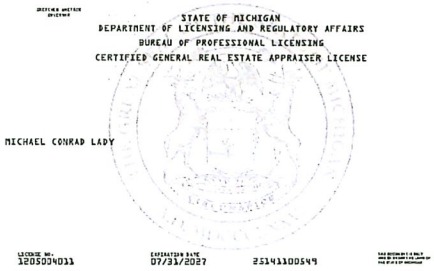

AN APPRAISER LICENSE/CERTIFICATE
has been issued under ORC Chapter 4763 to:
NAME:
Michael C Lady
LICCERT NUMBER:
2006007069
LIC LEVEL:
Certified General Real Estate Appraiser
Department of Commerce
Division of Real Estate & Professional Licensing
CURRENT ISSUE DATE:
09/27/2025
EXPIRATION DATE:
12/04/2027
USPAP DUE DATE:
12/04/2027

Ohio-12-4-2027


LICENSE NO.
553.001596
Department of Financial and Professional Regulation
Division of Real Estate
CERTIFIED GENERAL REAL ESTATE APPRAISER
MICHAEL C LADY
EXPIRES:
09/30/2027
MARIO TRETO, JR.
SECRETARY
LAURIE MURPHY
DIRECTOR
The official status of this license can be verified at IDFPR.illinois.g

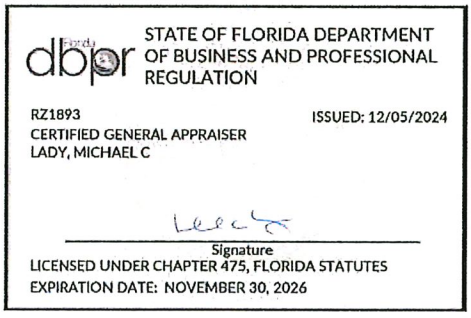
Illinois-9-30-2027


STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
BUREAU OF PROFESSIONAL LICENSING
CERTIFIED GENERAL REAL ESTATE APPRAISER LICENSE
MICHAEL CONRAD LADY
LICENSE NO.
1205004011
EXPIRATION DATE
07/31/2027
25141100549

Michigan-7-31-2027


Kentucky Real Estate Appraisers Board
Certifies
Michael C Lady
Certified General Real Property Appraiser
License Number : 3441
Expiration: 7/1/2026
TEAM KENTUCKY
PUBLIC PROTECTION CABINET

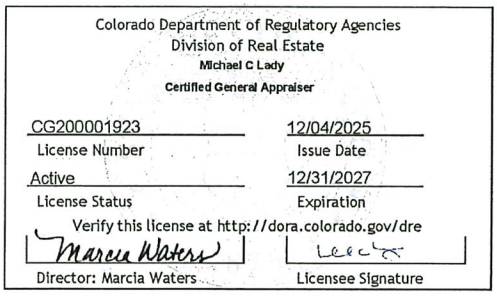
Kentucky-7-1-2026


dbpr
STATE OF FLORIDA DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
RZ1893
ISSUED: 12/05/2024
CERTIFIED GENERAL APPRAISER
LADY, MICHAEL C
Signature
LICENSED UNDER CHAPTER 475, FLORIDA STATUTES
EXPIRATION DATE: NOVEMBER 30, 2026

Florida-11-30-2026


South Carolina Department of Labor, Licensing and Regulation
Real Estate Appraisers Board
CERTIFIES THAT:
MICHAEL C LADY
IS AUTHORIZED TO PRACTICE
Certified General Appraiser
LICENSE NO.
AB .6526 CG
EXPIRATION DATE: 06/30/2026
To verify current license status, go to http://verify.llronline.com/LicLookup/LookupMain.aspx

South Carolina-6-30-2026


Colorado Department of Regulatory Agencies
Division of Real Estate
Michael C Lady
Certified General Appraiser
CG200001923
License Number
12/04/2025
Issue Date
Active
License Status
12/31/2027
Expiration
Verify this license at http://dora.colorado.gov/dre
Director: Marcia Waters
Licensee Signature

Colorado- 12-31-2027


Indiana Professional Licensing Agency
402 W. Washington Street, W072
Indianapolis, IN 46204
Real Estate Broker
License Number: RB14004311
Expire Date: 06/30/2026
Michael Conrad Lady
Signature

Indiana Broker 6-30-2026

REAL ESTATE MARKET IMPACT STUDY

PROPOSED DC BLOX DATA CENTERS
305 FINTAIL DRIVE
INDIANAPOLIS, IN 46219

Prepared for

FAEGRE, DRINKER, BIDDLE & REATH

Prepared By:

TERZO & BOLOGNA, INC.

EXECUTIVE SUMMARY AND PURPOSE

DC BLOX plans to construct a data center campus on a 32.406-acre site (based upon survey provided) located at 305 Fintail Drive, Indianapolis, Indiana. The site is zoned Medium Industrial District (I-3) -and is within Thunderbird Commerce Center on the former Ford-Visteon manufacturing facility site.

This report presents our findings regarding the potential impact, if any, of the proposed DC BLOX Data Center development on surrounding real estate.

Considering all information presented, in our opinion the proposed data center is both appropriate for this location and is not likely to impact the use and value of the surrounding real estate. It is to be located within a historically established industrial zoning district and will be buffered from residential areas by other industrial uses, will include strategic landscaping and other natural boundaries. The data center will be of less intensive industrial use than the former Ford-Visteon manufacturing plant and will be surrounded by other industrial developments with similar or more intensive uses. Overall, it aligns with local land use patterns.

