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A Model for Growth: Walkable Urbanism

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Ten changes found in metropolitan Washington, D.C., will be coming to a metro area near you.

Metropolitan Washington, D.C., is the home of multiple examples—and, often, the earliest example—of almost every significant development trend that has emerged since the turn of the 21st century. The major current development trend is walkable urbanism, in which most daily needs can be met within walking or rail-transit distance of one's home. Pent-up demand for this type of development has been proved convincingly during the housing collapse of the past three years: most of the housing decline occurred in the overbuilt, automobile-dependent suburban fringe while walkable urban places generally maintained their home values.

In 2000, the highest housing price per square foot in the Washington, D.C., metropolitan area was in the horsey suburban neighborhoods—25 to 50 percent higher than the price in walkable urban neighborhoods. But by the end of the decade, the situation was reversed, with home prices 50 to 70 percent higher per square foot in walkable urban neighborhoods than in high-end suburban neighborhoods. The comparative home values had been reversed for the first time since the ascent of the suburbs in the 1960s.

But this trend is not just affecting housing values; it also has affected how the D.C. region earns its living, entertains itself, and gets around town. The following are ten leading changes in metropolitan D.C. that will be coming to a metro area near you.

1. While there are numerous new or redeveloped walkable bedroom communities, it is the walkable urban places of regional significance that are the most important. It is in these places that employment concentrates, education and health institutions are established, and entertainment, cultural, and sports venues locate. High-density, for-sale residential development also occurs in these regionally significant walkable places to take advantage of amenities such as restaurants, retail businesses, cultural events, and maybe even the ability to walk to work, even though the majority of the square footage developed is income-producing. The growth in regionally significant walkable urban places has been greater in metro D.C. than in any other metropolitan area in the country over the past 15 years or so.

2. There are five types of regionally significant walk-able urban places—downtown, downtown adjacent, suburban town center, strip commercial redevelopment, and greenfield—and all five can and will occur in one metropolitan area, as is the case in D.C.

3. The walkable urban trend has been led by the oft-reported redevelopment of center-city Washington—which has recently replaced midtown Manhattan as the healthiest office market in the country—but the real story is the urban transformation of the suburbs. About 70 percent of the walkable urban places in the D.C. region are in the suburbs—places such as Ballston, Clarendon, Crystal City, Reston Town Center, and Rosslyn in Virginia, and Bethesda, Silver Spring, Rockville, and National Harbor in Maryland. None of these walkable places was on the real estate industry radar 20 years ago; today, they are getting 40 to 100 percent price premiums over comparable car-dependent product in their submarkets.

4. Over 90 percent of the more than 35 regionally significant walkable urban places in metro D.C. have rail transit access. The 10 percent that do not either will have it in the next five years or are working hard to get it as soon as possible. Bus transit continues to be important, but there are no examples of private sector investment being stimulated by a bus stop, while investors have poured tens of billions of dollars into development around rail transit stations.

5. Developers are willing to contribute to the construction of rail transit. Harking back to how nearly all streetcar lines were built 100 years ago, developers are realizing that government does not have sufficient financial resources, so the only way to get new transit built is to pay for part of it themselves. Private developer money has been or will be a part of the funding of the recently opened New York Avenue Metrorail station in northeast D.C.; the extension of Metrorail's Silver Line through Tysons Corner, Virginia; the rail transit to allow urbanization of the White Flint area in Maryland; and a proposed new Metrorail station at Potomac Yards in Alexandria, Virginia. Because transportation drives development, developers are contributing financially to get the rail transit that makes their projects work.

6. NIMBYs are becoming YIMBYs. NIMBY opposition was generated over the past half century by construction of car-dependent suburban development, which lowered the quality of life of existing neighborhoods. No one wanted a strip mall next to his or her subdivision. This led to the belief that more is less— that more car-dependent development lowers the quality of life. Walkable urban development has the opposite effect: as more density is built within walking distance of retailers, jobs, and transit, quality of life and real estate values improve, demonstrating that with walkable urban development, more is better.

