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I. Executive Summary

During the second half of the 20th century, the dominant development model has been the familiar drivable sub-urban approach. Most real estate developers and investors, government regulators and financiers have come to understand this model extremely well, turning it into a successful development formula and economic driver. There are few metro areas of which this has been more true than metropolitan Atlanta. However, starting in the mid-1990s, the pendulum has begun to move back toward building the opposite — walkable urbanism.

This research has found the surprising and overwhelming recent emergence of walkable urban development and places in metropolitan Atlanta. Walkable urban development represents not only a growing share of new development in the Atlanta region, but recently the majority of most real estate development. Walkable urban real estate projects now command an impressive rent premium over their drivable sub-urban competition. The amount of walkable urban square feet built in each of the last three real estate cycles in metropolitan Atlanta has mushroomed, growing from a small fraction in the 1990s to a majority in the current real estate cycle.

The market has spoken — it is now time for public policy to reflect this new market demand by putting in the necessary infrastructure and zoning as well as encouraging place management entities, such as the Community Improvement Districts (CIDs), which will be the location of most future economic growth and development.

Metropolitan Atlanta, “the poster child of sprawl,” is now experiencing the end of sprawl.
BACKGROUND

In metropolitan areas, land use is categorized as playing one of two economic functions, either regionally significant or local-serving. Regionally significant places have concentrations of employment, civic centers, institutions of higher education, major medical centers and regional retail, as well as one-of-a-kind cultural, entertainment, and sports assets. Local-serving places are bedroom communities dominated by residential development that is supported by local-serving commercial (e.g., grocery stores) and civic uses, such as primary education schools, police and fire stations, and so on.

Land use in metropolitan areas can also be divided between the form that it takes: drivable sub-urban and walkable urban. Both forms of development have market support and appeal; however, they are fundamentally different. Drivable sub-urban development features low density and relies on stand-alone real estate products and spatially segregated development patterns that are connected nearly exclusively by one form of transportation: highways for cars and trucks. In contrast, walkable urban places have much higher density, integrate many different real estate products in the same place, and employ multiple modes of transportation—rail and bus-transit, biking, highways— but once one is there, everything is walkable.

Both drivable sub-urban and walkable urban forms of development have market support and appeal; it is not as if one is ‘better’ than the other; it is only a matter of current use and future supply and demand. It is important to note that each form can be found in both center cities and suburbs; there is walkable development in the suburbs of Atlanta as well as the city.

This research project focuses on regionally significant walkable urban places in the Atlanta region. The study suggests that these places will be the loci of both the growth of real estate and wealth-creating employment in metro Atlanta for decades to come.

KEY FINDINGS

- There are 27 Established WalkUps in metro Atlanta in 2013. Combined, these WalkUps account for 0.55 percent of the total land in the metro area. In addition, we have identified nine Emerging WalkUps totaling 0.39 percent of the regions land mass. These established and emerging WalkUps total 0.94 percent of the region.
- The densities of the 27 Established WalkUps average 16.60 gross floor-area ratio (FAR). The gross FAR for the region, excluding WalkUps, is only 0.04. In other words, WalkUps are over 16 times denser than the rest of the region.
- Nearly 19 percent of total metropolitan jobs are located in Established WalkUps, with another three percent located in Emerging WalkUps. Overall, Established WalkUps have an employment density of 36.5 jobs per acre, the region as a whole, not including Established and Emerging WalkUps, has an employment density of only 0.8 jobs per acre.
- Seventy-four percent of Established WalkUps in the region are within the city of Atlanta. However, all nine Emerging WalkUps are in the suburbs and eight of the ten Potential WalkUps identified in the study are outside of the city. The city of Atlanta has 83 percent of the total real estate square foot-age in the Established WalkUps.
- Sixteen of the 27 regionally significant WalkUps, or 59 percent, have rail transit. The remaining 11 WalkUps have no rail service and none have rail transit funding.
- Average rent in all real estate products in Established WalkUps is $2.12 per square foot compared to $1.35 for the nearest drivable sub-urban real estate.
- The market share of the region’s development within Established WalkUps is 112 percent higher on a rent per square foot basis than drivable sub-urban real estate.
- Metropolitan Atlanta has been under-investing in the real rail transportation infrastructure that greatly assists the walkable urban development market and the economy is now demanding. Investing in rail service in the early 21st century is as important as the building of freeways in the 1950s and 1960s was for the economic growth of the Atlanta region 50 years ago. The City of Atlanta has made important steps in this direction with the construction of the Atlanta Streetcar and the development of the Atlanta Beltline, but the region is continuing to fall behind, as the failure of the 2012 transportation funding ballot measure demonstrated.

