Building for Wellness Forum
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Urban Land Institute
August 24, 2016
Building Healthy Places

• An overarching Theme for all of ULI

Activities
• Convening's
• Councils and Networks
• Research and Publications
• Leadership & Partnerships
• Website: www.uli.org/health
• Twitter: #ulihealth
• Email: health@uli.org
ULI Building Healthy Places Initiative

Leveraging the power of ULI’s Global networks to shape projects and places in ways that improve the health of people and communities.

- Raising Awareness
- Defining the Approach
- Exploring the Value proposition
- Advancing the state of policy and practice
Conferences & Forums

**New ULI Conference**

**Building Healthy Places**
Unlocking the Value

February 20–21, 2014
Los Angeles, California
www.uli.org/healthyplacesconference

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**DENVER, CO • MAY 14–16, 2014**
ULI Terwilliger Center for Housing Annual Conference

**Healthy Housing, Healthy Places**

The ULI Terwilliger Center for Housing invites you to join colleagues from across the country to explore the critical intersection between housing and health. Plan to join us in Denver, CO to learn more about changing demographics, intergenerational communities, aging in place, and how incorporating health can help meet the bottom line. At Housing Opportunity 2014, you will discover the challenges, opportunities and best practices for supporting healthy housing in healthy places.

[More information available for up-to-date registration, hotels, and program information is posted at www.uli.org/2014]

For sponsorship opportunities.
Articles & Publications

Intersections: Health and the Built Environment

Building for Wellness: The Business Case
ULI Advisory Services

- Since 1947 over 600 Advisory Service teams have helped find creative, practical solutions for some of the most challenging issues facing urban, suburban and rural communities and land owners.

- ULI assembles a team of experts, reviews briefing materials prepared by the sponsor, tours the study area, interviews stakeholders, makes a public presentation on the panel recommendations, and provides a written report.
Colorado Advisory Service Panels

- Arvada, Colorado
  Suburban community

- Lamar, Colorado
  Small town

- Westwood, Colorado
  Urban neighborhood
Lessons Learned

- Every community has **different assets and challenges**

- To get the attention of public officials, healthy communities should be linked to **economic and/or community development**

- Creating healthy communities is only partially about the built environment: it is also about programs, education and activities (i.e. **soft infrastructure**).
Lessons Learned

• Health is an emerging market differentiator

• Walkability & access to parks, green space and recreation facilities can increase real estate value

• Many of the design principles for healthy communities are the same as the principles for smart growth and sustainable development (Mixing uses, connected streets, transportation options, etc.)
Health Care in America

• The US spent over $2 trillion on health care in 2012 – 18% of GDP.

• US Life Expectancy – 78.62 (21\textsuperscript{st} in world)

• 1 in 3 children in the US are overweight or obese

• 52% of adults get no regular exercise
Factors Affecting Health

- Genetics
- Medical care
- Personal Behavior
- Living and working conditions in homes and communities
Does Your Zip Code Predict How long You Will Live?

Predictive Factors

- Poverty
- Education
- Crime/Violence
- Healthy Foods/Diet
- Transportation Access
- Safe Streets
The Built Environment Affects Health

- Physical activity
- Obesity and chronic disease
- Pedestrian injuries
- Asthma and respiratory diseases
- Child development
- Crime and violence
- Elder health and mobility
- Water quality and quantity
- Mental health
- Health disparities
Real Estate Professionals Can Help

“We now know that developers can be more effective in achieving public health than the doctors in white coats.”