SCOPE

- Inspected the site proposed for the data center and neighborhood on May 20, 2026.
- Discussed the proposed data center operation with Mindy Westrick Brown with Faegre Drinker Biddle & Reath.
- Reviewed the variance petition filing documents.
- Reviewed the data center site plan.
- Sourced and reviewed several studies and documents including:
    - George Mason University Center for Regional Analysis – "Data Centers and 2023 Home Sales in Northern Virginia"
    - SSRN/Rubinovistz Study – "Data Centers and Housing Prices"
    - Indiana Public Media Reporting on Data Centers
    - CBRE U.S. Data Center Trends and Industrial Infrastructure Reporting
    - JLL Data Center Outlook Reports
    - Cushman & Wakefield Data Center Market Reports
    - U.S. Department of Energy – Data Center Energy Resources
- Considered the elements of the proposed data center including but not limited to electrical and water use, noise, and traffic in conjunction with other permissible uses for the subject site.

EFFECTIVE DATE OF ANALYSIS

The analysis is effective as of May 20, 2026.

DATE OF REPORT

This report was completed on June 2, 2026.

DESCRIPTION OF SUBJECT SITE AND PROPOSED DEVELOPMENT

Subject Site and Historical Context

The subject site is located within Thunderbird Commerce Center, an industrial redevelopment project marketed as a 150±-acre master planned industrial park with significant utility and transportation infrastructure. The commerce center includes rail access, city utilities, multiple fiber providers, and substantial electrical service capacity (up to 300mva available).

The 32.406±-acre proposed Data Center site was part of the Ford-Visteon site automotive components manufacturing, developed during the 1950s and remained operational until 2007. The manufacturing buildings were demolished in 2017. The Ford-Visteon plant was a heavy-industrial operation that manufactured steering gear assemblies, hydraulic steering systems, power steering components, and other related automotive hardware and fasteners. According to public information, the factory was 1.8 – 1.9 million square feet and employed more than 3,000 workers. It likely involved operations such as machining and metal working, industrial fluid handling, heavy material handling, extensive truck shipping and receiving, and large-scale industrial utility systems. Additionally, daily traffic was likely heavy with thousands of daily employee trips, multi-shift traffic, and frequent trucking movements.

The site's historical industrial usage is important from a market analysis perspective. While many proposed data centers are often to be located within previously agricultural or suburban residential settings, the subject property possesses longstanding industrial precedent and is situated within a broader heavy industrial neighborhood historically associated with manufacturing, transportation, warehousing, and utility-intensive industrial activity.

Description of a Typical Data Center

A data center is a specialized industrial building whose function is the continuous operation of computer servers, storage equipment, networking equipment, power systems, cooling systems, security systems, and fiber connectivity. Its use can be characterized by less human activity than most typical industrial uses, but relies on backup-power infrastructure, security, and 24/7 mechanical operation.

The proposed DC BLOX Data Center is more of a regional communications facility needed to support increasing regional digital demand throughout the Midwest. It will be oriented toward connectivity, latency reduction, cloud access, content delivery, enterprise data needs, and regional network resilience. This type of facility may support commercial users, carriers, cloud platforms, institutions, public-sector users, healthcare systems, financial users, universities, and other customers requiring reliable digital infrastructure. While a regional data center can still be large and capital-intensive, its purpose is generally infrastructure support, not necessarily extreme compute concentration. As such, a regional communications-support facility is anticipated to be more comparable with an industrial node where surrounding uses already include heavy manufacturing characteristics like rail corridors, manufacturing, logistics, electrical infrastructure, or other nonresidential uses. The use is specialized and infrastructure-heavy, but not necessarily traffic-heavy, labor-heavy, odor-producing, or other characteristics like more intensive industrial uses. Further its relevant impacts will be limited with noise management/reduction, visual screening, conscientious use of back-up generators and well-managed utility capacity.

Comparably, the subject will not be a substantially larger hyperscale artificial-intelligence-oriented campus, which has differences in both market function and land-use intensity with more of a large-scale computer campus designed around massive cloud or AI workloads, often with much higher power density, more extensive utility infrastructure, phased multi-building development, heavier cooling requirements, and materially greater potential for regional grid, water, noise, and land-use scrutiny as compared to the planned subject project. Market evidence suggests that hyperscale and AI demand are driving a different development pattern. The power profile of a hyperscale AI campus is usually the defining distinction. AI and accelerated servers require substantially higher power density and cooling intensity than conventional enterprise or regional network facilities, such as the subject.

Electricity Usage

The proposed data center use would generally be expected to require a more intensive electric service and cooling infrastructure than many conventional industrial, warehouse, flex, distribution, and light manufacturing uses. This distinction is primarily attributable to the continuous operation of servers, networking equipment, power-distribution systems, and related cooling systems, rather than to labor intensity, customer traffic, truck activity, or production processes. Unlike many manufacturing facilities, where energy consumption

may be driven by motors, process heat, compressed air, natural gas, steam, or production equipment, a data center's principal operational load is electrical, and nearly all IT equipment power is converted to heat that must be continuously removed. Accordingly, the relevant land-use issues are not typical heavy-manufacturing issues such as odor, smoke, process emissions, or high-volume truck traffic, but rather electric utility capacity, cooling-system design, generator testing, mechanical noise, redundancy infrastructure, and site-specific mitigation measures.

