

Dam removal increases property values

Two new studies appearing in *Contemporary Economic Policy* explore the impact of dam removal on local property values and find that property values increase after dams are removed.

Lynne Y. Lewis, Ph.D., of Bates College and researchers utilized geographic information systems mapping software to examine the effects of small hydropower dams on property values in Maine. The study examined the effects on property values of the Edwards dam in Augusta which was removed in 1999, as well as two other existing dams located elsewhere on the Kennebec River.

The study found that there is a penalty for being near the dam sites. Properties near the dams have lower value than properties further away. However, this penalty has shrunk substantially since the removal of Edwards Dam. The penalty for being close to the two existing dams is approximately three times larger than the penalty for being close to the site of the former Edwards Dam.

Removal of the Edwards dam has also had significant positive effects on fisheries and recreational value of the Kennebec River. Since its removal, commercially important fish have returned to the river above the dam site. Recreation on the river including fly fishing, canoeing, and kayaking has also increased.

A study led by Bill Provencher, Ph.D. of the University of Wisconsin-Madison also examined the impact of small dam removal on property values. His work focused on small dam removal in south-central Wisconsin. The study applied statistical techniques to market sales data to determine the relative contribution to property values. The results are quite similar to those found by Lewis. Residential property by a river but not by a dam is more valuable than identical property located by a dam.

“Hundreds of small dams are scheduled to come up for relicensing over the next few decades” Lewis writes. “As this occurs, evaluating the impacts with and without the dam will become increasingly important.”

Source: Wiley

This document is subject to copyright. Apart from any fair dealing for the purpose of private study, research, no part may be reproduced without the written permission. The content is provided for information purposes only.