

Green Subdivision Lots Put Green In Developers' Pockets

Greening a Subdivision Can Yield a Great Return on Investment as well as [Environmental Benefits](#)



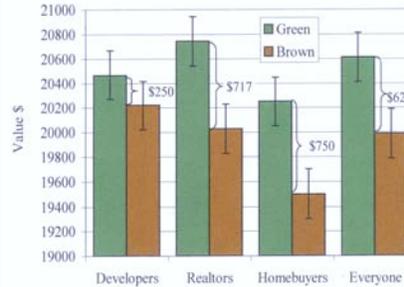
Which Walden Oaks Do You Prefer?

Buyers perceive grass covered lots to be more desirable than lots with bare soil. Buyers are prepared to pay more for lots with vegetative cover. In this study homebuyers perceived grassed lots to be worth \$750 more than comparable bare lots.

The difference in value between grassed and bare lots, compared to the cost of applying seed and mulch, provides a measure of the net and economic benefit to the developer.



Difference in Average Prices with Error Bars Indicating One Standard Deviation



Difference in Cost

	Value Difference	
	Gross	Net (inc. \$300/lot seeding)
Developers:	\$250	-\$50
Realtors:	\$717	-\$417
Homebuyers:	\$750	\$450
Overall:	\$628	\$328

	Percent Difference	
	Gross	Net (inc. \$300/lot seeding)
Developers:	1.2%	-.3%
Realtors:	3.6%	1.8%
Homebuyers:	3.9%	2.3%
Overall:	3.1%	1.7%

What do the results mean?

Developers think that there is only a very small increase in the value of a lot from seeding, but homebuyers put a high premium on vegetated lots. If the developer invests \$300 to vegetate a lot, and sells the lot based on the homebuyer's estimate of its increased value, the developer's return is \$750, a 150% return on the initial investment.

If the developer sells 100 lots with the vegetation investment and sells the lots at a \$450 net increase for each lot, the total net increase for all lots sold is \$45,000.

The developer should adopt vegetative cover as a means of erosion control for economic and environmental reasons.

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