



Selling Transit Oriented Development

*Communicating the Direct
Benefits to Households,
Businesses and Governments*



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Our Home



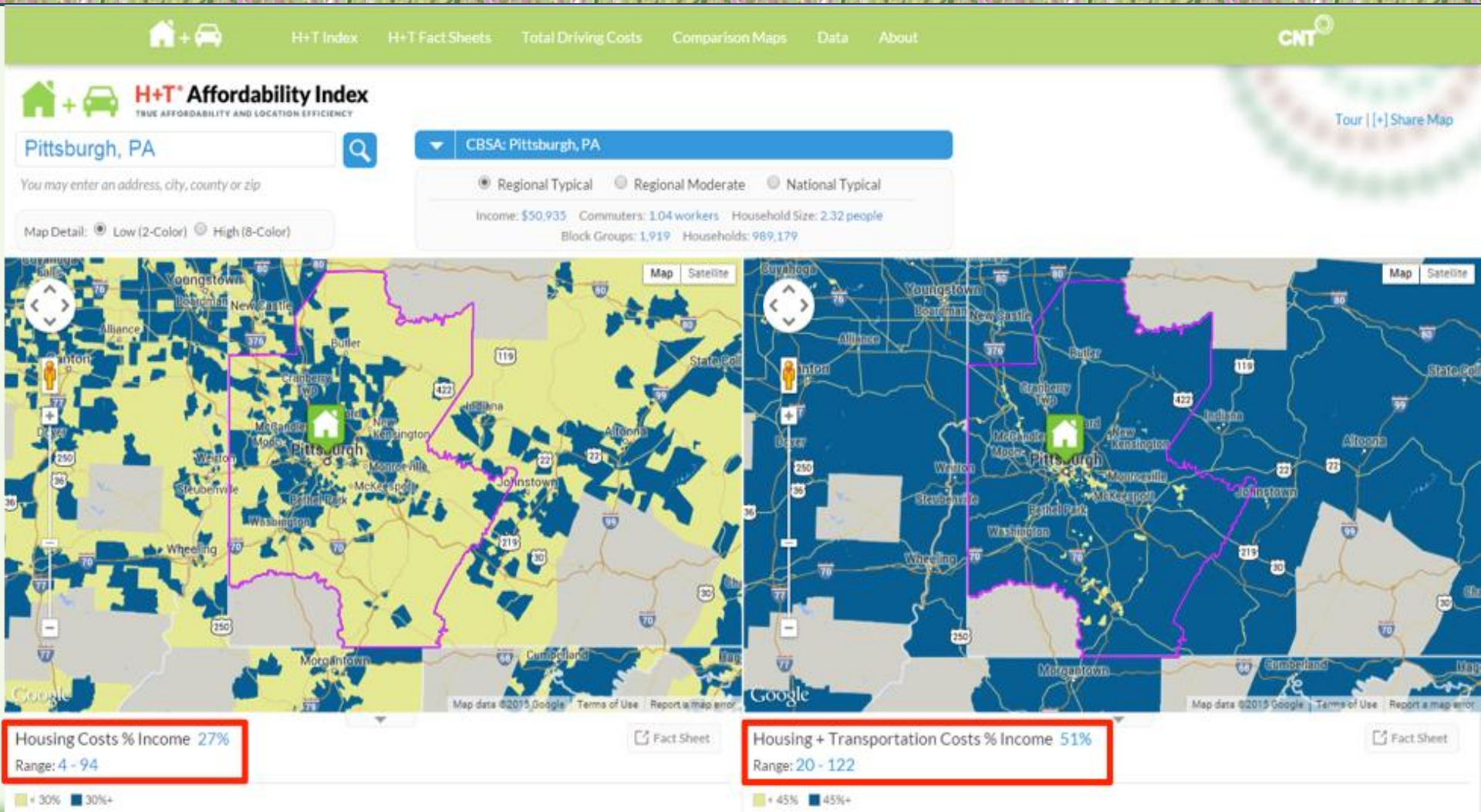
- Purchased in 1995 for \$236,000
- Currently worth about \$750,000
- In 2025, when the mortgage is paid and I can retire, should be worth more than a million dollars
- Appreciates more than suburban houses in this region
- Located in a walkable neighborhood with several bus routes and good local services
- We previously owned one car, but since 2008 have been car-free
- The vehicle cost savings financed our children's university education



