



**MEMORANDUM**

---

To: **Great Rivers Greenway**

From: HR&A Advisors, Inc.

Date: **July 7, 2021**

Re: Brickline Greenway Property Value and Development Analysis

---

Brickline Greenway will generate economic benefits for North St. Louis and the city. Greenways make neighborhoods more appealing and desirable, increasing nearby property value and the pace of new development. This memorandum details the methodology HR&A used to estimate both increased property values within a ¼ mile of the Brickline Fairground Park to City Foundry Connector and the potential for transformative new development in North St. Louis due to the Brickline.

**Overview of Literature Review**

To estimate the aggregate value premium for residential properties near and adjacent to the Fairground Park to City Foundry Connector, HR&A conducted a literature review of the effect of greenways, greenbelts, and bikeways on real estate values.

HR&A examined 25 peer-reviewed articles<sup>1</sup> that analyze real estate premia associated with greenways and similar forms of park and connectivity infrastructure. Of these, HR&A selected five studies of investments that most closely resemble the vision for the Brickline, specifically looking to literature on recently developed greenways that are urban, in cities in the Midwest or Southern US, and feature cycling paths. These five studies analyze three greenways and their observed real estate premia. This literature found real estate value premia for residential properties near a trail or greenway, comparing property values along the greenway to the value of properties located in comparable locations in the city without a greenway. Studies identify premia to total property value at a fixed point in time. Table 1 summarizes these premia.

*Table 1: Case Study Real Estate Premia*

Study Location	Author(s)	Premium by Distance From Greenway		Urban Setting	Bike Access
		.25 Miles	.5 Miles		
Indianapolis – Monon Trail & Other Greenways	Lindsey, Payton, Man, & Ottensmann (2003)		3.3%	X	X
Indianapolis – Monon Trail	Lindsey, Man, Payton, & Dickson (2004)		11.0%	X	X
Austin – Barton Creek Greenbelt	Crompton & Nicholls (2005)	4.4%	2.9%	X	X
Atlanta – BeltLine	Immergluck & Balan (2017)		21.3%	X	X
Atlanta – BeltLine	MacPherson (2018)	24.8%		X	X
<b>Average</b>		<b>14.6%</b>	<b>9.6%</b>		

---

<sup>1</sup> See bibliography

### Brickline Real Estate Premium

Although studies have found impacts to real estate values up to a ½ mile from a greenway, HR&A conservatively assumed that the Brickline will have an impact on property values for only those residential properties located within ¼ mile of the proposed alignment. We assumed that the Brickline’s value as an alternative transportation option and as a safe and welcoming gathering space will be most significant for those living within a 5-minute walk.

Using the average of precedents that studied a ¼ mile geography, HR&A applied a one-time 15% premium to residential parcels in North St. Louis within that interval along the length of the 2.16-mile Fairground Park to City Foundry Connector. There are 1,346 residential parcels located within this quarter-mile study area.

As shown in Table 2, the total market value of single-family and multifamily properties within ¼ mile of the alignment is \$855 million. Applying the 15% premium, HR&A estimates that the Brickline investment could spur over \$128 million in increased property values, over and above typical anticipated real estate value.

*Table 2: Estimated Brickline Real Estate Premium*

Properties within ¼ Mile of Brickline	Current Market Value	Change in Value	Projected Value with Premium
Single Family Residential	\$255,809,000	\$38,371,000	\$294,180,000
Multifamily Residential	\$599,562,000	\$89,934,000	\$689,496,000
<b>Total</b>	<b>\$855,371,000</b>	<b>\$128,305,000</b>	<b>\$983,676,000</b>

### Brickline Real Estate Pace of Development

In addition to property value premia, trails and greenways like the Brickline increase the pace of adjacent development. For example, the Rose Kennedy Greenway in Boston generated a pace of development premium of 1.4x and the Katy Trail in Dallas led to a premium of 2.1x, compared to baseline levels of development and residential unit delivery in those markets. Similar results were seen in Atlanta following construction of the first phase of the BeltLine, as the entire Old Fourth Ward was transformed by new mixed-use developments.

The Brickline will likely spur a similar transformation in North St. Louis. Within a ¼ mile of the Brickline alignment, 40% (1,311) of all lots are vacant, and 69% of these (911) are zoned as residential. Over the past five years, North St. Louis has experienced negative baseline growth for all types of residential development (-0.26% CAGR). New development will boost City revenue and reduce the burden on the Land Clearance for Redevelopment Authority (LCRA) and Land Reutilization Authority (LRA), public entities that currently manage these vacant properties.

