

Executive Summary: Pawnee-Daniels Park 345 kV Transmission Line Property Value Studies

About The Study

Xcel Energy retained the services of an independent appraiser to complete a comprehensive study of property values in 11 housing subdivisions along electric transmission corridors in Douglas County, City of Aurora and Town of Parker, Colorado. Study areas included: Maher Ranch; Castle Pines; Green Valley; Founders Village; Rowley Downs; Surrey Ridge; Sorrel Ranch; Tallyn's Reach; Creekside, Tollgate Crossing; and Villages of Parker. The study examined both property value increases over time and comparable properties by location.

Neighborhood Selection

These subdivisions were selected based on the following criteria:

- Their proximity to the existing Xcel Energy 230 kV transmission line which is also a proposed corridor for the Pawnee-Daniels Park 345 kV transmission line and/or similar transmission line structures.
- They offered a variety of residentially improved homes sites in platted subdivisions, homes of different ages, and a requisite number of home sales for analysis.

Three of the study areas (Maher Ranch, Castle Pines, and Green Valley) included multiple existing transmission lines similar to those proposed for the Pawnee-Daniels project. One study area, Sorrel Ranch, consisted of relatively new home construction (2010-2013) built directly adjacent to an existing high voltage transmission line right-of-way.

Methodology

The independent appraiser investigated sales databases within all study areas and determined subsets for paired-sale analysis within each subdivision area. The appraiser analyzed the market data over a selected time frame to determine if property values were impacted by:

- A home's proximity to transmission power lines;
- The specific appearance and design of the transmission lines, including the type(s) of structure, voltage, or number of structures in a study area;
- Views of transmission lines (either bisected or parallel views); and
- Perceptions regarding electric and magnetic fields (EMF)

For purposes of this study, **Market Value** is defined as the most probable price which a property should bring in a competitive and open market, under all conditions requisite to a fair sale, with the buyer and seller each acting prudently and knowledgeably. This is the same definition set forth in the Appraisal Institute's *The Appraisal of Real Estate (10th Edition)*.

Findings

The results of the study indicated there is no measurable market impact on property values from power lines, regardless of the number of lines, the voltage, the type of structure, age of the homes/subdivisions, direction of views, proximity to lines or perceptions of EMF concerns.

The study is supported further by comparable market analysis examining appreciation rates, paired sales analysis, statistical descriptive measures and statistical regressions.