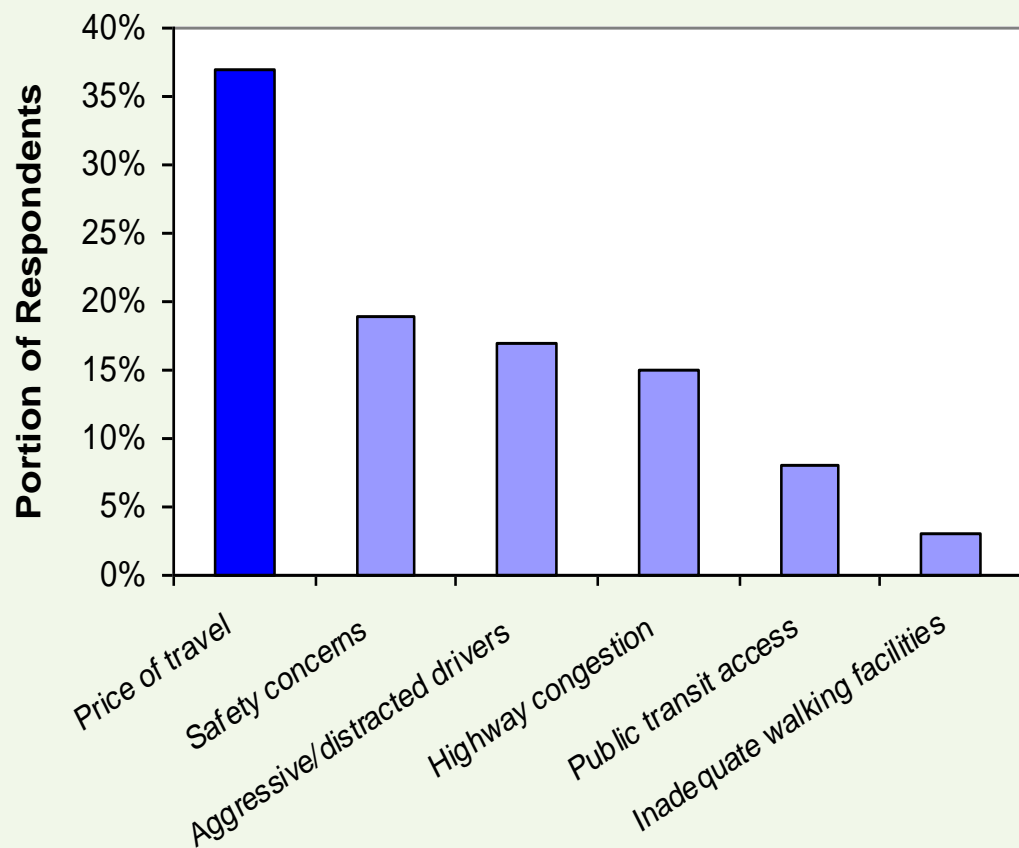
Housing Price Per Square Foot



Housing and Transport Costs



Affordability as a Planning Issue



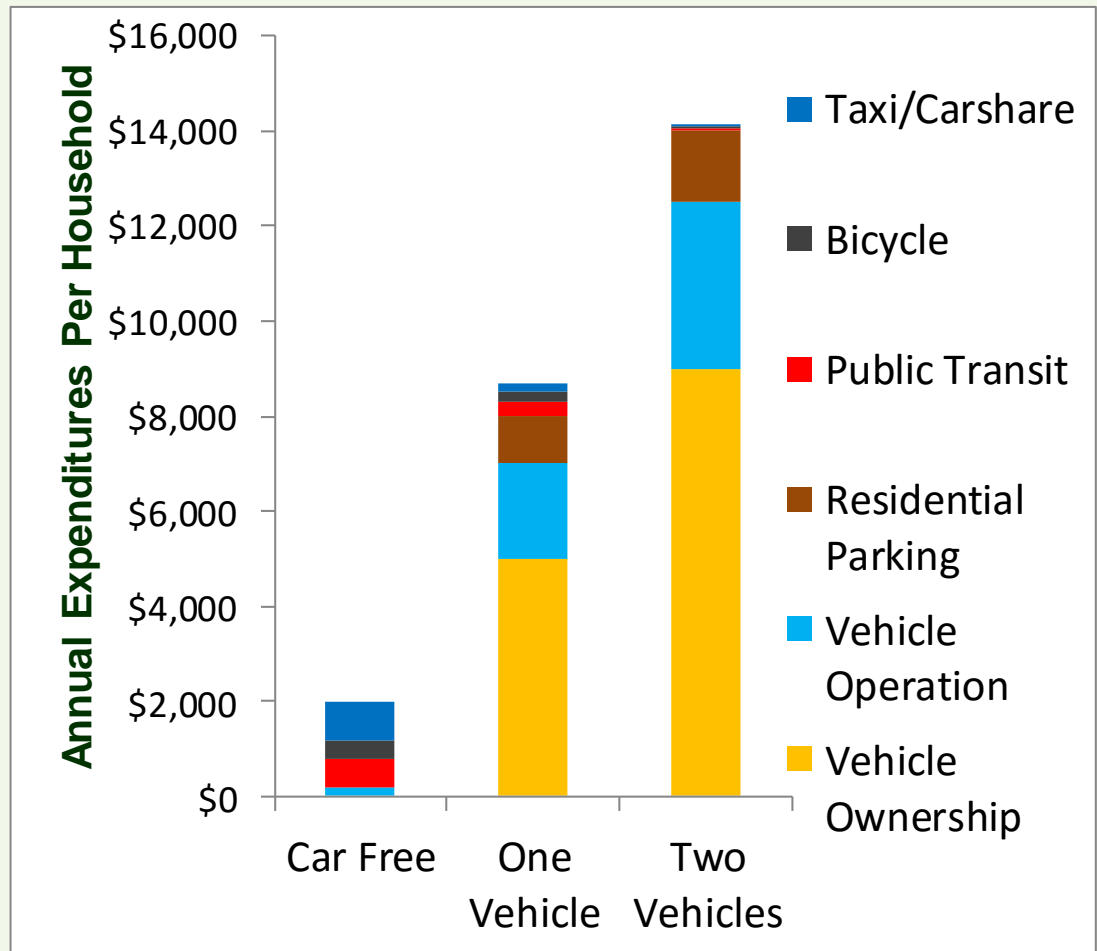
2009 National Household Travel Survey respondents ranked the “Price of Travel” most important of the six transport issues considered.

Transportation Affordability

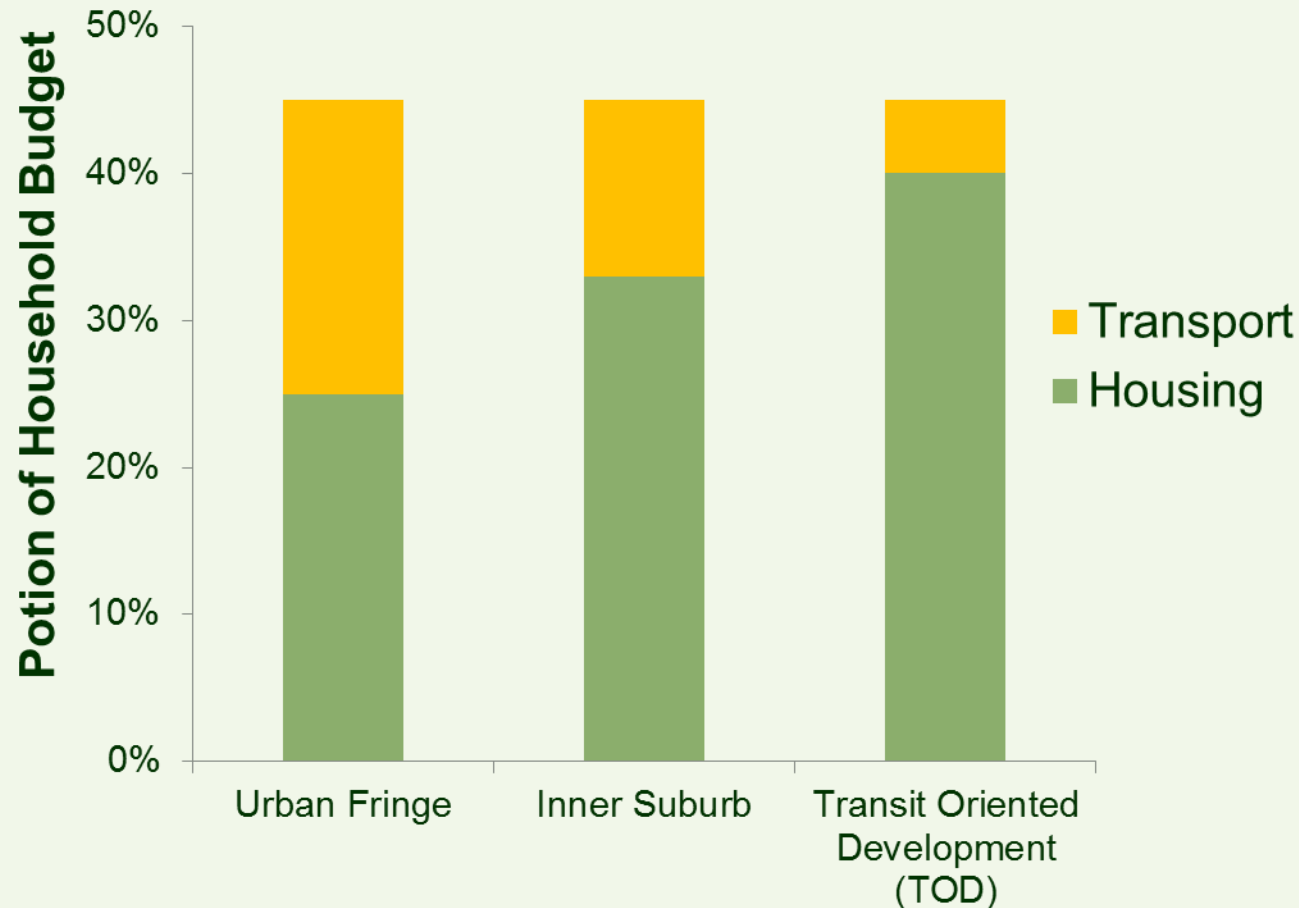
Households can save thousands of dollars annually by reducing their vehicle ownership.