The proposed campus is designed for 78 cMW of critical IT load to be split among the three buildings. This will primarily be directed to serve the computing equipment. A total of 117 MW of total power capacity has been contracted from AES to serve the entire campus. This places the subject's expected electrical demands above more traditional industrial uses, but well below that of larger AI-oriented data centers with power needs noted from various sources to range from 150 MW to 300+ MW. Further, larger and newer AI-oriented data center campuses energy uses can go well above this range. For example, Meta's Lebanon, Indiana data center is described as a "state-of-the-art" 1GW campus once operational, or roughly 8.5 times larger than the subject proposed 3-building development.

AES Indiana is accounting for data center growth in the Indianapolis market. In September of 2025 AES Indiana released a statement indicating that they have "developed a strategy that shows no negative impact to existing customer rates should AES Indiana power data centers in the future. This is possible because, even though more investments are required to serve those customers, we will be able to spread our costs over a larger amount of electricity sold." The statement also suggests that "Integrated Resource Planning (IRP) models the cost of new generation resources, changes in fuel, power purchased in the market, and operating and maintenance costs for existing assets and analyzes how these factors could impact our overall costs. This process ensures AES Indiana identifies the best option that meets our customers' needs in a way that is safe, reliable and cost-effective."

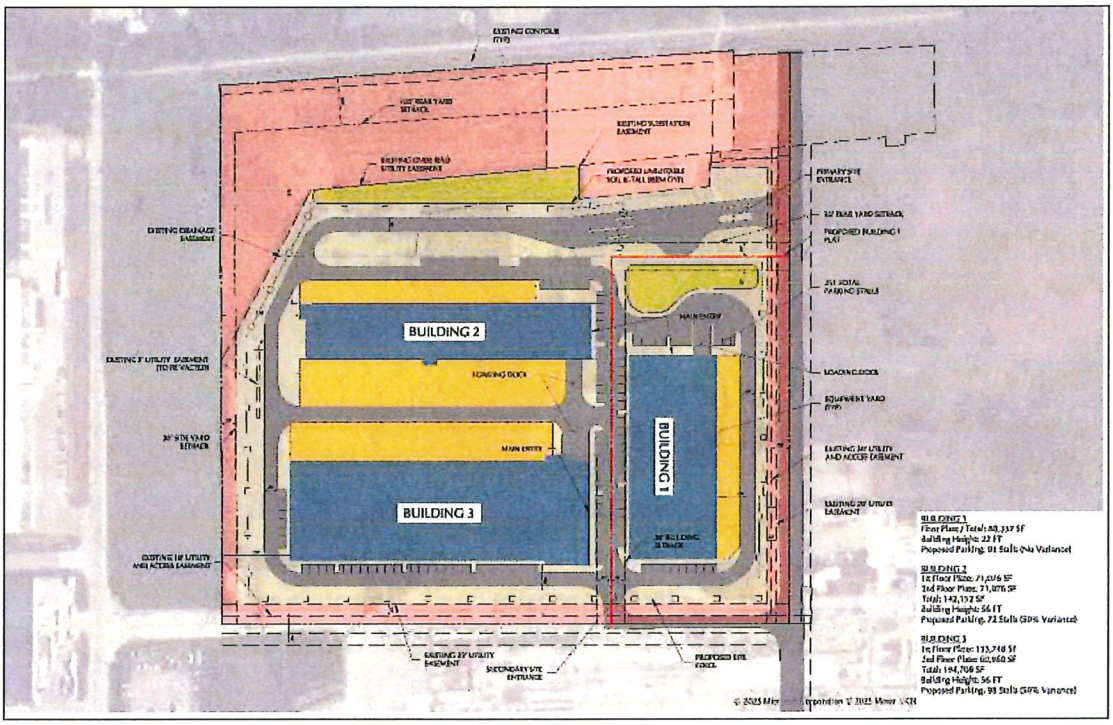
Further, through collaboration with the local electric provider, the data center developer will pay all related costs associated with a new substation for the data center and the additional generation, transmission, and distribution infrastructure needed to service it.

Based upon this information, the construction and operation of the proposed data center is not anticipated by AES Indiana to negatively impact existing customers' rates.

