

The Green Premium in German Housing

Econometric Analysis of Energy Efficiency

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Research Question

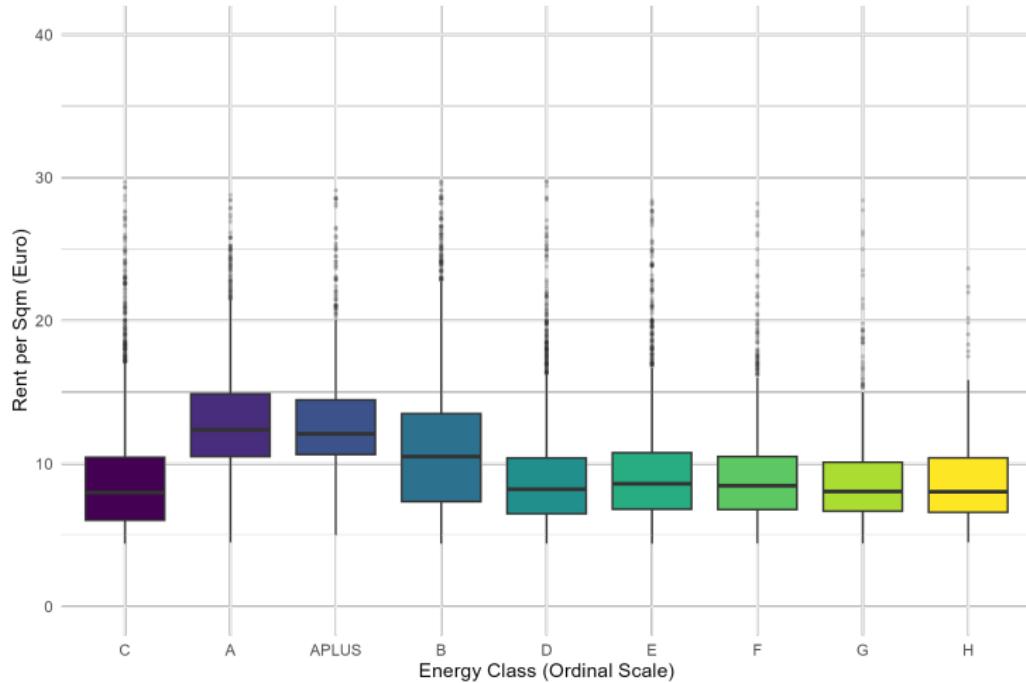
Does energy efficiency affect rental prices?

- **Motivation:** Increasing energy costs and climate regulations.
- **Hypothesis:** Efficient apartments (A+, A, B) command a price premium (“Green Premium”).
- **Method:** Hedonic regression on ImmoScout24 data.

Descriptive Evidence

Rent Distribution by Energy Efficiency Class

Raw data (no controls). Efficient classes tend to have higher median rents.



Source: ImmoScout24 Data

Figure 1: Rent Distribution by Energy Class

The Green Premium (Results)

The Green Premium: Rent Impact Relative to Class C

Estimates from Hedonic Regression. Bars represent 95% CIs (Clustered SEs).

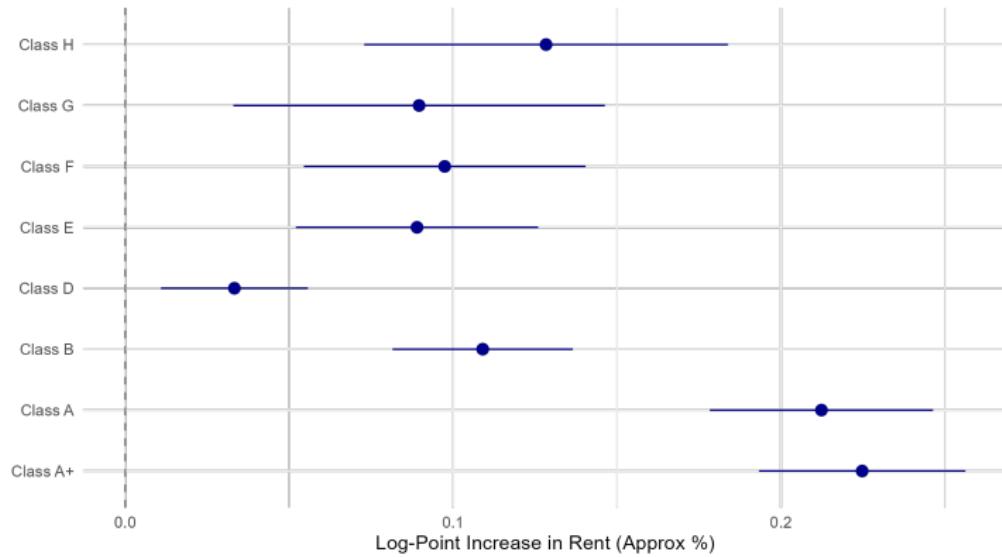


Figure 2: Regression Coefficients

- **Result:** Significant premium for Classes A+, A, and B relative to Class C.

Urban vs. Rural Markets

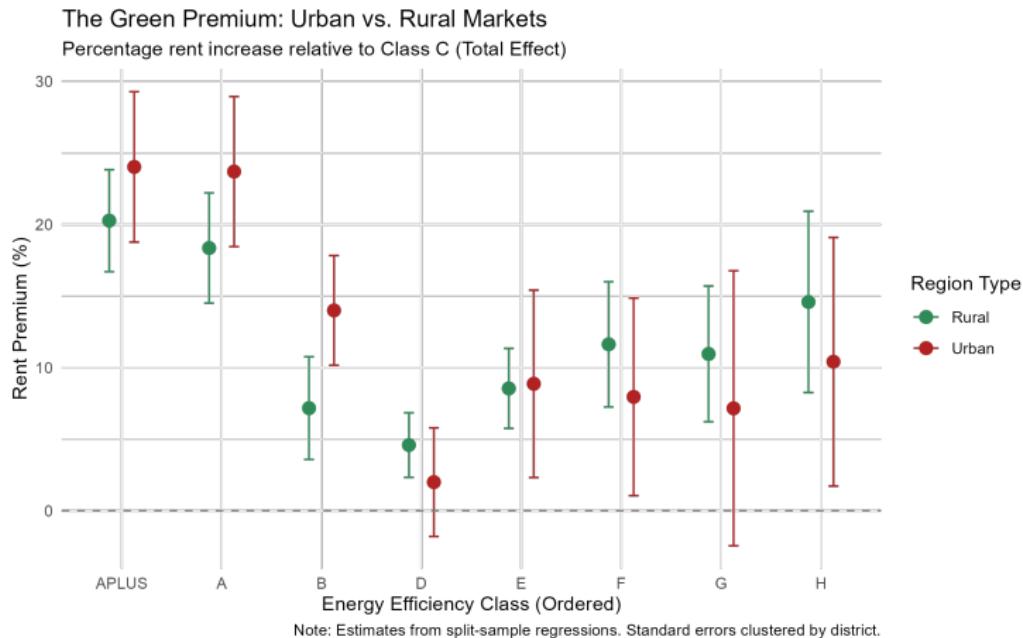


Figure 3: Interaction Effects

- **Urban (Red):** Steep premium for efficiency.
- **Rural (Green):** Flatter curve: efficiency matters less.

Conclusion

- ① **Energy Efficiency Matters:** It is capitalized into rental prices.
- ② **Market Heterogeneity:** The effect is driven largely by urban markets.
- ③ **Policy Implication:** Decarbonization incentives work differently in cities vs. countryside.

Thank You!