

CPIC Background Document

Market Incentives and Economic Benefits of Conservation Development Subdivisions

Conservation subdivision development is an alternative to conventional subdivision development typical of the last 50 years. Conservation subdivisions offer the community a way to address many concerns raised by the residents -- to preserve the Town's rural character and maintain the health of our marine and wildlife habitats. It decreases the amount of area devoured by development, and reduces the adverse impact development often has on the environment.

A growing number of residential property owners seek amenities such as low maintenance homes and property, neighborhoods with a "community" feeling, and proximity to recreational land. Conservation development addresses these needs. So it is often enticing to this demographic group, and the demand drives up the market price for conservation development homes. The home-buyer, speaking through the marketplace, appears to have a greater desire for a home with access and proximity to permanently-protected land, than a home located on a bigger lot, but without the open-space amenity.

Additionally, market studies show that homes within residential conservation developments often appreciate at higher and faster rates than conventional subdivision homes. Studies also indicate that proximity to protected open space and the provision of some basic recreational facilities enhance residential property value. This suggests benefits that can transcend even a significant reduction in house-lot size. The design flexibility inherent in a conservation layout leaves room for integrating the undeveloped lands into and around the groupings of structures. This ensures ready access to considerably more open land than would be possible on a given, albeit larger, residential house lot.

Conservation subdivision development also reduces the developer's construction costs. Because the home sites and structures are closer together, less infrastructure is necessary. Thus, the developer saves on the cost of the materials, and reduces the amount of time and energy on expanding the infrastructure to reach extensive portions of the subdivision. Also, because the open space is often left in its natural state, there is little or no cost in clear cutting and developing this portion of the property. The natural storm-water buffer (due to the open area's increased absorption feature) may alleviate the need for installing extensive curbs, gutters and storm sewers.

Research indicates that the conservation developer will benefit from reduced infrastructure costs, as well as from the increased market demand for these types of homes, while reducing the adverse impact the conventional subdivision can have on the unique character of Harpswell. Therefore, conservation development benefits both individual property owner and the residents of the Town by allowing for continued, profitable development while reducing the adverse impacts associated with conventional subdivision development. This strategy encourages development consistent with the goals of the Comprehensive Plan as approved by the Town residents.

References:

- *"Open Space" Zoning: What It Is & Why It Works*; by Randall Arendt
- *An Examination of Market Appreciation for Clustered Housing With Permanent Open Space*; by Jeff Lacy
- *Cluster Development: Balancing the Need for Continued Development without Sacrificing Open Space*; by Patricia Collins