

Sacramento RT Economic Impacts of Light Rail

Berkeley
San Francisco
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Washington DC



**Presentation:
Rail-Volution
Conference
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Sacramento RT Economic Impact Study Purpose

- ❖ Identify the impacts of light rail on property values
- ❖ Identify the impacts of light rail on property appreciation rates
- ❖ Identify homebuyers' perceptions of impacts of light rail on property values and appreciation rates
- ❖ Identify local brokers' observations of impacts of light rail on property values and appreciation rates.

Uses of Study

- ❖ **Local** Independent Quantitative Analysis to Inform Policy Makers
- ❖ Response to Community Concerns Regarding the Negative Impact of Light Rail on Property Values
- ❖ Reviewed and Commended by Highly-Regarding Academic in Field (Dr. Robert Cervero) to Further Substantiate the Validity of the Study
- ❖ Disbursed to Local Media for Public Information Campaign
- ❖ Plan to Use and Update for Future Expansion and Planning Efforts
- ❖ May Become a Methodology to Finance Expansion Projects as More Quantitative Analysis Data Becomes Available

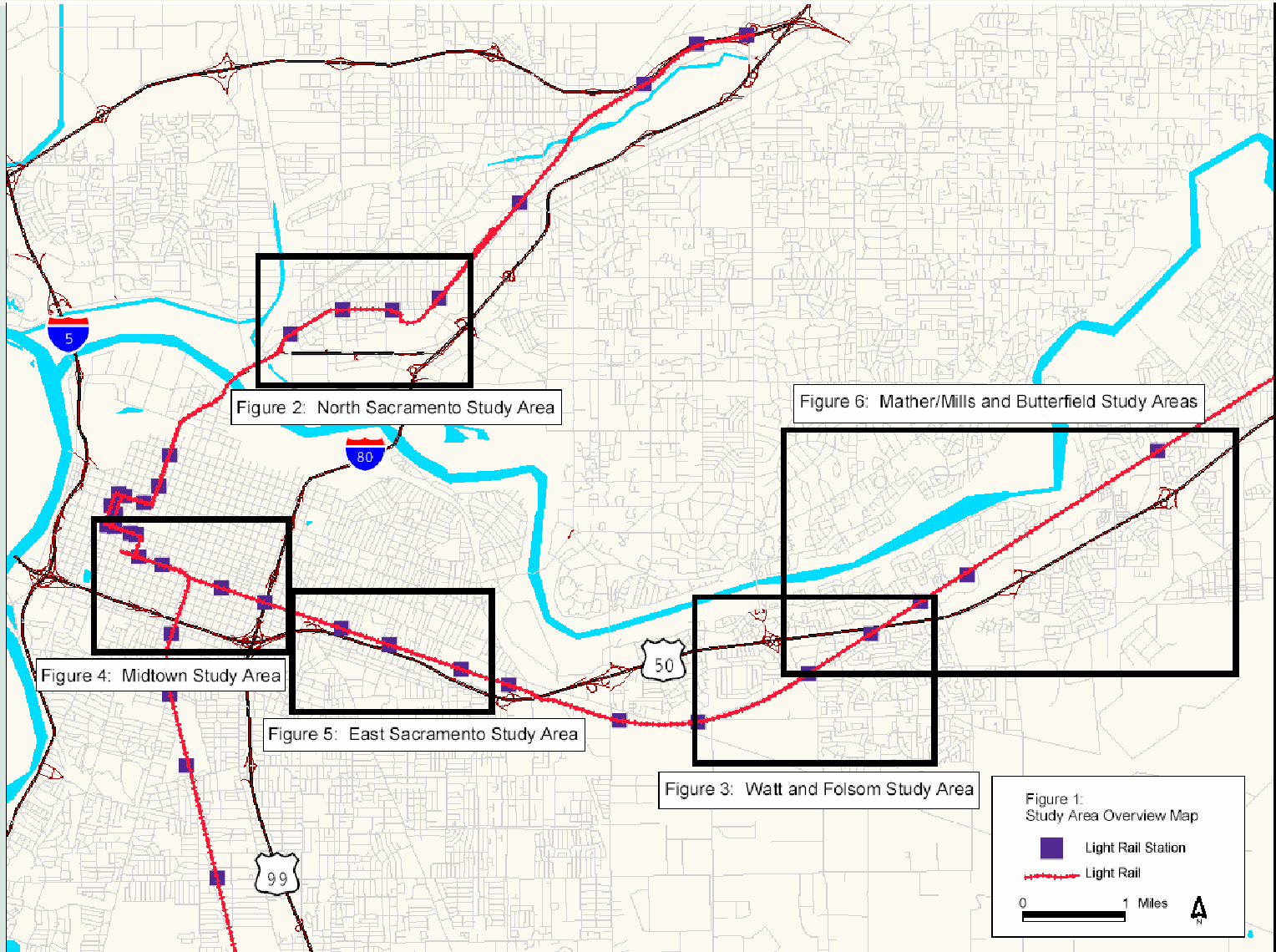
Factors Affecting Property Values

- ❖ Local and Regional Perceptions
- ❖ Surrounding Amenities and Nuisances
- ❖ Comparable Sales

