

# The Economic Benefits of Complete Streets



The documented economic impacts of Complete Streets projects are summarized below in four categories: consumer spending, property value, business benefits, and individual transportation costs.

## CONSUMER SPENDING

Large increases in consumer spending correlate to specific Complete Streets and Green Streets investments.

- ▶ Tourists coming to the State of Vermont to walk and bicycle in the scenic, human-scale towns and compact, pedestrian-friendly town centers have proved to be an economic boon. In 1992, an estimated 32,500 visiting cyclists spent \$13.1 million in Vermont—about twice the amount of money generated by Vermont’s maple syrup producers in a good year.<sup>1</sup>
- ▶ Bicycle parking is more space efficient than automobile parking. One study found that each square meter of bicycle parking generated \$31 per hour in consumer spending, whereas each square meter of automobile parking generated only \$6 per hour.<sup>2</sup>
- ▶ A University of Washington study found that people are willing to pay about 11% more for goods in landscaped business districts than in non-landscaped districts (and up to 50% for convenience goods).<sup>3</sup>



*Main Street, Keene*

## PROPERTY VALUES

Residential, office, and commercial property values benefit from nearby investments in bicycle, pedestrian, and transit infrastructure as well as urban design and landscape improvements.

- ▶ Home values are 15.5% higher in walkable neighborhoods than in non-walkable areas, all other things being equal.<sup>4</sup>
- ▶ Mixed-use, walkable development generates ten times higher property tax yields than common development patterns.<sup>5</sup>
- ▶ Walkable areas see fewer foreclosures, with highly walkable neighborhoods having 11 fewer foreclosures compared to non-walkable neighborhoods.<sup>6</sup>

<sup>1</sup> Source: *Bicycle Touring in Vermont and Vermont's Scenic Byways Program*, Bruce Burgess for the Vermont Agency of Transportation, 1995

<sup>2</sup> Source: "Recognizing the Economic Role of Bikes: Sharing Parking in Lygon Street", Allison Lee and Alan March for the *Australian Planner*, 2010

<sup>3</sup> Source: *The Benefits of Urban Trees*, Chris Hastie for the University of Washington, 2003

<sup>4</sup> The Effects of New Urbanism on Housing Values: A Quantitative Assessment, Yan Song for the National Center for Smart Growth Research and Education at the University of Maryland, 2003

<sup>5</sup> *Building Better Budgets: A National Examination of the Fiscal Benefits of Smart Growth Development*, William Fulton, et al, for Smart Growth America, 2013

<sup>6</sup> "Walkability Is Good for You," Richard Florida for *The Atlantic*, 2014

## BUSINESS BENEFITS

Neighborhoods with bicycle, pedestrian, and transit friendly environments are much more likely to have high businesses occupancy rates. Businesses benefit from higher worker productivity.

- ▶ A cost-benefit analysis indicates that every dollar spent on bicycle networks yields \$4-5 in benefits (including security, health effects, and reduced costs of motorized traffic).<sup>7</sup>
- ▶ Businesses whose employees bicycle more often or farther than others benefit from higher employee productivity. On average, employees who bicycle to work are absent fewer days than those who do not.
- ▶ Occupancy rates of offices are positively affected by landscaping amenities, which have a higher correlation with occupancy than direct access to arterial routes.
- ▶ Business leaders throughout the country say that low-density, discontinuous and automobile-dependent land use patterns can cause higher direct business costs and taxes.



*Bicyclist commuting to work*

## INDIVIDUALS' TRANSPORTATION COSTS

When people have transportation alternatives to the motor vehicle, they can save significantly on transportation expenses.

- ▶ The average American household spends \$8,492 per year on vehicle ownership or about 13% of the average household income. Only housing is a larger annual expense. The lower the household income, the greater proportion of household income is spent on vehicle ownership even though lower income households own less vehicles than higher income households do.<sup>8</sup>

	Lowest 20%	Second 20%	Third 20%	Fourth 20%	Highest 20%
<i>Proportion of household income paid on vehicles</i>	32%	20%	17%	13%	9%
<i>Average number of vehicles owned</i>	.9	1.4	1.9	2.3	2.8

- ▶ A national study of transportation expenses reveals that people living in areas with sprawling characteristics have fewer transportation options and therefore spend an average of \$1,300 more per year on transportation than people in non-sprawling areas.<sup>9</sup>
- ▶ Shifting from automobile to non-motorized travel is estimated to provide parking savings of \$2-4 per urban-peak trip (a typical commute has \$4-8 per day parking costs), \$1-3 per urban off-peak trip, and about \$1 per rural trip.<sup>10</sup>

<sup>7</sup> *Bicycling and Walking in the United States*, Kristen Swanson for the Alliance for Bicycling and Walking, 2012

<sup>8</sup> Consumer Expenditure Survey, US Department of Labor, Bureau of Labor Statistics, 2014.

<sup>9</sup> *Driven to Spend: The Impact of Sprawl on Transportation Expenses*, Center for Neighborhood Technology and the Surface Transportation Policy Project, 2000

<sup>10</sup> *Evaluating Active Transport Benefits and Costs: Guide to Valuing Walking and Cycling Improvements and Encouragement Program*, Todd Litman for Victoria Transport Policy Institute, 2016