

THE ECONOMIC BENEFITS OF CONSERVATION SUBDIVISIONS

FLEXIBLE DESIGN

Greater flexibility in lot sizes allows developers to create lots smaller than one acre, for empty-nesters who wish to minimize their routine outdoor maintenance work (mowing lawns, raking leaves, etc.). It also enables developers to take far greater advantage of special places on the property (such as knolls offering views of ponds, meadows, etc.) by siting a larger number of less-wide lots there than would ordinarily be possible.

MARKETABILITY:

The ability to divide and sell parts of the protected open space as “conservancy lots” enables them to tap into the higher-end market, boosting their profit margin and also adding value to all lots in their vicinity. In addition, developers and realtors can highlight distinct benefits such as open space, views, wildlife and trails as amenities to the development.

HIDDEN INCENTIVES:

Reduced site grading costs are another “hidden incentive”. One developer in Texas who hired Randall Arendt to redesign his 60-acre subdivision found his site grading costs plummeted from \$300,000 to \$50,000 as a result of conservation subdivision design compared to a conventional approach, according to his own engineer’s calculation of both layouts. In addition, it enabled 24 of 25 large trees to be preserved in this otherwise open landscape, retaining the value they add to the neighborhood.

REDUCED INFRASTRUCTURE:

Reduced street costs are sometimes another benefit. In Pleasant View TN, Randall Arendt recently redesigned an 86-lot subdivision in such a way that saved the developer \$212,000 (by his own calculations), through wiser street layouts involving less street length. A recent analysis in the Chicago region examined case studies comparing infrastructure costs of conservation and conventional subdivisions. The results showed that holistic conservation design treatments saved an average of 36% over conventional infrastructure practices. The savings were due to practices such as shorter street length, native landscaping use, minimizing site disturbance, and best management practices for stormwater treatment.

GREATER ATTRACTIVENESS:

Greater attractiveness, provided by the open space, is another benefit having direct economic value. One developer in Indiana discovered that conservation design enabled him to charge \$20,000 to \$25,000 more per lot, compared with houselots without open space, such as those he had developed the previous year in the same community, for the same upscale market, at the same overall density. On that 40-lot subdivision, the total added value was between \$800,000 and \$1,000,000.

FASTER ABSORPTION RATES:

Faster absorption rates are another economic advantage created with very significant amount of open space are preserved. One of recent project in the Tallahassee area (www.centerville-florida.com) sold 86 of the first 87 lots in the first phase of the development in the first seven hours of sales. At the Sugar Creek Preserve with 70% open space in Lafayette (Walworth Co.) WI, fully 15 of the 52 lots were pre-sold prior to advertising, double the developer’s original projection (see www.sugarcreekpreserve.com).

RESEARCH PROVEN:

One researcher, who recently studied 184 lots in conservation subdivisions and in conventional subdivisions in South Kingstown, RI, reported the following results:

- developers’ costs were 28% lower (\$7400 less, per lot), compared with conventional subdivisions
- lots in conservation subdivisions carried a 14% premium (about \$15,000 more per lot), compared with conventional developments
- lots sold 47% more quickly, compared with those in conventional subdivisions.

ADDITIONAL RESOURCES FOR MORE INFORMATION:

- *Conservation Subdivision Design: A Market-Friendly Approach to Local Environmental Protection.* <http://www.rppi.org/conservationsubdivision.html>
- *Greener Prospects*, Randall Arendt’s website. Several studies, books, and articles linked on this site. <http://www.greenerprospects.com/products.html>
- *Changing Cost Perceptions: An Analysis of Conservation Development.* A report by the the Northeast Illinois Planning Commission. <http://www.nipc.org/environment/sustainable/conservationdesign/cost%5Fanalysis/Cost%20Analysis%20Report.pdf>