ECONOMIC CONCLUSIONS

- There are two factors that explain 70 percent of the dramatic economic performance among the 24 metro Atlanta WalkUps that were economically ranked (the three WalkUps classified as Urban University were not ranked due to lack of data). The first factor is education attainment (shaped primarily by years of age with a college degree), and the second is the share of jobs concentrated in knowledge industries.

SOCIAL EQUITY CONCLUSIONS

- The public policy response to these market trends should be to encourage the growth of WalkUps and the resulting benefits to jurisdiction’s tax base. Monitoring the economic and fiscal performance of a jurisdiction’s WalkUps will assist in gaining the political support for the needed investment in infrastructure and the required zoning changes.

- Young people over their lifetimes

- What is needed is a conscious strategy for each jurisdiction to pursue walkable urban development in an equitable manner so that the region can pursue

- The public policy response to these market trends should be to encourage the growth of WalkUps and the resulting benefits to jurisdiction’s tax base. Monitoring the economic and fiscal performance of a jurisdiction’s WalkUps will assist in gaining the political support for the needed investment in infrastructure and the required zoning changes.

- Lower economically performing WalkUps may require special attention from the jurisdiction to increase economic and fiscal performance. When dealing with specific projects, long term public sector investments (e.g. public transit investment in real estate, as opposed to upfront subsidies (e.g. grants and low-interest, soft-second loans), are more likely to succeed in obtaining project financing as well as fiscal incentives.

- In contrast, higher economically performing WalkUps are likely to need in the way of public spending to encourage new development.

-Conclusion: High performing WalkUps are the most cases of sufficient inducement for new walkable urban development. In fact, there is the possibility of employing “value-capture” mechanisms, such as a portion of the share among “social equity” performance returns from public improvements, such as a streetcar line—that could partially fund public investments.

- A critical component of the solution to affordable housing is a simple: build more walkable urban product (Greater land values and cost is the most significant driver of higher costs for walkable urban places—having more walkable urban land will reduce those costs).

- The very economic success of WalkUps may play a key role in paying for walkable urban infrastructure, such as rail transit, and increased social equity performance. Harnessing a portion of the profits and tax bases increases from gentrification to help pay for infrastructure and affordable housing or workforce housing is becoming a possibility for metro Atlanta WalkUps.

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The research in this report takes an in-depth look at metro Atlanta, which has frequently been referred to as "the poster child of sprawl." It examines how metropolitan Atlanta is transitioning from one of the forerunners of mid-20th-century development to a future that combines the metro area's conventional development model with 21st-century walkable urbanism. We examined Atlanta's regional growth in significant walkable urban places to identify where development has recently occurred, and will occur, to understand how this differs from the suburban development of the late 20th century. We will illustrate the economic and social impact that this structural shift toward walkable urban development will have in metropolitan Atlanta.

Surprisingly, this research has found that sprawl in metro Atlanta is approaching an end. Assuming these trends continue, Atlanta is a harbinger for the country, the end of sprawl is the end of an era that is nearly as significant as the "founding of the frontier," as proclaimed by the historian Frederick Jackson Turner following the release of the 1890 Census.

This research challenges policy makers, real estate developers, investors, the new field of place management, academics and citizens to rethink the way we manage the 35 percent of our nation’s wealth that is invested in real estate and infrastructure — the built environment. This is an important recalibration that affects how most of us live, work, and are entertained. To ignore this structural change would be akin to ignoring the impact roads and cars had on the built environment. The Census separates its data into two broad forms of metropolitan area, there are two broad forms of metropolitan development: 8

**Structural Shift**

**I. Introduction**

The Walkable Urban Structural Shift

There is a game-changing structural shift underway in real estate.

New research reveals how walkable urban places and projects will drive tomorrow's real estate industry and the economy.

Different public policy and real estate strategies are needed to take advantage of these market trends.

What was perceived as a niche market has become the market.