Some metro D.C. neighborhood groups have come together to support increased density and development in their backyard. Two of the country's largest conversions of car-dependent suburban developments into walkable urban places—at Tysons Corner and White Flint—have neighborhood coalitions that strongly support the vastly increased density that the developers are seeking. The residential neighbors are saying, "Yes, in my backyard." These residential neighbors have seen the redevelopment of nearby Ballston, in the case of Tysons Corner, and Bethesda, in the case of White Flint, and want the same in their backyard. They are urging the doubling and tripling of density not just to improve their quality of life; they probably intuit that living in a suburban area within walking distance of an urban district will increase their home values by 40 to 80 percent per square foot.

7. Downtown redevelopment is just the start of the revival in cities, but lasting change is also occurring in the downtown-adjacent places located all around the center city. These areas have a unique character and product mix at a somewhat lower density than that of downtown. It can be an office-driven place, as in the North of Massachusetts Avenue (NoMa) area near D.C.'s recently completed New York Avenue Metro station; a place driven by entertainment and lower-cost, high-density housing, as in the Capitol Riverfront on the Anacostia River; or a high-end hotel, housing, and university–driven place, as in D.C.'s West End.

8. The largest redevelopment trend of the next generation will be the conversion of dead or dying strip commercial centers in the suburbs into walkable urban places. The national model is Arlington, Virginia, which has seven regionally significant walkable urban places built around its 11 Metrorail stations. Arlington County now receives 60 percent of its tax revenue from 10 percent of its land mass—the land occupied by these seven walkable urban places.

9. Walkable urban places were first developed in the "favored quarter"—the 90-degree wedge centered downtown and extending to and past the wealthy neighborhoods in the region, which are toward the northwest in metro D.C. This was the same path car-dependent suburban development took during the late 20th century, though the new walkable urban places are in the inner suburbs and the District of Columbia. However, as rail stations in the favored quarter approach buildout and the rail lines serving them reach capacity, growth has begun to shift to the two edges of the favored quarter, nearing areas where low-income households live. This could help the region address societal problems because these areas have been bypassed by economic and real estate growth for decades. New growth is heading to the northeast and southeast, where it has rarely gone over the past half century.

10. Greenfield walkable urban places—also referred to as lifestyle centers—require massive upfront infusions of patient equity, but the future returns are outsized. Sponsors of such projects will probably be deep-pocket private investors with long-term investment horizons. In metro D.C., Reston Town Center is the granddaddy of this trend, recently followed by National Harbor.

Some may think, yes, but Washington is unique; it is the nation's capital. However, as recently as 1990, metro D.C. only had two regionally significant walk-able urban places; Georgetown and Old Town Alexandria, both tourism-based areas. More than 30 such places have been built since then, resulting from over $100 billion of private investment. And Washington was the nation's capital in 1990, as well.

The implications of these trends for other metropolitan areas are profound. For example, Los Angeles has been rebuilding its rail transit system and will build many more regionally significant walkable urban places in its endless suburbs. Metropolitan New York may have the finest walkable urban places in the country on Manhattan Island, yet 92 percent of its metro population lives elsewhere, spread among four states at a density far less than that of metro Los Angeles. New York City's suburbs are served by an extensive rail transit system that has rarely been exploited to build high-density, walkable urban places. Suburban New York is the new walkable development frontier. Small metropolitan areas will also be affected by these trends, following the lead of Chattanooga, Boise, and Santa Fe. Medium-sized metropolitan areas should look at Denver, Salt Lake City, and even Phoenix, which are going down the same track.

Investing in rail transit and placing overlay zoning districts around the stations will turn out to be the most important investments that metropolitan areas make in the early 21st century. If you do not believe this, you owe yourself a tour of metropolitan Washington. Come see the future that is coming to your metropolitan area soon