

That public playground is good for your kids and your wallet

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If you live near a public playground it can be a convenient outdoor

destination for short excursions and a life-saving source of pressure relief when the kids are too surly to bear inside the house. But in [research, published in the Journal of Urban Landscape and Planning](#), we found having a playground nearby can also add value to your property.

The presence of a [playground](#) added about A\$20,000 (4.6%) to the average property price of A\$439,000.

Importantly, we can reject the idea that a playground has no effect or a negative effect on [property prices](#).

That's something residents should consider if they fear a new playground to be built in their neighborhood could lower property prices, as [they did at Mount Eliza](#), Victoria, last year.

What planners need to know

Local councils need to know the costs and benefits of building a playground when making decisions about investment in local infrastructure. If playgrounds are undesirable, they might avoid them altogether or place them far from where people live.

We wanted to know what value local residents might place on playgrounds using data from Moreland City Council in the north Melbourne metropolitan area.

One way to assess the value of playgrounds is simply to ask people. But we didn't do that. We know people often over- or understate the value or cost of things in surveys because there is no real cost to pay.

We used ten years of every property price transaction in Moreland to try to measure the value people place on playgrounds. Property prices reflect the value people place on the attributes of a place they are buying.

These attributes include location (location, location) and things about the property such as the number of bedrooms and bathrooms. Prices also include the value people place on local amenities such as shops nearby or a train station within [walking distance](#).

So how could we possibly work out the little bit of all that that's about the distance to a playground?

Let's build a model

First, we estimate a very detailed model of the determinants of property prices. This includes the type of dwelling, size, bedrooms, bathrooms, the presence of 19 different features such as balconies or spas, year and quarter of sale, and suburb.

We control for distance to a wide range of amenities including shops, schools and golf courses. Finally, we control for the distance to 14 different types of open space, including shared trails and community horticulture.

Moreland City Council provided us with the data on amenities and open spaces. With this model, we are able to explain about 70% of the variation in house prices.

With the help of Melbourne Water, we identified two empty green spaces (in Coburg North and Pascoe Vale) that were suitable for building a small local playground. These are the smallest of the five categories of playgrounds in Moreland City Council. They generally consist of a swing set, a slippery dip (slide) and small rocking animals. They are targeted at young children, ages three to six.

The second step is to match properties that are near the empty green spaces with properties that are similarly close to a playground.

After matching properties in this way and accounting for all of the determinants of property price in our model, we attribute any unexplained difference in the prices of the matched properties to the presence of the playground.

We found a consistently positive effect of local playgrounds on property prices. The benefit of a playground is larger when properties are closer, as the effect falls with distance from the playground.

For example, the presence of a playground within 300 meters adds about A\$20,000 (4.6%) to the average property price. But our estimate is somewhat imprecise with the calculations showing it could be as low as A\$10,000 or as high as A\$30,000.

If we look at houses only the increase is A\$32,000 (6.4% of the median house price of A\$499,000), but again within a plausible range of A\$8,000 to A\$46,000.

A note of caution

Given the potential variation, are these price increase effects realistic?

My personal feeling is that A\$20,000 seems on the large side. We may be picking up other unpriced attributes of properties that differ in the matched samples.

But we are dealing with a very rich set of characteristics and property attributes. We took several walks around the area to see whether anything was affecting our results. We could not identify anything.

Councils should see the need to consider the value of playgrounds in property prices as an important input into any cost-benefit analysis of investing in playground infrastructure.

Likewise, homeowners should not be worried (and object) to the construction of new playgrounds as they do not lower housing [prices](#), rather they add to home value.

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