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Does Hudson Greenway Raise Greenbacks?

By TINA KELLEY

The Bow Notch Bridge at Hudson River Park. (Photo: Friends of Hudson River Park)

It takes a park to raise property values.

That is the conclusion reached in a report issued on Thursday by the [Friends of Hudson River Park](#), which showed that the \$75 million the public invested in a section of the park in Greenwich Village sprouted into an additional \$200 million in property values in a two-block area from 2002 to 2005. The study was conducted by the [Regional Plan Association](#) and with the support of the [Real Estate Board of New York](#) and funded by the [J. M. Kaplan Fund](#).

The study found that about a fifth of the value of properties within two blocks of the Greenwich Village section of the park can be attributed to the park, and that real estate prices near the park began to rise only when its construction began in 1997. And the park had a significant effect on nearby condo sales, as their prices increased by 80 percent once the Greenwich Village section of the park was completed in 2003.

In announcing the report, [Douglas Durst](#), co-chairman of Friends of Hudson River Park and co-president of the Durst Organization, said, “We not only want to maintain that impact for the benefit of the park, but determine how best to use it to sustain the quality of the park in the long run.” To that end, the Friends of Hudson River Park called for the city to establish a Hudson River Park Business Improvement District to help make sure that the quality of the park is maintained.

To be sure, it makes sense that a park that received so much support from the real estate industry has a positive effect on the gold standard of realty: property values.

Brad Lander, director of the [Pratt Center for Community Development](#), said other aspects of public improvements must be considered as well:

Rising property values are fantastic if you happen to own property, but they’re a problem if you’re a renter, and if there’s pressure on you to get out, with vacancy decontrol of your unit.

And higher property values often mean lower levels of diversity, especially on the West Side, where young gay, lesbian and transgender residents may be getting pushed out, he added.

And what if gentle readers are a bit suspicious at first blush of public investment that has such a direct benefit to the pockets of individual property owners?

“I don’t think the purpose of a park is increased property values,” said Ingrid Gould Ellen, co-director of the [Furman Center](#), a research center affiliated with New York University devoted to the public policy aspects of real estate, land use and housing development. The city benefits from increased property tax revenues, and people other than close neighbors surely benefit from the park, she said.

“You’re not picking up those benefits when you’re looking at these studies of bordering

properties,” she said. “In a sense, there’s sort of an understatement.” Urban planners use property tax values to gauge the impact of public improvements because they’re objective, readily available, and show how much people are now willing to pay to live in a neighborhood, she explained.

It all leads one to wonder, what kind of impact has Central Park had on the city’s property values?

“You’d really need a before and after; that’s the issue,” Professor Gould Ellen said. “You could do a study that showed that proximity to the park is associated with higher property values, but you don’t know what it was beforehand.”

But on the micro level, her group has shown that proximity to particular kinds of green space, even those under an acre, can benefit homeowners at closing time. The Furman Center’s [study \[pdf\]](#) on community gardens shows how property values grew markedly after neighbors started growing flowers and vegetables on vacant lots. The center has also gathered [evidence \[pdf\]](#) that subsidized housing helps increase property values in neighborhoods.
