

20 years strong
AMERICA
WALKS
ECONOMIC BENEFITS OF WALKING

“Streetscape enhancements add value to an area and are associated with higher rents and the attraction of new businesses. In addition there is good evidence to show that improving walking and cycling environments raises private property values by significant amounts.”

- **DR. RODNEY TOLLEY¹**

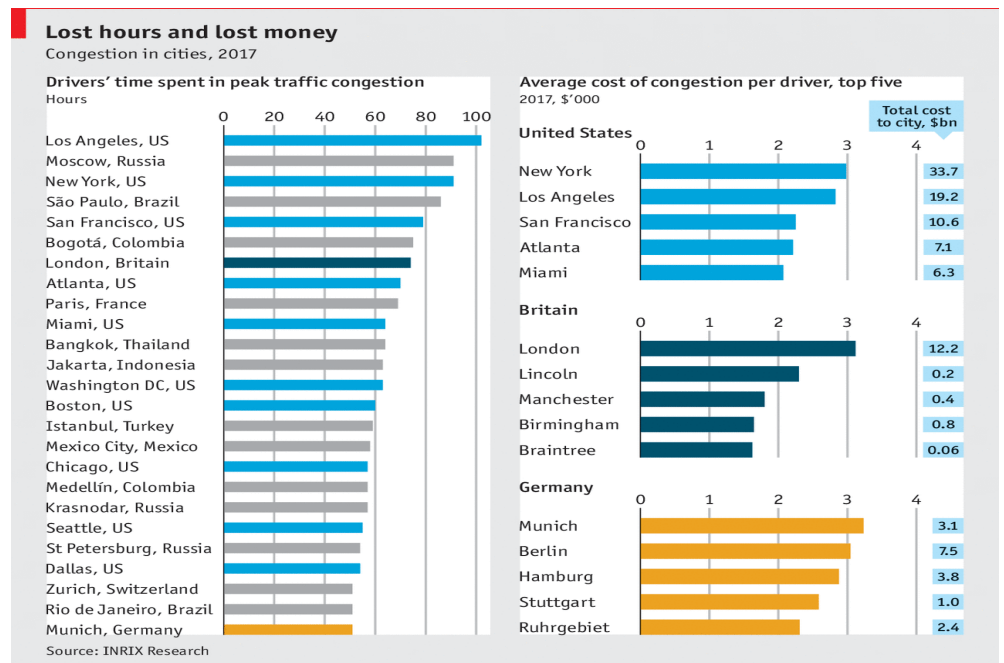
WHAT YOU NEED TO KNOW

- Transportation is the second largest household expense in the United States.² Owning and operating a new vehicle in 2018 will cost a driver an average of \$8,849 annually, or \$737 each month. Driving a medium sized sedan costs an average \$8,866 while driving a medium sized SUV cost \$9,697³ Each additional car in a household budget reduces that household’s mortgage capacity by about \$154,000; reducing a car adds back that much mortgage capacity.

- Households in automobile dependent communities have few ways to reduce their transportation costs in response to unexpected events such as job losses and fuel-price spikes. The 2008 mortgage collapse took place on the auto-dominated suburban fringe, while walkable communities, whether in the city or the suburbs, held their value.⁴

- Households that are car-dependent spend 50% more on transportation than households with more accessible land use and multi-modal transportation systems. Residents in Portland, for example, save more than \$1 billion by driving 20% less than the rest of the United States.⁵

- Congestion inflicts high economic costs as well as emotional ones. In a study based on GPS data, measurements of when and where traffic slowed to a crawl were converted into dollars of economic impact (including time and fuel wasted), between Britain, Germany and the United States, the costs totaled \$461 billion or \$975 per person.⁶



- According to the Center for Neighborhood Technology (CNT), housing does not qualify as “affordable” if the costs of housing plus transportation exceed 45% of household income. The farther you get from the urban core, the more transportation costs increase due to sprawl, longer commute distances, and few opportunities to walk, bike or use transit.⁷

- **Millennials are more likely to commute by biking, walking or public transportation.** Millennials' automobile ownership rates and overall driving are lower too. In 1995 20.8 percent of autos were driven by 21-30 year olds. According to the 2010 Federal Highway Administration Household Travel Survey, by 2009 that number had dropped to 13.7 percent.⁸ In many cases, young people under the age of 25 aren't even getting a driver's license, with rates declining approximately 10% between 2000 and 2013. As these young people move away from car ownership and prefer to live in a walkable environment, it is likely that walkability and public transport will start to become one of the main factors driving property value.

WALKING AS A SOLUTION

- **Residents of more walkable places have lower transportation costs and higher transit access,** but also higher housing costs. Residents of more walkable neighborhoods in metropolitan Washington generally spend around 12 percent of their income on transportation and 30 percent on housing. In comparison, residents of places with fewer environmental features that encourage walkability spend around 15 percent on transportation and 18 percent on housing.⁹

MORE WALKABLE PLACES PERFORM BETTER ECONOMICALLY

For neighborhoods within metropolitan Washington, as the number of environmental features that facilitate walkability and attract pedestrians increase, so do office, residential, and retail rents, retail revenues, and for-sale residential values.¹⁷