Dr. Richard Jackson – UCLA School of Public Health
“We are spending many billions of dollars every year to build severe and long lasting barriers to active living”

Dr. Eric France, Kaiser Permanente
November 13, 2013
Barriers to Walking

Walking is often difficult, dangerous, unpleasant or impossible.
Crosswalk to Nowhere
Physical activity, once part of our normal lives has been designed out of daily routines.
Ten Principles for Building Healthy Places

1. Put People First
2. Recognize the Economic Value
3. Empower Champions for Health
4. Energize Shared Spaces
5. Make Healthy Choices Easy
6. Provide Equitable Access
7. Mix It Up
8. Embrace Unique Character
9. Provide Access to Healthy Food
10. Make It Active
Successful Cities Put People First

• Individuals are more likely to be active in a community designed around their needs

  Consider health upfront
  Integrate health into planning
  Make the healthy choice the easy choice
Design Around Cars = More Cars
Design Around People = More People
Designing for People Can Make Us:

• Wealthier
• Healthier
• Environmentally Friendly
More Roads – Less Money

• Between 1970 and 2000, the US doubled its road network.

• During the same period the average American went from spending 10% of their household income on transportation to spending 20% of their household income.

• Low income Americans spend even more on transportation
Auto Accidents Per Capita

- US: 12 per 100,000
- UK: 7 per 100,000
- Japan: 4 per 100,000
- NYC: 3 per 100,000
- Tulsa: 14 per 100,000
- Orlando: 20 per 100,000

Source: The Walkable City, Jeff Speck, 2013
Schools on the Fringe

• **Then:** Schools were the social and physical center of the community

• **Now:** Schools are on the edge of town, too far for kids to walk
Driving to School

- Today, most children must be driven to school.

- School transportation costs have risen, even in school districts with declining enrollments.

- Childhood obesity rates have risen at alarming rates.

- Many schools no longer require physical education.
Recognize the Economic Value

• Healthy places can create enhanced economic value for both the public and private sectors
  • Consumers want walkable, vibrant communities
  • Projects that promote health and walkability will be worth more, lease faster & at higher rates and retain value
  • Use health for economic development
Healthy Places Create Real Estate Value

• Numerous studies show that the demand for walkable, mixed use design far outstrips current supply.

• There is a growing demand for small town/village/urban living especially among retirees, empty nesters, young professionals and single people.
Walkability = Low Cost Health Care

• “Walking is a miracle drug”

• US Surgeon General has asked communities to build trails.

• President’s Council on Physical Fitness – “build more trails.”
Walkability Boosts Value

Walkable, Compact Neighborhoods

• **Promote Health** – the average resident weighs 6-10 lbs. less than residents of car dependent neighborhoods.

• **Save Money** – Transportation is the 2nd largest household expense.

• **Foster Connection** – Studies show that every 10 minutes spent in a car commute reduces time spent in community activities by 10%

• **Increases Value** – Every one point increase in Walk Score equates to a $700 to $3000 increase in home value.

• **Provides Commercial Premiums** – A new study by Real Capital Analytics (RCA) shows significantly greater appreciation for commercial properties in “highly walkable locations” over “car dependent locations” (125% appreciation vs. 22%).
Walkable Communities

- In all 30 of the largest US metro areas, the majority of new real estate development is occurring in walkable urban neighborhoods.

- On average rents are 74 percent higher in walkable neighborhoods than comparable space in driveable suburban locations.

- Office properties 90% higher
- Retail properties 71% higher
- Multifamily rental 66% higher

Source: Foot Traffic Ahead; Ranking Walkable Urbanism in America’s Largest Metros, George Washington University School of Business, 2016
“Walkable suburban real estate can command value premiums of 25% to 100%.”

Barnes & Noble – Rockville Pike

One story
Single use
Lots of parking in front
Barnes & Noble – Bethesda Row

Multi-Story
Mixed Use neighborhood
No Parking in front
Which one is more profitable?

1 Way to get here:
- Drive your car

4 Ways to get here
- Drive your car
- Take Metro
- Ride your bike
- Walk
Place Making Dividend

People stay longer, come back more often and spend more money in places that attract their affection.
Waffle House – Which one makes more money?

