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## Walk This Way

# Urbanism Moves Into High Gear

## New Research Demonstrates Higher Values For Walkable Places

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New research conducted by George Washington University, in conjunction with LOCUS/Smart Growth America, Boston's Metropolitan Area Planning Council (MAPC) and Northeastern University, has confirmed what advocacy groups in Boston have been telling us for years: walkable places are so desirable that the real estate is worth more.

This really should not be a surprise to anyone in the real estate industry, but there are many lessons to be learned from this study.

According to the study, all land uses have higher values per square foot in walkable urban settings than their counterparts in auto centric locations, like suburbs. The study concludes that premiums of 20 percent to 134 percent per square foot were found for urban walkable neighborhoods. For real estate developers and investors, this is an important trend that must be heeded in order to stay competitive in the marketplace.



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### Finally, Government As A Winner

Government at all levels should take notice of this trend, especially local government. Increased property values means increased property taxes. For municipalities, property taxes provide funds for municipal services, such as schools, police, fire, public works and social services. With ever-escalating fixed costs (health insurance and pensions, in particular), our municipalities are more and more dependent on growing their tax base.

According to this study, promoting urban, walkable development (described as "WalkUps") provides our cities and towns with an opportunity for growth in the tax base without increasing urban sprawl. Sprawl, the predominant development pattern of the last half century, requires municipalities to spend more on infrastructure (roads, sewers, water, etc.) and other services (school buses, senior shuttles, etc.). On the other hand, WalkUps generate 12 times more property tax revenue per acre than suburban development. The promise of WalkUps is more tax receipts and less expenses. Municipalities, take heed: this is what's called a "win-win."

Municipalities that stick to suburban sprawl risk the serious possibility of disinvestment and a corresponding reduction in tax receipts. According to the study, walkable urban places are gaining market share over drivable locations for the first time in 50 years. This is a market driven phenomenon: people want to live in WalkUps. If fewer people want to live in suburbs, property values will stagnate – or worse, decrease, resulting in a reduction in the tax base. This is a stark reality that many municipalities have not yet come to terms with.

It is important to note that developers will not invest to create WalkUps without a robust transit system to support an urban lifestyle. With real estate developers investing billions of dollars in development near transit systems, state and local government are poised to realize many of the benefits of transit oriented development. However, investments in infrastructure and new zoning are necessary to spur this development. The Commonwealth of Massachusetts and its cities must make investments to attract these higher value land uses and realize the benefits of WalkUps.

### A Healthier Lifestyle

Higher property values also means good news for residents. Residents who move to walkable, urban locations realize the benefit of a healthier lifestyle, with walking the predominant mode of travel. More walking means less hypertension, diabetes, and obesity. The emergence of WalkUps holds great promise to reverse the trends caused by a sedentary, auto-centric lifestyle.

However, there are some caution signs associated with WalkUps. Gentrification poses a significant risk of producing social inequities. These inequities must be addressed through deliberate, thoughtful planning to ensure that we have neighborhoods of mixed incomes, ethnic backgrounds and social strata. It is absolutely essential that we balance access to jobs and healthy lifestyles for all of our residents.

One fact pointed out in the study is that, while housing costs will go up in a walkable, urban neighborhood, transportation costs will go down. Therefore, it is important to view housing costs in conjunction with transportation costs. WalkUps trade higher affordability for access to employment. Suburban development is less accessible and has high transportation costs, due to car ownership and the costs associated with operating a car (insurance, fuel, maintenance, etc.). According to the study, the average four-person family earning the median income will spend 43 percent of their income on housing and transportation in a WalkUp, while their counterparts in the suburbs will spend 48 percent of their income on housing and transportation. This is a significant benefit of an urban lifestyle.

WalkUps present many opportunities for Greater Boston. Communities that embrace them will realize increased tax revenue, healthier lifestyles, and reduced dependence on automobiles. Communities that don't may be left in the dust!