BROOKINGS

SERIES: Walkable Urbanism |
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Walk this Way:The Economic Promise of Walkable Places in Metropolitan Washington, D.C.

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An economic analysis of a sample of neighborhoods in the Washington, D.C. metropolitan area using walkability measures finds that:

ADDITIONAL RESOURCES

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December 4, 2007

- **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.

- **Walkable places benefit from being near other walkable places.** On average, walkable neighborhoods in metropolitan Washington that cluster and form walkable districts exhibit higher rents and home values than stand-alone walkable places.

- **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.

- **Residents of places with poor walkability are generally less affluent and have lower educational attainment than places with good walkability.** Places with more walkability features have also become more gentrified over the past decade. However, there is no significant difference in terms of transit access to jobs between poor and good walkable places.

The findings of this study offer useful insights for a diverse set of interests. Lenders, for example, should find cause to integrate walkability into their underwriting standards.

Developers and investors should consider walkability when assessing prospects for the region and acquiring property. Local and regional planning agencies should incorporate assessments of walkability into their strategic economic development plans and eliminate barriers to walkable development. Finally, private foundations and government agencies that provide funding to further sustainability practices should consider walkability (especially as it relates to social equity) when allocating funds and incorporate such measures into their accountability standards.

The Great Recession highlighted the need to change the prevailing real estate development paradigm, particularly in housing. High-risk financial products and practices, “teaser” underwriting terms, steadily low-interest rates, and speculation in housing were some of the most significant contributors to the housing bubble and burst that catalyzed the recession. But an oversupply of residential housing also fueled the economic crisis.

However, a closer look at the post-recession housing numbers paints a more nuanced picture. While U.S. home values dropped steadily between 2008 and 2011, distant suburbs experienced the starkest price decreases while more close-in neighborhoods either held steady or in some cases saw price increases. This distinction in housing proximity is particularly important since it appears that the United States may be at the beginning of a structural real estate market shift. Emerging evidence points to a preference for mixed-use, compact, amenity-rich, transit-accessible neighborhoods or walkable places.