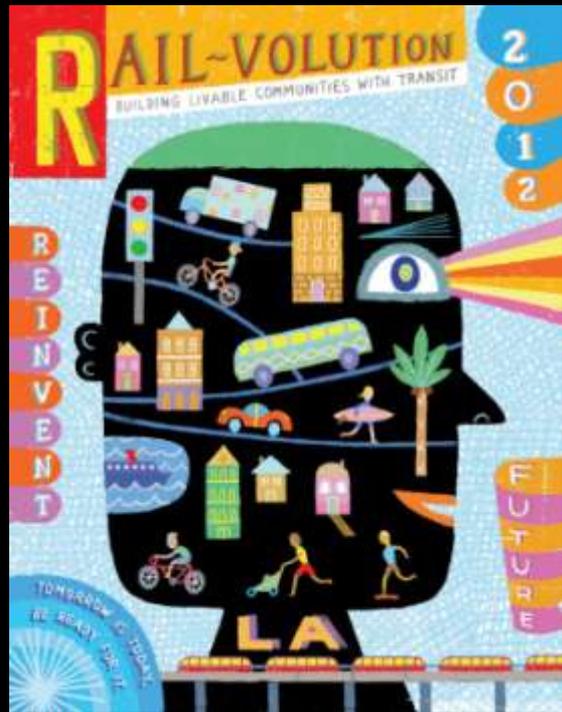




Building Livable Communities with Transit



Infill/Refill: Capturing Opportunity While Managing Change

How transit impacts existing communities and real estate values

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Agenda

- Transit / Walkable Trends
- Impact on RE Values
- How Can You Manage the Impact to Existing Communities
- Example
- Summary



Trend Towards TOD

- Demographic and market trends have driven a profound shift in demand from outlying suburban markets to urbanized locations – principally due to public transit accessibility, walkable amenities and other advantages...
- Metro served, mixed-use developments are among the most impressive income-producing mechanisms of the modern era and produce jobs by clustering human capital in dense, urban areas.
- There is a game-changing shift underway in real estate. New research reveals how walkable urban places and projects will drive tomorrow's real estate industry and the economy...
 - Chris Leineberger (GWU)

Generational Changes

- 77 percent of Generation Y wants to live and work in an urban core, which has created a new mandate for developers and employers to focus on walkable, transit-oriented communities to attract and retain young talent.
- The American Planning Association surveyed public planners and over 2/3rd of respondents said that they believe easy access to public transportation is a key factor in determining the success of an overall mixed-use development project.



Impact on Surrounding RE Values

- Retail spaces and office buildings in the DC area served by mass-transit command a 68% rental rate premium over outlying properties not served by Metro
 - JLL proprietary research
- Average vacancy-adjusted annual office rent in walkable urban places is \$36.78 per square foot, compared to \$20.98 for drivable sub-urban office rents, a 75% rental premium.
 - Chris Leineberger (GWU)
- The 2012 Brookings research indicates that there is more than a 100% percent premium for walkable urban places over drivable sub-urban for-sale housing on a price per-square-foot basis.

