Focus on Livable Communities

The Economic Benefits of Walkable Communities

People Pay A Premium to Live Where It's Walkable.

A 1999 study by the Urban Land Institute of four new pedestrian-friendly communities determined that homebuyers were willing to pay a $20,000 premium for homes in them compared to similar houses in surrounding areas.[1]

Each of the four communities, including Kentlands (right), in Gaithersburg, Maryland, promoted transit and pedestrian access. Design features included systems of interconnected, often narrow streets, sidewalks, a mix of residential, retail and office land uses, and features such as street trees, short front yard set-backs, front porches, and rear garages accessed by alleys.

"First fix the streets, then the people and business will follow."

—Dan Burden, Walkable Communities, Inc.

City and county leaders in California are most motivated to push for pedestrian-oriented infrastructure and land uses when there is a clear economic benefit to their communities.[2] There are solid connections between walkable environments and economic viability. This brochure highlights some aspects of that nexus.

Walkability Is A Good Investment.

According to a 1998 analysis by ERE Yarmouth and Real Estate Research Corporation,[3] real estate values over the next 25 years will rise fastest in "smart communities" that incorporate traditional characteristics of successful cities including a mix of residential and commercial districts and a "pedestrian-friendly configuration."

Walkability Increases Property Values.

Reducing traffic noise, traffic speeds, and vehicle-generated air pollution can increase property values. One study found that a 5 to 10 mph reduction in traffic speeds increased adjacent residential property values by roughly 20%. Another study found that traffic restraints that reduced volumes on residential streets by several hundred cars per day increased home values by an average of 18%.[4]

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San Diego

Walkable Communities Will Attract "New Economy" Workers.

In a 1998 report, Collaborative Economics, a Silicon Valley think tank, profiled the connections between the physical design of communities and dynamic elements of the new knowledge-driven, service-oriented economy.[5]

The contemporary economy – with its smaller, decentralized firms – thrives on land use patterns that harken back to the towns of early industrial years, with city centers, corner stores and streetcar suburbs.

Walkable downtowns with a mix of restaurants, offices and housing promote interaction. Interaction is key since the new economy thrives on accessibility, networking and creativity.

Businesses Are Beginning to Leave Gridlocked, Auto-Dependent Cities.

The automobile has offered mobility and convenience for decades, but booming business centers like Atlanta and the Silicon Valley are showing how an overdependence on the car can gridlock economic development. As a result, major firms around the country are advocating for pedestrian- and transit-friendly development patterns, according to a 1999 report by the National Association of Local Government Environmental Professionals. Businesses are increasingly concerned with gridlock, lack of transportation choices, air pollution and the overall decline in quality of life that can make recruiting and retaining skilled workers difficult.[6]

- Hewlett Packard halted its planned expansion in Atlanta's Perimeter Center area, according to the report, because it did not want to subject 1,000 new employees to the area's serious traffic problems.

- Regional and national business leaders say that low-density, discontinuous and automobile-dependent land use patterns can cause higher direct business costs and taxes. The federal Office of Technology Assessment estimates that a single house built on the urban fringe requires $10,000 more in public services than one built in the urban core.[7]

- The California State Department of Transportation, cited in another source, estimated in 1990 that more than 197,000 hours per day were

being lost due to traffic congestion, costing California businesses more than $2 million a day. San Francisco's Bay Area Economic Forum estimates that area businesses lose $2 billion per year while their employees sit in traffic.[8]

- The American Highway Users Alliance estimates that commuters waste $1.1 billion a year idling in the Los Angeles region's four most congested interchanges. Their cost estimates account for lost time, spent fuel, cost to employers, traffic accidents, and environmental damage.[9]

- The Southern California region is expected to spend more than a trillion public and private dollars on roads and freeways, including more than $81 billion in public capital investment between 2000 and 2020. Yet, a report by the Southern California Association of Governments projects that those expenditures will result in a 330% *increase* in rush hour congestion because much of the new growth is expected to occur in outlying areas.[10]

Walkability Is A Tourist Magnet.

Tourists coming to Vermont to walk and bicycle in the scenic, human-scale towns and compact, pedestrian-friendly town centers have proved to be an economic boon. In 1992, an estimated 32,500 visiting cyclists spent $13.1 million in Vermont – about twice the amount of money generated by Vermont's maple syrup producers in a good year.[13]

Down on the Farm

Dependence on Cars Is Bad for Agriculture.

Agribusiness in California's San Joaquin Valley – a primary source of fruits and vegetables for the entire nation – is a multi-billion-dollar industry. The region's growers complain that vehicle-generated smog reduces crop yields by 20 to 25%.[11] In the Valley's Fresno County – the country's top agricultural producing county – a landmark public-private alliance of farm leaders and representatives from the region's development, conservation, business and local government sectors, has signed a compact for handling the stunning amount of projected growth, while conserving prime land. Two of the alliance's three guiding principles are to "develop livable communities that emphasize pedestrian or transit-oriented design."[12]

Walkability – It's Good for Retail Sales.