**The Walkable Urban**

**Drivable Sub-Urban:** This form of development has the lowest development density in the history of building metropolitan areas. It relies on stand-alone real estate products and segregated development patterns that are connected primarily by low-density transportation, highways for cars and trucks. This geographic segregation exacerbates the current battle to boost racial and socioeconomic segregation.

**Walkable Urban:** This form of development has much higher density, employs multiple modes of transportation that get people and goods to walkable environments and integrates many different real estate products in the same place.

For decades, real estate practitioners, observers and scholars have looked through an urban versus suburban lens. This can be traced to the U.S. Census, which serves as the platform for much of the research on the built environment. The Census separates its data into "principal city" and "outlying counties." It is not unlike the classic social science joke about the tipsy guest who drops his keys at the front door as he leaves a party. Discovered searching under a streetlight at the curb, he is asked, "Why aren't you looking where you lost the keys?" He replies, "This is where the light is."

Thus, in recent decades researchers have analyzed the urban/suburban debate where "the light was," based on crude geographic distinctions between center city and suburbs without differentiation between different forms of the built environment. In the 21st century, we have come to realize that regardless of the Census-defined location within the metropolitan area, there are two broad forms of metropolitan development:

- Driveable Sub-Urban: This development has the lowest development density in the history of building metropolitan areas. It relies on stand-alone real estate products and segregated development patterns that are connected primarily by low-density transportation, highways for cars and trucks. This geographic segregation exacerbates the current battle to boost racial and socioeconomic segregation.
- Walkable Urban: This form of development has much higher density, employs multiple modes of transportation that get people and goods to walkable environments and integrates many different real estate products in the same place.

Drivable sub-urban has been the dominant approach to real estate development during the late 20th century. There was pent-up market demand for this form of development following the Second World War and the real estate industry and required infrastructure were put in place to meet that market demand.

Today, that is reversing; the pendulum is swinging back to walkable urban development.

The reasons for this shift back include significant demographic changes, decreased percentages of households with children and increased one and two-person households. The pendulum has been pushed by walkable urban traffic congestion, proportional increase in household transportation costs, and an increased appreciation for the convenience, diversity, creativity, and health benefits associated with walkable urban lifestyles. As a result, driveable sub-urban development has become overbuilt and this overbuilding was one of the primary market causes of the mortgage meltdown that triggered the Great Recession.

There is a strong pent-up demand for walkable urban development in Atlanta—as evidenced generally by the ability of walkable urban places to hold...
value better than outer suburban locations during the Great Recession, as well as the price premiums associated in this research. Although some of the area’s shopping malls and office parks continue to command high rents, the degree of rental and sales price premiums per square foot and capitalization rates for walkable urban development suggest it could take a generation of new construction for this demand to be satisfied.

Walkable urban development calls for radically different approaches to urban design and planning, regulation, financing and construction. It also requires the introduction a new industry: place management. This new field develops the strategy and methods will continue to evolve. This is not only anticipated, but it is encouraged as the field of urbanism and the real estate industry make strides in better understanding how to build and manage great places.

This new research identifies key urban development characteristics and demonstrates their importance to economic and social performance. The WalkUP methodology assigns WalkUPs a score in two criteria: economics and social equity. This study then ranks performance for these WalkUPs, based on these criteria: economics and social equity. The social performance metrics help determine where different kinds of investors should put their capital and how these WalkUPs compare against one another. The social equity performance metrics demonstrate whether a broad cross-section of metropolitan residents can afford to live in and have access to WalkUPs.

Walkable urban development calls for dramatically different approaches to urban design and planning, regulation, financing and construction. It also requires the introduction of a new industry: place management. This new field develops the strategy and methods will continue to evolve. This is not only anticipated, but it is encouraged as the field of urbanism and the real estate industry make strides in better understanding how to build and manage great places.

This is our second effort at quantifying the economic and social equity of WalkUPs in a metropolitan region. It builds on our last report, Wake-Up Call, which was released in September of 2012. Both research reports are based on research methodology, titled Walk This Way, which Dr. Mariela Alfonzo and I developed at the Brookings Institution. The methodology has been modified and improved to encourage easier replication in other metro areas. Over time, we expect the results and methods will continue to evolve. This is not only anticipated, but it is encouraged as the field of urbanism and the real estate industry make strides in better understanding how to build and manage great places.
Starting in the mid-1990s, walkable urbanism has become the dominant development pattern in Atlanta—and many other metropolitan areas in the country. Going forward, walkable urbanism is the driving force in real estate.