- **Walkable streets encourage business activity,** generate greater tax revenue per acre and offer a higher return on investment, square foot for square foot, than auto-oriented streets.¹⁰ **For retailers, walking interventions can increase the number of people entering shops and spending** by up to 40% and retail rents by 20%. When using the sales receipts to compare retail activity before and after street redesign in New York City, transforming streets into pedestrian plazas led to an increase of 172% in sales.¹¹
- **Creating a walkable community can help cities recruit top talent and, in turn, attract business.** In 2018, Amazon's search for HQ2 skipped over hundreds of communities in favor of walkable communities, because *"during the [selection] process it became clear to us that the overriding criteria was going to be the ability to find and attract talent."* Jay Carney, Amazon Senior Vice President¹² Between 2010 and 2015, nearly 500 companies moved to or expanded in dramatically more walkable, vibrant, downtown neighborhoods.¹³
- A New York City study found that between 2010 and 2016, **commercial tenants signed leases in walkable neighborhoods at double the rate they did in drive-in areas.**¹⁴
- **Walkability improves housing values.** Housing values are positively and significantly correlated with walkability in almost all metropolitan markets.¹⁵ "In the typical market, an additional one point increase in Walk Score was associated with between a \$500 and \$3,000 increase in home values." Joe Cortright¹⁶

ABOUT AMERICA WALKS

America Walks, a 501(c)(3) national nonprofit organization, is leading the way in advancing safe, equitable, accessible, and enjoyable places to walk and move by giving people and communities the resources to effectively advocate for change. We provide a voice for walking and walkable communities with federal agencies, provide strategy support, training and technical assistance to statewide, regional, and local organizations, and serve as the convener of the national Every Body Walk! Collaborative.

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ADDITIONAL RESOURCES

- <https://newsroom.aaa.com/auto/your-driving-costs/>
- [https://www.ibtta.org/sites/default/files/documents/MAF/Costs-of-Congestion-INRIX-Cebr-Report%20\(3\).pdf](https://www.ibtta.org/sites/default/files/documents/MAF/Costs-of-Congestion-INRIX-Cebr-Report%20(3).pdf)
- <https://www.gov.uk/guidance/transport-analysis-guidance-webtag>
- <https://www.economist.com/graphic-detail/2018/02/28/the-hidden-cost-of-congestion>
- http://blog.walkscore.com/wp-content/uploads/2009/08/WalkingTheWalk_CEOsforCities.pdf
- <https://www.strongtowns.org/journal/2018/1/16/why-walkable-streets-are-more-economically-productive-3bzg5>
- https://bikeleague.org/sites/default/files/PERI_Natl_Study_June2011.pdf
- <https://smartgrowthamerica.org/app/uploads/2016/08/core-values.pdf>
- <https://smartgrowthamerica.org/how-can-your-city-snap-the-next-amazon-hq2/>
- <https://www.brookings.edu/wp-content/uploads/2016/06/25-walkable-places-leinberger.pdf>
- <http://www.victoriawalks.org.au/Assets/Files/The-Economic-Case-for-Investment-in-Walking-FINAL.pdf>
- <https://www.bls.gov/news.release/cesan.nr0.htm>
- https://www.washingtonpost.com/realestate/walkability-increasingly-drives-developers-and-real-estate-market/2012/11/15/cfafb342-286a-11e2-b4e0-346287b7e56c_story.html?noredirect=on&utm_term=.3c34797f31ce
- <https://www.brookings.edu/blog/the-avenue/2011/04/28/walk-dont-drive-to-the-real-estate-recovery/>
- <https://htaindex.cnt.org/>
- <https://www.cnt.org/projects/location-efficiency-hub>

WORK CITED

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- ¹ <https://www.heartfoundation.org.au/images/uploads/publications/Good-for-business.pdf>
 - ² <https://www.bls.gov/news.release/cesan.nr0.htm>
 - ³ <https://newsroom.aaa.com/tag/cost-to-own-a-vehicle/>
 - ⁴ <https://www.brookings.edu/blog/the-avenue/2011/04/28/walk-dont-drive-to-the-real-estate-recovery/>
 - ⁵ http://blog.walkscore.com/wp-content/uploads/2009/08/WalkingTheWalk_CEOsforCities.pdf
 - ⁶ <https://www.economist.com/graphic-detail/2018/02/28/the-hidden-cost-of-congestion>
 - ⁷ <https://htaindex.cnt.org/>
 - ⁸ <https://smartgrowthamerica.org/app/uploads/2016/08/core-values.pdf>
 - ⁹ <https://www.brookings.edu/wp-content/uploads/2016/06/25-walkable-places-leinberger.pdf>
 - ¹⁰ <https://www.strongtowns.org/journal/2018/1/16/why-walkable-streets-are-more-economically-productive-3bzig5>
 - ¹¹ https://bikeleague.org/sites/default/files/PERI_Natl_Study_June2011.pdf
 - ¹² <https://smartgrowthamerica.org/how-can-your-city-snag-the-next-amazon-hq2/>
 - ¹³ <https://smartgrowthamerica.org/app/uploads/2016/08/core-values.pdf>
 - ¹⁴ <https://www.wnyc.org/story/forget-urban-versus-suburban-today-its-about-walkability/>
 - ¹⁵ http://blog.walkscore.com/wp-content/uploads/2009/08/WalkingTheWalk_CEOsforCities.pdf
 - ¹⁶ <https://www.strongtowns.org/journal/2018/1/16/why-walkable-streets-are-more-economically-productive-3bzig5>
 - ¹⁷ <https://www.brookings.edu/wp-content/uploads/2016/06/25-walkable-places-leinberger.pdf>

***Note on the above congestion chart:** Freeway projects are often taken on in the name of “congestion relief”. America Walks believes, rather, that this contributes to induced demand – that increasing roadway capacity encourages more people to drive, failing to improve congestion. We believe the most funded and supported transportation modes are the ones that become the most used, which is why our work involves investment in walkable communities. This chart is simply meant to illustrate the economic impact of congestion.