mayor, “Garbage is good for Riverview.” ABC's John Stossel, who narrates this story, reports that revenue from hosting the landfill has allowed Riverview to refurbish the firehouse, buy a new fire engine, two new ambulances, and the community has the lowest tax rate in the community. Moreover, Riverview built a 27-hole golf course around the landfill to provide quality recreation for the homeowners.

The Detroit News: Eight years after the “20/20” story on Riverview, *The Detroit News* did a feature article on Riverview,⁴ pointing out that new homes across from the landfill range in price from \$400,000 to \$800,000. A homeowner who bought her home in 1994 for \$264,000 notes that “we just had it appraised at \$410,000.” The article reports that in Northville Township, Michigan, “the Stonewater development boasts million-dollar homes in view of the Arbor Hills West landfill less than one mile away,” and that “other states already have caught on to the value of property adjacent to landfills.” For example, two landfills outside Chicago, Illinois, “added golf courses to their landfills.” And in Commerce City, Colorado, a landfill was annexed by city officials “to help contribute to development” and “half-million dollar homes and millions in commercial and office development are planned just blocks from the landfill...”

Chicago Tribune: A 1994 *Chicago Tribune* article⁵ reported on the growing examples of upscale residential developments being built adjacent to or in close proximity to landfills: “Amid the farmhouses, cornfields and winding roads of rural Lake County, Illinois,” a 317 single family home development on 670 acres, with purchase prices from \$190,000 to \$300,000, is located near an 80 acre landfill.

Los Angeles – San Fernando Valley: A 1991 study⁶ of the effects on neighborhood property values from a landfill concluded that the “results suggest that a landfill, if well-designed and managed, can be a good neighbor and have no statistically measurable negative impact on surrounding property values.” The study analyzed 1,628 house sales in the San Fernando Valley of Los Angeles from 1978 to 1988. The target neighborhood, located adjacent to the landfill, was compared to two other neighborhoods that were similar in demographics, socioeconomic characteristics, and other factors, but were outside the area affected by the landfill.

Phoenix, Arizona: The San Fernando Valley study above and another with a similar finding, was relied on by the city of Phoenix, Arizona, in 2002, in response to potential questions regarding the effect on residential property values in conjunction with a planned landfill to be sited near the town of Buckeye, Arizona.⁷ The city also said that “recent studies in Arizona reflect these findings.”

Texoma Area Solid Waste Authority (TASWA): The Authority, composed of three Texas cities and two counties, advised the public that its planned state-of-the-art landfill would not result in a reduction in property values: “Throughout the state, research at other landfills has shown no decline in property values and, in many cases, nearby property values have actually increased around well-designed and operated facilities.”⁸ Moreover, “landfill operations, including landfill employees and vendors, will contribute significantly to the local economies which will, in turn, benefit area services including schools.”

Real Estate Appraisal Review: Several unpublished articles on the impact of landfills on property values⁹, suggest that landfills do not have a large impact on real estate development activities and prices. In one case, the development of a landfill required a large investment in infrastructure improvements, such as roads, utilities, drainage, etc., and an increase in value actually resulted.

Tacoma Washington: In Tacoma, Washington, the effects were studied¹⁰ of a 200-acre landfill on 665 residential properties sold between 1983 and 1986. There were three distinct neighborhoods within this area, and the results were statistically insignificant in two of these cases. In the third neighborhood the results were statistically significant, and the landfill had a positive impact on the surrounding property values. In fact, a new development complex was built directly adjacent to the landfill.

Philadelphia Magazine: An article in 2002¹¹ recounted how taxes had fallen, the public infrastructure had improved, businesses had moved in, and property values had gone up in Falls Township, Bucks County, as a result of a major landfill expansion in 1995. “Falls [Township] got a deal worth ... an estimated \$95 million in fees over 10 years. Falls’s debt was retired by December 2000, taxes have gone down every year since, millions have been spent on parks, 50-year-old roads have been repaved, other large businesses have moved in, and, amazingly, property values have gone up, despite, perhaps even because of, the landfill,” the article said.

While the above examples of high residential property values in close proximity to a landfill may not be typical and are influenced by many variables, they represent the present and growing compatibility of a modern, highly engineered landfill with its community’s physical and economic environment. A former official with the Illinois Environmental Protection Agency said it best: “Landfills and communities can work together and accept each other and actually benefit from each other.”¹²

In fact, communities throughout the country have embraced modern landfills as a significant business opportunity -- a source of economic stimulus, new jobs, more revenue infusion and improved civic services. The “host community” fees, property taxes, license fees and business taxes that a community receives from hosting a landfill have allowed for the elimination or substantial reduction in residential property taxes, construction of playgrounds and other recreational facilities, building new schools, hiring police and firemen, the purchase of new fire trucks and police cruisers, and making infrastructure improvements. Moreover, rather than reduce residential property values, these substantial community benefits should help to add value or, at least, reduce any marginal negative influence in the price-distance relationship of residential property to a landfill.

CONCLUSIONS:

1. Sweeping generalizations about the economic effects of a landfill on a community, one way or the other, should not be extrapolated as universally applicable. Academic research and other evidence show that residential property values are not negatively affected by close proximity to a landfill and, in some circumstances, expensive home developments are built near landfills. These studies are counter-weights to those reaching a different conclusion. Decisions relating to site selection and construction of a landfill or expansion at an existing site will depend on the circumstances of each particular case.
2. There are many examples of expensive residential developments located directly across from or in close proximity to a landfill. Landfill benefits that contribute to healthy property values include host community fees, tax revenues, job creation, reliable solid waste disposal services, energy from landfill gas, infrastructure and civic improvements.
3. Today’s landfills are state-of-the-art. The U.S. EPA has promulgated regulations for municipal solid waste landfills that ensure that they are protective of human health and the environment, regardless of where they are located. Today’s landfill standards include strict: location restrictions, operating requirements, groundwater and air protection requirements, monitoring requirements, and closure and post-closure care requirements.. States are free to require even more stringent rules. Today, all states have adopted rules that meet or exceed the federal regulations.
4. The site selection and construction or expansion of an existing landfill is not a quick process. Generally, it takes several years or longer from start-to-finish before a new landfill or an expansion is fully permitted and operational. Local zoning and land-use requirements also are addressed. The permitting process provides for “notice and comment,” and participation by proponents and opponents of the project, as well as other stakeholders, is invited to make their views and concerns known at public hearings.

(Questions or comments to this report should be addressed to Bruce J. Parker, President & CEO, National Solid Wastes Management Association (NSWMA), (202-364-3730 / bparker@envasns.org)

REFERENCES

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- ¹¹ Ivan Solotaroff, "Trashville," *Philadelphia Magazine*, December 2002.
- ¹² Steve Mills, *Chicago Tribune*, supra, footnote 5.