The Rise of the WalkUP

During the second half of the 20th century, the dominant development model has been the familiar drivable sub-urban approach. Most real estate developers and investors, government regulators and financiers have come to understand this model extremely well, turning it into a successful development formula and economic driver in the late 20th century, particularly in metropolitan Atlanta. It not only provided a super-charging for the economy but “fueled” the dominant industry of the industrial era—trucks and automobiles-plus the road building, finance, insurance and oil industries that were essential supporters. Metro Atlanta directly benefited as “Hotlanta.”

In metropolitan areas, land use is categorized as playing one of two economic functions, either regionally significant or local-serving. Regionally significant places have concentrations of employment (particularly in base/export or regional-serving businesses and jobs), civic centers, institutions of higher education, major medical centers and regional retail, as well as one-of-a-kind cultural, entertainment and sports assets. Local-serving places are bedroom communities dominated by residential development that is complemented by local-serving commercial (e.g., grocery stores) and civic uses, such as primary and secondary schools, police and fire stations, and so on. Generally speaking, regionally significant places are where the metropolitan area earns its living while local-serving places are where most residents spend their non-work lives.

This research focuses on the upper-left quadrant of the matrix: regionally significant WalkUPs, where the Atlanta region will build much of its wealth-creating employment in future decades. This is not to say that the late 20th century dominant drivable sub-urban areas are obsolete. While not having pent-up demand, these areas will, for the most part, do well economically, though some fringe drivable sub-urban areas did face an uncertain future and some have been demonstrating early signs of economic decline. However, the pent-up demand is for walkable urban places.

The market demand for WalkUPs started to be seen nearly two decades ago in U.S. metropolitan areas, as selective downtowns began to revitalize, the birth of the New Urbanism developments such as Seaside in Florida, and the urbanization of close in suburbs began. Today WalkUPs promise to be a powerful driver of the economy of the appropriate infrastructure, legal regime and financing mechanisms are put in place for the future. By the late 1990s and early 2000s, Atlanta had such mechanisms in place when it constructed an extensive network of streetcar suburbs. Although the streetcars are long gone, the legacy of walkable urban places in places like Midtown and Inman Park has endured in their revitalization. Today, the question is what can Atlanta’s leaders do to support both the established and the next generation of WalkUPs?

The only way to understand the location and size of these major facilities would be primary research. As Emory, and medical centers, such as Northside Village, and Cabbagetown, and places outside of Atlanta such as Stone Mountain and Woodstock. There is a major gap in this and all other research about metropolitan development patterns: the location and size of “owner-user” space is not included. Owner-user space is defined as office, retail, industrial space not being known as to its size and location. The only way to understand the location and size of these major facilities would be primary research. Like nearly every ranking system this methodology relies upon databases that are not complete, which allows for comparisons between different metropolitan areas.

The 2012 Brookings Institution report, mentioned above, developed a methodology to define WalkUPs (geographically and by product mix) and to rank them using separate economic and social equity performance metrics. The Brookings research statistically determined regional significance as having a minimum of 1.4 million square feet of office space and/or a minimum of 340,000 square feet of retail space. These metrics were used to rank the WalkUPs that emerged from the metropolitan Atlanta research and created four levels of economic growth in metropolitan Atlanta.

Form Meets Function

Regionally significant WalkUPs will be the primary location of economic growth in metropolitan Atlanta.
Methodology

The methodology employed in this report has its basis in research described in the Brookings Institution report, *Walk This Way*, and was first applied systematically in the GW School of Business report, *DC: The WalkUP Wake-Up Call*. That method is outlined below.