We have not attempted to estimate this increase in the rate of development, because the baseline is negative, and the appropriate local or national comparison set is unclear. We note, however, the example of the Hill District in Pittsburgh – that city’s historically Black and under-invested in community, like North St. Louis also disrupted by urban renewal. Following major capital investment in a neighborhood park – a park less likely to spur the kind of impact we expect for the regional destination that is the Brickline – home values in the immediate area of the Hill District park rose 13% relative to the Hill District as a whole. In some ways more importantly, population, which had been declining, rose 54%, a percentage growth that includes both significant growth of the Black population and some growth in neighborhood diversity. That population increase was evidence of a pace of development premium in a neighborhood that had been declining.

## Bibliography

- Asabere, P. K., & Huffman, F. E. "The relative impacts of trails and greenbelts on home price." *Journal of Real Estate Finance and Economics*, 38(4), 408-419. 2009.
- Bucchianeri, G., Gillen, K., and Wachter, S. "Valuing the Conversion of Urban Greenspace." Philadelphia Horticultural Society. 2012.
- Convery, Erin. "Economic Impacts of Multi-Use Trails". UNC Dept of City and Regional Planning, 2017.
- Crompton, John. "Estimates of the Economic Benefits Accruing From an Expansion of Houston's Bayou Greenway Network" 2012.
- Crompton, John, and Nicholls, Sarah. "An Assessment of Tax Revenues Generated by Homes Proximate to a Greenway." *Journal of Park and Recreation Administration* 2006.
- Crompton, J and Nicholls, S. "The Impact of Greenways on Property Values: evidence from Austin, Texas." *Journal of Leisure Research*, 37(3), 321-341. 2005.
- Crompton, J. "Perceptions of How the Presence of Greenway Trails Affects the Value of Proximate Properties." *Park and Recreation Administration*, 19(3), 114-132. 2001.
- Econsult Solutions. "The Potential Economic Impacts of the Completed Expansion of Schuylkill Banks." 2017.
- Econsult Solutions. "The Potential Economic Impacts of the Proposed Carolina Thread Trail." 2007.
- Econsult Solutions. "Fully Connected Waterfront Greenway in Philadelphia." 2010.
- Hobden, Laughton and Morgan. "Green space borders tangible benefit? Evidence from four neighbourhoods in Surrey, British Columbia." *Land Use Policy*, 2004.
- Hsing-I Liu, Jenny and Shi, Wei. "Understanding the Accessibility, Economic and Social Equity Impacts of Urban Greenway Infrastructure." Portland State University 2018.
- Immergluck, D. & Balan, T. "An Analysis of Home Price Trends Near the Atlanta Beltline, 2011 to 2015." Georgia Institute of Technology, 2017.
- Immergluck, D. "Large-Scale Redevelopment Initiatives and Home Values: The Case of the Atlanta Beltline Project." Georgia Institute of Technology, 2007.
- Landscape Architecture Foundation. "Sioux Falls Greenway Methodology." 2015
- Lagerwey, P., & Puncochar, B. "Evaluation of the Burke-Gilman Trail's effect on property value and crime." *Transportation Research Record*, 1987.
- Lindsey, G., Man, J., Payton, S., and Dickson, K. "Property Values, Recreation Values, and Urban Greenways." *Journal of Park and Recreation Administration* 2004.
- Lindsey, G., Payton, S., Man, J., and Ottensmann, J. "Public Choices and Property Values: Evidence from Greenways in Indianapolis." Center for Urban Policy and the Environment, 2003.
- MacPherson, D. "Seeking Equitable Development in a Challenging Affordability Landscape: Examining the Relationship between Housing Prices and the Atlanta BeltLine." MIT, 2018.
- Munroe, D., Parker, D., & Campbell, H. "The Varied Impact of Greenways on Residential Property Values in a Metropolitan, Micropolitan, and Rural Area." American Agricultural Economic Association, 2004.
- Nelson, A. C. (1986). Using land markets to evaluate urban containment programs, *APA Journal*, 156–171.
- Nicholls, S. "Measuring the impact of parks on property values." 2000.
- Parent, O. and vom Hofe, R. "Understanding the economic benefits of trails on residential property values in the presence of spatial dependence." *The Annals of Regional Science*. 51(2), 355-375. 2012.
- Racca, D., and Dhanju, A. "Property Value/Desirability Effects of Bike Paths Adjacent to Residential Areas." Delaware Center for Transportation, 2006.
- ULL. "Active Transportation and Real Estate." 2016.