Strip Waffle House
- Located next to Interstate Hwy
- Lots of Parking
- No housing nearby

Downtown Waffle House
- Located on walkable street
- No dedicated Parking
- Housing upstairs
“Walkable Waffle House outperforms Strip Waffle House by 15%”

Source: City of Fayetteville and ISR Working Group
September 22, 2011

The downtown, mixed use project also produces:
More taxes per acre
More jobs per acre
More residents per acre
More people walking to and from the restaurant
Green Space & Property Values

• “The relationship between rising property values and green spaces is well documented.”

• “Some studies find as much as a 15 to 30 % increase in the value of properties adjacent to parks and open space.”

Source: Urban Design & the Bottom Line, ULI, 2008
Where is the most valuable land in New York?
Parks & Green Space
Foster Value & Active Living

National Association of Realtors & the National Homebuilders Association – residential properties realize a 10 to 30% gain in value the closer they are located to greenspace.
Community Amenities Sought by Homebuyers

- Walking trails/bike paths - 36%
- Parks/natural areas - 26%
- Playgrounds - 21%
- Daycare - 14%
- Soccer Fields - 9%
- Golf Course - 6%

April 2002
National Association of Realtors
Realtors
• Trends in Active Transportation

• Real Estate Development Projects

• Catalytic Bike/Ped Infrastructure Projects
Transportation Trends

• **Americans drive 8% fewer miles today** than they did a decade ago and gas consumption has dropped. In 1985, 80 percent of 18 year olds had a drivers license. In 2008, only 65 percent did.

• Residents in transit rich cities, like NYC, Washington, Boston, San Francisco, etc., own fewer than 1 car per household.

• Salt Lake City is the Number 1 US city for spending per capita on public transportation. Houston has the highest light rail ridership per mile.

• Americans bought more bicycles (18.1 million) than cars & trucks (16.4 million) in 2014

• In 2006, there were 350,000 car share users worldwide. By 2014, the number had grown to 5 million.

• **The US has not raised the gas tax since 1993.**
Investments in roads and highways led to **Auto-Oriented Development**.

Investments in public transportation led to **Transit-Oriented Development**.
Investment in Bicycle Infrastructure is now leading to Trail Oriented Development
Bicycling - Fastest Growing Transportation

Growth in U.S. Bicycle Commuting 2000-2011

League of American Bicyclists

Bicycle Friendly Communities are designated by the League of American Bicyclists for strategic investments in bicycle engineering, education, enforcement, evaluation, and encouragement.

Learn more at bikeleague.org/bfa.

80%

47%

32%

BICYCLE FRIENDLY COMMUNITIES® (BFCs)
NATIONAL AVERAGE
NON-BFC CITIES®

*Represents growth in the 64 largest Bicycle Friendly Communities and 22 largest non-BFC cities.
Source: American Community Survey League of American Bicyclists.
For cyclists of all stripes, there's nothing like Bike to Work Day — our annual celebration of active transportation. Caravans of excited new riders enjoying their commute like never before. Veteran bicyclists seeing and connecting with old friends over free breakfast and live entertainment. Thanks, in part, to encouragement efforts like BTWD, the number of bike commuters is on the rise — especially in Bicycle Friendly Communities. Since 2000, bicycle commuting rates in large BFCs increased 80 percent — far above the national average of 47 percent and more than double the rate in non-BFCs (32 percent). Here are just a few key cities where bike commuting is growing by leaps and bounds.

Produced by The League of American Bicyclists
WWW.BIKELEAGUE.ORG
Designed by Carey Donnelly, studio d
Why Do People Bike?

• For Better Health
• For Recreation
• For Transportation
• To Save money
• To Run Errands
• To Get to School
Active Transportation Trends

• There are now over **1700 open Rails to Trails projects** totaling over **22,000 miles**.

• In 1992 there were 50 federally funded bicycle infrastructure projects. By 2002 the number had grown to 1287 projects. Today there are approximately **2500 projects** per year.

• In 2002 there were 7 bike share systems world wide. Today there are **750 bike share systems**, including 70 in the US.

