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

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

(By 2030 there will demand for approx. 170,000 transit oriented housing units in Alameda county)
Hiawatha LRT Corridor, Minneapolis
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
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”!

Townhome  4 stories over Podium

“Dallas Donut”  6 Stories +

Residual Land Value per SF

Units per Acre
Public Investment Combined with Public Policy Can Make TOD More Feasible

- Townhome
- 4 Stories over Podium
- “Dallas Donut”
- 6 Stories +

Residual Land Value per SF vs. Units per Acre

- $0
- $50
- $100
- $150
- $200

Strategic Economics
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.