Identifying REGIONALLY SIGNIFICANT PLACES

- The Atlanta research team began this process with a list of 114 potential places for inclusion as regionally significant WalkUps. This list was drawn from a variety of sources, but was based most directly on Livable Centers Initiative applications and grants. This list was augmented as a result of comments and suggestions from members of the research team and from participants in a forum where the preliminary findings of this report were presented in April 2013.
- The boundaries of these places were refined to include only the areas that currently are, or have the potential to become, walkable urban in their development form. To the extent possible, single-family detached homes were excluded from these places. Many of these places were subdivided to adhere to the guideline that, based upon the matrix Washington research, walkable urban places tend to not exceed 600 acres in total land area, a little less than a square mile. The reason for this is the extent that people want to walk before considering an alternative means of transportation.
- Once boundaries were set, we conducted an initial real estate analysis to determine which places met the criteria for being considered “regionally significant.” All places that had neither 340,000 square feet of retail space nor 1.4 million square feet of retail space, remained was a list of 53 regionally significant places that have neither. All places that had neither 340,000 square feet of retail space nor 1.4 million square feet of retail space, nor 1.4 million square feet of retail space, was a list of 53 regionally significant places that have neither. All places that had neither 340,000 square feet of retail space nor 1.4 million square feet of retail space, nor (what Walk Score measures) and a high quality pedestrian environment (what it does not measure). However, they play different roles in that success. A positive pedestrian experience may encourage those who might other- wise choose not to walk to instead walk. Furthermore, those who prefer the option of walking are likely to be drawn to places where it is more pleasant to travel on foot. However, a place that lacks pedestrian-accessible services and amenities can never be walkable, no matter how much is invested in pedestrian infrastructure; there is no number of street trees that will encourage residents to walk if they have nowhere to go. In this reason that we have chosen to focus on accessibility as a “first principle” of walkability, and the metric used to designate walkable urban places.
- An assessment of pedestrian environment, including urban design and pedestrian infrastructure for selected metro Atlanta CIDs, was also conducted during this research, though not included in this report.
- The geographic of each of the regionally significant places determined in the previous step were submitted to Walkscore.com for scoring. Scores came in the form of a grid of “sample” scores throughout the WalkUP. This grid was translated into a grid of polygons. The analysis was user to determine the total population and employment of each polygon. Finally, within each area, the “sample” Walk Scores were weighted by total population and employment and then averaged to derive an overall Walk Score for the place.
- The 10 Potential WalkUPs were identified based on factors discussed in more detail later in this report, including MARTA rail accessibility, major redevelopment opportunities, the presence of walkability-supportive place management entities, and/or on-going investments in pedestrian infrastructure.

Note: Maps of the precise geographic boundaries of all 46 Established, Emerging, and Potential WalkUPs can be found at the following address:

Identifying WALKABLE URBAN PLACES

- Walkability was determined using Walk Score. This metric was developed to estimate how easy it is, in a given place, to live in a walkable lifestyle. Using the public street grid to determine walking distance, Walk Score takes into account the accessibility of key community services and amenities (including grocery stores, schools, parks, restaurants, and retail) to a pedestrian. Urban design factors, such as block length and intersection density, also influence the Walk Score of a given place.
- Walk Score measures walkability from the perspective of lifestyle and the concept of “complete communities.” It assesses whether the daily needs of residents and workers can be met within a reasonable walking distance or, alternatively, if land uses are spatially seg- regated, necessitating a car to get around.
- Notably, Walk Score does not measure the quality of the pedestrian environment. Factors such as pedestrian infrastructure, community design, safety, topography, weather, and accessibility have a significant influence on the experience of pedestrians and on whether workers and residents will choose to walk, rather than drive.
- A high quality, successful WalkUP requires both high levels of pedestrian accessibility (what Walk Score measures) and a high quality pedestrian environment (what it does not measure). However, they play different roles

In studying the Walk Scores of the other metro Atlanta places, we found a natural break at 57.0. The nine places with Walk Scores from 57.0 to 70.5 were categorized as Emerging WalkUPs.
- The 10 Potential WalkUPs were identified based on factors discussed in more detail later in this report, including MARTA rail accessibility, major redevelopment opportunities, the presence of walkability-supportive place management entities, and/or on-going investments in pedestrian infrastructure.

Social Equity

- Social Equity is based on a composite index of affordability and accessibility, described in great- er detail later in this report.

RANKING ESTABLISHED WALKUPS

The 27 Established WalkUPs were ranked on two independent performance metrics: Economics and Social Equity.

Economic Performance

- Economic Performance is based on effective rents on real estate, assuming that the amount the market was willing to pay for space is a proxy for economic performance. (The ideal would be developing a WalkUP GDP, but currently GDP esti- mates are only available at the national, state and metropolitan levels.)