Neighborhood Impact – Managing Change

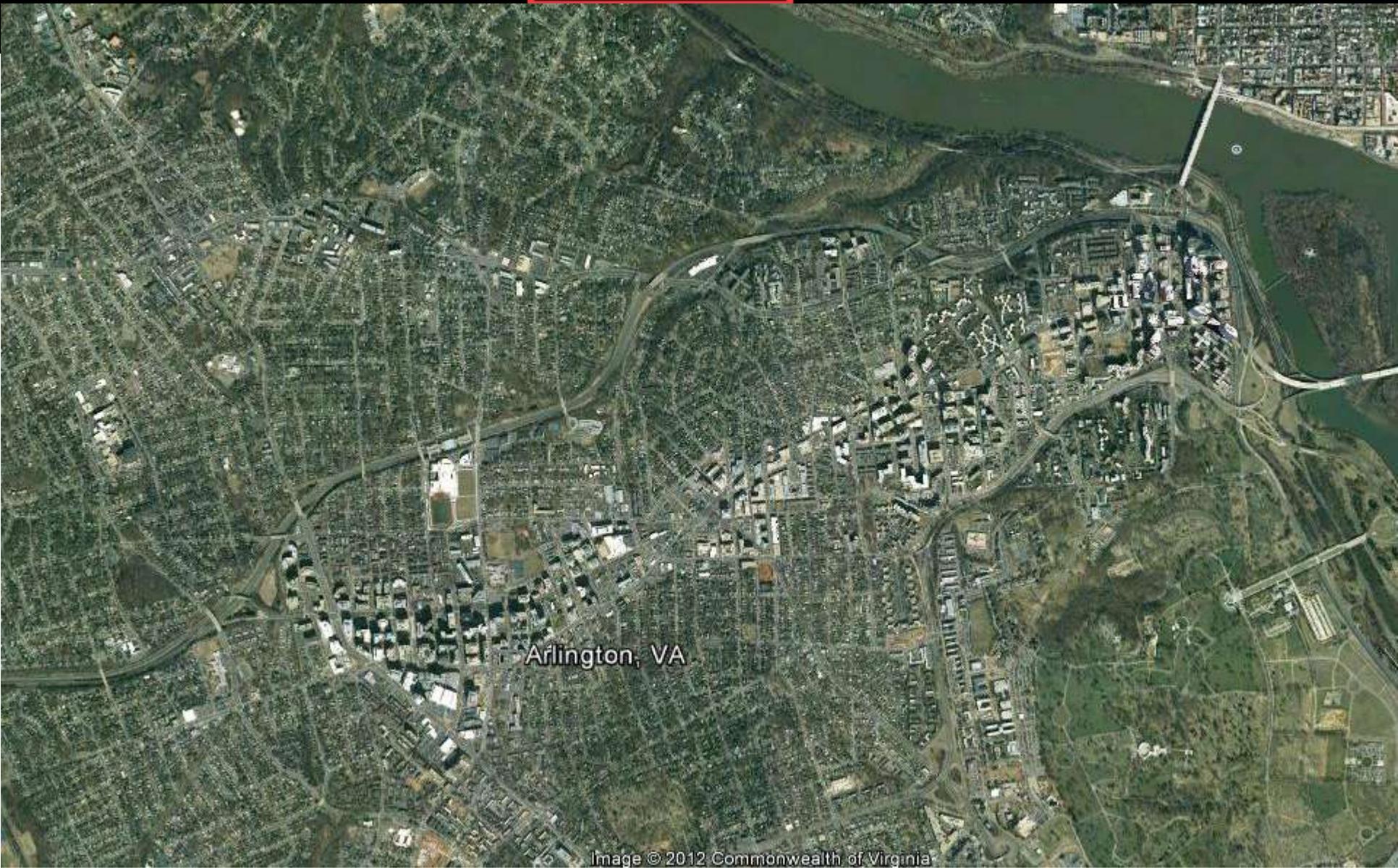
- Planning and zoning
- Development incentives
- Heavy Rail vs. Light Rail vs. BRT
- Distance between stops
- Walkability of the surrounding area
- Ridership & accessible destinations



WMATA Orange Line Example

- Service on the Rosslyn/Ballston corridor opened in 1980
- Brookings Institution reported that within one year of opening Rosslyn-Ballston Metro Stations, property values rose by \$1 billion.
- The final phase between Ballston and Vienna opened in 1986
- The surrounding communities had different visions for Orange Line

