

Real Estate Market Analysis for Transit Corridor



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TOD Market Analysis

4 Key Things to Consider:

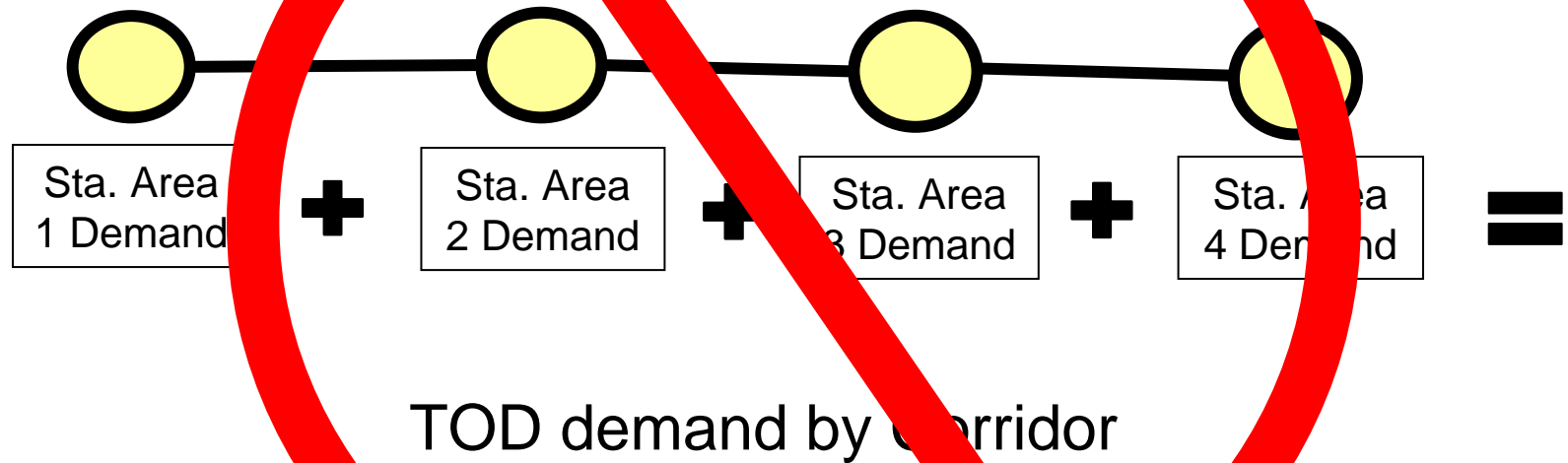
1. TOD demand is “regional”
2. Market activity at one station area impacts what’s happening at other stations
3. Opportunity sites and the potential for transformation
4. Transit alone does not “create” a market



