



# A VIEW WORTH PROTECTING

*Real estate values at risk along the nation's most endangered river*

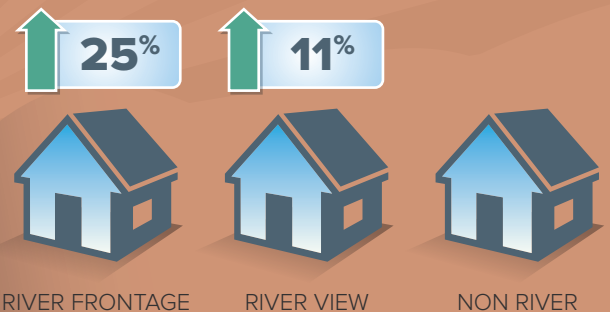
## Location, Location, Location...

Proximity to water has driven the growth of communities throughout the West for generations, and today many towns are nestled close to the Colorado River and its tributaries. In addition to the recreational and agricultural values of a healthy, flowing river, the aesthetics provide communities with an economic boost: **enhanced, river-based real estate prices.**

### Farmington, New Mexico

In Farmington, homes that offer a river view are 11 percent higher in value than homes without a view and homes located on the banks of a river are 25 percent higher in value than homes that do not offer either frontage or a view in the same general location.

### Proximity to Rivers RAISES Home Values



## BUT WHAT HAPPENS TO REAL ESTATE VALUES —AND SUBSEQUENTLY, LOCAL ECONOMIES— WHEN THE RIVER SLOWS TO A TRICKLE?

We surveyed real estate experts in Aspen and Grand County, Colorado; Sedona, Arizona; and Farmington, New Mexico—all towns located near the Colorado River or its tributaries—and they forecast that **riverfront properties would drop in value an average of 9.5%** if river flows decline as predicted in the Bureau of Reclamation's Colorado River Basin Water Supply and Demand Study.

**LaRae Henderson**  
Accent on Appraisal  
Farmington, NM

**"The river water is used in the Farmington area for recreation, irrigation of crops and serene beauty. It also produces great animal and bird habitat areas. The reduction of this water would greatly change all of the above and would have some consequence on the price of homes in our area."**

## A DECLINE IN PROPERTY VALUES

Expert consensus was that, at best, prices for riverfront properties in Farmington would stay the same but most likely would decrease by 8 percent based on the reduced river flows forecasted in the Colorado River Basin Study. Using a hypothetical riverfront home with a **current sales price of \$290,000, the projected decrease would be \$24,000.**

ESTIMATED PERCENTAGE DECREASE IN SALES PRICE	LOCATION	ASPEN, CO	FARMINGTON, NM	GRAND COUNTY, CO	SEDONA, AZ	AVERAGE
	<b>RIVER FRONTAGE</b>	-5.0%	-8.1%	-16.0%	-8.6%	<b>-9.5%</b>
<b>RIVER VIEW</b>	-3.1%	-3.1%	-10.8%	-5.7%	-5.7%	
<b>NON RIVER</b>	0.0%	-0.6%	-5.6%	0.0%	-1.7%	

Notes: Given an average year-round reduction in river flows of nearly 20 percent as predicted in the Colorado River Basin Study. These results include people who expect no change (0% decrease) and those who expect negative impacts • N: Aspen=8, Farmington=8, Grand County=8, and Sedona=7

Research conducted by Southwick Associates in spring 2013 using the Delphi method to interview real estate experts in target communities. Experts were asked to provide pricing information for a hypothetical home and values if it was riverfront, river view or no connection to the river. Detailed description of the method and results can be found at: [www.protectflows.com/real-estate-report/](http://www.protectflows.com/real-estate-report/)



# COLORADO RIVER RUNNING DRY

The Colorado River and its tributaries support a way of life that attracts people to the West. But the Colorado River Basin's precious water is drying up from chronic drought and overuse.