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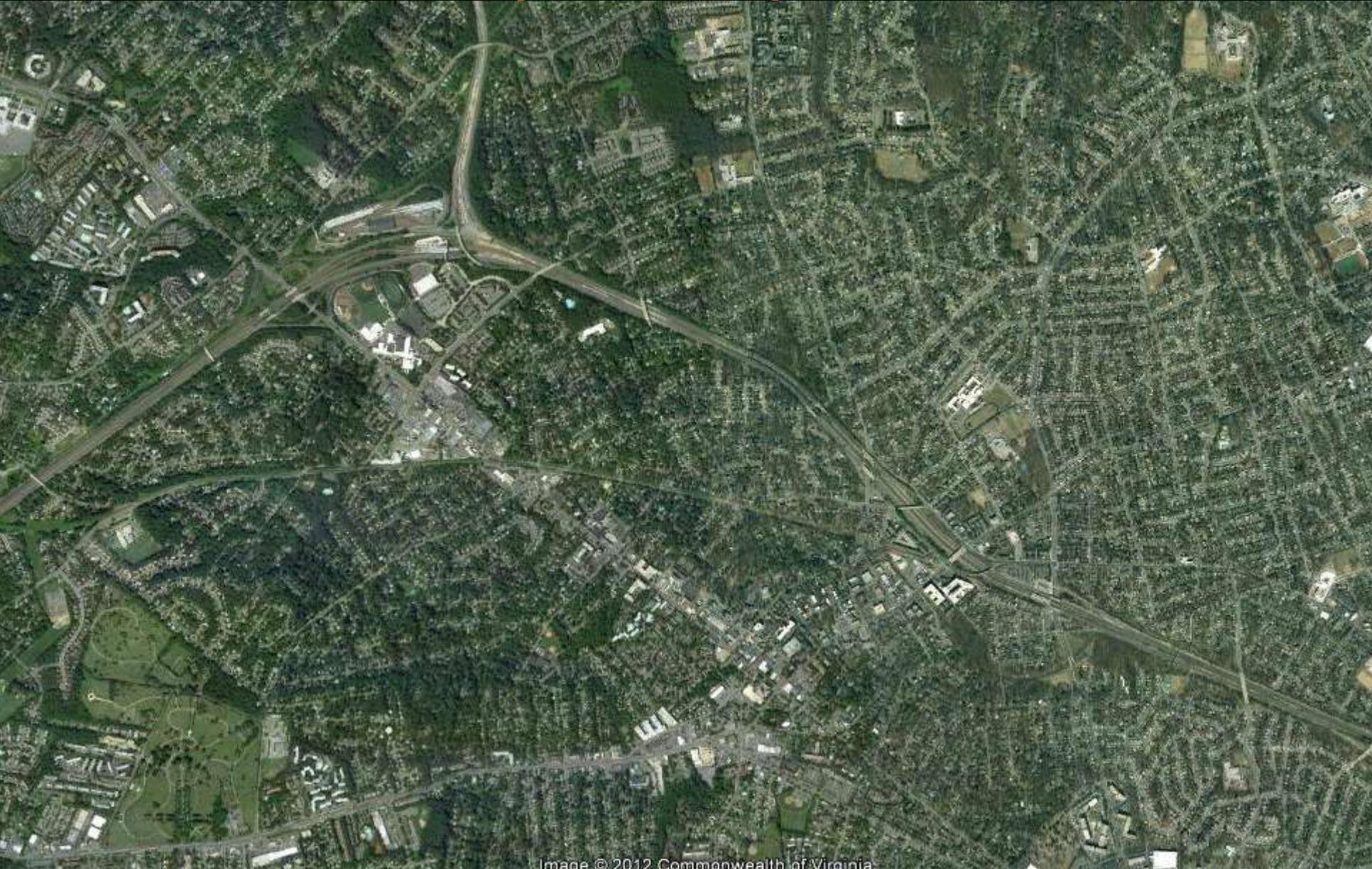
Arlington, VA