This requires:

- Compact, mixed neighborhoods with services and activities near homes.
- Good walking and cycling conditions and convenient public transit and taxi services.
- Convenient vehicle rental services (such as carsharing).

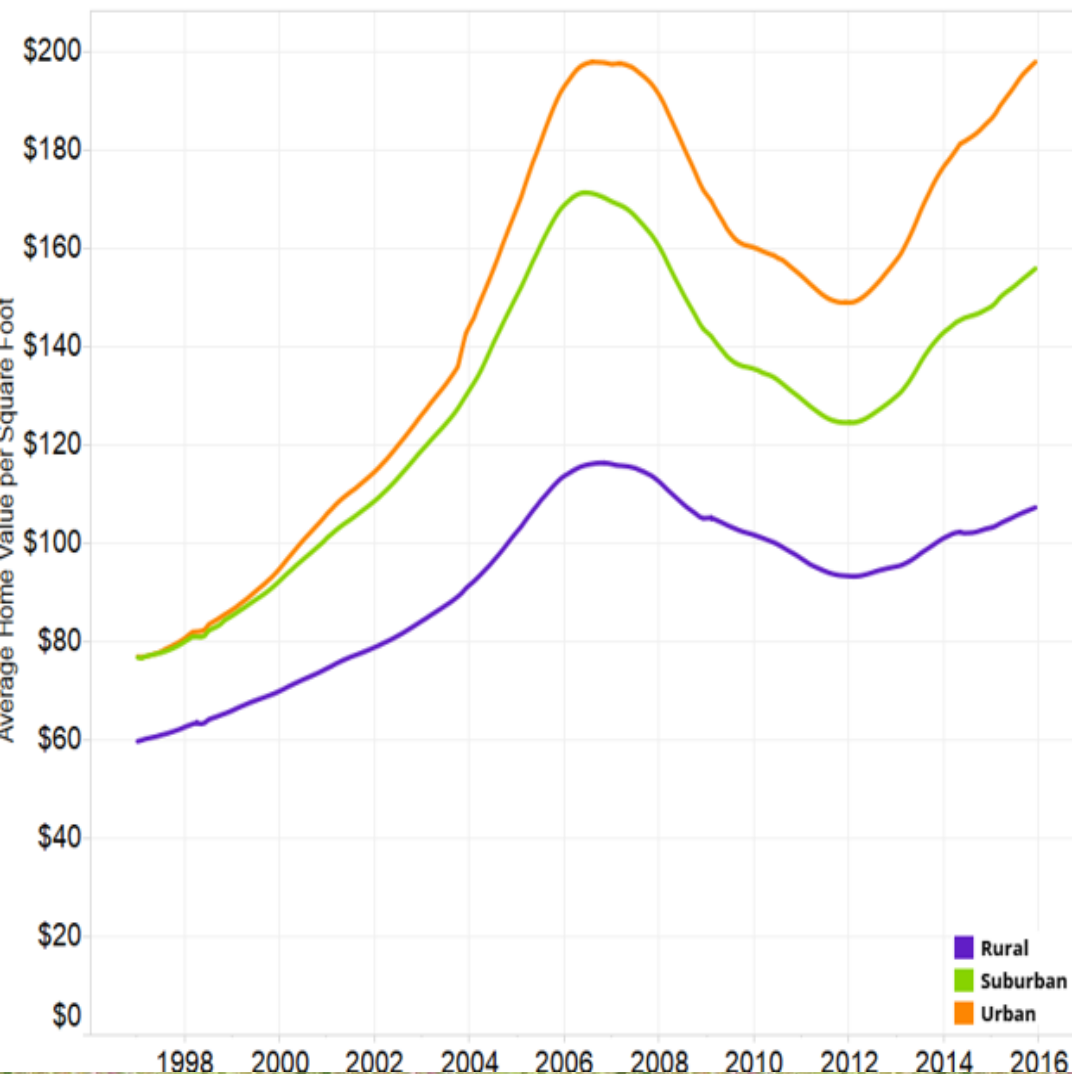


Housing and Transport Cost Trade-offs



Experts recommend that households spend up to 45% of their budgets on housing and transport combined. By reducing transport costs, Transit Oriented Development allows more money to be invested in housing..