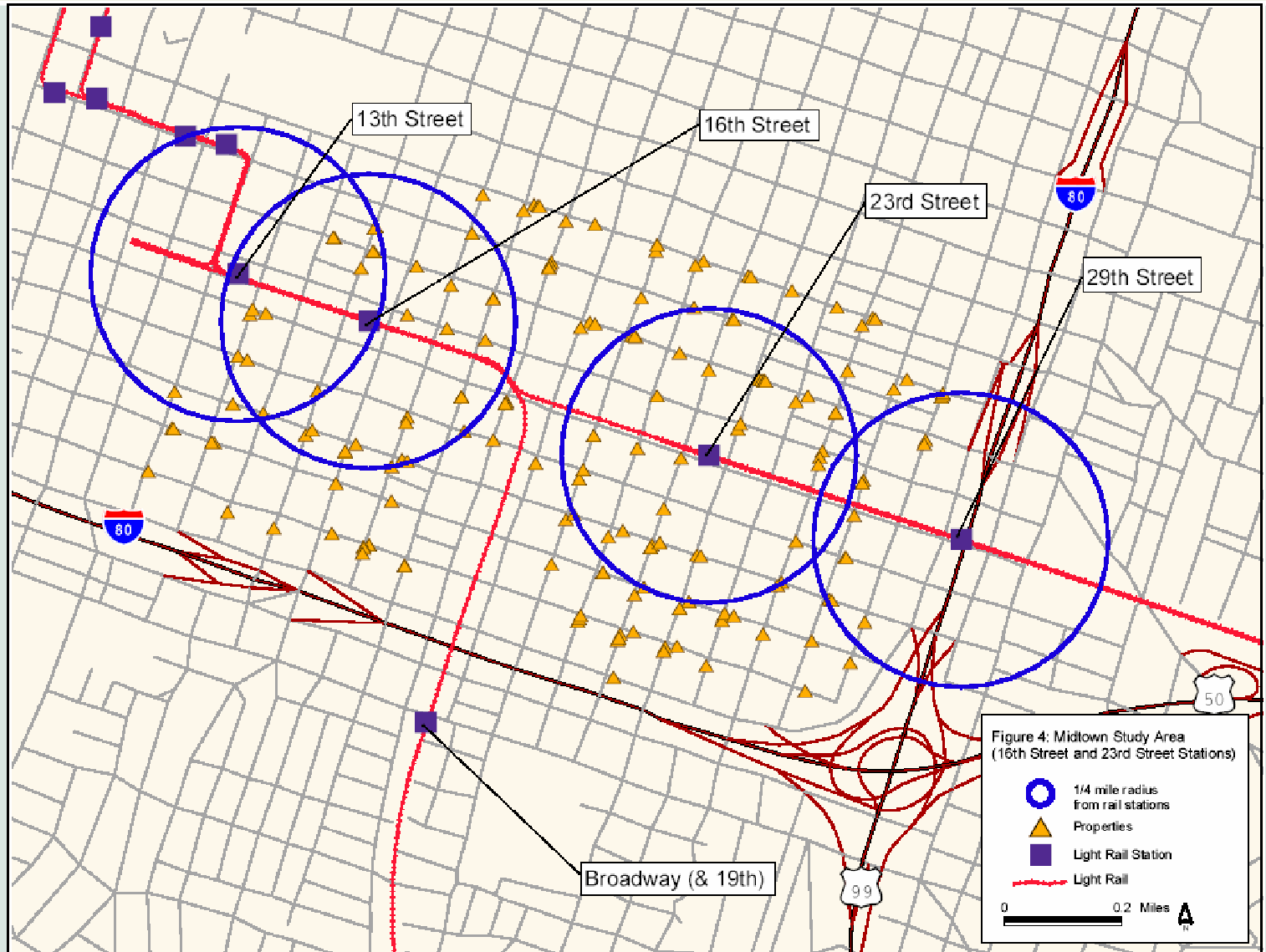
Methodologies

- ❖ Property Sales: Multi-Regression Analysis of Property Sales Records near Light Rail Stations
- ❖ Perceptions: Survey Based
- ❖ Review: Dr. Robert Cervero, Department of City and Regional Planning, University of California, Berkeley.

Study Area Overview Map



Midtown Study Area



What is Multi-Regression Analysis?

- ❖ Definition: Statistical Inference Analysis which uses various data points to determine the impacts of a series of independent variables (housing characteristics) on a single dependent variable (price per square foot).
- ❖ Results are given at the 95 percent confidence interval. Means that we expect this result to hold 95 percent of the time.
- ❖ Data: Over 1,300 property sales records in areas surrounding 14 different RT light rail stations within a 12 month time frame.

Qualitative: Surveys

- ❖ Mail surveyed all homeowners who purchased homes located in the study areas to understand buyers' perceptions on the impacts of light rail
- ❖ Phone surveyed local real estate brokers to get professional assessment of impacts of light rail on property values and appreciation rates.

Quantitative Analysis Findings

- ❖ No relationship between commercial property values and proximity to light rail station or line
- ❖ No relationship between residential property values and proximity to light rail station or line