Proposed Development

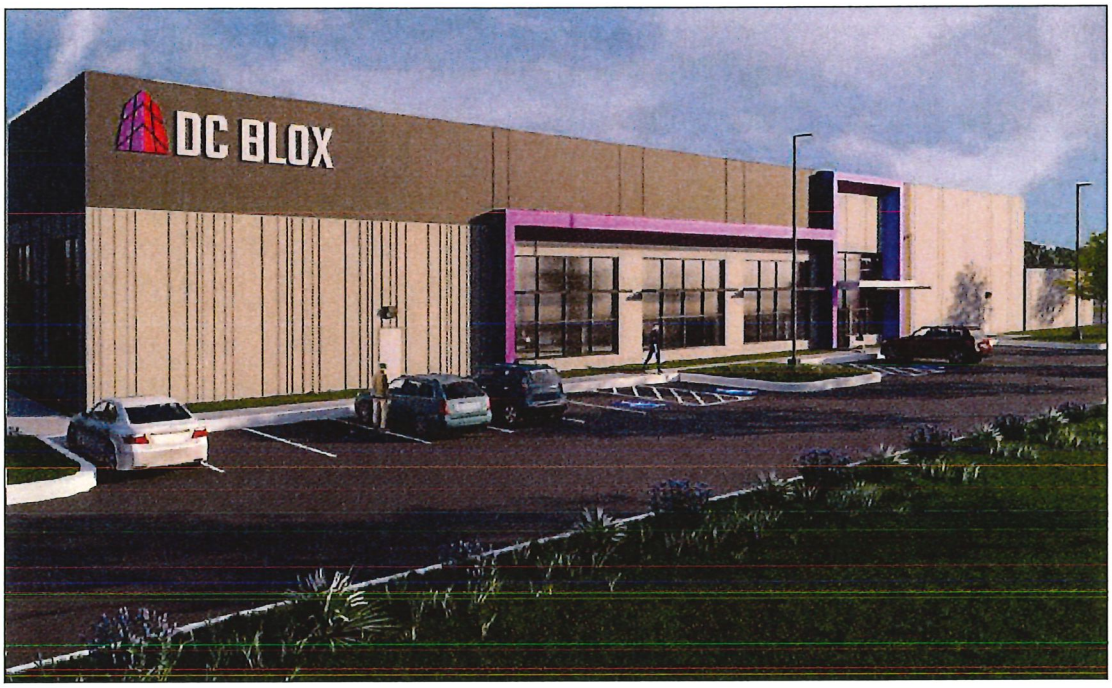
The proposed development consists of a phased data center project anticipated to ultimately total 417,197 square feet across three buildings. Phase 1 is anticipated to include an 80,337-square-foot facility, with future phases consisting of two additional buildings.

The developer's representative has indicated that the project is intended primarily to support regional communications infrastructure and increasing regional digital demand throughout the Midwest. This distinguishes the proposed facility from the substantially larger hyperscale artificial intelligence-oriented campuses. The proposed development is detailed within the site plan on the following exhibit.



The first phase of construction anticipated to begin immediately upon variance and replat approval. It will be the one-story 80,357 SF building; and is expected to be completed within 24 months. The second phase of construction will be comprised of the two larger buildings totaling 336,858 SF and will likely begin construction in two years and be completed in four years. At full buildout, the campus is forecasted to employ approximately 35 full-time, high-wage operations staff.

A rendering of the proposed Building 1 is illustrated below.



Noteworthy Development Components of the Proposed Data Center

Reported Capital Investment and Tax Benefits

The project represents a total investment in the range of $2 - $2.2 billion, split between: DC BLOX investment of $700-800 million in land, site development, and building construction; and additional tenant investment of $1.3-1.4 billion in servers, networking equipment, and high-performance AI hardware.

Reported Transportation and Deliveries at Full Buildout

The project is judged to be a low-impact industrial use compared to many of the surrounding manufacturing uses as well as legally permissible uses. At full buildout:

- Vendor Deliveries: +/- 35 per week.
- Customer Visits: +/- 45-50 per week.
- Employee Traffic: +/- 35 daily commuters.

Reported Water Usage

The DC BLOX water usage is limited due to a closed loop cooling system that requires a one-time water load. The initial system fill is estimated to be one-

million gallons trucked to the property over a period of one week. A closed-loop cooling system in a data center circulates chilled water or another coolant through a sealed piping network to remove heat from servers and IT equipment without continuously consuming or discharging large volumes of water. The coolant absorbs heat inside the facility, transfers that heat to a heat exchanger, chiller, dry cooler, or cooling tower system, and then recirculates back through the loop. Because the same fluid is re-used, closed-loop systems limit water use, improve control, and reduce contamination compared with open-loop cooling systems. Some larger water-cooled data centers that do not employe a closed loop system are estimated by the Environmental and Energy Study Institute (EESI) to consume up to several million gallons per day. After the initial system is loaded with water the projected annual water usage of 2,200 gallons per day. Based upon Energy Star's median water usage of 14.48 gal/SF/year for office uses this equates to approximately a 55,000± SF general office building.

Additionally, all water utilized will be provided by the municipal provider. The developer will not utilize natural aquifers to supply the data center. In the case of rare emergency or an unforeseen mechanical issue, water will be disposed of per IDEM regulations and not discharged into the public wastewater system.

Outdoor Operations

The project plans include utility yards/outdoor operations, related to operational and infrastructure requirements including approximately 56 generators for emergency power of each building. The generator system will reportedly be designed with multiple layers of containment, monitoring, regulation, and inspection under federal, state, and fire code standards. A spill prevention, control and countermeasure ("SPCC") plan is expected to be in effect which will be in compliance with IDEM. All exterior lighting will meet the zoning ordinance requirements.

The generators will be located in insulated enclosures with fuel storage tanks that support up to a 48-hour runtime at 100% load. The generators are designed to only run during testing (30 minutes once per month; and 4 hours once per year) and during periods of power outages. Testing will not occur between 5:00 p.m. and 7:00 a.m, and not generally on weekends nor holidays. The generators will operate strictly within the limits of the IDEM air permit. The 65-decimal maximum noise volume at the property line is expected to be maintained even during periods of full generator running during testing and power outages.