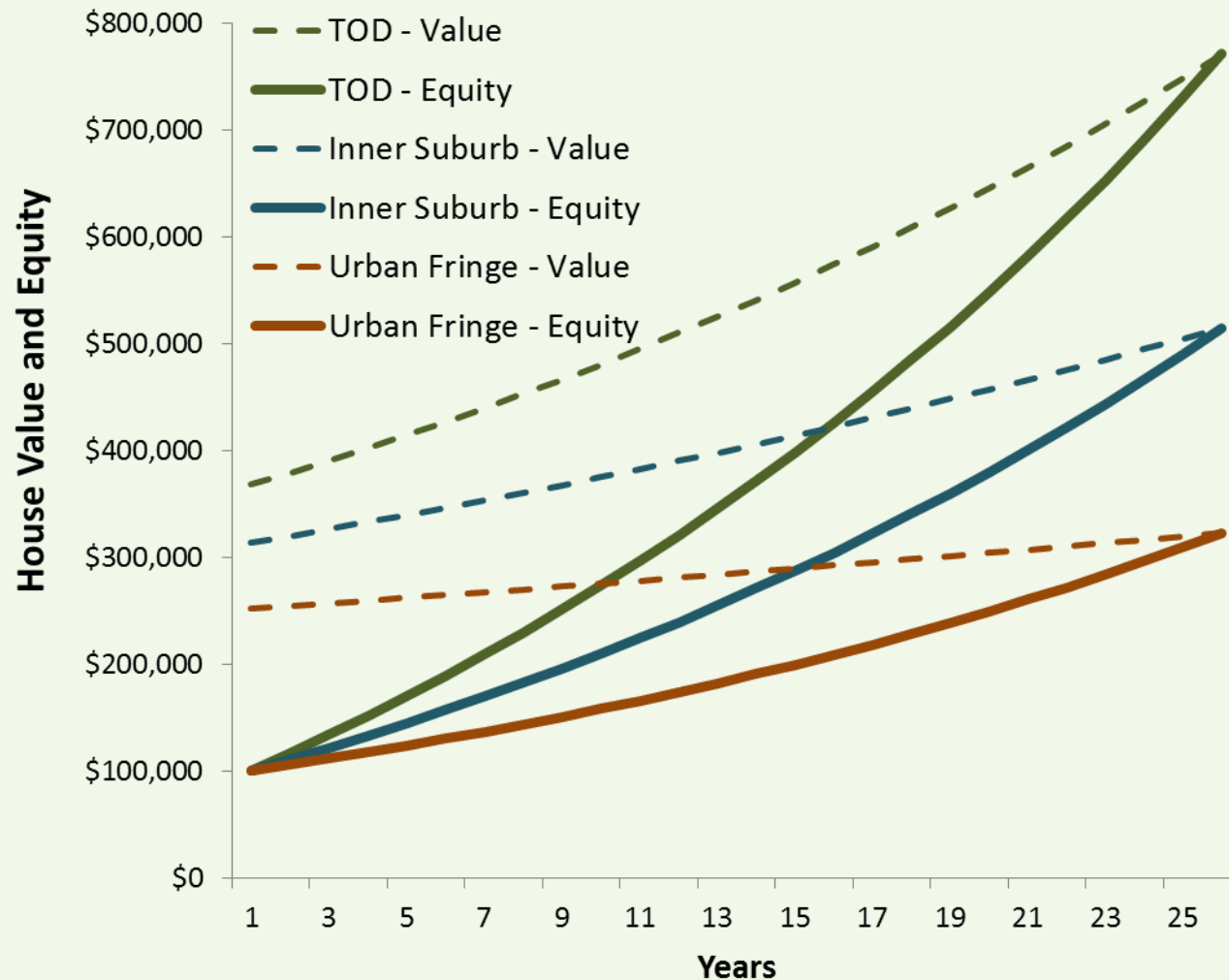
Housing Price Appreciation



Why Urban Center Housing Values Rapidly Appreciate:

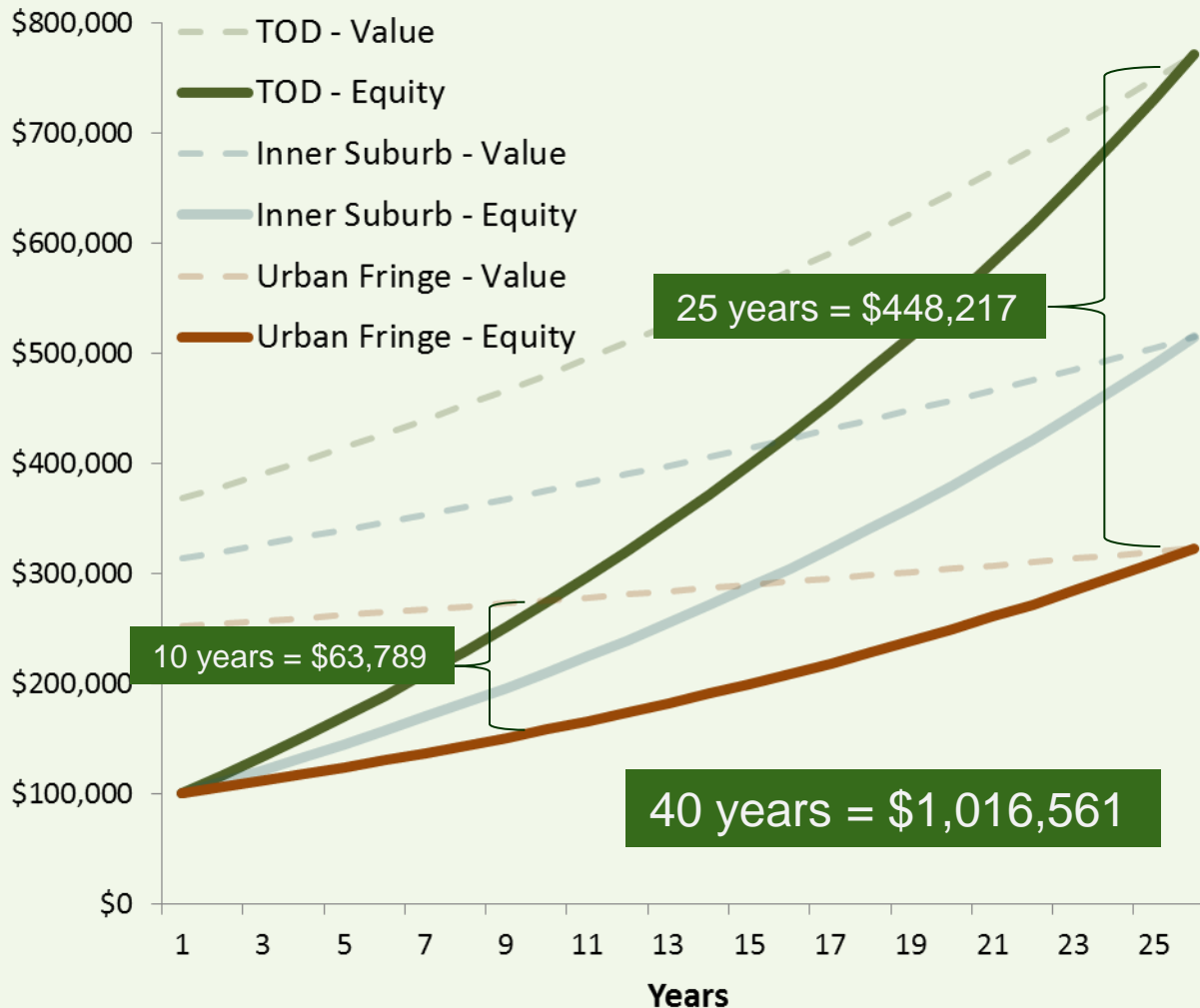
- A growing portion of households value urban amenities such as walkability, diversity, and convenient access to services and activities.
- Current demographic trends are increasing the portion of households that value urban amenities such as neighborhood walkability.
- Urban crime has declined and new technologies are further improving urban safety and convenience.
- Urban areas tend to be economically productive and livable, which attracts higher income households.
- North America has a limited supply of urban land suitable for residential development, which drives up prices.
- Many jurisdictions have policies that allow increased density in urban neighborhoods, which tends to increase land values.

