

## Effect of Ontario's Greenbelt on land values depends on distance from urban areas

### What is this research about?

In 2005, the government of Ontario passed legislation concerning an area now known as the "Greenbelt". The Greenbelt is a 7,200 square kilometre section of mostly rural land that surrounds the Greater Toronto Area (GTA). The new legislation prevented the development of agricultural land in the Greenbelt area for non-agricultural purposes (creating a "Protected Countryside") and provided protection for the Niagara Escarpment and Oak Ridges Moraine, two sensitive ecological areas. The Greenbelt Act created a great deal of controversy, especially among farmers in the Greenbelt. Many landowners feared that the value of their land would decrease if it could not be sold for urban development in the future. Others argued that the effect would be minimal or, alternatively, there would be no effect.

### Keywords:

Agricultural land, farmland, zoning, property value, Greenbelt, conservation, land protection, Protected Countryside, urban centres

### What did the researchers do?

The researchers examined farm properties across twenty-one counties in southern Ontario, between 2002 and 2006. They examined the selling price of properties located inside and outside the Greenbelt. The researchers created a statistical model to look at the effects of the legislation on land values, after taking into account other factors that could influence sale price, such as farm size, the value of farm buildings, and age of the house. The distance from the nearest major city or urban area was also considered.

### About the University of Guelph researchers:

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## What did the researchers find?

Farmland within the Protected Countryside, and in close proximity to the GTA, experienced a decline in values when compared to similarly situated farms outside the Protected Countryside. The authors describe this effect as the “boundary effect” since it is limited to areas in close proximity (e.g. within 5km) of GTA cities. Beyond this boundary there was little evidence that the Greenbelt had any negative effect on farmland values. Indeed, in more remote areas the authors found some evidence of an increase in property values.

Note: The above study was published in 2010 and examined sales from 2002 to 2006 only. The authors are currently conducting a follow up study on an expanded data set: i.e., 2002 to 2009.

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## How can you use this research?

Efforts to preserve farmland are often initiated with the stated goals of protecting open space, supporting local farming, reducing sprawl, and protecting the environment. Policies that achieve this goal alter the future uses of farmland and therefore, may influence property values. This study finds some evidence that the Greenbelt is effectively altering development patterns and influencing land values. However, the evidence of an effect is limited to a small region within the protected countryside. This research provides interested parties (such as **landowners** and **policymakers**) with additional information when considering the multitude of issues surrounding the Greenbelt.

## Article citation:

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