Greater local council involvement in the planning of urban residential infill development creates value for local residents

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Background
Urban residential infill projects are seen by most State Governments as critical to meeting overall housing demand. Infill projects increase population density, but decrease pervious surface and greenspace. To maintain liveability, environmental quality, and overall public benefits, Local Councils involve themselves in the planning process of urban residential projects, to various degrees.

Research questions
- Does active council involvement in urban residential infill projects result in greater amenity benefits to residents?
- Are these benefits capitalised into house prices?

Data
- 11,829 sales of homes built after subdivisions in Adelaide

Method
- Hedonic Price Method, controlling for structural and spatial characteristics
- Variables of interest:
  - Zoning/regulation (residential code)
  - Three levels of council input through voluntary engagement with the developers
    1. Limited (reference level)
    2. Medium council input
    3. High council input

Key finding
Infill projects that have high engagement with local councils in the planning and development stage have features that residents are willing to pay for.

Conclusion
The impact of local councils’ involvement with infill development has been estimated for the first time. The findings lend support to the idea that greater council input/involvement with the planning of infill projects creates more livable water sensitive neighborhoods and residents are willing to pay for these benefits.