1. TOD Demand is Regional

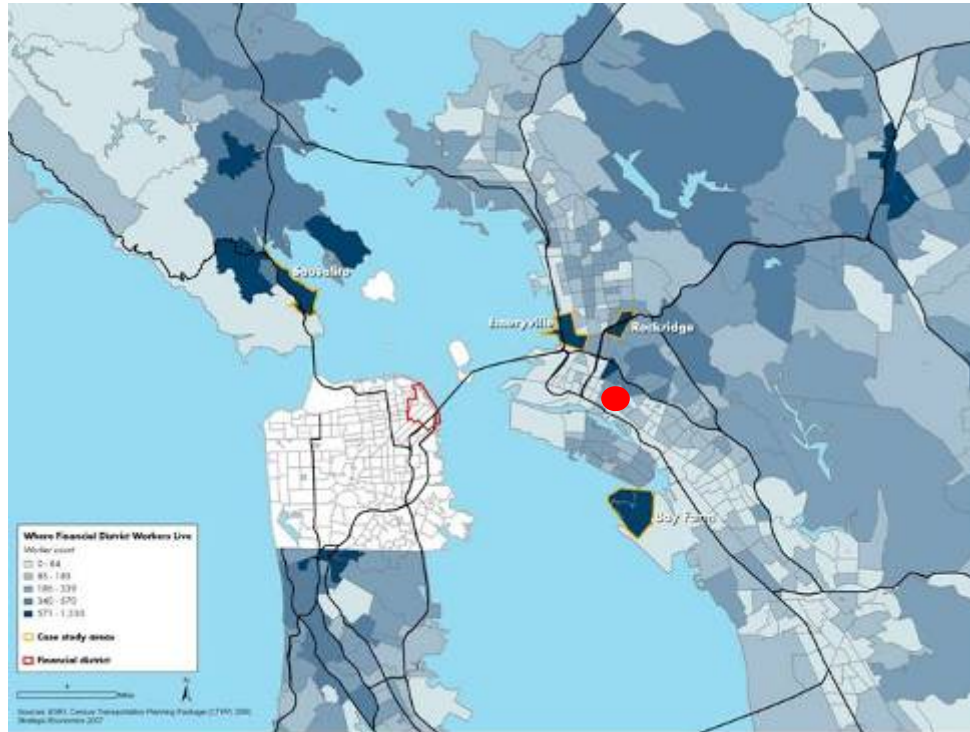


Bottom up method of Measuring TOD Demand



- Tends to understate demand based on very local conditions

Top Down Method for Measuring TOD Demand

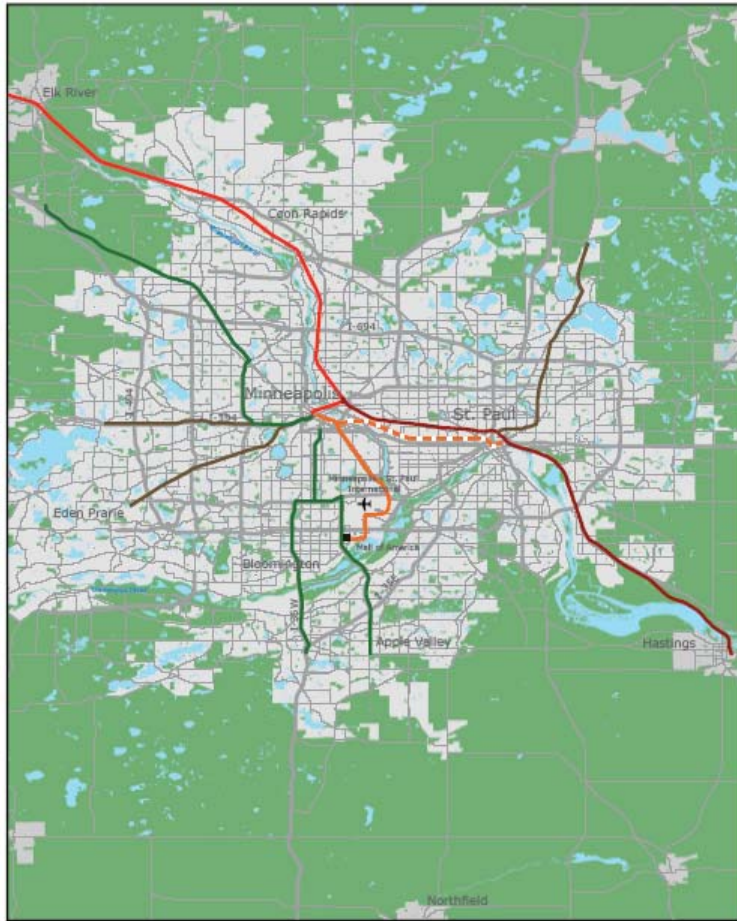


(By 2030 there will demand for approx. 170,000 transit oriented housing units in Alameda county)

- Captures broader snapshot of all potential TOD households
- Incorporates “market sorting” assumption