Social Equity

- Rent or rent-equivalents were found for four product types within each WalkUP:
  - Office
  - Retail
  - For-Sale Residential

These rents were then weighted by the relative presence of each of these product types within the WalkUP and averaged to determine an over- all rent for the area.
The Seven Types of WalkUPs

There are seven types of regionally significant WalkUPs in any metropolitan area. Metro Atlanta has at least one example of each.

1. Downtown

Examples: GCU Government Center & Peachtree Center

As the original downtown sections of a metro area’s principal city, Downtown WalkUPs are dominated by office space. In Atlanta, however, this is much less true—only 56 percent of total square footage in its Downtown WalkUPs is occupied by office space. Two factors account for the comparatively small percentage of office space: (1) Georgia State University’s campus, which serves 32,000 students, is located downtown and includes dorms, libraries, classroom space, athletic facilities, and a major hospital complex, and (2) the prevalence of large commercial parking garages, which serve the majority of Downtown workers (only three percent in the region commute via public transit). While the garages themselves do not prevent Downtown areas from being the region’s most walkable, they do occupy real estate that could be used otherwise and also reinforce Atlanta’s reputation as a city where car use and ownership is necessary.

Product Mix: Downtown

Average % of Total Square Footage

- Office: 56%
- For-Sale Residential: 5%
- Rental Residential: 4%
- Retail: 3%
- Total: 100%

2. Downtown Adjacent

Examples: Castleberry Hill, Centennial Olympic Park, Midtown, SoNo, Sweet Auburn

Immediately adjacent to, and surrounding downtown on all sides, Downtown Adjacent WalkUPs are usually older mixed-use neighborhoods that have a lower density than downtown, reasonably well-connected street grids, and their own unique character. These WalkUPs also have a substantial amount of office space—33 percent in the Atlanta metro area. This is significantly less than the 58 percent found in D.C. metro Downtown Adjacent places, and is partly the result of the more than six million square feet of hotel, sports/entertainment, and convention space in Centennial Olympic Park. In addition, Downtown Adjacent WalkUPs have significant residential (37 percent) and some retail development (three percent). The result, in most cases, is a lively, nearly 24-hour environment.

Product Mix: Downtown-Adjacent

Average % of Total Square Footage

- Office: 33%
- For-Sale Residential: 15%
- Rental Residential: 54%
- Retail: 2%
- Total: 100%
3 Urban Commercial

Examples: Arts Center, Buckhead Village, Inman Park, Ponce, Upper Westside, West End

Historically local-serving neighborhood commercial, these places declined after World War II but, in recent years, found a new economic role. Urban Commercial WalkUPs in metro Atlanta have a large amount of residential property (50 percent) and are marked by more retail (12 percent) and less office space (25 percent) than Downtown or Downtown Adjacent WalkUPs. The retail in Urban Commercial WalkUPs includes businesses that draw customers from the wider region (such as boutique shops, restaurants, bars, and nightlife), and furniture and home decor stores), but also retains some space devoted to local-serving uses, such as grocery stores.

4 Urban University

Examples: Atlanta University Center, Emory, Georgia Tech

Previously not recognized as a distinct WalkUP type, Urban University WalkUPs present a unique set of conditions and opportunities for walkability. In these areas, the majority of land is controlled by a small number of owners, such as universities, medical facilities, or government research centers. These land owners gauge the “success” of their development not only in terms of rent they may be able to collect, but also in their ability to attract talent. Thus, the vast majority of economic activity is aimed at benefiting the students and employees of these institutions.

The predominance of owner-user space makes real estate analysis difficult for these areas. However, the institutions’ centralized control of land and progressive nature mean that these places are, or can be, models of walkable urban development. Increasingly, many also lead in developing measures such as “bikability” that increase accessibility to their facilities and reduce auto-dependence.

Since the bulk of the space is owner-user and the data not available for standardized collection, the product mix presented below is not reliable. Thus, most of the Urban University WalkUPs cannot be ranked at this time, but we acknowledge their existence and importance to the regional economy.

Product Mix: Urban Commercial

- Office: 25%
- Retail: 12%
- For-Sale Residential: 20%
- Rental Residential: 29%

Product Mix: Urban University

- Office: 26%
- Retail: 3%
- For-Sale Residential: 12%
- Rental Residential: 30%
5 Suburban Town Center
Examples: Downtown Decatur, Downtown Marietta

Typical Suburban Town Centers are 19th-century towns that were swept up in the sprawl of the metropolitan area after World War II. Laid out before the automobile, they have a walkable urban grid, and, in many cases, historic buildings that preserve the memory of the place from a more vibrant era. Following decades of decline, many have found a new, regionally significant economic role.