- ❖ No relationship between residential appreciation rates and proximity to light rail station or line

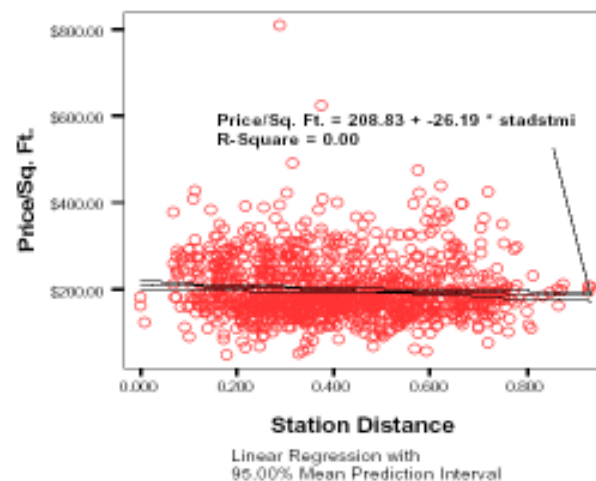
Qualitative Survey Findings

- ❖ Homebuyer Mail Survey
 - 43 percent of respondents perceive proximity to light rail as having a slight positive economic impacts on residential properties
 - 34 percent of respondents believe there is no impact
 - 23 percent of respondents believe there is a slightly negative impact
- ❖ Broker Phone Survey
 - 68 percent of respondents believe there is zero impact on property values
 - 19 percent of respondents believe there is a slightly negative impact
 - 39 percent of respondents stated that properties close to light rail spent a shorter time on the market
 - Approximately 77 percent that in the long run light rail either has no impact or a slightly positive impact on property values

Study Overall Conclusions

- ❖ The presence of a nearby light rail station or line does not have a significant measurable impact on the value of nearby properties, on average.
- ❖ In the future, as traffic congestion becomes more acute, expanding the light rail system will become a more attractive transportation option

Figure 10: Price/Sq. Ft. by Distance from Rail Station
Residential Sales (April, 2003 - May 2004)



More Information

For additional information on the methodology and findings, please contact:



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