# Hedonic Pricing Study of Laguna De Bay

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## ABSTRACT

Hedonic prices are implicit prices that can identify factors and characteristics of a resource; it is often used as one of the bases for decision-making among economic agents. In environmental science, hedonic pricing is used to quantify environmental resource or ecosystem services that directly impact prices for housing markets. This study will utilize hedonic pricing method to support environmental benefit assessments, and policy-making at national level. Laguna de Bay was chosen as the policy site of the study due to the importance of the ecosystem services that the lake provides to Mega Manila. Secondary data will be used from different sources; physico-chemical parameters of water will be from the Laguna Lake Development Authority (LLDA) water quality reports, and land-related variables (i.e. land area, market value) from the municipal archive. Initial data gathering procedure shows sufficient amount of data to execute a hedonic pricing method. It is hypothesized that the quality of water influences its immediate environment, which affects the occupancy of the area surrounding the lake. Analyses of the hedonic pricing model will yield estimates of the natural resource value based on the property values and physico-chemical parameters of Laguna de Bay, and its surrounding areas. The environmental resource estimates will then be used to assess existing environmental programs and policies of Laguna Lake Development Authority (LLDA), and the chosen municipalities around Laguna de Bay.