Suburban Town Centers tend to have a significant office component (30 percent in the Atlanta metro area). In contrast to many downtowns, however, Suburban Town Centers are also major centers for retail (17 percent) and residential space (30 percent).

Product Mix:
- Suburban Town Center
Average % of Total Square Footage
- OFFICE: 30%
- FOR-SALE RESIDENTIAL: 16%
- RENTAL RESIDENTIAL: 14%
- RETAIL: 17%

6 Drivable Sub-Urban Commercial Redevelopment

Examples: Buckhead, Buckhead Triangle, Cumberland Core, Lindbergh, Perimeter at The Center, Sandy Springs, South Buckhead

These WalkUPs are mid-to-late 20th-century drivable sub-urban commercial areas that are evolving into higher density walkable urban places.

Drivable Sub-Urban Commercial Redevelopment WalkUPs are similar in real estate mix and form to Suburban Town Centers, albeit with somewhat more office space. And whereas Suburban Town Centers are often oriented around a central node, Drivable Sub-Urban Commercial Redevelopment WalkUPs are more linear. Developed around a major auto corridor, they also integrate walkable infrastructure into the rights of way.

Many of these WalkUPs include regional malls, which have proven to be key redevelopment opportunities in recent years: nationally, 31 enclosed shopping malls in the U.S. have been redeveloped into more walkable places, with another 43 in various stages of planning.¹ This type of WalkUP will be the major focus of walkable urban development over the next generation.

Product Mix:
- Drivable Sub-Urban Commercial Redevelopment
Average % of Total Square Footage
- OFFICE: 40%
- FOR-SALE RESIDENTIAL: 9%
- RENTAL RESIDENTIAL: 18%
- RETAIL: 18%
Greenfield and Brownfield WalkUPs are found where major investment has turned formerly undeveloped or contaminated land into a walkable urban place.

Among Atlanta’s Established WalkUPs, Atlantic Station, planned and developed as a single project on the former grounds of the Atlantic Steel mill, is the only example of this place type. However, several of the region’s Potential WalkUPs will join this category if current plans are fully implemented.

Usually planned and built by a master developer, these WalkUPs have the potential for a balanced product mix. Atlantic Station, for instance, is 21 percent office, 19 percent retail, and 50 percent residential. The large upfront capital costs required for these WalkUPs and subsequent high market risk mean few will probably be attempted in the next generation.

### Greenfield & Brownfield

**Example:** Atlantic Station

Greenfield and Brownfield WalkUPs are found where major investment has turned formerly undeveloped or contaminated land into a walkable urban place.

### Product Mix: Greenfield & Brownfield

**Example:** Atlantic Station

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<th>Component</th>
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<td>Office</td>
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<tr>
<td>Retail</td>
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<tr>
<td>Residential</td>
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<tr>
<td>Total</td>
<td>100%</td>
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### Photos:

A. Free outdoor yoga classes during Wellness Wednesdays in Atlantic Station
B. Outdoor screening of *The Wizard of Oz* at Atlantic Station’s Central Park
C. A sunset tennis match during the 2013 BB&T Atlantic Open
D. Tennis fans take a break and head to Atlantic Station’s shops and restaurants
E. View of spectators at the 2013 BB&T Atlantic Open
F. Strolling and shopping along 18th St NW
G. The 16-screen Regal Cinemas multiplex inside Atlantic Station

### IV. WalkUPs in Metro Atlanta
Atlanta’s Established, Emerging & Potential WalkUps

While Established WalkUps are concentrated in the Favored Quarter and within the central city, Emerging and Potential WalkUps are developing throughout the core of the Atlanta metro area.
Geographic Findings

There are a surprising number of Established, Emerging, and Potential WalkUPs in Metropolitan Atlanta for a region known as the “poster child of sprawl.”

