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Land Value Capture as a Tool to Finance Public Transit Projects in Canada

Rapport de Trillium Business Strategies Inc.

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- **Business owners recognized that enhanced public access would generate sufficient economic activity and resulting incremental property values that the costs of providing public access through transit would be recouped.**

- **Accurate measurement is essential to the success and equity of land value capture approaches.**

TRANSIT BENEFITS

Environmental

- Reduced traffic congestion
- Reduced fuel consumption
- Reduction of greenhouse gases
- Better air quality
- Reduced sprawl
- Conservation of open space

Social

- Improved social cohesion through interaction among people in a community
- Improved fitness and health as a result of increased walking and biking
- Reduced traffic accidents
- Improved transportation options, particularly for non-drivers
- Reduced consumer transportation costs
- Expanded labour market area for employers
- Improved access to job opportunities for workers (and increased labour market shed for employers)
- Neighborhood revitalization

Financial

- Reduced road and parking facility
- Economic development benefits through agglomeration efficiencies and increased productivity
- Increased property values
- Increased property tax revenues

Transit Investment Impact on Residential Values

Single Family Home Sales Prices

| System | Price Impact | Transit type | Year |
|--|-----------------------------------|---------------|------|
| San Francisco Bay Area BART System | + 17% within 500ft. of station | Rapid Transit | 1979 |
| San Diego Trolley System | + 2% within 200 ft. of station | Light Rail | 1992 |
| Portland MAX Light Rail System | + 11% within 1,500 ft. of station | Light Rail | 1993 |
| Sacramento Light Rail System | + 6% within 900 ft. of station | Light Rail | 1995 |
| Santa Clara County VTA Light Rail System | - 11% within 900 ft. of station | Light Rail | 1995 |
| Chicago METRA Commuter Rail System | + 20% within 1,000ft. of station | Commuter Rail | 1997 |
| St. Louis Metrolink Light Rail System | + 32% within 100 ft. of station | Light Rail | 2004 |

Transit Investment Impact on Commercial Values

Office Space

| System | Price Impact | Transit type | Year |
|---|--|---------------|------|
| Downtown Station Washington Metrorail | + 9% within 300 ft. of station | Rapid Transit | 1981 |
| Silver Spring Station Washington Metrorail | + 14% within 300ft. of station | Rapid Transit | 1981 |
| Washington Metrorail System | + 12% to 20% within 300 ft. of station | Rapid Transit | 1993 |
| Atlanta MARTA System | + 11% to 15% within 300ft. of station | Rapid Transit | 1993 |
| San Francisco Bay Area BART-East Bay Stns. | No effect within 2,640 ft. of station | Rapid Transit | 1995 |
| Dallas DART Station Areas | + 10% within 1,320 ft. of station | Light Rail | 1999 |
| Santa Clara County VTA Light Rail System | + 15% within 2,640 ft. of station | Light Rail | 2001 |
| Santa Clara County VTA Dtn. San Jose Stns. | + 120% within 1,320 ft. of station | Light Rail | 2002 |

- **Hong Kong is one of the few places in the world where a transit agency actually makes a profit.**

- **New Delhi : The Authority will take up such vacant land for commercial development which is not required by the Railway for its operational use.**
- **United States : Transit Authorities in the United States tend to rely on special taxation related measures or joint development to fund transit projects not funded from general tax revenues.**

- An international comparison shows that the 50 % user contribution to Greater Montreal's public transit is less than the typical arrangement in Canada, where users generally pay 60% of costs, but more than the typical arrangements in the United States, where users generally pay 35% of costs.

- **Canada : Only three areas – Montreal, Toronto/Hamilton and Vancouver – have active programs in place or are considering such programs.**