PIPELINE IMPACT TO PROPERTY VALUE AND PROPERTY INSURABILITY

The presence of a natural gas pipeline does not affect the value of the surrounding property. Integra Realty Resources, a leading provider of real estate valuation and counseling services, conducted a rigorous study of properties in four separate areas of the country in 2015. The report, *Pipeline Impact to Property Value and Property Insurability*, prepared on behalf of the INGAA Foundation, shows that the presence of pipelines does not affect the value of a property, its insurability, its desirability or the ability to obtain a mortgage.

FINDINGS

- There is no measurable impact on the sales price of properties located along or in proximity to a natural gas pipeline versus properties which are not located along or in proximity to the same pipeline.
- Neither the size nor the age of a natural gas pipeline affects a property's sale price.
- There is no impact on demand for properties located along natural gas pipeline easements nor is development in areas with natural gas pipelines hindered.
- Natural gas pipelines do not affect the property value of any particular type of residence any more or less than another type of residence.
- The sales frequency of homes "on" the pipeline is consistent with those "off" the pipeline, indicating that the presence of a pipeline does not inhibit sales.
- Buyers purchasing homes along pipeline easements in each area were able to obtain conventional, Federal Housing Administration (FHA), and Veterans Affairs (VA) loans. This indicates that the presence of a natural gas pipeline had no effect on obtaining a mortgage.
- Insurance companies and agents interviewed said there was no indication that the presence of a natural gas pipeline would hinder a buyer's ability to acquire property insurance. They also said there was no indication that premiums paid for insurance policies would increase because of the proximity of a natural gas pipeline.
- Based upon the geographically disparate areas studied, IRR concluded that it was highly likely that the results and conclusions of this report would apply to other markets across the country in which natural gas pipelines were located.

METHODOLOGY

IRR analyzed data from multiple perspectives to evaluate how the construction and operation of an underground, interstate natural gas pipeline affected home values. Analyses utilized paired sales, descriptive statistics and linear regressions. IRR selected geographically diverse areas – the Midwest, Northeast, the Mid-Atlantic and Southeast – for the case studies. IRR's comparative analysis consisted of two steps. First, the sales price of each home or townhome was adjusted based on size, because the living area of each home or townhome has the greatest effect on sales price. Second, IRR compared the adjusted prices paid for residences located along the natural gas pipeline to the adjusted prices paid for residences located away from the pipeline.

DIFFERENCE IN HOME VALUES PER SQUARE FOOT FOR HOMES LOCATED NEAR A PIPELINE
(compared with similar homes in the same community that are not near a pipeline)

STUDY AREA	ADJUSTED PRICES PERCENTAGE DIFFERENCE IN AVERAGE PRICE/SF
KYLES STATION MEADOWS, OH	3.74% ↑
VICTORY LAKES, VA	13.26% ↑
WELLINGTON KNOLLS, NJ	-1.44% ↓
BRANDON, MS	0.91% ↑
SADDLE RIDGE, PA	3.11% ↑

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