

Impact of the Economic Obsolescence Imposed by Landfills on Residential Property Values

This study is limited in scope to possible negative effects a landfill might impose on area property values. This assessment employs mass appraisal techniques and is intended to show only general valuation effects on properties located in close proximity to a major landfill.

Sales in four subdivisions and their relevant landfills were used in this study:

Tangerine Landfill – Gladden Farms (closest proximity) and San Lucas

Los Reales Landfill – Rancho Valencia (closest proximity) and Empire Vista

All of these subdivisions have been developed in the past 10 years; they consist of production homes of average quality; they are easily accessible to and from the I-10 Freeway.

The sales data analyzed came from the Pima County Assessor's records. The unit of comparison is sale per square foot.

General Economic Effects on Residential Property Values

The overall decline in residential property values in Pima County is the effect of factors that can be applied generally and *equally* to all properties. These are: the credit crisis which is limiting the availability for mortgage loans; foreclosure sales that are driving down home values; unemployment; over building from speculative investments that increased inventories.

Specific Factors Effecting Residential Property Values

Location is the single most important factor influencing residential property values especially for families whose purchasing decisions are based on the desirability of certain amenities within a particular location. These are:

- Schools – Perceived quality of school districts heavily influences buying decisions and perceived value.
- Transportation – Accessibility to major thoroughfares, traffic conditions and commute times to major employment centers are important conditions influencing value.
- Shopping – Accessibility to major retail centers.
- Parks and Recreation – The availability within a community of parks and leisure activities directly affects the desirability of a specific location.

These factors can positively or negatively affect the desirability and subsequently the property values within a specific location.

There are other specific factors that can affect property values, especially environmental (floodplain) and economic (waste water treatment facilities, airport noise zones and landfills) obsolescence.

Tangerine Landfill

The two subdivisions compared for the effects of the Tangerine Landfill are the Gladden Farms development and the San Lucas development.

Gladden Farms is located to the west of the I-10 Freeway and north of the Tangerine Landfill. Access is shared with the landfill by the newly installed four lane Tangerine Farms Rd.

San Lucas is located to the east of the I-10 Freeway. Access is negatively affected by a railroad crossing and is accessible by a two lane road.

Both subdivisions are equally desirable in relation to the factors Schools and Shopping. They are both in the Marana Unified School District. They are both equally distant from the closest major retail center at Cortaro Farms Rd. and I-10.

Gladden Farms is superior in that it has walking and bicycle paths and parks. It is also more convenient to the Town of Marana parks.

Subdivision	2007 Sales	2007 per SF	2009 Sales	2009 per SF	Pct. Decline
Gladden Farms	49	\$143.67	60	\$105.10	-26.85%
San Lucas	104	\$113.84	45	\$95.37	-16.23%

The sales statistics indicate the Gladden Farms has experienced a much greater decline in value than San Lucas. Possible reasons for the steeper decline specific to Gladden Farms is that during this time frame Tangerine Farms Rd. opened and it now services traffic to both the homes and the landfill. The traffic mix of large waste haulers and commuter cars as well as families traveling to and from shopping, as well as the close proximity to the land fill has diminished the desirability of this location.

Los Reales Landfill

The two subdivisions compared for the effects of the Los Reales Landfill are the Rancho Valencia development and the Empire Vista development.

Rancho Valencia is located to the south of the I-10 Freeway and north of the Los Reales Landfill. Access is from Valencia and Swan Roads.

Empire Vista is located to the north of the I-10 Freeway. Access is from Valencia and Littletown roads.

The access to the Los Reales Landfill from the I-10 Freeway is by way of Craycroft and does not affect either of these subdivisions. Access from the southwestern portions of the City of Tucson is by way of Valencia and Swan Roads.

The Schools, Shopping and Parks and Recreation factors are equally applicable to these two subdivisions. Only the Transportation factor, taking into account the traffic from large trash haulers and City of Tucson trash trucks, makes the Rancho Valencia subdivision a less desirable location. Rancho Valencia is closest in proximity to the landfill.

Subdivision	2007 Sales	2007 per SF	2009 Sales	2009 per SF	Pct. Decline
Rancho Valencia	148	\$108.96	66	\$94.40	-16.22%
Empire Vista	104	\$113.84	69	\$102.04	-10.36%

The property values declined at a greater rate in the Rancho Valencia subdivision which is affected by the Los Reales Landfill.

Probable Effects of the Proposed Marana Regional Landfill on Residential Property

The results of this sales analysis indicates that the proximity to a major landfill *depreciates* residential property values.

First it must be acknowledged that sales analysis relating to the effects of landfills on property values involved subdivisions that were *developed many years after the establishment of the landfills*. Buyers of homes in Gladden Farms and Rancho Valencia were or should have been made aware of the negative impact of economic obsolescence on their property values by the developers who sold them their homes.

In the case of the proposed Marana Regional Landfill the negative impact of economic obsolescence would be *imposed* after their properties were purchased. Since the local residents purchased their homes with the existing zoning, rural low or medium density, prior to any rezoning they could be *negatively impacted at a greater rate of depreciated value* than the subdivision properties used in this study.

The sales analysis and conclusion was produced by:

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