

11/27/2018

To Whom It May Concer:

Property Values Decrease with Airport Expansion

Thank you for hosting this public hearing. It is heartening to see the communities brought together to discuss our concerns about the proposed expansion of the Aurora State Airport.

"Studies have shown that aircraft noise does decrease the value of residential property located around airports. Although there are many socio-economical factors which must be considered because they may negatively affect property values themselves, all research conducted in this area found negative effects from aviation noise, with effects ranging from a 0.6 to 2.3 percent decrease in property value per decibel increase of cumulative noise exposure."

I don't know the details of what kind of decibels we are experiencing, I am a realtor and a local resident, not a sound specialist. But I do know what it's like to be woken up out of a dead of night, sometimes multiple times, sometimes every night. In summers we experience noise loud enough to stop conversation on the patio or, if windows are open, drown out the TV.

The basic conclusions of the studies in residential devaluation that I have attached are as follows:

- 1, Property values are affected by proximity to airport noise.
2. Lower valued property shows a decrease in value of 5-7%.
3. High valued property can show as much as 28% reduction in value.
4. Lower values reduces tax base overall for the county of residence.

My husband & myself oppose Airport expansion in order to accommodate larger planes

Ginger Bennett, Broker RE/MAX Equity Group & resident at 25108 NE Prairie View Dr, 97002

Ginger Bennett  
Thomas R. Bennett

## Effects of Noise on Property Values

Studies have shown that aircraft noise does decrease the value of residential property located around airports. Although there are many socio-economical factors which must be considered because they may negatively affect property values themselves, all research conducted in this area found negative effects from aviation noise, with effects ranging from a 0.6 to 2.3 percent decrease in property value per decibel increase of cumulative noise exposure.

In 1994 the consulting firm of Booz-Allen & Hamilton, Inc. prepared a report titled *The Effect of Airport Noise on Housing Values: A Summary Report* for the Federal Aviation Administration. The report describes a methodology for evaluating the impact of noise on housing values. The methodology essentially compares market prices in similar neighborhoods that differ only in the level of airport-related noise.

- In pilot studies using this method, Booz-Allen found that the effect of noise on prices was highest in moderately priced and expensive neighborhoods.
- In two paired moderately priced neighborhoods north of Los Angeles International Airport, the study found "an average **18.6 percent** higher property value in the quiet neighborhood, or 1.33 percent per dB of additional quiet."
- A 1996 study funded by the Legislature of the State of Washington used a somewhat similar methodology and found that the proposed expansion of Seattle-Tacoma Airport would cost five nearby cities \$500 million in property values and \$22 million in real-estate tax revenue.
- In 1997 Randall Bell, MAI, Certified General Real Estate Appraiser, licensed real estate broker, and instructor for the Appraisal Institute, provided the results of his own professional analysis to the Orange County Board of Supervisors. Comparing sales of 190 comparable properties over six months in communities near Los Angeles International Airport, John Wayne Airport, and Ontario Airport, Bell found a diminution in value due to airport proximity averaging **27.4 percent**.
- Bell has also developed a list of over 200 conditions that impact real estate values -- airport proximity is categorized as a "detrimental condition."

## AVIATION NOISE LAW

### Airport Noise and Residential Property Value

#### Effects of Airport Noise on Housing Value

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A 1996 study funded by the Legislature of the State of Washington used a somewhat similar methodology and found that the proposed expansion of Seattle-Tacoma Airport would cost five nearby cities \$500 million in property values and \$22 million in real-estate tax revenue. The study of single-family homes -- all in "very good" condition, with three or more bedrooms and two or more baths, and excluding the most expensive and inexpensive units to provide more representative comparisons -- found that "a housing unit in the immediate vicinity of the airport would sell for **10.1 percent** more -- if it were located elsewhere."

The Washington study also concluded: "all other things remaining equal, the value of a house and lot increases by about 3.4% for every quarter of a mile the house is farther away from being directly underneath the flight track of departing/approaching jet aircraft." (Details can be found in [Sections 9.01 - 9.07](#) of the study.)

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190 comparable properties over six months in communities near Los Angeles International Airport, John Wayne Airport, and Ontario Airport, Bell found a diminution in value due to airport proximity averaging **27.4 percent**. (See the [full report](#).) Bell has also developed a list of over 200 conditions that impact real estate values -- airport proximity is categorized as a "detrimental condition."

### **Disclosure of Airport Noise to Buyers**

California law requires sellers to reveal noise and other nuisance factors in a [Real Estate Transfer Disclosure Statement](#) prior to sale, permitting prospective buyers to look elsewhere or to lower their offers.

As of January 1, 2004, residential property owners in California are required, under certain circumstances, to disclose to prospective buyers that the property is in the "vicinity" of an airport (Assembly Bill 2776, 2002). (See [AB 2776](#).)

