



Decline in rural Arizona home prices projected with drought and diminished groundwater

New study shows decline in groundwater would likely reduce home values by up to 12%

For Immediate Release: January 19, 2022

Contact: Molly Mugglestone, 970-275-8909, molly@businessforwater.org

Phoenix, AZ- Today Business for Water Stewardship released a [new study](#) showing that declines in the state's groundwater availability in rural Arizona will reduce home values and adversely affect buyers, sellers, and real estate professionals.

The report finds that dwindling groundwater supplies will likely cause residential property values to decline by up to 12% in select rural parts of the state. The study concluded that median home prices would be expected to decline by \$58,000 and \$29,000 in the Verde Valley and Upper Santa Cruz Regions respectively under severe drought conditions.

Such declines could affect the broader rural economy and the whole state, since real estate contributes billions of dollars to Arizona's economy and accounts for over a fifth of the gross state product. In 2020, a 12% loss of home property values would have exceeded \$1.2 billion of total economic loss, for example.

BWS commissioned the study with Southwick Associates who worked with local real estate professionals to estimate the effects of declining groundwater on housing markets in the Verde Valley and Upper Santa Cruz regions of Arizona.

"Rural Arizona home buyers have to be extra diligent about water when making possibly the biggest investment of their life. When you aren't tied to a municipal water system, your water most likely comes from the water directly below your home through a personal or shared well. Groundwater security is essential to ensuring this long term investment," **says Alan Dickson, Long Realty- Tucson.**

"Groundwater is finite and accounts for 40% of the state's water supply, yet many rural communities lack the basic tools necessary to manage their own groundwater and sustain rural livelihoods and economies," **says Business for Water Stewardship's Co-Founder Todd**

Reeve. “This study shows that we should expect a decrease in rural real estate values if groundwater depletion goes unchecked.”

Arizona State Representative Regina Cobb has proposed a plan that would empower local communities to collaborate and develop their own locally-tailored groundwater management strategies to support Arizona’s diverse, local groundwater needs and conditions.

“A custom and flexible approach that assures local control is exactly the kind of plan that can allow rural communities to manage their unique groundwater conditions and protect property values and rural livelihoods,” **says Reeve.** “Our ability to manage and protect precious water sources will in many ways determine the future of Arizona’s economy and housing markets.”

###

Business for Water Stewardship is a program of the Bonneville Environmental Foundation that helps businesses advance solutions to ensure that our communities, economies and ecosystems have enough clean water to flourish. As an organization committed to partnering with businesses to advance water solutions that sustain the well-being of communities, economies, and rivers, they sought to understand the effects of groundwater depletion on residential real estate sales prices in rural Arizona with this study. Learn more about the organization at www.businessforwater.org.

Southwick Associates is a market research, statistics, and economics firm, specializing in the hunting, shooting, sportfishing, and outdoor recreation markets. Learn more at www.southwickassociates.com.