

Further Evidence on the Housing Value-Relevance of Governmental Accounting Information

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Abstract

Using a sample of residential property values over an eight year period, we test the association between home prices and measures of county government performance. We find substantial evidence that changes in property values are associated with financial and non-financial measures of government performance. We also find evidence indicating the price-informativeness of governmental financial measures is affected by the growth of the community and the stability of the reported surplus figure over time. Our results provide evidence on the factors that affect the citizenry's perceived usefulness of aggregate governmental disclosures.