



New Phoenix Center Analysis Finds No Negative Effect On Housing Prices From Quarry Operation

Sand, rock and gravel are literally the foundation of economic development, but their extraction process can generate dust, noise, vibration, and truck traffic. While modern technologies and methods have greatly reduced quarries' impact, the environmental and economic consequences of quarry operations receive considerable attention, often in the form of adversarial "not in my backyard" (or "NIMBY") campaigns. A key complaint is that quarries reduce home values.

In a new POLICY PAPER entitled Quarry Operations and Property Values: Revisiting Old and Investigating New Empirical Evidence, Phoenix Center scholars Dr. George S. Ford and Professor R. Alan Seals of Auburn University analyze the relationship between home prices and quarry operations and find no compelling statistical evidence that either the anticipation of, or the ongoing operation of, rock quarries negatively impacts home prices. If anything, the Phoenix Center's scholars find that home prices fall – not rise – as the distance from the quarry increases. Drs. Ford and Seals also scrutinize an earlier and oft-cited study on the relationship between home prices and quarry operations and find severe defects in that analysis.

"Sand, rock and gravel are literally the foundation of economic development, but some homeowners fear a quarry will reduce nearby property values," said study co-author Phoenix Center Chief Economist Dr. George S. Ford. "Our search for evidence that quarries reduce home prices in thousands of transactions turns up empty. Only one earlier study finds such a link, but a close look at that study indicates it was poorly designed, used unreliable statistical methods, and the findings cannot be replicated."

A full copy of PHOENIX CENTER POLICY PAPER NO.53, Quarry Operations and Property Values: Revisiting Old and Investigating New Empirical Evidence, may be downloaded free from the Phoenix Center's web page at: <http://www.phoenix-center.org/pcpp/PCPP53Final.pdf>

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