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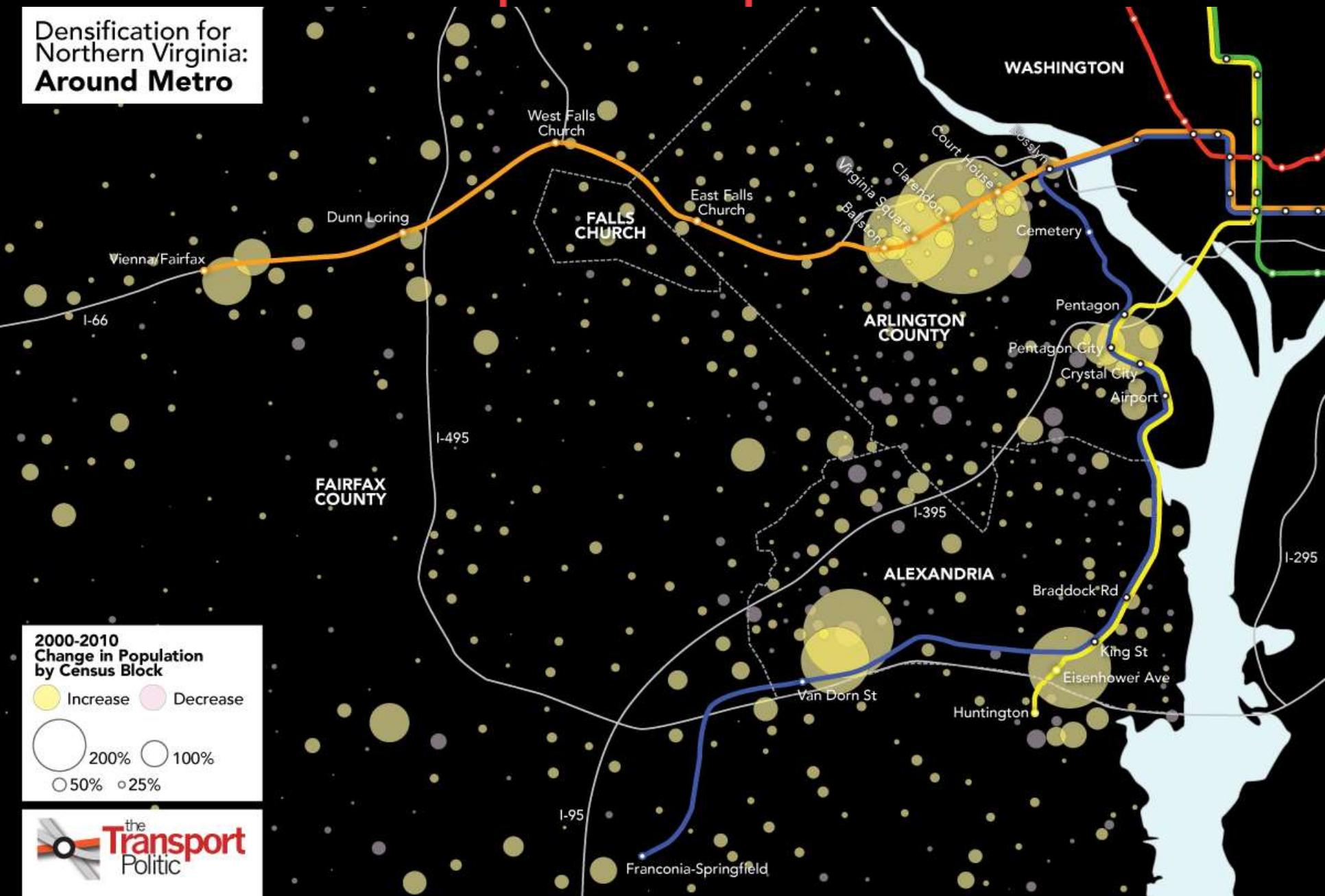


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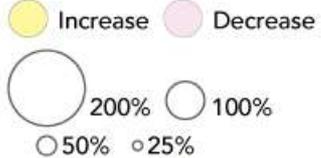


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Densification for Northern Virginia:
Around Metro



2000-2010
Change in Population
by Census Block



WMATA Orange Line Results

- 82 percent of Rosslyn-Ballston Corridor residents possess a college and/or advanced degree.
- According to a Harvard University study that analyzed industry performance and human capital, it was found that talent-based industries generated a greater volume of employment and economic growth than goods-producing industries.
- The human capital variable played a larger role in driving regional economic growth than any other industry dynamic.

Summary

- Generational trends are driving development toward transit based, walkable, mixed use communities.
- Implementation of transit can be the first step in the evolution of existing neighborhoods.
- RE values will increase based on access, density and walkability.
- The objectives of infill / refill development can be managed using tools that complement the transit nodes.