The following protocols will be performed:

Code of Governance	Requirement	Frequency
EPA – SPCC (40 CFR 112)	Visual inspection of Belly tanks for leaks, corrosion, structural damage	Monthly
	Inspection of secondary containment for cracks, fluid accumulation, drainage control	Monthly
	Formal tank integrity testing (per recognized standard such as STI SP001)	5 Years
NFPA 110	Inspection of generator fuel system as part of EPSS system inspection	Annually
NFPA 30	Inspection of tank shell, supports, vents, piping, and overfill protection	Annually
International Fire Code (IFC)	AST compliance inspection by Authority Having Jurisdiction (AHJ)	Annually
STI SP001 (Industry Standard)	External inspection of shop-fabricated aboveground tank	Annually
	Formal integrity evaluation of shop-fabricated aboveground tank	3–5 years
Practice Added above Code	Visual leak check of tank seams, fittings, and connections	Weekly
	Check for water accumulation in fuel and drain if necessary	Monthly
	Fuel quality testing (diesel degradation, microbial growth)	Annually
	Inspect vent caps, flame arrestors, and emergency vents for obstruction	Monthly
	Verify overfill alarm functionality	Semi-Annual
	Review and update SPCC Plan	5 Years
	Corrosion protection review (coating condition, underside inspection)	Annually

DISTRICT SETTING AND MARKET AREA ANALYSIS

The surrounding area is characterized predominantly by longstanding industrial development within the east Indianapolis industrial corridor. Surrounding land uses include various combinations of warehousing, manufacturing, transportation and logistics. This is detailed in the following exhibit.

The immediate area surrounding the subject site and the Thunderbird Commerce Center is primarily industrial developments with limited adjacent residential housing properties.

To the north and across the Pennsy Trail from the subject are various uses including self-storage and other smaller industrial uses, the Irvington Elementary school was constructed 2004, a small residential node of house primarily constructed in the 1930's – 1950's.

The nearest residential subdivision to the subject site is the Kenmore Heights Neighborhood to the west and is located approximately 1,300 feet from the subject's western lot line. Those residential properties back-up to the Kitley Industrial Park and have been adjacent to industrial uses since being constructed in the 1960's. As a result, they are not expected to be impacted by the newly constructed industrial uses within the Thunderbird Commerce Center, including the subject data center.

ZONING AND COMPATIBILITY

The subject property is located within a I-3 Medium Industrial zoning district.

The I-3 district allows for several industrial uses including: medical or dental laboratories, agricultural machinery and equipment sales/rental/repair, processing and packaging of food and beverages, auctioneering and liquidating services, dry cleaning plant or industrial laundry, printing services, commercial and building contractors, heavy equipment sales/service/repair, light manufacturing, medium manufacturing, research and development, automobile and vehicle storage or auction, fleet terminals, heavy vehicle wash, motorsports industry, transit center, heavy outdoor storage, warehousing, wholesaling, and distribution

Based upon research for this analysis and a description by the developer's representative, the proposed data center use appears less intensive than numerous uses permissible within the zoning district based upon the following characteristics:

- lower employee traffic volumes,
- lower heavy truck traffic,
- minimal outdoor operational activity,
- limited noise
- limited emissions,
- limited waste generation,

- and limited odor or industrial processing characteristics.

The subject site's historical manufacturing use, I-3 zoning and the number of nearby industrial uses reinforces the broader market expectation that the property will be developed with an industrial use.

COMPARATIVE MARKET EVIDENCE

Research into comparable data center developments nationally and regionally indicates that measurable market impacts vary significantly depending upon:

- development scale,
- surrounding land use patterns,
- existing zoning,
- visibility,
- and the degree to which a proposed project aligns with existing market expectations for the surrounding area.

Many publicized controversies associated with data center developments have involved hyperscale campuses proposed near to or adjacent to suburban residential neighborhoods or within undeveloped areas.

The subject property possesses several characteristics that materially distinguish it from more controversial data centers including:

- longstanding industrial precedent,
- heavy industrial zoning,
- existing utility infrastructure,
- rail and transportation orientation,

The George Mason University Center for Regional Analysis, *Data Centers and 2023 Home Sales in Northern Virginia* (2025), which found no statistical evidence that proximity to data centers systematically reduced surrounding residential sale prices in the analyzed market, suggesting no consistent evidence of measurable residential value diminution attributable solely to data center proximity within established industrial market settings, although certain studies and market commentary suggest localized perception sensitivity or modest effects may occur in directly exposed residential environments."

MARKET PERCEPTION AND FUNCTIONAL COMPATABLITY

An important distinction involves the difference between public concern or perception and measurable market behavior. Entitlement processes can generate concern regarding unfamiliar or controversial property types.

The proposed data center appears functionally compatible with the overall industrial character of the surrounding area. The project involves redevelopment of a historically industrial property within an established heavy industrial environment with ample utilities, and good linkages. In several respects, the proposed use appears less intensive than numerous permitted uses, when considering noise, odors and traffic.

CONCLUSION

Based on our research and analysis it is our opinion that the proposed DC BLOX data center development is not expected to create adverse impacts on surrounding real estate values.

This conclusion is supported by several significant factors, including:

- the longstanding industrial character of the surrounding area,
- historical heavy industrial use of the subject site,
- I-3 industrial zoning of the subject and nearby properties,
- low noise levels relative to industrial alternatives,
- lower traffic intensity relative to similar scale industrial alternatives,
- and the absence of compelling evidence demonstrating systematic measurable value diminution associated with comparable industrially located data center developments.

Based upon the analysis, the proposed development appears compatible with the surrounding market area.

BASIC ASSUMPTIONS

This report assumes the following:

1. That the planned development be completed as represented to the consultants and will comply with the applicable guidelines and regulations set forth by all federal, state and local authorities and will be competently operated within applicable regulatory standards.
2. Operations will be conducted during hours common with the subject's industrial setting
3. Appropriate visual landscape buffering will be utilized.
4. A maximum of 65 dMB at the subject's lot line will be continuously maintained as indicated by the developers representative
5. Back-up generators will only be used during brief testing periods and during service outages as appropriate.

