

The Impact of Large-Scale Industrial Development on Rural Residential Property Values

Implications for the Village of Indiantown 2050 Comprehensive Plan Update
 May 2026

Executive Summary

This report examines the documented and observed effects of large-scale industrial development — particularly hyperscale data centers — on residential property values in rural and semi-rural communities. As the Village of Indiantown updates its Comprehensive Plan to a 2050 horizon, it faces critical decisions about the scale, location, and character of future industrial development.

While some studies in already-developed suburban areas show neutral or even positive effects on property values near data centers, evidence from more rural communities indicates a consistent pattern of **“slower appreciation, buyer hesitation, and reduced marketability”** of homes near large industrial facilities. These effects are driven primarily by changes to rural character, visual impact, noise, traffic, and long-term uncertainty about future expansion.

Given Indiantown’s identity as a rural community that values its small-town character and open spaces, the introduction of hyperscale industrial uses without strong protective policies poses a measurable risk to residential property values — particularly within a 1–4 mile radius of such facilities.

Key Findings from Available Research and Market Data

1. Distance Matters Significantly

Analysis of existing data center developments shows a clear distance gradient in property value impacts:

Distance from Facility	Typical Observed Impact on Rural Home Values
0 – 1 mile	Strong negative impact — visual dominance, noise, traffic, and buyer avoidance common
1 – 2 miles	Moderate to strong negative — slower appreciation, longer days on market
2 – 3 miles	Moderate negative — impact varies with visibility and traffic routes
3 – 4 miles	Mild to moderate negative — effects diminish but perception of area change can still suppress demand
4+ miles	Minimal direct impact in most cases

2. Rural Areas Experience Different Impacts Than Suburban Areas

The most frequently cited study on data centers and property values (George Mason University, 2025) examined Northern Virginia and found no statistical evidence of negative impacts — and in some cases, homes closer to data centers sold for higher prices. However, this study was conducted in a **“fast-growing suburban/exurban corridor”** with strong infrastructure and high housing demand.

In contrast, evidence from more **“rural and small-town communities”** shows a different pattern:

- Buyer hesitation is more pronounced — many rural buyers specifically seek peace, dark skies, and open space.
- Loss of “rural character” is repeatedly cited as a factor reducing desirability.
- Slower appreciation and longer days on market are commonly reported by local real estate professionals in affected rural counties.
- Cumulative effects (multiple facilities or perceived future expansion) amplify negative perceptions.

3. Construction Phase Creates the Greatest Disruption

The 18–36 month construction period for a hyperscale data center typically generates the most significant negative effects on nearby property values due to:

- Constant heavy truck traffic on rural roads
- Noise, dust, and nighttime lighting
- Road damage and safety concerns

- Temporary workforce housing pressure that can drive up local rents

Relevance to the Village of Indiantown

Indiantown's identity as a rural community with a strong agricultural heritage and small-town character makes it particularly vulnerable to the negative property value effects observed in other rural areas. Key risk factors include:

- Many residential properties are marketed specifically for their rural setting and proximity to open land.
- Roads in western Indiantown are generally not designed for sustained heavy truck traffic.
- Limited hotel and short-term rental capacity means construction workforce housing pressure would likely affect local residents.
- The proposed FPL annexation and potential for multiple large industrial users increase the risk of cumulative negative perception.

Recommendations for the 2050 Comprehensive Plan

To protect rural residential property values while allowing appropriate economic development, the Village should consider the following policy directions:

1. **Establish clear separation and buffering standards** between large-scale industrial uses and existing rural residential areas, with enhanced setbacks and visual screening requirements.
2. **Require traffic impact analyses** that specifically address impacts on rural roads and farm-to-market routes during both construction and operation phases.
3. **Incorporate viewshed and dark skies protections** in industrial siting criteria to preserve the rural aesthetic that supports property values.
4. **Limit the concentration of large-load industrial uses** in any single area to reduce cumulative impacts on surrounding residential properties.
5. **Require workforce housing impact assessments** for major industrial projects to prevent displacement or rent spikes that could indirectly affect property values.

Conclusion

While large-scale industrial development can generate tax revenue and some economic activity, the available evidence from rural communities indicates that such uses frequently come at a cost to nearby residential property values. In areas where rural character is a primary driver of home values — as it is in much of Indiantown — the introduction of hyperscale industrial facilities without strong protective policies risks undermining one of the community's most valuable assets: its residential real estate market.

The 2050 Comprehensive Plan update provides the Village with a timely opportunity to establish clear, enforceable standards that balance economic development goals with the protection of rural residential property values. Without such standards, the Village may find that the long-term costs to homeowners and the community's character outweigh the short-term fiscal benefits of large industrial projects.

This report is submitted as public comment for consideration during the May 16, 2026 Joint Workshop and the ongoing Evaluation and Appraisal Review process.