

# **The Land Market Impacts of Inter-basin Water Transfer Project**

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## **Abstract**

Assessing environmental value is crucial to policy development, yet it presents significant challenges, particularly in developing countries. In this paper, I study the land price market impacts of a large inter-basin water transfer project in China, the Central Route of the South-to-North Water Transfer Project. Using a comprehensive land price dataset and a difference-in-discontinuity design, I find that land prices near the Central Route have surged by 412% within 10km bandwidth since the project's operation in 2015. This increase is predominantly driven by residential and commercial land values. Further evidence from water bodies and vegetation recovery suggests that environmental improvement is priced into the land market.

JEL dissertation codes (up to 3): O2, Q2, Q5