

Property Values:

The two studies below provide some information regarding the potential impacts which Light Rail Transit Service may have on property values. The first one is from Charlotte, NC and although there are some differences in the character of the Blue Line (Light Rail Transit (LRT)) Corridor and the Durham-Orange Corridor, it is the only location within our state with LRT Service. The second study is a synthesis of many studies from around the country and clearly discusses both benefits and drawbacks: one important caveat is that it is not just about light rail transit; it also includes some other types of rail transit.

- **The impact of a new light rail system on single-family property values in Charlotte, North Carolina, Journal of Transportation and Land Use**

<https://www.jtlu.org/index.php/jtlu/article/viewFile/261/242>

Abstract: This paper examines the impact of a new light rail system on single-family housing values in Charlotte, North Carolina, from 1997 to 2008. We use a Hedonic Price Analysis (HPA) to estimate how proximity to light rail, housing characteristics, and spatial components (at a block group level) affect single-family housing values. The same method is applied to each of the four time periods (t1, t2, t3, t4) that coincide with the pre-planning, planning, construction, and operation phase of the light rail system. We observe a trend that suggests a greater desirability to live closer to a light rail station as the transit system becomes operational.

GoTriangle Comments: The results of this study suggest a property value premium associated with being closer to the light rail stations. For the sensitivity analysis of distance from the light rail stations, the study provided a comparison of properties at 0.25 miles from station and 1.0 miles from stations. As the 2008 opening of the Charlotte Blue Line coincided with the recession, the property value premium associated with proximity to light rail resulted in the example home close to the station retaining its value, while the example home farther from light rail experienced a decrease in property value in line with the widespread effects of the recession. In addition, the study notes that many of the stations along the line are located in areas that prior to implementation of light rail were considered to be less desirable due to proximity to railroad tracks and a more industrial character. The light rail stations appear to serve as an “equalizer,” lifting the property values of residential properties in those areas as compared to prices of homes in areas that were previously considered to be more desirable.

- **Impacts of Rail Transit on Property Values, Booz Allen Hamilton**

<http://reconnectingamerica.org/assets/Uploads/bestpractice083.pdf>

Abstract: Introducing rail transit into a region often creates expectations about the impact of the rail project on property values. Information on the impact of rail on property values is often incomplete and limited to anecdotal evidence, leaving regions planning for rail investments without a firm basis to judge the future impact of such an investment. In addition, this lack of complete information limits the extent to which transit agencies can develop strategies to maximize positive property value impacts. This paper summarizes a comprehensive survey of recent research on the impact of rail transit and property values. The impact of twelve rail projects (including both heavy rail and light rail) throughout North America is compared to

develop general conclusions about the impact of rail on property values. In general, proximity to rail is shown to have positive impacts on property values. This conclusion is based on several measures of property value such as sales prices of single-family homes, apartment rents, and median home value. This survey of recent experience also reveals that the relative impact of rail transit is affected by a number of factors. The relative increase in accessibility provided by the new transit investment is the primary factor in increasing property values. In addition, some studies show that such factors as proximity to industrial uses or to highway facilities may limit the extent to which property values are increased. These conclusions suggest a number of strategies that transit agencies can undertake to ensure maximum property value benefit for land along future rail alignments.

GoTriangle Comments: Across the twelve-study synthesis, property value premiums of 3% to 40% were observed for property close to stations. The study acknowledged that there can be negative effects on property values associated with extremely close proximity to the line due to factors such as noise and visual disruption. However, these negative effects were found to be overshadowed by positive effects in most areas. In the one study that found a property value penalty associated with proximity in some areas, the presence of other negative factors, such as freight railroad right-of-way, was suggested as more likely to explain the observance of the penalty than the proximity to rail transit.