



Impacts of parks

an assessment of total economic value of parks in the municipality of Copenhagen

Panduro, Toke Emil; Mortensen, Martin Elmegaard ; Mogensen, Brian Gardner

Publication date:
2014

Document version
Publisher's PDF, also known as Version of record

Citation for published version (APA):
Panduro, T. E., Mortensen, M. E., & Mogensen, B. G. (2014). *Impacts of parks: an assessment of total economic value of parks in the municipality of Copenhagen*. Abstract from Miljøøkonomisk konference, De økonomiske Råd, Skodsborg 2014, Skodsborg, Denmark.

Impacts of Parks - An assessment of total economic value of parks in the municipality of Copenhagen

Toke Emil Panduro - IFRO, Impact Assessment

Martin Elmegaard Mortensen - Grontmij

Brian Gardner Mogensen - Grontmij

The number of citizens in the municipality of Copenhagen will increase significantly within the next decade. The population pressure will impact land-use. Existing green spaces are expected to be converted into apartment blocks, parking lots and infrastructure facilities. To preserve green spaces in Copenhagen, evidence are needed which can counter the argument of necessity put forward by people in charge of urban development. These arguments often take the form of economic benefits and costs leaving non-market goods out of the equation.

In this study we attempt to rectify this ongoing neglect by developing a set of four tools to the municipality of Copenhagen which will enable them to assess the welfare economic impact as well as the budget economic consequences of converting green spaces to other land-uses. We use Sønder Boulevard as a case. Sønder Boulevard is an urban street park located at Vesterbro which is a neighborhood that predominantly contain small two room apartment blocks. We develop a hedonic house price model (1), a travel cost survey method (2), a method to assess the economic impact of Sønder Boulevard on commercial activities (3) and the impact of health improvement on the users of Sønder Boulevard (4).

We find that Sønder Boulevard contribute by an additional 351 mio. kr. in increased property value which equate to an income for the municipality of 12 mio. kr each year in the form of increased property tax (grundskyld). We find that commercial activities may not benefit from Sønder Boulevard while health improvements due to sports activity reduce health costs by 13 mio. kr. and reduces production loss caused by sickness and early death by 35 mio. kr. In addition park users recreational benefits were estimated to accumulate to 125 mio. kr. each year using the travel cost method.

The impact assessment tools presented in this study will reduce the welfare economic gain of converting green spaces to other types of urban land-uses in the municipality of Copenhagen . Hopefully, municipalities across Denmark will adopt these methodologies thus providing “a level playing field” for market and non-market goods in the planning of the urban environment.