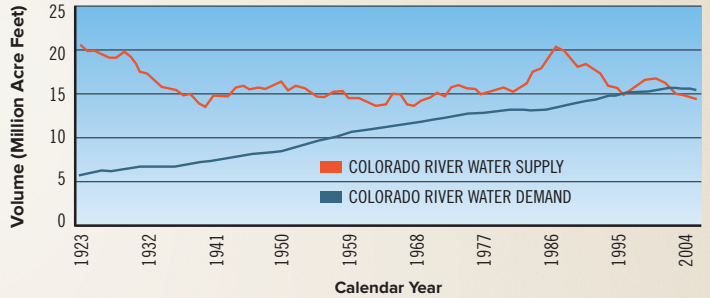
**IN APRIL 2013, THE COLORADO RIVER WAS DECLARED THE NATION'S #1 MOST ENDANGERED RIVER.**

Seasonal water shortages have been severe, particularly in drought years like 2012. But even in good years, more water leaves the Colorado River than enters it, and for decades the river has not reached the sea.

According to the Colorado River Basin Study there is not enough water to meet current water demands, let alone support future demand increases from growing populations and industries.

With the projected nearly 20 percent annual reduction of flows, even the good years would be much lower – and in bad years like 2012, the results could be dramatic.

## DEMAND FOR WATER EXCEEDS SUPPLY



[Click here to view Colorado River Basin Water Supply & Demand Study »](#)

## What's at Stake?

A quarter million jobs supported by recreation along the River system contributing \$26B annually



9.5% reduction in riverfront home values and 5.7% reduction in river view home values

5.7% 9.5%



RIVER VIEW



RIVER FRONTAGE

4 million acres of land growing 15% of the nation's crops



Water supply for 36 million people from Denver to L.A.

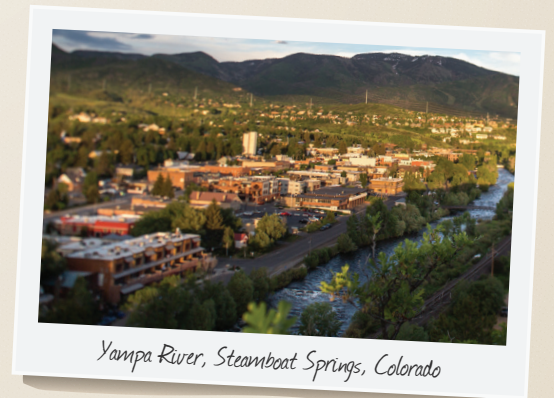


Reservoir storage down 40% in 13 years



## Healthy Rivers Add to Quality of Life, Economic Growth

Economists agree that natural amenities such as rivers are central to quality of life in rural areas. When a healthy river runs through or nearby a community, it can help to attract and retain high-skilled, high-income populations needed to support the creative-type occupations (engineers, designers, software developers, artists, etc.) and high-skilled industries that drive economic growth. Any actions that degrade the quality of local amenities, including rivers and creeks, have the potential to limit future economic growth.



Yampa River, Steamboat Springs, Colorado

Photo Credit: Charlie Dresen, Real Estate Associate Broker, Prudential

## PROTECTING THE RIVER AND OUR REAL ESTATE

Fortunately, there is a path to modernize the management of the Colorado River system in a way that mitigates the declining river flows and the resulting impacts on communities across the basin. **These cost-effective measures would bring supply and demand on the river system's water back into balance, and should be implemented immediately:**

1



IMPROVING WATER CONSERVATION AND RE-USE IN URBAN AREAS

2



IMPLEMENTING TECHNOLOGY AND PRACTICES THAT YIELD GREATER WATER EFFICIENCY ON FARMS

3



INSTITUTING FLEXIBLE WATER SHARING ARRANGEMENTS THAT MATCH WATER SUPPLY TO EMERGING DEMAND



Protect the Flows is a network of more than 850 businesses, including Chambers of Commerce, from the seven Colorado River Basin states that depend on a healthy and flowing river system.

**FOR MORE INFORMATION, CONTACT:**

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