Housing Price Appreciation



With a total annual \$27,000 housing and transportation budget and a \$100,000 down payment, a household can afford to purchase a \$251,975 urban fringe house, a \$313,862 inner suburb house, or a \$368,405 TOD house.

Housing Price Appreciation



After ten years the TOD home builds **\$63,789** more equity, and after 25 years **\$448,217** more equity, than an urban fringe home.

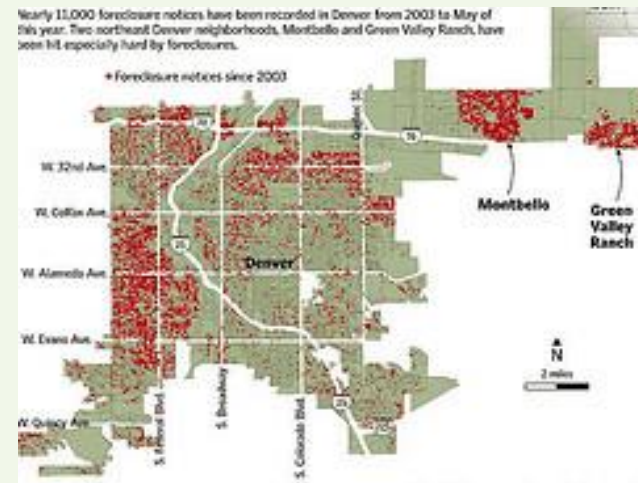
If, starting at age 25, a household always chooses TOD homes and invests the transport savings in real estate, they can retire at age 65 with approximately \$1.8 million in equity, **\$1,016,561** more than if they purchased urban fringe houses with high transportation costs.

Economic Resilience

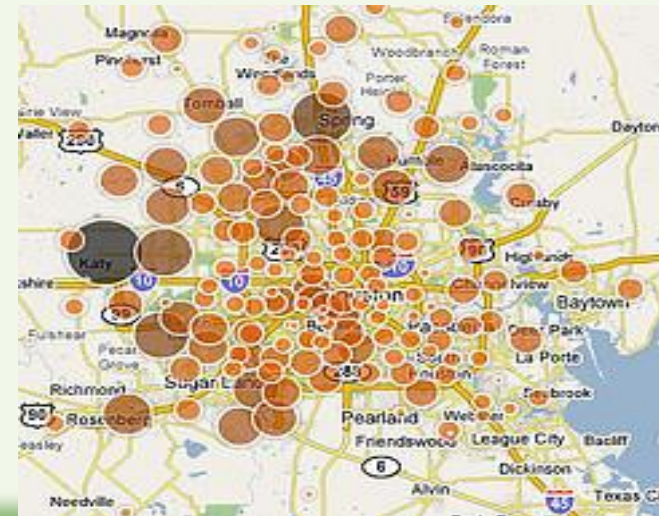
TOD increases economic *resilience* by providing affordable transport options that they can use if needed, for example, if their incomes decline, their vehicle fails, or fuel prices spike.

This helps explain why housing foreclosure rates tend to be much lower in more accessible, multi-modal neighborhoods than in sprawled, automobile-dependent areas.