### **Avigation Easements**

Airports can acquire avigation easements in the airspace over neighboring properties in order to (1) prevent construction of buildings and towers, planting of trees, installation of lighting, or any other development that might interfere with aircraft takeoff and landing, or (2) protect against liability for any nuisance caused by airplanes using the airport, i.e., the impact of noise, fumes, and vibration on the "use and enjoyment" of properties under the flight paths to and from the airport. The former is a type of "hazard easement" while the latter is a type of "nuisance easement" but in practice both are called avigation easements. The two types are not typically combined in one legal document, although they may be.

Airports rarely take the trouble to acquire nuisance avigation easements by initiating condemnation proceedings. The nuisance easements are sometimes imposed on new developments near an airport, but only if the airport owner (a city or county) also has jurisdiction over the land surrounding the airport. An airport may also require a nuisance avigation easement as a condition for installing insulation against noise in homes and schools. When sued for nuisance by neighboring landowners, airports assert that they have a *prescriptive* avigation easement over the plaintiff's land and therefore are not liable for any nuisance due to aircraft noise, fumes, or vibration. In theory a prescriptive avigation easement is acquired by simply flying over the property for a number of years (the number set by state law to perfect a claim for adverse possession). However, only California courts have come close to recognizing

avigation easements acquired by prescription (see link below to discussion of prescriptive avigation easements).

If the provisions of the easement are written broadly, the easement could preclude the property owner from successfully suing the airport for maintaining a nuisance (such as noise, air pollution, or airport lighting). For example, the easement might contain language that grants the airport the right to create noise, dust, vibration, fumes, etc. from aircraft presently using the airport as well as any *future* aircraft at the airport. If at the time the easement was granted the airport was used only by small, propeller-driven planes, but now a variety of helicopters fly in and out of the airport, the property owner would have difficulty arguing that the airport had exceeded its rights under the easement.

Avigation easements are recorded in the county recorder's office and show up in a title search. Like most easements, they are binding on any future owners of the property. See the following:

- [California Public Utilities Code section 21652](#) (statutory authority for avigation easements)
- Sample avigation easements: [California sample](#), [FAA model](#)
- [Prescriptive Avigation Easements](#)
- ["Avigation Easements, and Lawsuits for Inverse Condemnation and for Nuisance"](#) by Ronald D. Steinbach, Attorney at Law (California)

**[Revised Nov. 13, 2004]**

## Chapter: Chapter Ten - Aviation Noise Effects on Property Values

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Page 19 [Share](#)

**Suggested Citation:** "Chapter Ten - Aviation Noise Effects on Property Values." National Academies of Sciences, Engineering, and Medicine. 2008. *Effects of Aircraft Noise: Research Update on Select Topics*. Washington, DC: The National Academies Press. doi: 10.17226/14177.

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Aviation noise has a direct effect on property value. The effects of aviation noise on the buyer and seller determine the value of properties within proximity to aircraft operations. The noise level at a given property location becomes one of many property features and amenities (number of rooms, crime rate, schools) that make up the total value of that property. Research conducted on the effects of aviation noise on property value used several different methodologies resulting in outcomes ranging from effects of substantial negative impact to effects of no impact. Most studies attempted to control for and measure the noise variable alone. However, some studies coupled aviation noise with airport proximity, and therefore measured the positive and negative impacts of two variables that essentially could not be present without the other (or that were dependent on each other). Recent studies used GIS not only to analyze large amounts of data, but also to integrate spatial autocorrelation to analyze the relationships among residential properties and other features in proximity; that is, other homes, airports, schools, roads, etc. Looking at future research, one can expect that the powerful GIS tool will facilitate a better understanding of this topic. In contrast to most results, a study conducted in the city of College Park, Georgia, concluded that noise did not significantly affect the values of residential properties (Lipscomb 2003). Unique community demographics and characteristics attributed to this finding; specifically, many community residents were employed in airport-related occupations so distance from the airport (short work commute) was given greater importance during the home purchasing process. Results from a survey of 200 realtors and 70 appraisers in 35 suburban communities near Chicago O'Hare International Airport found that a significant segment of buyers lack adequate information about the noise environment, resulting in inflated bid prices and likely in disappointment after purchase (Frankel 1991). The author continued by classifying noise-affected property owners into two groups: those who came to their location when the location was quiet and later became the subject of aircraft noise and those who purchased the property near an operational airport from a previous owner. The report stated that it was the members of the first group who bore the true burden of airport noise. If noise exposure decreases property value, one could reasonably presume the second group was compensated for the existing noise exposure once they willingly purchased properties that sold at a market-discounted price. This has led to the description of aircraft noise as a one-time effect on property value. A study conducted around Manchester Airport, England, showed that when using the Noise and Number Index (similar to DNL and no longer used), results revealed no significant negative