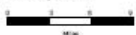


Hiawatha LRT Corridor, Minneapolis

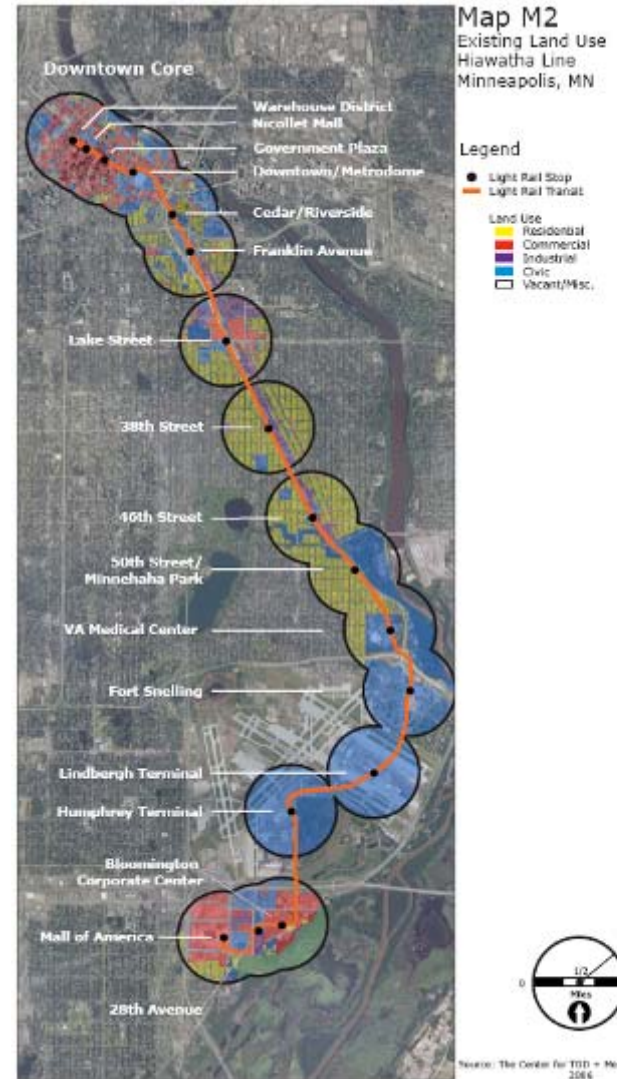


M1
TWIN CITIES REGIONAL TRANSIT

January 2006



- LEGEND**
- HIAWATHA LIGHT RAIL TRANSIT (LRT)
 - NORTH STAR COMMUTER RAIL
 - UNIVERSITY CORRIDOR LRT (AA/EIS)
 - COMMUTER RAIL (PROPOSED)
 - BUS RAPID TRANSIT (BRT) (PROPOSED)
 - FIXED GUIDEWAY (PROPOSED)
 - MAJOR ROADS
 - URBANIZED AREA
- EIS: Environmental Impact Statement
AA: Alternative Analysis
- Source: The Center for TOD + Metro Transit



Demand Estimate Comparison

Baseline Setting:

In 2000, 25,600 hhs lived near the two planned transit lines

Bottom Up Market Demand:

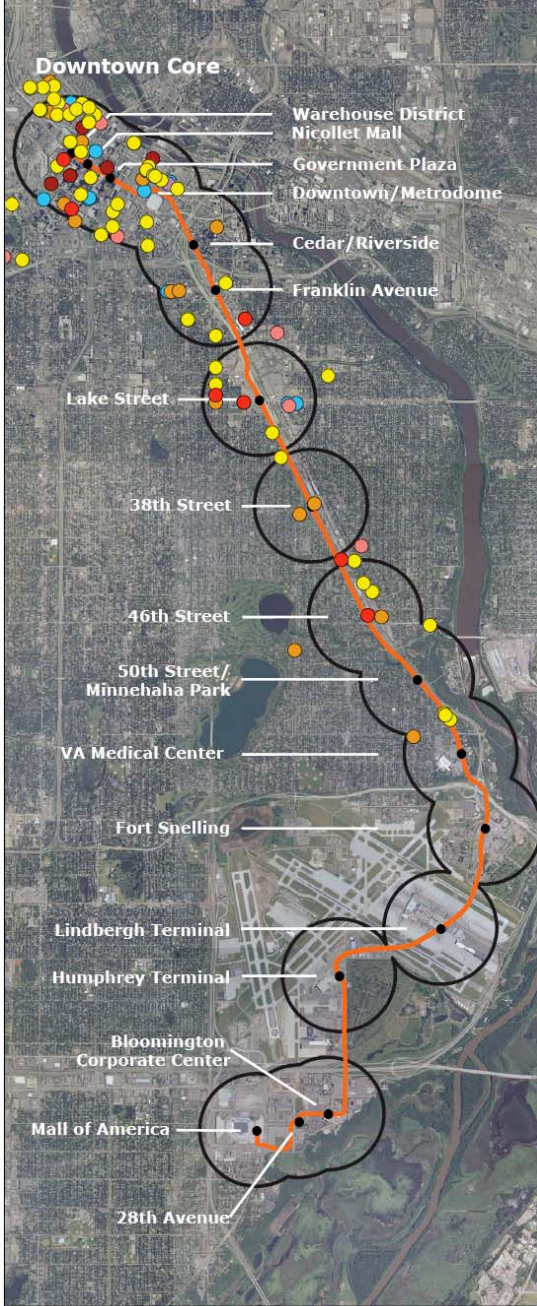
A 1999 market study forecast demand for 7,150 housing units along the Hiawatha line by 2020

Regional Demand Estimate:

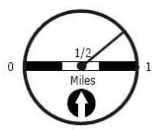
In 2004 the CTOD 2025 demand estimate for TOD in the region assuming a “small system” was 88,00 hhs



Map M5
Recent, Planned + Proposed
Development (After 2003)
Hiawatha Line
Minneapolis, MN



- Legend**
- Light Rail Stop
 - Light Rail Transit
 - Recent Development
 - Residential
 - Mixed Use Residential
 - Retail
 - Office
 - Hotel
 - Civic
 - Parking
- * Some projects may not show up due to overlapping dots
- * Projects Unavailable for Bloomington Stations



Source: The Center for TOD + Strategic Economics + City of Minneapolis, 2006

What Happened!

