

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."