

# Value Capture to Fund Public Transportation: The Impact of Warm Springs BART Station on the Value of Neighboring Residential Properties in Fremont, CA

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Shishir Mathur, PhD



This research empirically estimates the property value impacts of the Warm Springs (WS) BART Station (Fremont, CA) on single-family houses and condominiums/townhouses and shows how much of the property value increase would have been adequate to fund the entire Warm Springs BART Extension (WSX) Project (the WS Station, the 5.4-mile rail line, and other related improvements).

## Study Methods

This study uses the Tax Assessors' data for Alameda and Santa Clara Counties, California, to estimate owner households' marginal willingness to pay for houses within 2 miles of the WS BART Station compared to the referent category (houses located 2–5 miles away from the station and sold in the pre-project-announcement period of 2000–2001). Two sets of regression models are run—the first set to estimate the impact of the WS BART Station on the prices of single-family houses, and the second set to estimate the impact on the prices of condominiums/townhouses.

## Findings

The study finds that: a) proximity to the WS BART Station is associated with 9%–15% increase in the price of single-family houses; and b) the entire WSX Project could have been funded if owners of single-family houses had shared around 18% of the property value increase, after accounting for the property value increase already captured by property taxes.

## Policy Recommendations

The study findings support advocacy efforts in the San Francisco Bay Area and nationally for using value capture (VC) tools to fund transit projects. The findings also address the concerns expressed by the NIMBYs (“Not in My Back Yard”) regarding rail transit’s negative impact on property values.

## Proportion of Property Value Increment Needed to Recoup Project Cost

Row #		
1	Total single-family houses within the study area (2-mile radius around the WS BART Station)	10,775
2	Average sale price (2018 USD)	\$1,530,960
3	Average price increase (%)	10.25%
4	Average price increase (2018 USD )	\$156,900.00
5	Total home value increase in the study area (2018 \$) (Row #1 times Row #4)	\$1,690,597,500
6	30-year appreciation on the price increase due to the WS BART Station	\$2,786,803,510
7	Total value increase (sum of Rows #5 and #6)	\$4,477,401,010
8	Total construction cost (2018 USD)	\$801,515,000
9	Percent value increase to be shared by the property owners to recoup project cost (Row #8 divided by Row #9 times 100)	17.90%

*The entire Warm Springs BART Extension Project could have been funded if owners of single-family houses had shared around 18% of the property value increase.*

### About the Authors

Dr. Shishir Mathur is Associate Dean of Research in the College of Social Sciences and a Professor of Urban and Regional Planning at San Jose State University. His research interests include transportation finance, urban and real estate economics, affordable housing policy, international development, infrastructure and development finance, and growth management. His research has been published in top-tier journals such as Transportation Research Part A, Transport Policy, Journal of Planning Education and Research, Urban Studies, Land Use Policy, Cities, and Habitat International. He is the author of two books: Understanding India's New Approach to Spatial Planning and Development: A Salient Shift? (Oxford University Press) and Innovation in Public Transport Finance: Property Value Capture (Routledge).

### To Learn More

For more details about the study, download the full report at [transweb.sjsu.edu/research/1714](https://transweb.sjsu.edu/research/1714)



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