7,000 have already been either proposed or built

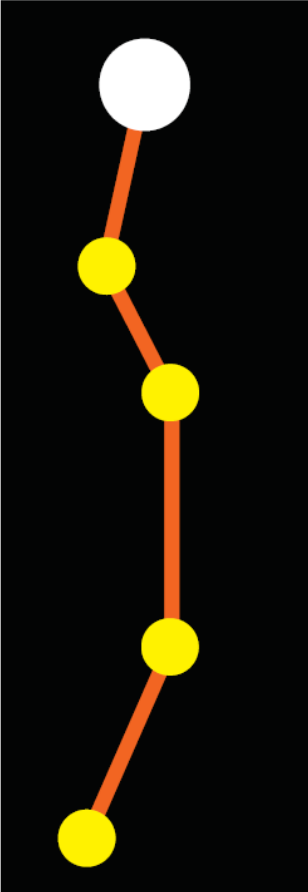
- 6,000 units of condos downtown. Mostly high-end.
- 1,124 housing units either proposed or under construction along the middle segment of the line.

2. Market activity at one station area impacts what's happening at other stations

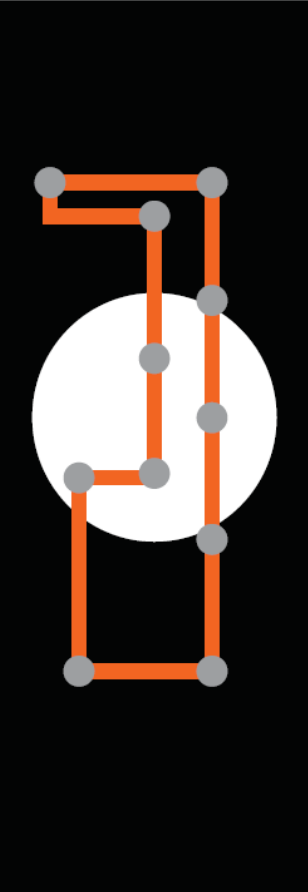


Four Corridor Types

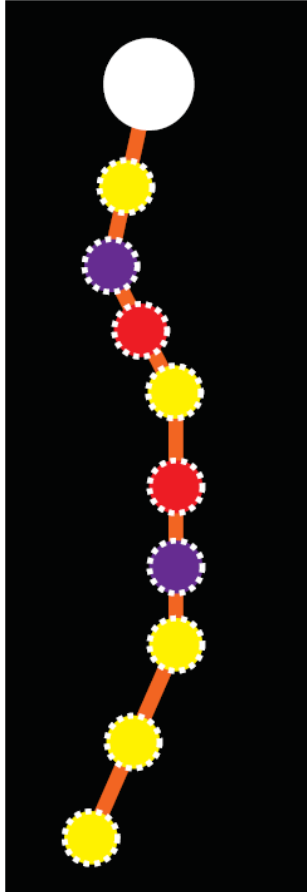
Commuter



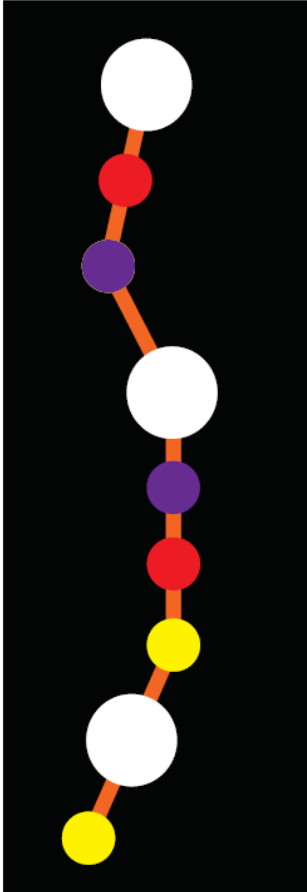
District Circulator



Planned Growth

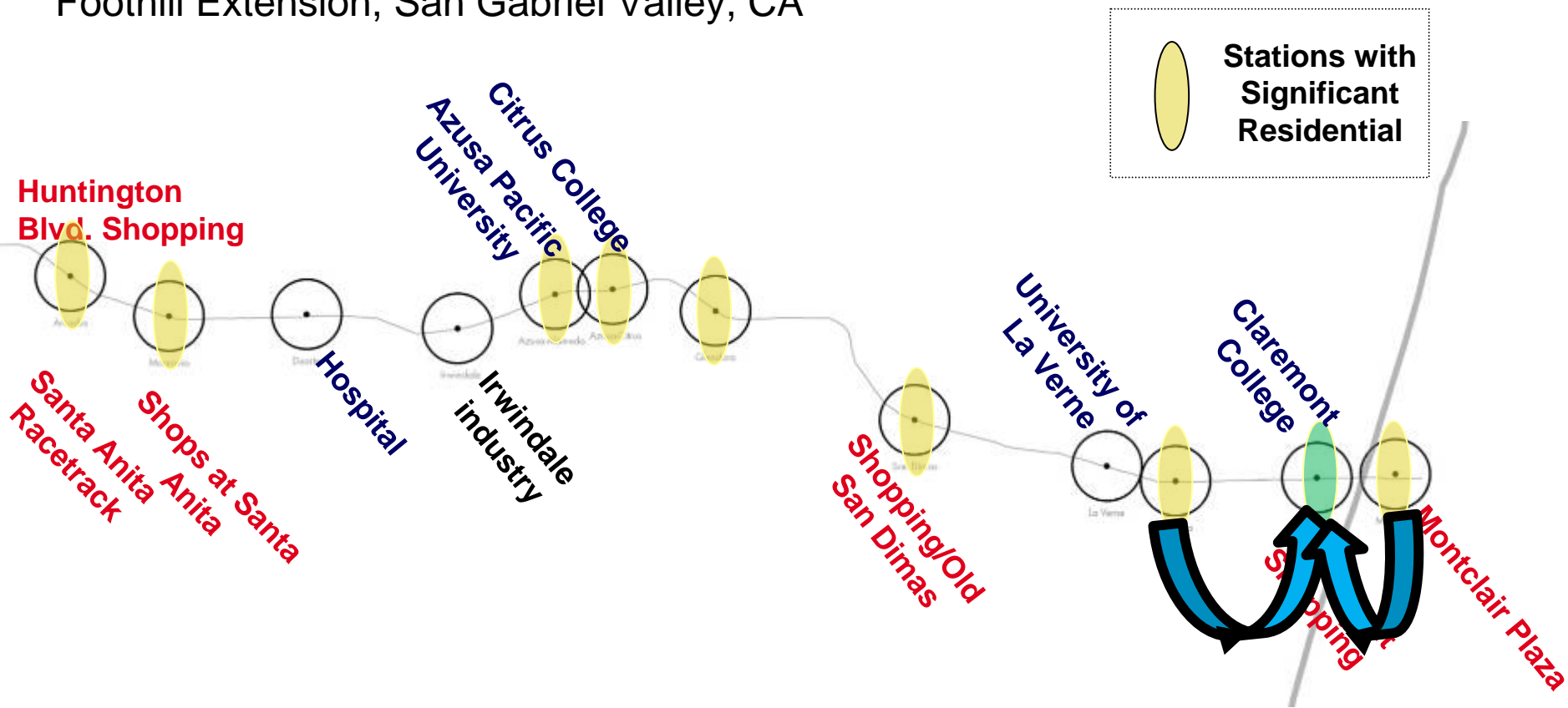


Destination Connection



Inter-relationship among stations on a corridor