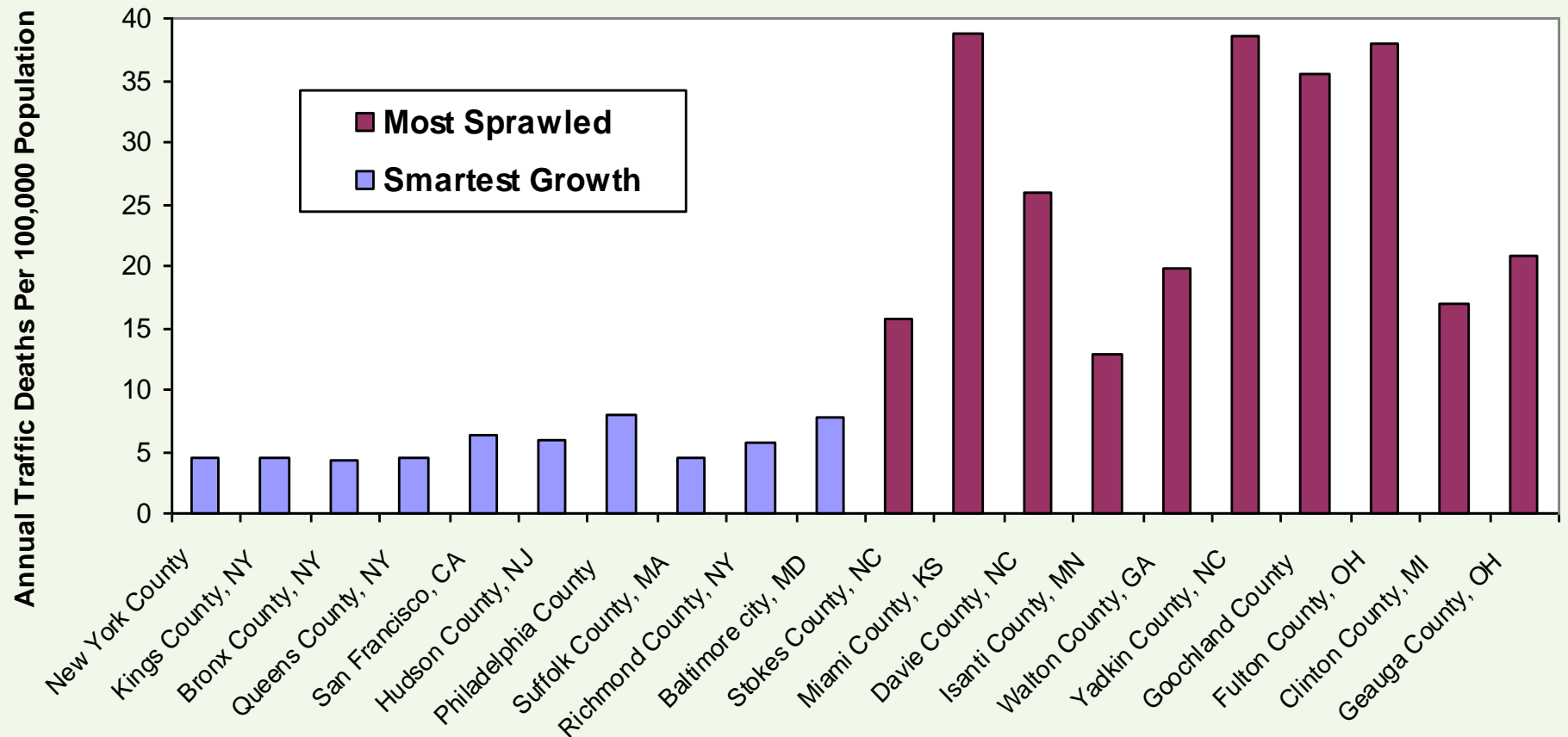
Denver



Houston

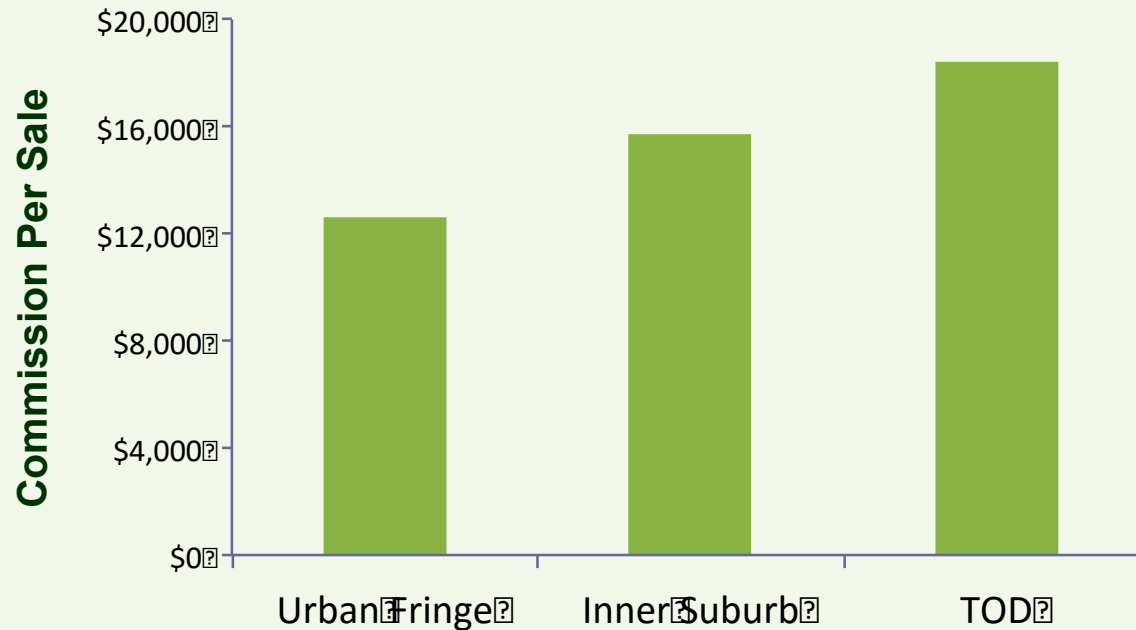


Traffic Safety and Health



The most sprawled counties have about four times the traffic fatality rates as the Smartest Growth counties.

Development Industry Benefits

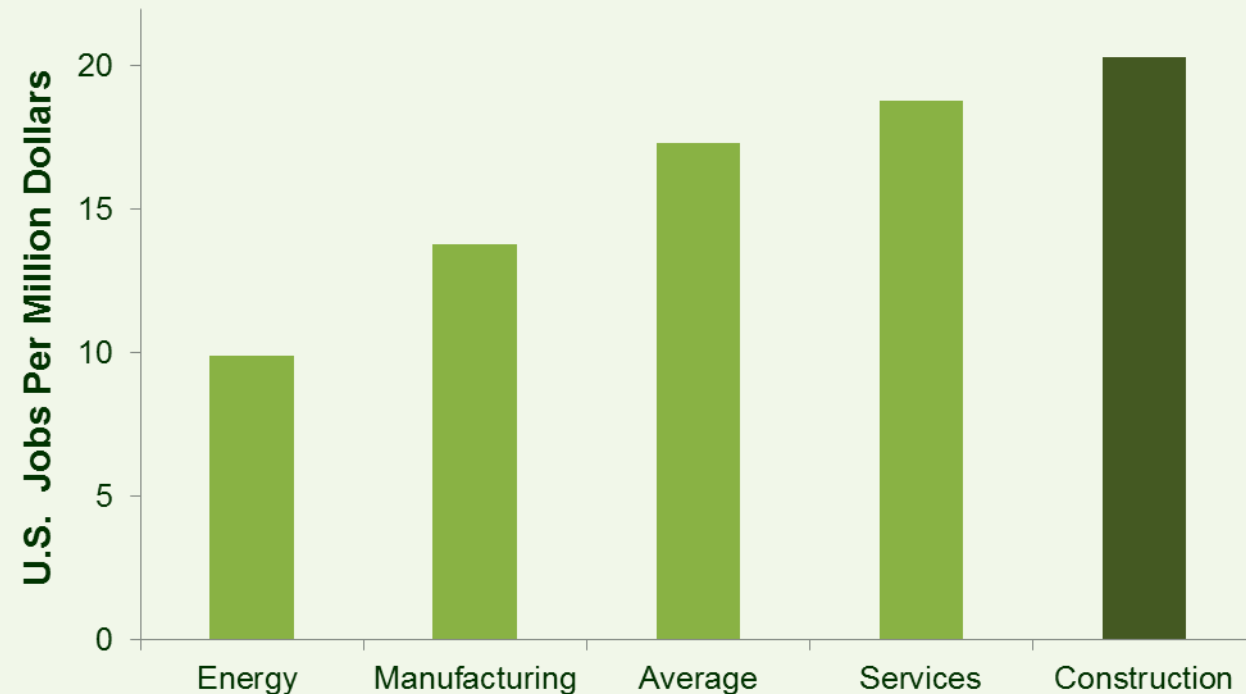


Real estate agents earn larger commissions and developers larger profits if their customers spend less on transport and more on housing.



