

Kevin's notes on Valuing a Lake Amenity

- I pulled three reports that tried to add a valuation to homes with Lake Front, Lake Access or Lake Views.
 - One done by Clemson in 2003 found that:

“The results also show that lake front, lake access and lake view houses are worth about 48, 35 and 30 percent more respectively than the houses which do not have lake view, lake access or lake frontage”

<http://ageconsearch.umn.edu/bitstream/22072/1/sp03fa04.pdf>
 - Another done in Spring of 2014 by Seaton Hall found:

“If all houses in a given lake community have the equivalent of these like-style amenities, then the median home value would already reflect approximately a 126.7% increase in value for these amenities.”

<http://pirate.shu.edu/~rotthoku/papers/Lake.pdf>

 - Their calculation example shows this stated in reverse by giving the example of a home with Lake Amenities with \$350,000 value would have \$154,389 (**or 44%**) of that value attributed to the lake amenities.
 - The third report was for a lake community in Texas and is from 1995. It essentially reinforces the 30%-50% range of value for Lake Amenities.

<http://www.waeaonline.org/jareonline/archives/20.2%20-%20December%201995/JARE,Dec1995,pp341,Lansford.pdf>

- I think we should consider that all HAH is at least Lake Access homes as we all have access to use the lake and it is private to our community use. Based on that and the reports above, I feel it is accurate to portray that at minimum **20%-30% of every house's value is based on a fully functioning lake.**

- As a comparison for our other amenities to the Lake, I found a report that shows the value of having a golf course. (This is a study of the Las Vegas area, but interesting for background data):

“... an adjustment of 12.5% ...to the value of houses located in Private golf course communities ...”

<http://www.freepatentsonline.com/article/Appraisal-Journal/101679239.html>

- There is no feature to your home you can upgrade or remodel that will return you 20%-30% of your investment. In fact, most all remodel projects return a value at sale that is less than the cost of the project.

<http://www.remodeling.hw.net/cost-vs-value/2015/>