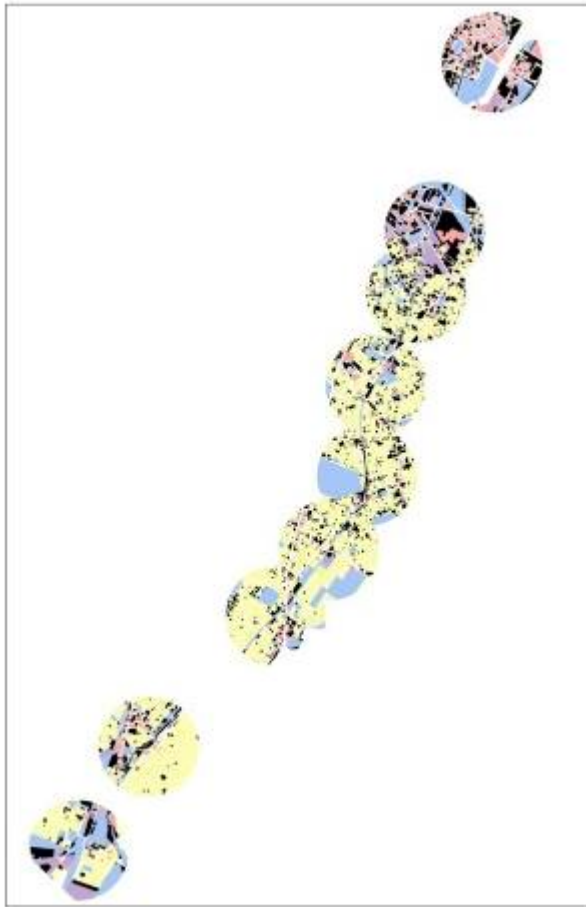
Foothill Extension, San Gabriel Valley, CA



3. Opportunity Sites and the Potential for Transformation

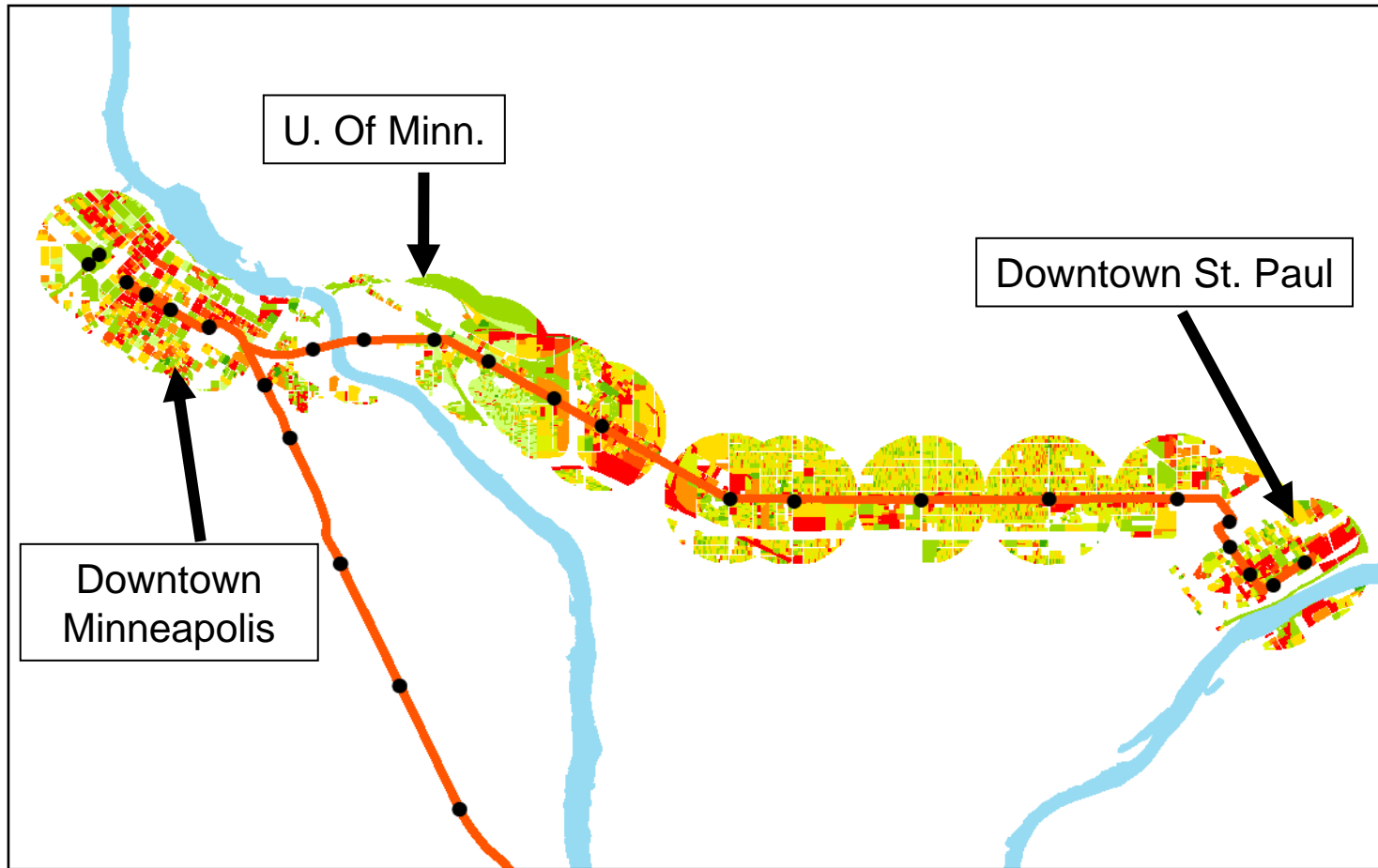


The Number and Size of the Opportunity Sites Around A Station Defines the Development Opportunity



