

The Effect of Community Improvements on Property Values

In Laguna Niguel, California

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## Abstract

The research began with a hypothesis that improvements made to community space, and homes within a community, could have a positive impact on property values for the homes in the community. The intent of the research was to find a basis on which to make the best choices when prioritizing improvements, and thereby select improvements which have the most likelihood of yielding a good return on the dollars invested.

A literature review produced some general guidelines with regard to factors which have been found to influence property values. There was no primary research particular to Orange County, California. Neither was research found which was specific to some of the improvements which homeowners and local realtors believed could have an impact in the community of Potomac Landing, in Laguna Niguel, CA.

Original research was conducted to address the gaps in information desired. A survey instrument with thirteen questions related to improvements was created, with input from homeowners. It was sent to 503 local realtors and 23 (4.6%) responded. From this sample, the data on demographics and responses was analyzed, mostly with descriptive statistics. Threats to validity and reliability were considered and discussed.

The data suggests that some improvements would improve property value more than others, and provides a ranking of improvements by likelihood of increasing value, according to local realtors. The three improvements which the highest mean scores were: 1) Ensuring continuation of ocean views, 2) Upgrade/ Paint existing common area buildings, fence and pool, 3) Install monument signage at each entrance. The majority of respondents (65%) estimated the positive impact of the new signs to be at least \$2,500 per home. The name "Niguel Coast" was the clear favorite among realtors.