

# Public Benefit of Broadband Improvements to Chesterfield

## January 20, 2019

From data available at the City-Data website (link below), in 2016, the Mean prices of all housing units in Chesterfield was \$261,354.

<http://www.city-data.com/city/Chesterfield-New-Hampshire.html>

Documentation on the effects of Broadband coverage on Home prices is available from an on-going nationwide study at the University of Colorado at Boulder soon to be published in *Applied Economics* which is a professional journal in the area of Economics.

Molnar, G., Savage, S., and D. Sicker: "High-Speed Internet Access and Housing Values." Pending publication *Applied Economics*, University of Colorado, submitted August 31, 2018.

Using this average assessment and the effect on prices for various available broadband speeds, one can calculate the effect on total property values in Town as shown.

Broadband Speed Available	Number of Locations	% Effect on Prices	Total Property value change
0 to 20 Mbps	255	3.3%	\$ 2,195,374
25 to 45 Mbps	153	1.4%	\$ 559,505
50 Mbps up to 100	1138	0.7%	\$ 2,082,790
100 Mbps and higher	54	0.0%	\$ -
<b>Total</b>			<b>\$ 4,837,669</b>

Therefore, if the Town invested \$1.8M to improving Broadband to 1Gbps in Chesterfield, then the benefit to the Town would be an increase in Total assessment value of approximately \$4.8M. Hence there is a net benefit to the Town, even if one ignores other Economic Development factors.

Note: A best effort has been made to use realistic and representative numbers for this estimate. The fact that the benefit to the Town is a factor of 2.6 times the Town investment indicates that even if there are some small errors in the numbers used in the calculation, that there is plenty of margin in making this conclusion.