Please see the Annex for additional exhibits and information.

Sincerely,

Erick Landeen, MAI
Certified General Appraiser #CG40400483
for Terzo & Bologna, Inc.

Greg Knapp
Indiana Certified General Appraiser – #CG41500014
for Terzo & Bologna, Inc.

ANNEX

SUBJECT PHOTOS
SUBJECT AERIAL PHOTO
ZONING MAP
QUALIFICATIONS OF THE APPRAISERS
INTRODUCTION TO TERZO & BOLOGNA

NORTHEAST CORNER LOOKING SOUTHWEST

SOUTHEAST CORNER LOOKING NORTHWEST

EXISTING SUBSTATION

LOOKING NORTH ALONG FINTAIL DRIVE

LOOKING SOUTH ALONG FINTAIL DRIVE

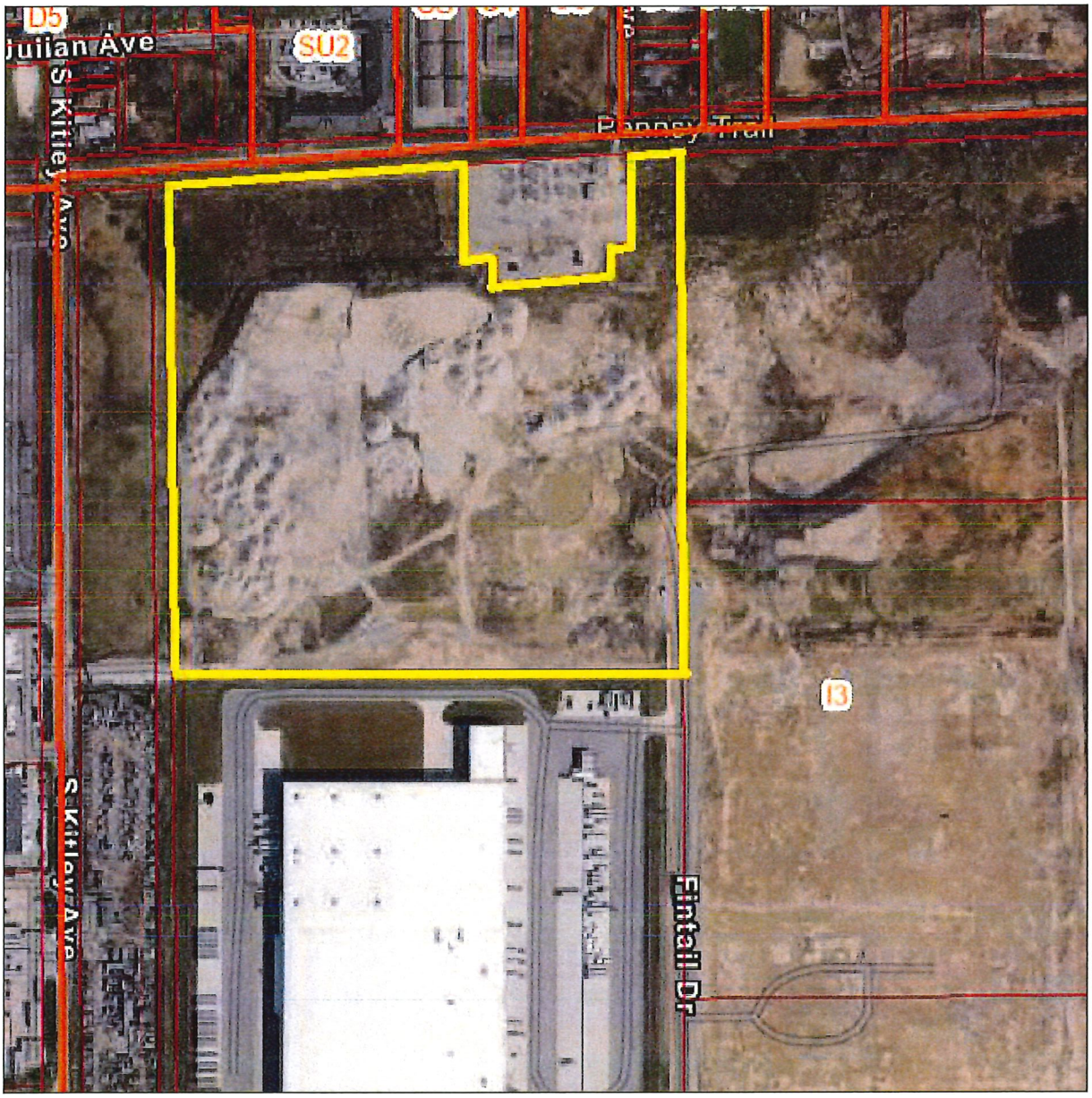
AREA DEVELOPMENT

AREA DEVELOPMENT

AREA DEVELOPMENT

AREA DEVELOPMENT

SUBJECT AERIAL


D5
SU2
I3
S Kitley Ave
Eintall Dr

QUALIFICATIONS OF THE APPRAISERS

ERICK LANDEEN, MAI

Erick Landeen, MAI is a principal at Terzo & Bologna, Inc. and has been a commercial real estate appraiser since 1988. He earned the prestigious MAI designation in 1993 and is a Certified General Appraiser (CG40400483) in the State of Indiana. Landeen joined Terzo & Bologna, Inc. in 2005, following his tenure as a Principal with Integra Realty Resources in Portland, Oregon.