• In 2015, 82 cities adopted complete street policies. In total **900 US cities and towns now have complete street policies**.

• **Active transportation infrastructure is now catalyzing new bicycle friendly development.**
Bicycle infrastructure provides more bang for the buck

• Bicycle infrastructure is relatively inexpensive.

• Portland, OR has developed a 300 mile network of bike trails, bike lanes and bike boulevards for about the same cost as 1 mile of urban freeway).

• Investments in bicycle infrastructure have high levels of return on investment.

• Dare County, NC (i.e. the Outer Banks) says that a one-time investment of $6.7 million on bike infrastructure has resulted in a 9-to-1 annual return.
Bicycling & Property Values

• Numerous studies show that bike trails increase the value of nearby properties.

• A study by NAR & NAHB found that “walking paths/bike trails” were the top community amenity sought by new homebuyers.

• A study of the Minuteman Bikeway in Massachusetts found that homes near the trail sold much faster and for more money than homes farther away.
Bicycling & Retail Sales

• Installing a mile long protected bike lane on Ninth Avenue in New York City resulted in an estimated 49% increase in retail sales among merchants located along the route.

• And a 58% reduction in injuries to all street users (cyclists, pedestrians, & drivers)

• People who use bikes for errands tend to stop at retailers more often, plus they require less parking spaces.

Source: NYC Dept. of Transportation, “Measuring the Street”, 2012
Bicycling & Tourism

• Bicycle facilities encourage tourism & boost the economy.

• Bicycle facilities extend vacations and encourage return visits.

• The economic impact of bicycle facilities outweighs their costs

Source: Institute for Transportation Research & Education, NC State University, 2012
Bike-Friendly Vacation Destinations

- Cape Cod/Martha’s Vineyard
- Rehoboth Beach, DE
- Hilton Head, SC
- Virginia Beach, VA
- Outer Banks, NC
- St. Simon’s Island, GA
- Sanibel, FL
- Vail, CO
- Santa Barbara, CA
- Jackson, WY
Map of Off Road Bike Paths – Hilton Head, SC

Bike Path System – Hilton Head, SC

Typical Bike Path – Hilton Head, SC
Trail Side Development
Monon Trail
Carmel, Indiana
The Carolina’s Health Care System located its headquarters complex adjacent to Charlotte’s Little Sugar Creek Greenway so that employees would have a place to run, walk or cycle.
Daybreak, a large master-planned community in Salt Lake City includes extensive infrastructure for bicyclists and pedestrians.

Daybreak also has a new light rail station which connects to Downtown Salt Lake City.

70 percent of the children in Daybreak walk or ride a bike to school.
<table>
<thead>
<tr>
<th>Project Name</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bici Flats</strong></td>
<td>Des Moines, IA</td>
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<tr>
<td><strong>Circa</strong></td>
<td>Indianapolis, IN</td>
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<tr>
<td><strong>Flats at Bethesda Avenue</strong></td>
<td>Bethesda, MD</td>
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<tr>
<td><strong>Gotham West</strong></td>
<td>New York, NY</td>
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<tr>
<td><strong>Hassalo on Eighth</strong></td>
<td>Portland, OR</td>
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<td><strong>MoZaic</strong></td>
<td>Minneapolis, MN</td>
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<td><strong>Ponce City Market</strong></td>
<td>Atlanta, GA</td>
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<td><strong>Silver Moon Lodge</strong></td>
<td>Albuquerque, NM</td>
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<tr>
<td><strong>250 City Road</strong></td>
<td>London, UK</td>
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<tr>
<td><strong>Westwood Residences</strong></td>
<td>Singapore</td>
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What is a Bicycle-Friendly Building?

