IMPACT of GREEN DEVELOPMENT on MARKET PRICE at LOWER MIDDLE CLASS HOUSING WEST SURABAYA

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ABSTRACT

Development which only economic benefits oriented without consideration of environmental conservation, a cause of global warming, so that the United Nations (UN) in Rio and the Rio +20 conference launched a movement to preserve a sustainable environment in all areas. Developers who have not applied the concept of green development, due to economic factors to be constrained to its application, impact on the environment and the increase of market price of the housing.

This study uses correlation method to examine the relationship and the degree relationship between green development and customer preferences, with the market price housing. Sample housing study was taken in West Surabaya including lower middle-class. The results were analyzed with statistic analysis techniques to determine the degree of association between green development, customer preferences, of the market price of residential housing in the lower middle class.

Tendency of consumer preferences on housing concept of green development is quite high. This high demand had a role increasing the price of the housing market. This is confirmed by the results of research on the price of the housing market that green development concept is higher than non-green development.

The higher housing market price can be more convincing developers to apply the concept of green development without the burden of economic risk. Developers will get many benefits from applying this concepts such as increasing housing value and housing market price and as comparative market driven for that housing’s potential buyer and captive market.

Key words: green development, customer preferences, housing market price.