

Trees benefit property values

Trees increase a home's value

Few previous studies have looked at the impact of street trees on the housing market, and those that did only examined the effect of number of trees. We tested whether a wide range of tree attributes such as species, basal area, and height influenced sales price of homes in Portland, Oregon.



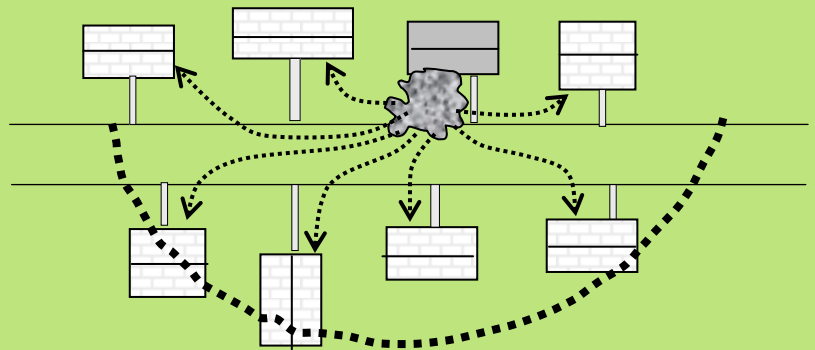
Key findings:

- The benefits of street trees far outweigh their costs.
- The number of street trees fronting a property and the crown area within 100 feet of a house positively influence sales price. Combined they add \$8,870 to the sales price of a house.
- The estimated benefits are \$54 million annually, compared to annual tree maintenance costs of \$4.6 million.
- Street trees increase annual property tax revenues for the City of Portland by \$15 million.
- The benefits of street trees spill over to neighboring homes.

Policy implications

If you have a tree outside your house, only about one third of the tree's benefits go to you. The remaining two-thirds spread to your neighbors within 100 feet. These spillover benefits mean cities likely have too few trees.

In Portland, homeowners bear the majority of street tree maintenance costs. Because they bear all the costs yet do not receive all the benefits, individual homeowners are unlikely to plant enough trees on their own to maximize Portland's urban tree potential.



Trees influence house prices within 100 feet. In the picture above, this includes seven neighboring houses. In other words, if you have a tree with about 300 square feet of canopy cover, it adds, on average, \$9,200 to the value of neighboring houses.

Renters like trees too

We gathered data on 1,000 rental houses in Portland, Oregon to tease out the effect of having a tree on a rental property. On average, houses with trees commanded higher rents: a tree in a house's yard increased monthly rent by \$5.62, and a tree in the public right of way increased rent by \$21.00 a month.

These numbers provide further indication that trees can provide a direct cost benefit to property owners. More importantly, the fact that people are willing to pay more to live near trees reflects the broad range of benefits, both tangible and intangible, that we receive from them.

Knowing that people value the benefits they receive from the urban forest helps the city advocate planting more trees. For example, 26 percent of Portland is covered by tree canopy, but the goal of the city is to increase this to 33 percent.

Donovan, G.H., S. Landry and C. Winter 2019. [Urban trees, house price, and redevelopment pressure in Tampa, Florida](#). *Urban Forestry and Urban Greening* 38: 330-336.

Donovan, G.H., David T. Butry. 2011. [The effect of urban trees on the rental price of single-family homes in Portland, Oregon](#). *Urban Forestry and Urban Greening*. 10(3): 163-168.

Donovan, G.H., David Butry. 2010. [Trees in the city: valuing street trees in Portland, Oregon](#). *Landscape and Urban Planning*. 94: 77-83

Media

[The importance of urban forests: why money really does grow on trees](#). The Guardian. October 12, 2016.

[Portland study finds that street trees increase home values and benefit environment, but property owners bear maintenance cost](#). The Oregonian February 12, 2010.

There's more . . .

A healthy urban forest is an asset for the entire community. In addition to positively affecting property values, trees improve social cohesion and reduce crime, decrease energy use, and perhaps most importantly, improve individual health outcomes from cradle to grave.



ASH & ELM
CONSULTING

May 2025

Contact:
Geoffrey Donovan
Ashelmconsulting.com
geof@ashelmconsulting.com
(971) 291-3221

