Walking the Walk
How Walkability Increases Home Prices in U.S. Cities

By Joseph Cortright for CEOs FOR CITIES
Road Map

- Walkability
- Walk Score
- Hedonic Modeling
- The Value of Walkability
- Implications
Walkability and Value

- Cities are about access
- Walkable places have the highest levels of access
- Walkability has value
Walking and Cities

• “The Sidewalk Ballet” - Jane Jacobs
• Characteristics:
  – Short blocks, connected streets
  – Sidewalks
  – A mix of uses and housing types
• How do we measure “walkability”? 
It’s All about Destinations

- It’s not just about sidewalks.
- Are there places you can walk to?
Walk Score Destinations

- Grocery Store
- Restaurant
- Coffee Shop
- Bar
- Movie Theater
- School
- Park
- Library
- Bookstore
- Fitness
- Drug Store
- Hardware Store
- Clothing and Music Store
How Walk Score is Computed

- Straight-line distance to nearest destination in each of 13 categories
- Relies on Google Maps database
- Doesn’t address topography, sidewalks, street connectivity or built environment
Walk Score Values

- 90–100 = Walkers’ Paradise
- 70–89 = Very Walkable
- 50–69 = Somewhat Walkable
- 25–49 = Car-Dependent
- 0–24 = Car-Dependent (Driving Only)
Walkability Varies by Neighborhood

Source: Walkscore.com
Analyzing Housing Value

- Houses are a “bundle” of characteristics
- Structure
- Neighborhood
- Market
- Hedonic models statistically decompose value of different attributes of a product
- How much do consumers value each
Hedonic Models
Widely Used

• Value housing characteristics
• Accessibility
• Environmental attributes:
  - Parks
  - views
  - tree cover
  - clean air
The Data

- 94,000 home sales
- 15 metropolitan markets:

  Arlington, Virginia  Las Vegas, Nevada
  Austin, Texas       Phoenix, Arizona
  Bakersfield, California Sacramento, California
  Charlotte, North Carolina San Francisco, California
  Chicago, Illinois   Seattle, Washington
  Dallas, Texas       Stockton, California
  Fresno, California  Tucson, Arizona
  Jacksonville, Florida
Variables

- Housing Characteristics
  - Size (square feet)
  - Bedrooms
  - Bathrooms
  - Age
- Type (condo/single family)
- Neighborhood Characteristics
  - Centrality (distance to CBD)
  - Job access (jobs within 3 miles)
  - Income (median neighborhood income)
  - Walk Score
Model Results

- After controlling for other observable differences in housing and neighborhoods, walkability had a statistically significant positive effect on housing values in 13 of 15 metropolitan areas.

- One metro had a negative walkability effect (Las Vegas); one was statistically insignificant (Bakersfield).

- Estimates of other variables were consistent with published studies of housing values.
In a typical metropolitan area, each 1 point increase in Walk Score was associated with a $700 to $3000 increase in home value, holding all other factors constant.
How Much Gain is Typical?

- How much gain from going from an average level of walkability to an above average level of walkability?

- Comparing two neighborhoods in Charlotte, NC

- Charlotte estimates: Each 1 point increase in Walk Score was associated with a $1,986 increase in home values.
Ashley Park: Walk Score = 54 (median)

Source: Walkscore.com
Wilmore: Walk Score = 71 (top 25%)
Two Neighborhoods

- Ashley Park:
  - Median Walk Score
  - Walk Score 54
  - Median Value: $280,000

- Wilmore
  - 75th Percentile Walk Score
  - Walk Score 71
  - Median Value: $314,000

Gain: $34,000 or 12%
Improving Walkability Adds $10,000 to $30,000 to Home Values in Most Cities
Implications

• Improving walkability helps maintain and increase housing values

• Walkability is shaped by public and private decisions: land use and development

• Mixed-use development produces big walkability gains

• Transit access often coincides with high walkability
Walking the Walk

- Walkability adds value to residential property
- Strong evidence of a market demand for walkable, mixed-use development
Walking the Walk

Thank you.

For more information or a copy of the full report, contact Sheila Redick at sredick@ceosforcities.org.