“Housing Rich”
Development

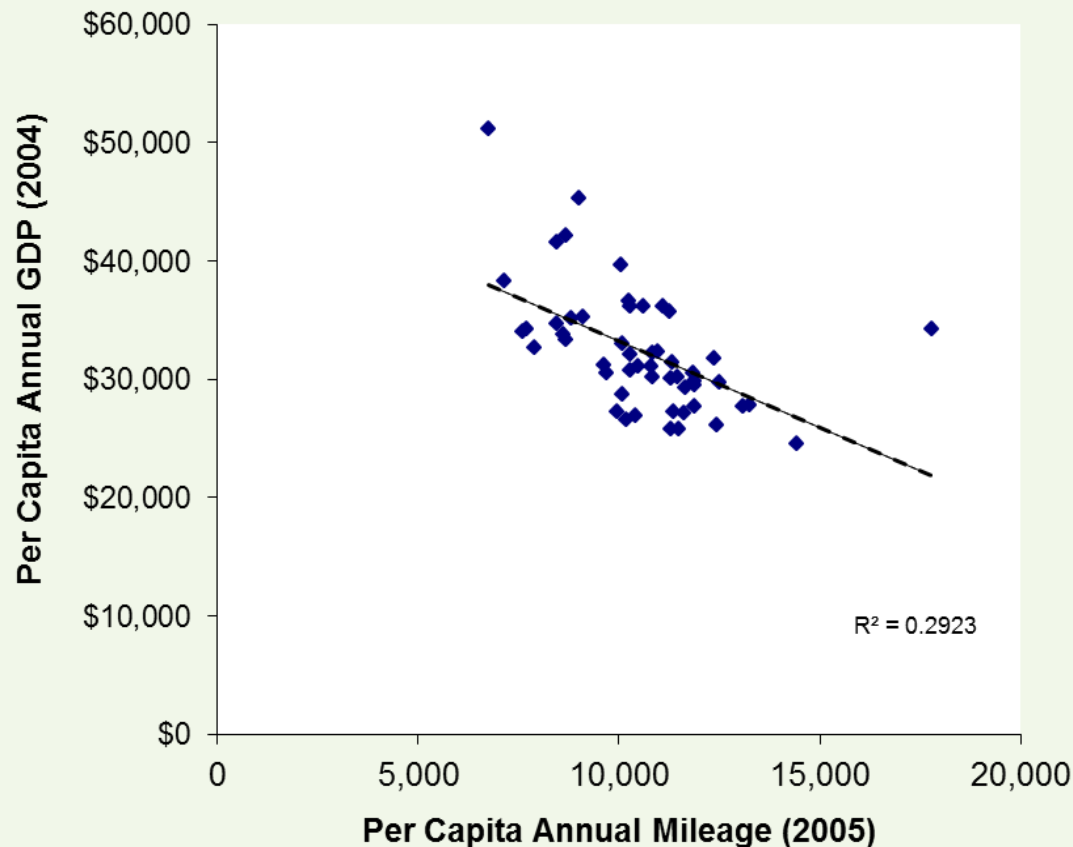
Regional Economic Development



Building construction creates about twice as many national jobs per dollar as expenditures on energy (fuel).

These differences are much larger at the regional level, since most regions import vehicles and fuel.

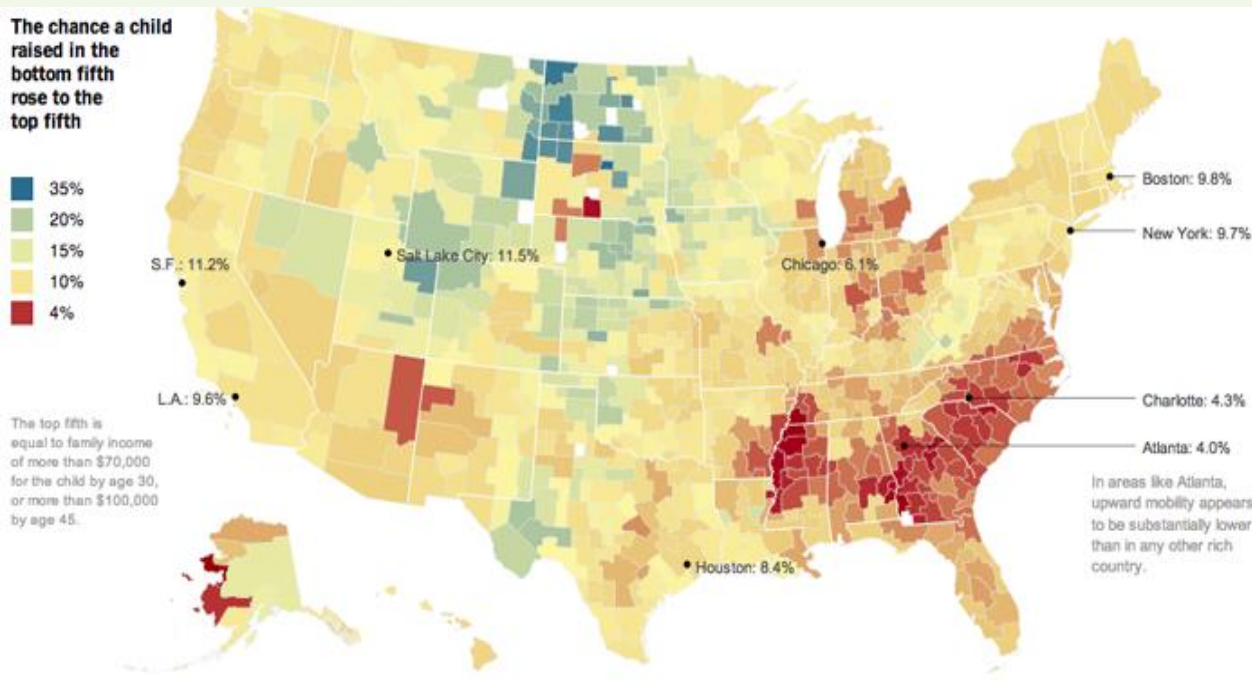
Regional Economic Development



Per capita economic productivity tends to increase as vehicle travel declines. (Each dot is a U.S. state.)

This and other research indicate that many of the factors that encourage automobile travel are overall economically harmful, and Transit Oriented Development tends to increase economic productivity by reducing per capita vehicle travel and associated costs.