Central Corridor:

Change in assessed property values 2006 -2008



4. Transit alone does not “create” a market



Transit doesn't make a market, it organizes real estate activity



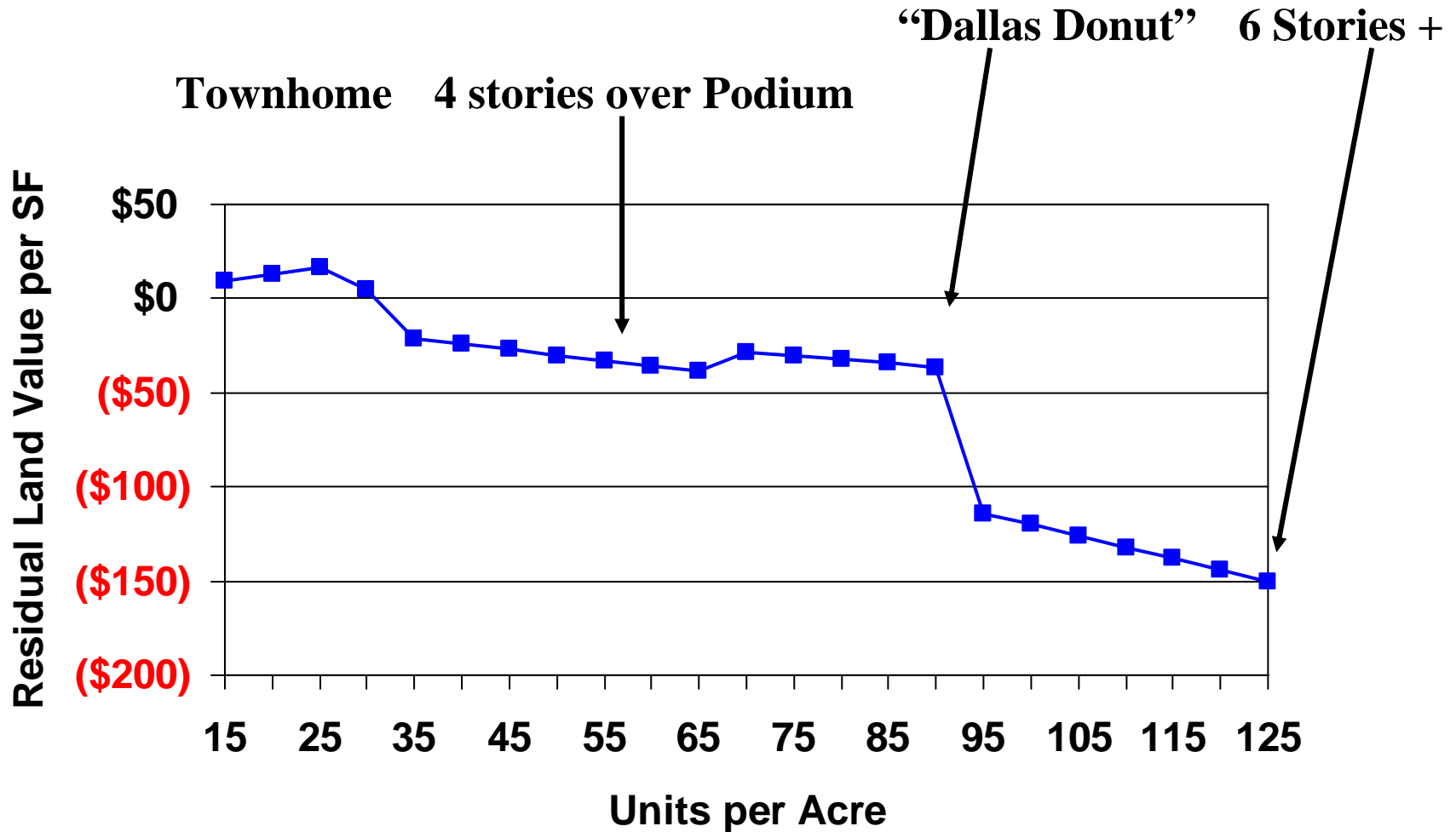
Houston, Main Street Corridor



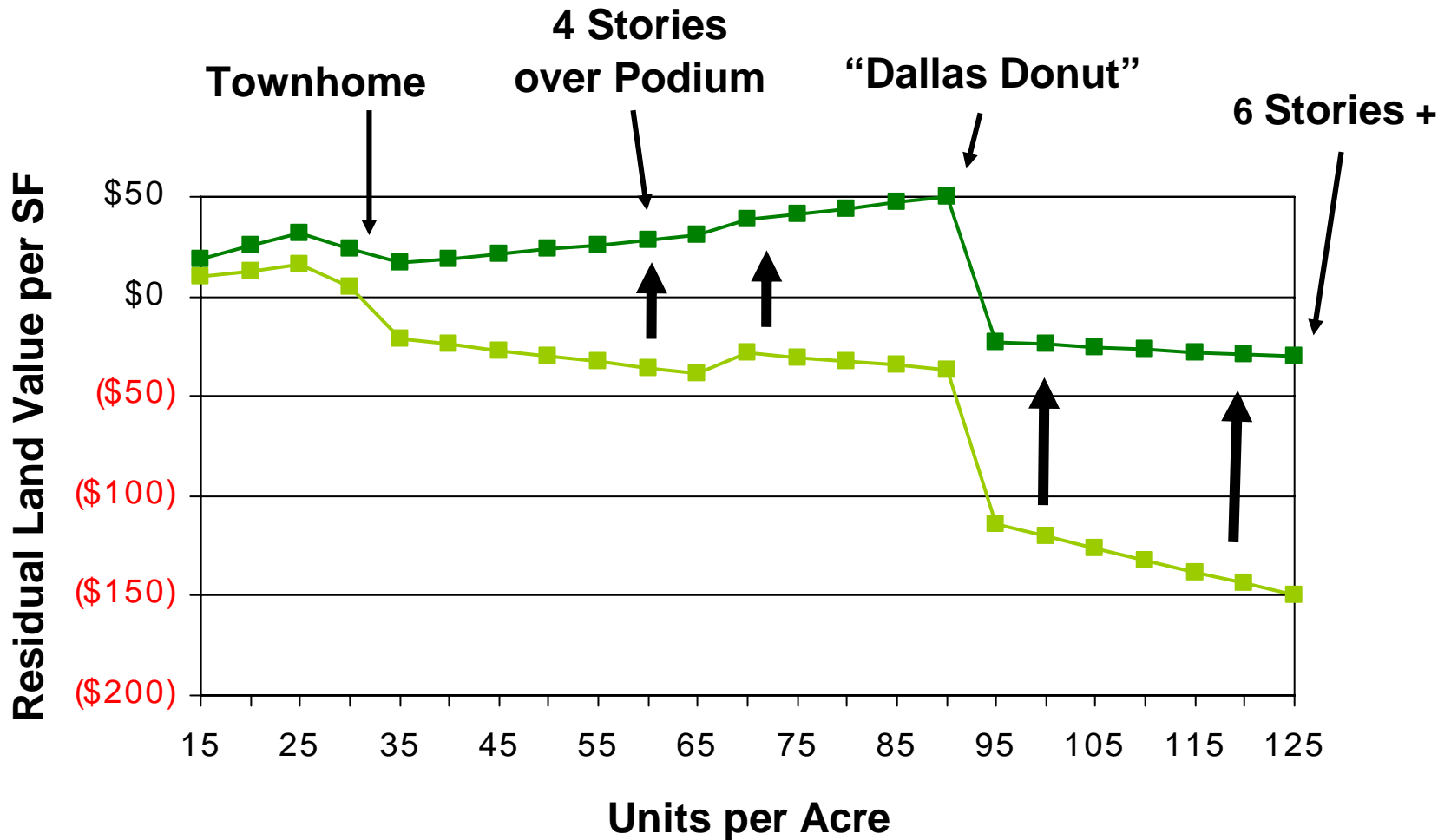
Portland, Pearl District



TOD is Not Always the “Highest and Best Use”!



Public Investment Combined with Public Policy Can Make TOD More Feasible



Conclusions:

1. The transit corridor scale provides a powerful organizing force for real estate markets.
2. Station area planning should start with an understanding of what kind of “connectivity” to various origins and destinations the transit provides.
3. Individual station area plans should always reflect the market based on that station’s context within the corridor, and the region

