Summary of Paper.pdf

Title: Is there an economic case for energy-efficient dwellings in the UK PRS?

1. **Introduction**

the split incentive problem, uncertainties for landlords and tenants

Paper has 2 parts:

1. Does home energy efficiency can lead to increased property sales prices?

Result: YES! High EPC ratings in dwellings are generally associated with a price premium and vice versa for low ratings.

1. Rental rates and time-on-market are analysed using the same analytical framework.

Result: capitalisation of green features into rental and sale prices are likely to accelerate the adoption of energy efficient buildings.

Two main contributions discussed.

1. **State of research**

**Discusses the work done till now on this problem.**

* 2.1. Energy efficiency and sales prices

The previous papers on the topic have shown that there is positive relationship between EPC ratings and price of estate. But there are a few papers which give divergent results. Author cites important papers here.

* 2.2. Energy efficiency and rents

The studies on this one are rare. The previous papers report a positive relationship between energy efficiency and residential rents.

1. **Research design**

Hedonic pricing model discussed.

1. **Data and descriptive statistics**

* 4.1 Dataset building

Have taken a large sample - 4600. Randomly picked sample is taken to ensure sample is representative. As there were some missing values analysis was performed on smaller sample - 4,132 and 4,076 observations for sale prices and rental values resp.

3 STEPS: (1) data taken from UK Land registry. (2) cross referenced with HomeCo company for more details. (3) data on Index of multiple deprivation (IMD) from UK census. The Location control variables: income; employment; education, skills and training; health and disability; crime; barriers to housing and services; and living environment.

2 BARPLOTS IN PAPER

* 4.2 Regression diagnostic and robustness check

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* 4.3 Key features of the dataset

Average prices in the PRS in England seem to be lower than the overall housing market

the transacted buy-to-let properties are relatively smaller in size

Almost half of the properties were constructed before 1950, with less than 6% built in the last decade….and so on.

1. **Results and discussion**

Regression outputs.

* 5.1 Research findings connection with previous comparable studies
* 5.2 Implications for theory and practice on sustainability

1. **Conclusion.**

The results of the empirical analysis confirm that energy efficiency features exert a small but broadly significant influence on both transaction prices and quoted rental prices. A model of time-on- market against similar control variables yields inconclusive results but there is, albeit weak, evidence of a negative relationship between time-on-market and energy efficiency rating. Future

Future scope is stated.

1. **References and Appendices**

Conclusion

Extension:

Appendix A- overview of things done till now.

Appendix B, D, E show descriptive statistics of dataset and variables.