- Bicycle Parking
- Bike Storage
- Easy Access
- Wider Hallways
- Repair Station (tools, air pump and bike stand)
- Showers & lockers (in commercial buildings)
- Community gathering spaces
- Bike share station
Shared Themes Among Development Projects

- Trails, bike lanes, bike share stations and/or sidewalks add value to real estate projects.
- A market for bike friendly features in residential & commercial properties exists and is growing.
- Relatively small investments in bike friendly amenities can lead to improved returns.
- A reciprocal relationship exists between public and private sectors in terms of maximizing investments in active transportation infrastructure.
“Although Bici Flats is on the edge of downtown Des Moines, we will be able to charge downtown core rental rates because of the access that the trails provide to the urban center.”

>> Alexander Grugurich, development analyst, Nelson Construction & Development

**Developer:**
Nelson Construction & Development

**Project Type:**
Multifamily

**Building Size:**
154 units; 160,000 square feet (14,900 sq m)

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**ACTIVE-TRANSPORTATION-FRIENDLY FEATURES**

- Bicycle storage room
- In-unit bicycle storage
- Wide hallways
- Bike workroom
- Bike washing station
“The Indianapolis Cultural Trail adds tremendous value to Circa and has been the most transformative infrastructure investment in downtown Indianapolis in the last five to ten years.”

>> Jake D. Dietrich, director of development, Milhaus

**Developer:**
Milhaus

**Project Type:**
Multifamily

**Building Size:**
265 units; 295,000 square feet (27,400 sq m) across six buildings

**ACTIVE-TRANSPORTATION-FRIENDLY FEATURES**

- Bicycle storage
- Complimentary bike-share service
- Bike workroom
- Bike washing station
VIA 6 – Bicycle Friendly Building

24 story, 650 unit apartment

Bike shop with valet & repair service

Secure bicycle storage

Bike club with lockers & showers
• **100% leased in less than a year**, despite small unit size and increased rental supply in Seattle market.

• **Rental premiums** - $1,175 to $4,285

• Rents currently average $3 per sq. ft.

• **70% of residents do not own a car** (Parking spaces being converted to bike storage)

“The design was started with the objective of building a community rather than an apartment building”

Matt Griffin, Pine Street Group, LLC
Grow Community – Bainbridge Island

Wellness Features

- Accessible site – short walk to shops, farmers market, etc.
- Parking on perimeter of site
- Walking & bike paths
- Bicycle Storage sheds/No garages
- Car sharing program
- Community Gardens
- Chemical Free Indoors
- Energy Efficiency/Solar Energy

24 single family homes

108 apartments in 20 multi-family units
Project Outperforms Market

Results

• First 22 for sale **units sold out in 6 months**, despite sluggish market
• Long waiting list for rental units
• Achieves a **rental premium** ($1.75-$1.95 per sq. ft. vs. $1.10-$1.25.
• Phase II Accelerated Construction
• No need to list on MLS
• 50% of buyers from out of state, despite no out of market advertising
<table>
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<tr>
<th>Catalytic Bike/Ped Projects</th>
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<tr>
<td><strong>In ULI Report</strong></td>
</tr>
<tr>
<td>• Circuit Trails – Philadelphia</td>
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<tr>
<td>• Bicycle Super Highways – Denmark</td>
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<td>• Bicycle Super Highways – London</td>
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<td>• Midtown Greenway – Minneapolis</td>
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<td>• Bike Share System - Montreal</td>
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<table>
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<tr>
<th><strong>Other Examples</strong></th>
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<tr>
<td>• Beltline – Atlanta</td>
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<tr>
<td>• Cross Charlotte Trail - Charlotte</td>
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<tr>
<td>• Cultural Trail – Indianapolis</td>
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<tr>
<td>• Bicycle Boulevards – Portland</td>
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<tr>
<td>• Hudson River Bikeway – New York</td>
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<td>• Cross Florida Greenway - Florida</td>
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• Active transportation infrastructure can catalyze real estate development.

• Investment in trails, bike lanes and bicycle-sharing systems have high levels of return on investment.

• There is evidence of a correlation between access to active transportation facilities and increased property values.

