

# **Effects of Environmental Quality on Urban Housing Prices: A Hedonic Multiple Linear Regression Model Approach**

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## **Abstract**

While studies on the valuation of urban environmental amenities have been limited in developing countries, their scarcity is even amplified in the Sub-Saharan Africa and Zimbabwe is no exception. For a city such as Gweru, this particular study is among the few done so far. The aim of this research is to investigate the effects of environmental conditions in a given area on the residential location. We randomly sampled 800 households and the Hedonic Pricing Regression technique was applied to analyse whether environmental quality does have a significant effect on housing prices in the city of Gweru. The set of considered variables was carried out from a location choice survey and Hedonic regression estimators are presented to verify to what extent a relationship between the accessibility conditions, environmental context and the dwelling market values does exist. Based on the estimated model, the results revealed that vegetation, sewage system, water supply and distance from the central business district (CBD) are environmental characteristics that have a bearing on property prices with sewer availability being the most significant variable that affects the price. Residents are willing to trade-off clean air (air pollution) for proximity to the CBD. The findings suggest that properties (houses) are composite goods whose demand is greatly influenced by the health-related attributes they offer. On this basis, recommendations are for the Municipalities to ensure affordable housing that also meets the minimum health standards while relevant departments and land developers should include such amenities to assist and generate the highest value on a parcel of land or house.