Landeen holds a Bachelor of Science degree in Economics from Willamette University. Over his career, he has appraised a diverse range of complex properties, including retail, office, industrial, multi-family, single-family subdivisions, proposed and existing single-family condominium developments, hotels/motels, manufactured home parks, large acreage tracts, and various special-use properties.

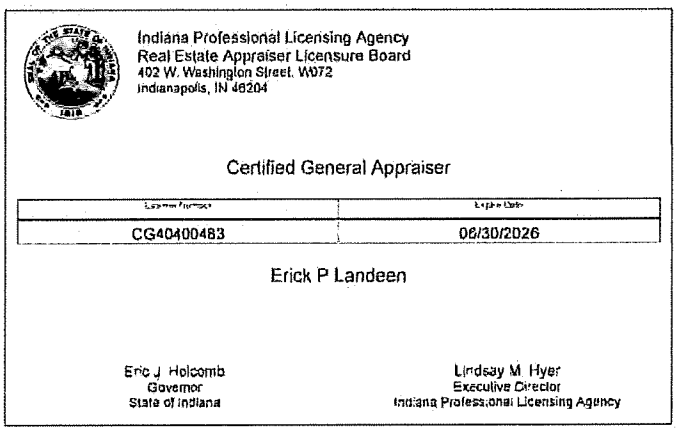
He is an active member of the International Right of Way Association (IRWA) and has extensive experience in eminent domain appraisals and reviews for right-of-way projects, including roads, trails and utilities. Pre-qualified with the Indiana Department of Transportation, Landeen provides both appraisals and appraisal reviews. He served as IRWA's Beaver State Chapter's Membership Chair. He was the Valuation Chair for IRWA Chapter 10 and participated as a Citizen Representative on Salem Oregon's Nothgateway Redevelopment Board.

Landeen has taught USPAP (Uniform Standards of Professional Appraisal Practice) courses for the Appraisal Institute as well as other appraisal-related courses for the American College of Real Estate and Appraisal, such as Introduction to Income Property Appraisal, Condemnation Appraising, and Real Estate Appraisal Review.

Landeen's contributions to professional organizations are extensive. He has held numerous leadership positions within the Greater Oregon Chapter of the Appraisal Institute, including President, Vice President, Treasurer, Secretary, and various committee chair roles. In Indiana, he has actively served the Hoosier State Chapter of the Appraisal Institute, including terms as Indianapolis Subchapter Chair, Associate Member Guidance Chair, Public Relations Committee Chair, and Board of Directors member from 2014 to 2016. He was also elected as a Regional Representative to Region V and has served as the chapter's Secretary/Treasurer, Vice President, President, and Past-President.

In November 2015, the Appraisal Institute honored Landeen as a "Volunteer of Distinction" in recognition of his significant contributions to the profession and the organization.

Landeen was presented with the Edward L. White Achievement Award in December 2024 by the Hoosier State Chapter of the Appraisal Institute in recognition of his efforts to further the appraisal profession through such activities as teaching, participation in Chapter activities, being a mentor to newer members and someone who has shown a willing and genuine concern in assisting and counseling others.



Indiana Professional Licensing Agency
Real Estate Appraiser Licensure Board
402 W. Washington Street, W072
Indianapolis, IN 46204

Certified General Appraiser

License Number	Expire Date
CG40400483	06/30/2026

Erick P Landeen

Eric J. Holcomb
Governor
State of Indiana

Lindsay M. Hyer
Executive Director
Indiana Professional Licensing Agency

GREG B. KNAPP

Greg B. Knapp has been appraisal associate of Terzo and Bologna, Inc. since 2011. He has 25+ years of real estate industry experience, having also worked as a loan originator, property manager for both multi-family and commercial properties, and as a Director of Real Estate for an international fraternal organization.

Greg is a graduate of the Indiana University Kelley School of Business where he earned a Bachelor of Science degree in Finance and Real Estate with a minor in economics.

Mr. Knapp is an Associate Member of the Appraisal Institute and has completed the course requirements for Certified General Appraisal license in Indiana including: Real Estate Appraisal Principals, Real Estate Appraisal Procedures, Uniform Standards of Professional Appraisal Practice, Real Estate Finance Statistics and Valuation Modeling, General Appraiser Sales Comparison Approach, General Appraiser Market Analysis & Highest and Best Use, General Appraiser Site Valuation & Cost Approach, General Appraiser Income Approach I, General Appraiser Income Approach II, General Appraiser Report Writing and Case Studies. Additionally, Greg has completed the Appraisal Institute's Advanced Market Analysis and Highest and Best Use and Advanced Income Capitalization classes.

Greg is licensed in Indiana as a Certified General Appraiser (CG41500014).