• A reciprocal relationship exists between the private and public sectors in terms of maximizing investments in active transportation.
• The value of properties within one block of the Indianapolis Cultural Trail has risen 148% since its opening in 2008.

• More than $750 million in new multi-family housing has been built along Minneapolis’s Midtown Greenway in the last 5 years.

• Homes in Montreal’s Bix Bike Share System coverage area are valued at an average of $8,650 more than those outside of the area.
The Circuit – Metro Philadelphia
The Circuit - Philadelphia

The Circuit is a network of trails, that when complete will link 750 miles of trails in the Greater Philadelphia Region.

• Today 300 miles are complete
• 50 miles are currently in development.
• Over 2 million people currently use the existing trails.
• $25 million was devoted to the trail network in 2015.
• Completion is slated for 2040
Midtown Greenway - Minneapolis
Midtown Greenway - Minneapolis

• Called America’s 1st Bicycle Freeway
• 5.5 miles in length. Cost $36 million
• Separate lanes for cyclists and pedestrians.
• Usage – Up to 5,380 cyclists per day.
• Has rest stops, repair stations and trailside cafes.
• 13 new multi-family projects built adjacent to trail.
“The Greenway is a critical amenity for MoZaic. We find our tenants love the ease and accessibility it provides.”

>> Stuart Ackerberg, CEO, Ackerberg Group

**Developer:**
Ackerberg Group

**Project Type:**
Mixed-use

**Building Size:**
77,000 square feet (7,200 sq m); 200,000 square feet (18,600 sq m) in new phase

**ACTIVE-TRANSPORTATION-FRIENDLY FEATURES**

- Pedestrian and bicyclist bridge and ramp
- Bicycle storage
- Locker room with showers

(Saari Photography)
Hudson River Bikeway – New York City
Developer: Gotham Organization

Project Type: Mixed-use

Building Size: 1,240 residential units; 15,000 square feet (1,400 sq m) of retail; 1.15 million total square feet (107,000 sq m)

ACTIVE-TRANSPORTATION-FRIENDLY FEATURES

- On-site bike shop
- Bike Concierge: valet service and storage for Residents
- Bike rentals
- Bike parking for guests

“The large number of nearby trail users is a great source of customers for our retail tenants.”

Christopher Jaskiewicz, CEO, Gotham Organization
Choose project sites adjacent to active transportation routes.

Include amenities that allow tenants to commute car-free and which provide opportunities to live healthier lifestyles.

Market active transportation features as a key differentiating amenity.

Forge partnerships between the public and private sector, as well as with non-profit groups to coordinate development and the creation of new active transportation infrastructure.

Consider directly funding public improvements to trails, bike lanes, sidewalks and bike share systems.
Shared Use Mobility

- Ride Sharing
- Car Sharing
- Bike Sharing
- House sharing/Air B&B
- Uber/Lyft
- Taxis/Limos
- Other

“Like the smartphone, which you lived without until about a decade ago and now can’t imagine living without, future mobility innovations will quickly change from unanticipated to indispensable.”

George Will – March 23, 2016
The Infrastructure Dilemma?

- Despite continuously adding lanes and capacity, urban highways in many metro areas are more congested than ever.

- The Highway Trust Fund can not keep pace with funding needs because of improved fuel efficiency and because people are driving less.

- Surveys show that Americans support high quality infrastructure, but there is little agreement on how to pay for it.
Active Transportation Summary

• High quality infrastructure is a key driver of real estate investment.
• Cities that invest in transit and bike/ped infrastructure will be more competitive.
• The transportation landscape is changing.
• Mobility sharing and autonomous vehicles will have a big impact.
• Bicycle infrastructure is relatively cheap and is catalyzing real estate investment just as other forms of infrastructure investment have done.
Health Summary

• We face major health challenges.

• The built environment is part of the problem & part of the solution.

• Projects and communities that promote health will create real estate value.

• Bike/Ped infrastructure is catalyzing real estate development.

• We need to make the healthy choice the easy choice.
THANK YOU!