CONSUMER WILLINGNESS TO PURCHASE AND PAY A PRICE PREMIUM FOR APARTMENTS FEATURING EXTERIOR GREEN WALLS

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Abstract - Although exterior green walls (GWs) yield numerous benefits, their penetration rate into the housing market is very low. Furthermore, the willingness of prospective homebuyers to purchase and to pay a price premium (PP) for a newly built apartments, with a specific GW type, and the factors influencing their buying motivation, have not yet been studied. In an attempt to narrow these research gaps, an online structured survey was conducted among a nationally representative sample of potential homebuyers in Israel, focusing on a hypothetical new residential building with a hydroponic GW system. Study findings indicate that despite unfamiliarity with exterior GWs, most participants expressed a desire to live in such a building and were willing to pay a relatively high PP (an average of over five percent) for this element. The study shows that knowledge and awareness regarding GWs' benefits, participation in environmental activities, and provision of installation grants are the major factors encouraging willingness to pay, while concerns about nuisance are the main hindering factors. Study results contribute to a better assessment of the housing market readiness level to adopt GWs and provide important insights for tailoring more effective targeted interventions to increase GWs adoption.

Keywords - Exterior Green Walls; Hydroponic Living Wall; Willingness to Pay; Price Premium