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Walk your way to higher home values

A new study indicates that higher levels of 'walkability' — proximity to schools, shopping and other amenities — can increase a home's value.

Homes located within walking distance of amenities such as schools, parks and shopping aren't only more convenient for their owners, often they're also worth more than homes in neighborhoods where driving is the rule, according to a new study.

The report looked at 94,000 real-estate transactions in 15 markets. In 13 of those markets, higher levels of "walkability" were directly linked to higher home values. The report, "Walking the Walk: How Walkability Raises Housing Values in U.S. Cities," was commissioned by CEOs for Cities, a national network of urban leaders from the civic, business, academic and philanthropic sectors.

It's an important point for homebuyers who are trying to identify which homes will hold their value, said Joseph Cortright, the report's author and a senior policy adviser to CEOs for Cities. Cortright is an economist and president of Impresa, a Portland, Ore.-based consulting firm.

Walkable places have some of the best chances of performing well in years ahead, he said.

The analysis used transaction information from ZipRealty. It calculated walkability of the homes using the Walk Score algorithm, which grades addresses based on amenities that are nearby, from restaurants and coffee shops to parks and libraries. Scores range from 0 to 100, with 100 being the most walkable; a score higher than 70 indicates it's possible to get around in the area without using a car.

Controlling for other factors including a home's size, the number of bathrooms and bedrooms, age, neighborhood income levels, distance from the Central Business District and access to jobs, the study found that a one-point increase in Walk Score is linked to an increase in home value between \$500 and \$3,000, depending on the market, according to the study.

The premium for homes in neighborhoods with above-average Walk Scores ranged from \$4,000 to \$34,000, according to the report.

Money talks, people walk

There are environmental and health benefits from living in a place where the car can stay parked. In promoting Walk Score, Lerner said his firm emphasizes how walking rather than driving can play a part in preventing global warming and how people who live in walkable areas weigh seven pounds less, on average, than those who don't. Places with higher Walk Scores also often have better mass transit services, according to the report.

This study, however, puts the focus squarely on housing values. "I don't know of any other study that has put a dollar value on walkability," he said.

"When people are looking to buy a house now, they know in the back of their mind that there is a risk that gas prices can be higher than they are right now," Cortright said. "This is not about people having to live without cars." Rather, it's about giving people the option to use them less often. "They don't need to use them for every single trip, and when they do have to, they don't have to drive as far," he said.

The findings are also important for policy makers, said Carol Coletta, president of CEOs for Cities, in a news release. "They tell us that if urban leaders are intentional about developing and redeveloping their cities to make them more walkable," she said, "it will not only enhance the local tax base but will also contribute to individual wealth by increasing the value of what is, for most people, their biggest asset."