There are many models around the country that show clear economic benefits to improving the environment for walking in residential and commercial districts. The cities of Lodi and Mountain View in California and West Palm Beach, Florida, offer three examples of successful strategies for making communities simultaneously more walkable, livable, and prosperous.

CASE STUDY: PEDESTRIAN RETROFIT FOR DOWNTOWN LODI

Downtown Lodi launched a $4.5 million public-private pedestrian-oriented project, including a retrofit of five main street blocks from building face to building face.

On the main School Street, sidewalks were widened, curbs bulbed out at intersections and colored paving stones laid in the new sidewalks and street. A striking gateway was installed, as well as 140 street trees, lighting, benches, and other streetscape amenities.

The city credits the pedestrian improvements, as well as economic development incentives, with the 60 new businesses, the drop in the vacancy rate from 18% to 6%, and the 30% increase in downtown sales tax revenues since work was completed in 1997.

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CASE STUDY: CASTRO STREET – THE HEART OF MOUNTAIN VIEW

Like central West Palm Beach (see back page), downtown Mountain View, in Northern California, was left behind by a glut of new automobile-oriented retail development on the suburban fringe. As a result, one 10-story building on Castro Street sat empty and unfinished throughout the 1980s, with guard dogs visible through the smoked-glass windows on the first floor.

In the late 1980s, the city resolved to turn Castro Street into the heart of the city by redesigning it to include, among features, a flexible zone where sidewalk café tables would replace parked cars in the summer. The city located a pedestrian-oriented civic jewel on Castro Street – a new city hall and performing arts center complex with an outdoor plaza.

What followed was $150 million in adjacent private investment including an office-over-retail development flanked by hundreds of attractive homes built at 47 units per acre, and interspersed with pedestrian passages that link Castro Street to a city park.

Today, downtown Mountain View is a regional draw, with bookstores, brew pubs, restaurants – and pedestrians.

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CASE STUDY: TRAFFIC CALMING IN WEST PALM BEACH

Traffic calming projects helped West Palm Beach spur a stunning turn-around in a downtown left behind by new growth on the suburban fringe and increasingly perceived as dangerous, dirty and empty.

The city's first traffic calming retrofit was along 4,500-foot-long Clematis Street, a once-lively main street anchored by a plaza, library and waterfront on one end and a historic train station on the other. By 1993, only 30% of the building space on the one-way street was occupied. Property values ranged from $10-$40/sq. ft, with commercial rents at $6/sq. ft.

The city opened Clematis Street (above) to two-way traffic, narrowed the street at points, raised intersections, and bulbed out the curbs at intervals in a slalom-like pattern to slow traffic. The $10 million project also rebuilt an interactive fountain, restored key buildings, and provided for event spaces.

Property values more than doubled on the street. In 1998, they ranged from $50-$100/sq. ft., with commercial rents at $30/sq. ft., and with more than 80% of building space occupied. The project attracted some $350 million in private investment to the area.

In two nearby neighborhoods (below), the city installed mini-traffic circles in some spots, narrowed the streets, and added speed humps. As traffic slowed, social links between neighbors increased. Trash along the streets disappeared, and the area lost its abandoned look. Between 1994 and 1997, the average sale price for homes there increased from $65,000 to $106,000.

"The city is thriving with an intensity and energy that seems limitless," said city transportation planner Ian Lockwood. "It's about reducing speeds, and safety, but it's really economic-development driven. It has paid for itself, easily."

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Notes

[1] *Valuing The New Urbanism, The Impact of the New Urbanism on Prices of Single-Family Homes*, Mark J. Eppli and Charles C. Tu, 1999, Urban Land Institute.

[2] "7 Questions for Your Community's Health," statewide survey, 1998, Local Government Commission (LGC), California Department of Health Services.

[3] *Defining New Limits: Emerging Trends in Real Estate*, ERE Yarmouth and Real Estate Research Corporation, 1998.

[4] *Evaluating Traffic Calming Benefits, Costs and Equity Impacts*, Todd Litman, Victoria Transport Policy Institute, 1999.

[5] *Linking the New Economy to the Livable Community*, Collaborative Economics, 1998.

[6] *Profiles of Business Leadership on Smart Growth, New Partnerships Demonstrate the Economic Benefits of Reducing Sprawl,* National Association of Local Government Environmental Professionals (NALGEP), 1999.

[7] *The Ahwahnee Principles for Smart Economic Development*, LGC, 1998.

[8] *Building Livable Communities, A Policymaker's Guide to Infill Development*, LGC, 1995.

[9] "Freeway Tie-Ups Cost $1.1 Billion, Study Says," *Los Angeles Times*, 4/13/00.

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[11] Ibid.

[12] *"A Landscape of Choice, Strategies for Improving Patterns of Community Growth,"* The Growth Alternatives Alliance, 1998.

[13] *Bicycle Touring in Vermont and Vermont's Scenic Byways Program*, Bruce Burgess for the Vermont Agency of Transportation, 1995.

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