

Addendum on Unprotected Views

I was asked to prepare an addendum to this report addressing a point raised at the August 11th hearing on the Crab Creek storage facility. At the hearing, the permit applicant's appraiser, Mr. Kyle Winters, asserted that a desirable view cannot add value to residential property unless that view is permanently protected — for example by an easement preventing development nearby. This statement, which was not supported by evidence, is inaccurate. Moreover, its inaccuracy is demonstrated by the research materials I reviewed in preparing this report.

RESEARCH ON THE VALUE OF A VIEW

In this report's annotated bibliography, I included one book chapter and nine research studies that focus on the value of a view. These sources affirm that a desirable view such as mountains, water, or pastureland increases the value of residential property. Many of them quantify the value increase under different circumstances. **Not one of these sources says, hints, or even implies that a desirable view increases property value only if the view is permanently protected.**

Moreover, one study, "The Effects of Open Space on Residential Property Values" shows that nearby pastureland increases the value of residential property whether or not the pastureland is permanently protected. Residential property values, this study shows, range along a continuum. The highest values occur near permanently protected pastureland. The next highest values occur near unprotected pastureland. The lowest values occur near pastureland that has been converted to commercial or industrial uses. (*Id.* at 475.) In other words, **nearby pastureland boosts residential value regardless of whether the pastureland is permanently protected.**

RESEARCH ON VIEW DIMINUTION

"View diminution" refers to a situation where a desirable view is blocked or impaired by a new land use. View diminution is discussed in two sources in the bibliography: *Real Estate Damages* by Dr. Randall Bell, and "The Value of a View: Quantifying the Damages of a View Once Seen."

These sources discuss multiple situations in which a residential view is impaired by new development, and **the value drops despite the fact that the view is not permanently protected.** Examples include an ocean view and a city skyline view impaired by new construction, and a hillside view blocked by a new supermarket.

In this context, Dr. Bell mentions the same argument made by Mr. Winters, the applicant's appraiser: "It is sometimes argued that views have value only if they are protected by a view easement, a zoning ordinance, or covenants, conditions, and restrictions...." Dr. Bell then debunks this myth: "**The market,**" he says, "**often assigns significant value to desirable views irrespective of whether such views are protected by law.**" (*Id.* at 147.)

The assertion made by Mr. Winters — that a desirable view cannot add value to residential property unless it is permanently protected — is inaccurate. This inaccuracy is amply demonstrated by the sources I cited in this report, as well as through my decades of experience as an MAI appraiser.