Further evidence of Americans’ dislike for “Density and/or Competition? Spatial Effects on the Price for Land

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Despite evidence that households pay more for lots or houses in conservation subdivisions, developers are sometimes reluctant to build them. I use a spatial autoregressive model to shed light on this contradiction. The presence of nearby conservation lots reduces the value of a given conservation lot. I present two possible explanations for this result: 1) Lots located close to each other are indicative of higher density, which is frowned upon by Americans and 2) Conservation lots compete for views and rural aesthetics and the construction of one lot decreases their availability to other lots. Results for other independent variables corroborate these explanations. Developers’ reluctance to embrace conservation subdivisions in some locations might be a result of regulations that discourage their development. More research is needed on how regulations for conservation subdivisions vary across the U.S. and how these affect developers’ decisions.