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SUSTAINABLE HOME IMPROVEMENT: A SOUND INVESTMENT IN TODAY'S HOUSING MARKET?

It wasn't too long ago that a swimming pool, a manicured lawn and a water feature were considered strong selling points for a house on the market.

These days real estate is changing. Agents are talking up things like a backyard water tank, a low-maintenance native garden, and water-efficient household systems.

But what difference do these features really make to the value of a house? Professor Richard Reed, from Deakin's School of Architecture and Building, is working out how to answer that question.

With colleague Sara Wilkinson, Richard will examine the selling price of a range of residential properties, and try to determine if sustainable features – or a lack of them – affect their market value.

He suspects the results will show sustainable housing is hot property, and that homes with features like a water tank, a grey water system or a native garden will have higher long-term value.

"Buyers are placing a premium on sustainable housing," he says. "It used to be 'can you afford to be green'? Now the question is 'can you afford not to be green?'"

Richard also believes properties with features that are energy or water intensive are likely to experience a drop in value.

He cites swimming pools as one example. In the past they were thought to add about \$10,000 to the value of a house. But with tougher water restrictions in recent years, a pool can now detract from a property's market worth.

"It's nice to have a swimming pool, but with the maintenance, and the sight of all that water evaporating every day, people are saying: 'I'd rather have a house without a swimming pool thanks'."

Richard thinks the shift in community attitudes towards a more sustainable way of life has happened very quickly, driven by factors such as the drought, water restrictions and the media.

But he would like to see more people opting for smaller homes that use up less land and resources, in the same way that motorists are downsizing to compact, more energy efficient cars.

"Homebuyers should be thinking more about efficiency and not so much about keeping up with the Joneses and that bigger is best."

"Every time you have a building there's a cost to the planet."

Given the current economic climate, Richard recognises people may feel less inclined to put money into green purchases like a solar hot water system or a rainwater tank.

"Often what happens when times get tough is that sustainability goes out the window first."





Dr Richard G Reed

But he's encouraging people to do what they can with the resources they have, saying that increasing the sustainability of their homes can be a good long-term investment.

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Isolating out the effect of sustainability on a property's value will be a challenge for the researchers, given there are so many factors that can affect the price, including location, aspect and age.

But Richard sees the task as an important one, given that housing is for many Australians their largest investment.

"We're looking at whether it's possible to be sustainable and add value to your house, your single greatest asset," he says.

REFERENCES:

The Relationship between Sustainability and Housing Value.
8th Annual African Real Estate Society (AfRES) Conference.
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FURTHER INFORMATION:

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