Indiana Professional Licensing Agency
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402 W. Washington Street, W072
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Certified General Appraiser

License Number	Expire Date
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Indiana Professional Licensing Agency

Data Centers and 2023 Home Sales in Northern Virginia

Keith Waters and Terry Clower

August 2025

The Center for Regional Analysis
Schar School of Policy and Government
George Mason University

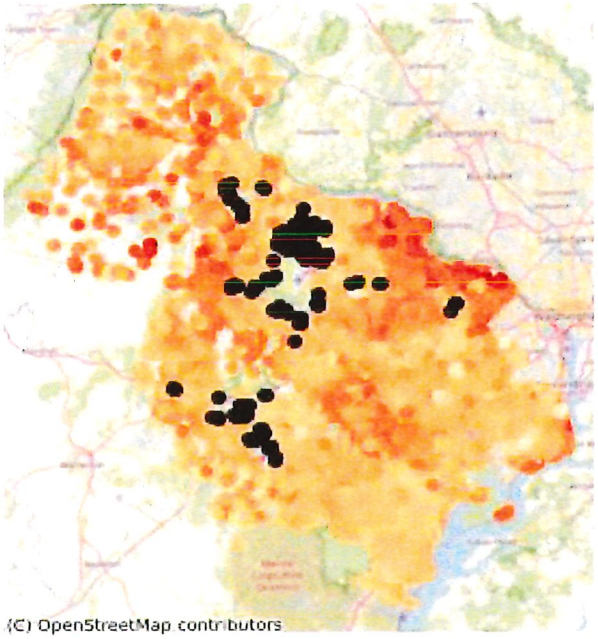
Introduction

Over the past several decades, data centers have become an increasingly important asset to Northern Virginia's regional economy. Positively, they generate substantial employment during construction as well as tax revenue after construction. However, their expansion has raised questions regarding energy usage and potential impacts on neighboring properties. This research note focuses narrowly on the impact of data centers on for-sale housing values in Northern Virginia.[1]

Descriptive Statistics

To provide a broad overview of the impact of data centers on home values, Figure 1 maps the locations of home sales and data centers. [1]. Darker reds indicate high home sale prices . In general, the areas with the highest home sale prices are North McLean, Western Loudoun County, Clifton/Farrs Corner, and Belle View. These areas generally have larger properties, larger homes, and natural amenities such as the Potomac River or country views. Data centers in contrast are generally located around Dulles International Airport in Loudoun County and between I-66 and Manassas Regional Airport in Prince William County, despite a few being located in Tysons.

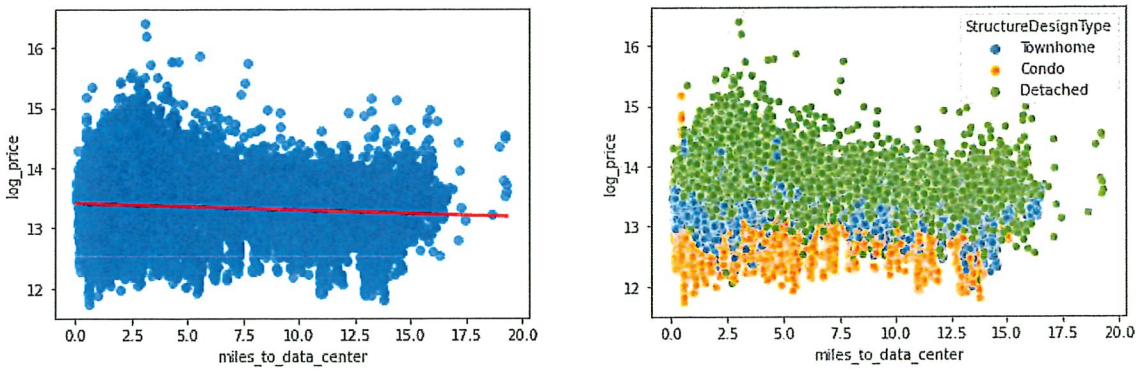
Figure 1. Housing Sales (Reds) and Data Centers (Black)



Examining the direct relationship between distance to data centers and price reveals a negative relationship. That is, the farther a home was from a data center, the lower its sales price. The overall negative relationship holds for single-family detached homes, townhomes, and condos. Despite the very high end of the market being somewhat separate, such as North McLean, simple scatter plots reveal that proximity to data centers is correlated with higher home prices for the bulk of sold homes.

[1] Data center locations are sourced from the Northern Virginia Regional Commission and reflect data center locations built or permitted by August 2024. Home sales data are sourced from BrightMLS from 2023.

Figure 2. Sales Price (log) and Distance to Data Center



Regression Analysis

In performing an analysis of factors that influence housing prices at the local level, analysts use multiple regression procedures to perform what is called "hedonic modeling." Hedonic models take into account features of a home that would impact the perceived value such as age of the home, size, number of bedrooms and location characteristics. Using data available from BrightMLS listings, we modeled the price of houses sold (dependent variable) based on the following characteristics (independent variables) with the expected effect sign. For example, we generally expect newer homes to be more valuable, so the expected sign for the age variable coefficient would be negative. Similarly, being closer to a Metro station usually adds value to a residential property, so the sign for the Distance to Metro coefficient is also expected to be negative. Conversely, the sign of the coefficient for number of bedrooms and distance to industrial land are both expected to be positive. Our hypothesis here is that being farther away from a data center would make the property more valuable (+ sign).

- Age [-]
- Number of bedrooms [+]
- Living area (square feet) [+]
- Size of lot (not applicable for multifamily) [+]
- Type of housing (single family detach, townhome, condo) [SF+, Townhome +][2]
- Distance to a Primary Road [-]
- Distance to Metro Station [-]
- Distance to Dulles International Airport [+]
- Distance to Downtown DC (measured from Farragut metro station) [-]
- Distance to Office Zoned Land [+]
- Distance to Industrial Zone Land [+]
- Distance to the Potomac River [-]
- Distance to Data Center [+]

[2] The type of housing variable is structure to compare the price of detached homes to condos and townhomes to condos.