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April 2, 2021

Bart Pacekonis, Chair
Town of South Windsor
Planning & Zoning Commission
Town Hall
1540 Sullivan Avenue
South Windsor, CT 06074

RE: Geissler's Plaza – The Impact of Multi-Family Housing on Adjacent and Proximate Properties

Dear Chairman, Pacekonis:

At a meeting with residents who are proximate to the Geissler's Plaza proposed mixed-use development, concerns were raised over the potential for negative impacts of the proposed redevelopment, especially the multi-family residential development, negatively impacting residential property values. Such concerns are common in the land use approval process. In fact, one of the foundational concepts of zoning is that "such regulations shall be made with reasonable consideration...to the character of the district...with a view to conserving the value of buildings" (Zoning Enabling Act, 1922 and CGS Section 8-2). The concept of *a view to conserving the value of buildings* needs to be contextualized to the time when it was written and the problems that zoning was designed to solve. The 1920s context was the harsh conditions of the industrial city and the lack of regulatory provisions to deal with incompatible uses and the negative consequences of proximity. In addition to the *character of the district* and *conserving the value of buildings*, zoning was intended to protect us from *fire, panic, and other dangers*, conditions that no longer threaten us in the ways they did in the 1920s industrial city. Simply stated, zoning (along with other policies and regulations) has successfully solved the problem of the industrial city and has created stability and predictability in real property markets.

Today, the way in which we need to conceptualize *the character of the district* and *conserving the value of buildings* has changed. That is, the dissimilarity in uses has been greatly reduced. In addition, the negative impacts on adjacent and proximate property have been mostly reduced to the most undesirable land uses. For example, undesirable land uses such as airports, landfills, superfund sites, etc. and their impact on residential and other proximate uses have been extensively studied and documented as having negative impacts on property values (Bell, 1998, 2001; Findlay and Phillips, 1991; Cartee, 1989; Hurd, 2002; Simons, 1997).

However, such concerns and claims of the negative impact created by other dissimilar uses have persisted in the land use approval process, especially concerns regarding multi-family and affordable housing development adjacent and proximate to existing residential properties. It is even common to hear claims that new single-family residential development will negatively



impact the value of existing single-family residential properties. Fortunately, such concerns and claims have led to academic and industry research on the impacts of new (residential and commercial) development on existing residential property values. Most important, the abundance of academic research has shown that such claims are not substantiated.

For example, a notable and comprehensive longitudinal study by the MIT Center for Real Estate of seven high-density affordable housing developments adjacent to medium- and low-density single-family residential areas in six communities spread across Metropolitan Boston. The researchers stated that the findings “in all seven case study towns lead us to conclude that the introduction of larger-scale, high-density mixed-income rental developments in single-family neighborhoods *does not* affect the value of surrounding homes. The fear of potential asset-value loss among suburban homeowners is misplaced” (Pollakowski, et. al, 2005: ii). A 2003 study by Harvard’s Joint Center for Housing Studies found that *apartments posed no threat to surrounding single-family house values* (Hoffman, 2003).

The findings of the MIT and Harvard studies are further substantiated in a recent study by Kem C. Gardner Policy Institute at the University of Utah. The study, *The Impact of High-Density Apartments on Surrounding Single-Family Home Values in Suburban Salt Lake County*, analyzed the construction of 7,754 units between 2010 and 2018 and the impact of these multi-family rental developments on single-family home values within a half mile of the new apartments. The researchers found:

...apartments built between 2010 and 2018 have not reduced single-family home values in suburban Salt Lake County. In response to accelerating housing prices over the last decade, the market continues to shift to denser development to slow this trend. However, denser development continues to be a politically controversial topic on city council agendas as existing residents often bring up negative impacts on home values. Single-family homes located within 1/2 mile of a newly constructed apartment building experienced higher overall price appreciation than those homes farther away (Eskic, 2021: 1).

Overall, academic research shows that multi-family development, which is most often of a higher density than single-family residential development, either has no impact or a positive impact on adjacent and proximate single-family residential property values. For example, a “study in King County, Washington, shows an increase in single-family home values for those located near denser development” (Eskic, 2021: 2).

The National Association of Homebuilders found that single-family residential property values within 300 feet of multi-family rental housing increased by 2.9% (NAHB, 2001). Researchers at Virginia Tech University conducted a study that concluded, multi-family rentals that were well-designed, attractive, and well-landscaped, increased the value of proximate single-family residential housing (Eskic, 2021). What was most interesting about the Virginia Tech study, as explained by Eskic (2021: 2), were the researchers three possible reasons to explain their findings:



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1. new construction serves as a potential indicator of positive economic growth;
2. new apartments increase the pool of future homebuyers for current homeowners;
and
3. apartments with mixed-use development often increase the attractiveness of nearby communities as they provide more housing and amenity choices.

These three possible explanations are important. They highlight the importance of continuous investment in a community, providing a modern, diverse, and competitive housing stock—the positive economic growth, the need to attract newcomers to the community to create a pool of future homebuyers, and the amenity value diverse housing stock that offers housing alternatives for other residents already in the community—retaining young adults and empty nesters who seek to remain in the community but need and want housing other than larger single-family homes.

While claims of negative property value impacts are likely to persist in the local land use approval process, the unbiased academic research is clear in its findings, “apartments posed no threat to surrounding single-family house values (Hoffman, 2003) and “the fear of potential asset-value loss among suburban homeowners is misplaced” (Pollakowski, et. al, 2005: ii). This is important for communities, especially land use boards and commissions, to understand and embrace. New housing development, including multi-family and even affordable housing, when well designed and aesthetically pleasing, does not negatively impact the value of adjacent or proximate residential development.

I look forward to discussing this with you and the Commission further at the hearing(s). If you or any of the Commission members have any questions or concern regarding this topic, please feel free to ask me any questions you or the Commission may have.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Donald J. Poland".

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Planning Consultant