

Property values

Many characteristics influence value

Many landowners ask whether the presence of a transmission line will impact the value of their property. This is a valid question and one that will be addressed when determining the fair-market value of the easement. DATC recognizes that appraisals can differ and that some appraisers and attorneys also may have conflicting views on how property values may change after a transmission line is constructed. Taken together, DATC partners – Duke Energy and American Transmission Co. – have entered into approximately 200,000 easement agreements with landowners over the years. These easements are on agricultural, commercial, industrial and residential land.

Although the presence of a transmission line may influence how some potential buyers view the property, other potential buyers may be influenced by other characteristics. The decision to purchase property is based on a wide variety of factors that are unique to individuals. For example, when determining whether to buy a property, a buyer may consider commuting time, proximity to cities or schools, home amenities, acreage, condition and size of the home or buildings, condition of property improvements, price, quality of land (including soils, rocks, waterways and drainage) and the location. Market conditions (buyer's market vs. seller's market) also may influence property values and the number of days a property is on the market.

What the research says

Research on the impact of transmission lines on property values is complex, since it must adjust for numerous factors that influence buying decisions before the true effect of the transmission line on a property's value can be determined. Research that does not account for the full spectrum of factors should be viewed with some degree of skepticism.

Extensive independent research has found little negative impact on residential property values, except where the transmission line is within 200 feet of a residence. In those circumstances, the studies find an average effect between 1 and 10 percent of the property value, depending on the specifics of the property. (See "Pitts and Jackson, Power Lines and Property Values Revisited," *The Appraisal Journal*, fall 2007 and "Summaries of Studies Using Regression Analysis Techniques, and Preliminary Report" by Thomas O. Jackson.) Research suggests that transmission lines have a minimal impact on property values for commercial, agricultural, recreational or other non-residential properties.



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