



The Value of Michigan Inland Lakes

by Tony Groves, Pam Tynning, and Paul Hausler
Progressive AE

April / 2010

Michigan has over 11,000 inland lakes with a surface area greater than 5 acres and, of those, 2,000 are larger than 50 acres.¹ Each year, thousands of people enjoy swimming, fishing, boating, and other recreational pursuits on Michigan's lakes. There is no question that Michigan's lakes are a valuable public and private asset. Clearly, our lakes pay huge dividends in terms of increased property tax revenues and tourist dollars, not to mention boat sales. In fact, Secretary of State records for 2008 indicate Michigan had nearly 814,000 registered boats.

In recent years, several studies have been conducted to evaluate the real estate value of lakes and the value of maintaining good water quality. A study of water amenities in Hillsdale County found that, on average, properties located within 50 feet, 51 to 250 feet, and 251 to 500 feet of water had 81.8%, 38.5%, and 22.9% more value, respectively, when compared to similar properties located away from the water.² A recent estimate of the value of riparian (shoreline) property on Michigan's inland lakes is \$200 billion which, in turn, generates about \$3.5 billion in annual tax revenues.³ Other studies have found a direct correlation between increased water clarity and increased value of adjacent lakefront property.^{4,5,6} Clearly, it makes good economic sense to preserve Michigan's lakes. Yet, while Michigan has a number of laws that regulate activities in and around lakes, there is no comprehensive, state-wide funding mechanism that addresses lake-specific management issues.

While we can attempt to put a dollar value on lakes, at the end of the day there can be only one conclusion: Lakes are priceless. Given the value of Michigan's lakes, the establishment of a state-wide funding mechanism for lake-specific management would certainly be a sound investment.

Michigan's 10 Largest Inland Lakes

Lake	County	Acres
Houghton Lake	Roscommon	20,044
Torch Lake	Antrim	18,770
Mullett Lake	Cheboygan	17,360
Lake Charlevoix	Charlevoix	17,260
Burt Lake	Cheboygan	17,120
Lake Gogebic	Ontonagon and Gogebic	12,800
Black Lake	Cheboygan	10,130
Manistique Lake	Mackinac and Luce	10,130
Crystal Lake	Benzie	9,711
Higgins Lake	Roscommon	9,600



References

- ¹Warbach, J.D., M.A. Wyckoff, and K. Williams. 1990. Protecting inland lakes: A watershed management guidebook. Planning and Zoning Center, Inc.
- ²Adelaja, S., Y.G. Hailu, R. Kuntzsch, M.B. Lake, M. Fulkerson, C. McKeown, L. Racevskis, and N. Griswold. 2007. Economic valuation of natural resource amenities: A hedonic analysis of Hillsdale and Oakland counties. Michigan State University. LPI Report No. 2007-09.
- ³Kevern, N. 2008. Project Report – Value of riparian property on Michigan's inland lakes. Lake Effect Newsletter. Michigan Chapter of the North American Lake Management Society.
- ⁴Banicki, J.J. 2006. Cleaner water increases Lake Erie waterfront property values. TwinLine. Ohio Sea Grant College Program.
- ⁵Krysel, C., E.M. Boyer, C. Parson, and P. Welle. 2003. Lakeshore property values and water quality: Evidence from property sales in the Mississippi headwaters region.
- ⁶Boyle, K.J. and R. Bouchard. 2003. Water quality effects on property prices in Northern New England. Lake Line 23(3):24-27.

About the Authors:

Tony Groves, Pam Tynning, and Paul Hausler have nearly 70 years of combined experience working as lake management consultants with Progressive AE in Grand Rapids, Michigan. Tony, Pam, and Paul created MichiganLakeInfo.com, a website for those interested in Michigan's inland lakes. On the site you can find this article and information on topics such as lake water quality, watershed management, aquatic plants, lake levels, lake improvement boards and more.