Review Martin Heintzelman's Open Space paper.

The article is a response to the Greenstone approach, but the experiment is one step back, not exactly open space but an experimental test of policies that may promote open space.

3 main points:

1. - basic problem is I think you are controlling for the effect you seek, if you are controlling for land use, then all that your dummy or tax change is showing up
is the tax effect of the change.
3 effects : (1) negative additional property tax. (2) another is increasing local public goods, main effect we are worried about is increasing open space, so if control for open space then eliminating that effect. (3) could be changing expectations of land use. that your variables might capture.

-ideally you would know what the changes are and test the changes directly, but otherwise I think you can't control for the land use at the end of the dataset, perhaps control for land use only at the beginning of the dataset?

- There is a lot of literature on property taxes and real estate values, so a discussion and comparison of your results and how much you would expect real estate value to drop would be useful in figuring what effect you are going after.

Edit [it looks like you are controlling for land use before the policy implementation, so discuss the pros and cons of that decision. it could be that towns that implement the polices are also implementing other land use changes that confound your results, so you should check into that.]

2. I think for all the quasi-experimental applications you should check the balance of your covariates. How different does the treatment and control group look?
this goes to your point about variables varying differently across time in the control and treatment groups. If the treatment groups are pretty similar in 2000, then its a reasonable case that the towns are similar in their property price appreciation over time. If the groups are really different, that is a harder case to make.

3. - I think a variant of my false treatment dummy could be used. Can you put in a dummy for the towns that adopted the policy before they adopted it. its at least a crude test for wether their rates of appreciation are different. You could also use a false treatment dummy for houses that are close to towns that implemented the policy but in towns that did not implement the policy.

4. you use a straightforward panel specification for the repeat sales data instead of the case/shiller repeat sales framework. Both of us need to think and justify why one should use one or the other or what the relative advantages might be. because of the extreme irregularity of repeat sales its a little unclear how we should treat them. One disadvantage of the repeat cross-section approach is that you are not taking advantage of all the possible transaction pairs.

5. I'm not sure at what level you are clustering your errors. For the repeat sales data errors should be clustered at the property level or the heteroskedasticity issues should be directly corrected in a GLS approach.

Minor thoughts:

policy is community preservation act

can be used for open space, historic preservation, and affordable housing - don't know exactly what they are spending it on.

works as a matching grant, so really leverages initial WTP.

instead of analyzing open space directly, is analyzing the policy instrument that gets open space.

trouble with that - what if policy instrument is inefficient, or not doing what you think, really funnelling money into golf-buddies pockets.

has some evidence on local spending priorities.

policy instrument:

community must pass it, state matches fund.

could be funding public goods that are not related to property values.

may not have seen the benefit yet.

little unclear on what his land use etc. data is, does he have data for each year for each variable?

Time-dependent controls:
year/month dummies, House price index.

regression:
price on dummy, treatment variable, land use characteristics, + fixed effects

-In Equation (1) I wasn't sure if all your variables were time-varying. just clean up the notation.

-How big is the buffer around the houses to measure land-use values? did you check different values for robustness?

- your conservation zoning values are after controlling for land use in the buffer areas, so you are really only capturing the downside of conservation, since the upside is captured in the land use variables.

Specifications:

Why no breakdown of spending in full sample regressions? I find the corroboration of the full sample and repeated sale observations compelling, but I'd like to see the spending as well in both.

for the interaction effects (table 4) I don't quite understand the interactions. My first read was that the CPA*low density residential use is negative so that with passage of a CPA, low

density residential use near a house becomes less beneficial to a property. I can't quite tell whether that is what you are saying, I think the couple of sentences need to be re-written.

My general point on the interaction is that you should take advantage of the literature on the heterogeneity of open space values to build some hypotheses about what the interaction coefficients should be. The paper as written now seems to have after the fact explanations for the findings - though by your prior work I'm sure you had hyptheses going in. Also, do you need all the different interactions? it seems like a review of the prior literature could cut those down.