Economic Opportunity and Mobility

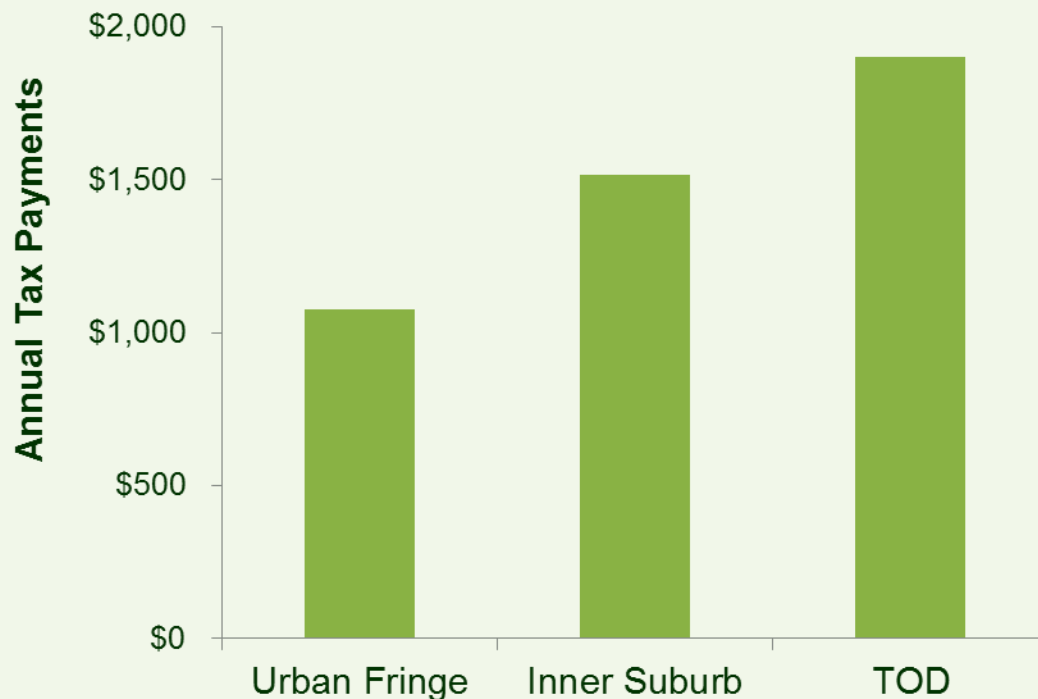


New research identifies factors that affect economic opportunity and mobility.

TOD increases the number of jobs available to potential workers and the pool of workers available to businesses.

Mixed-income neighborhoods turn out to be a key indicator of a family's ability to rise out of poverty.

Municipal Tax Revenue



More compact development increases the efficiency of providing public infrastructure and services.

Higher value real estate generates more per capita and per acre property tax revenue, which allows local governments to provide more public services or reduce tax rates.

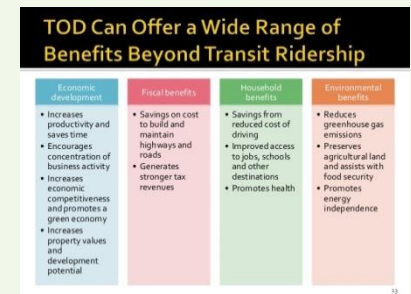
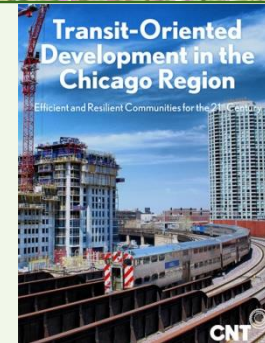
Benefits Summary

Households	Businesses	Local Governments
<ul style="list-style-type: none">• More household wealth generation• Transportation cost savings• Improved accessibility, less driving• Improved mobility for non-drivers and reduced chauffeuring burdens on drivers• More economic resilience and opportunity• Increased traffic safety• Improved fitness and health• More housing options• More cultural diversity• More economic opportunity and mobility	<ul style="list-style-type: none">• Larger real estate commissions• Increased housing demand and developer profits• More regional employment, business activity and economic productivity• More local customers• Increased pool of potential employees• Infrastructure savings, such as reduced parking facility costs	<ul style="list-style-type: none">• More efficient public infrastructure and services• More tax revenue per capita and acre• More diverse and resilient tax base

Critiquing Existing Information

Although many professional and advocacy organizations promote TOD, their material tends to focus on a limited set of benefits. Some benefits are often overlooked or not quantified:

- Increased household long-term wealth
- Transportation cost savings and
- Increased economic resilience
- Reduced traffic risk and improved health
- Improved mobility for non-drivers and reduced chauffeuring burdens
- Higher real estate commissions and developer profits
- More local regional productivity and development
- Increased per capita tax revenues, which can lead to improved public services



Affordable-Accessible Housing Types



Small-lot single-family housing.



Accessory Units



Laneway houses



Duplex



Townhouses



Residential over retail



Low-rise Apartment



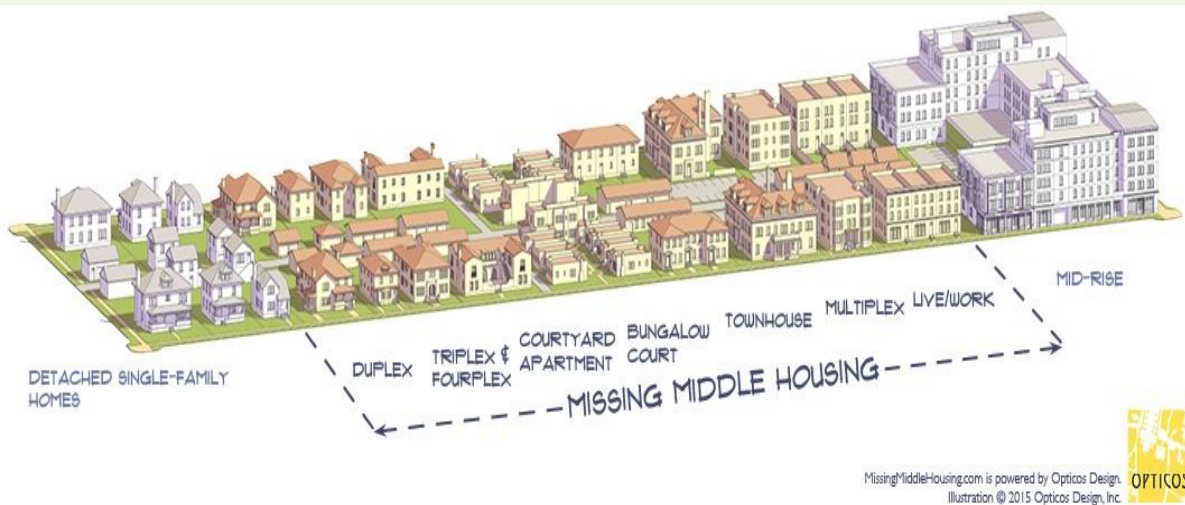
Loft apartments



High-rise Apartment

Missing Middle Housing (Parolek 2014)

In most communities the lowest-priced housing types include townhouses, multiplexes (two to eight units) and low-rise apartments, called *missing middle* housing since they are denser than single-family housing but less dense than high-rise, and so are suitable for urban neighborhoods.



Positive Messages

Transit Oriented Development is a great product! We now have plenty of evidence concerning its economic, social and environmental benefits.

However, many benefits are often overlooked or undervalued. We can better communicate the direct benefits of TOD, and addressing myths and fears that discourage urban living.

We must answer the question,
“What’s in it for me?”



“Towards More Comprehensive and Multi-Modal Planning”

“Affordable-Accessible Housing in a Dynamic City”

“Evaluating Public Transit Benefits and Costs”

“The New Transportation Planning Paradigm”

“The Future Isn’t What It Used To Be”

“Online TDM Encyclopedia”

“Selling Smart Growth”

and more...

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