• There are 27 Established WalkUPs in metro Atlanta in 2013. Combined, these WalkUPs account for only 0.55 percent of the total land in the metro area. Their area ranges from 144 to 628 acres with an average of 374 acres, which is consistent with the 408-acre average size in metropolitan Washington. Since WalkUPs are defined as compact areas with a half-mile radius (roughly 500 acres). In addition, we have identified nine Emerging WalkUPs. These are regionally significant places that have long been auto-oriented, but are in the process of intentionally developing into walkable urban places. They do not yet meet the walkability criteria necessary to be included in the list of Established WalkUPs, which includes size of developed area within the walkability criteria defined above, and the level of walkability (measured by WalkScore™), but it is likely that they will achieve that designation in the near future if they continue their current trajectory. Combined, these WalkUPs account for another 0.33 percent of the total land in the metro area. Their sizes range from 249 to 2,003 acres with an average of 679 acres. Because these areas are not well defined and their central nodes less distinct, they are to become truly walkable urban places. Overall, Established WalkUPs have an employment density of only 0.8 jobs/acre. The densities of the 27 Established WalkUPs, which account for approximately 35 percent of the Atlanta region’s jobs, are least likely to locate in WalkUPs. 20

• There are also 10 Potential WalkUPs. In total, the Established and Emerging WalkUPs, while another four percent are located in Emerging WalkUPs. In addition, about 52 percent of the region’s jobs in public administration are in Established WalkUPs due to the propensity of government jobs to cluster in places like downtown where the state and federal office complexes are concentrated. Seventy-four percent of Established WalkUPs are within the city of Atlanta. However, all nine Emerging WalkUPs are in the suburbs and eight of the 10 Potential WalkUPs are outside of the city. The city of Atlanta has 83 percent of the total real estate square footage in WalkUPs. This is a key difference from our findings in the D.C. metro area, in which both the number of WalkUPs and the square footage was a slight majority in the suburbs, a surprising and significant finding. If this is indicative of the future, it could mean that the urbanization of the Atlanta suburbs will be a major part of the trend in the future, similar to metro D.C.

• There is about one regionally significant WalkUP for every 150,000 residents in the 10-county area for which the Atlanta Regional Commission serves as the regional planning and intergovernmental coordination agency. This is the equivalent of six to seven WalkUPs per million residents (1.1 million people in the metro area divided by 27 places). As a ratio, this is 80 percent of what we found in the D.C. metro area (where there was one WalkUP for every 120,000 residents). This is consistent with the population needed to support each mall developing the built environment, as will be discussed below, this would suggest that, in addition to increasing the density and walkability of its Established WalkUPs, the Atlanta metro area could support at least another eight WalkUPs. However, it is too early to say with confidence that this formula will hold as the WalkUPs trend matures. In the 1960s, when regional malls were first being developed, there was similar uncertainty about the population needed to support each mall.

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• Finally, we have identified 10 Potential WalkUPs. These areas require significant redevelopment if they are to become truly walkable urban places. However, each of these places has a set of assets (transit access, land assembly, supportive policies, planned development, recent planned infrastructure investments, etc.) that make it probable that such redevelopment will eventually occur. Importantly, each of these 10 places has the intention of becoming a walkable urban place, as indicated by local planning and implementation efforts and/or the presence of place management organizations.

• The densities of the 27 Established WalkUPs average 0.60 gross floor-area ratio (FAR), ranging from 0.13 to 2.91. This is roughly the FAR for the region, excluding these 27 Established WalkUPs and the nine Emerging WalkUPs, which is 0.14. In other words, the regionally significant WalkUPs are over 16 times denser than the rest of the region. The built-in capacity of WalkUPs to use much less land has many environmental, social and economic benefits, including the far more efficient use of infrastructure, even including the capital costs of rail transit. While definitive research has not been completed on this issue, it is likely that the cost per square foot of walkable urban development in most categories of infrastructure is significantly less than for drivable suburban development. 16

• The WalkUPs cluster in the northern portion of the metropolitan area, especially along the corridor surrounding Peachtree Street/Peachtree Road/ Route 9. This is the core of Atlanta’s “Favored Quarter,” the portion of the region where wealth and employment growth has been concentrated since at least World War II. 17 Only one of the Established WalkUPs (the West End) is located south of Interstate 20, outside the Favorable Quarter. 18 It is a commonly recognized demarcation between the northern (wealthier and predominately white) and southern (poorer with a higher percentage of black residents) portions of the region. The experience in metropolitan Washington, an early walkable urban-adapting region, saw a continuation of development in the Favorable Quarter, which goes to the northeast, though there are indications in the current real estate cycle of walkable urban development going outside it to the northeast and southeast.

• Nearly 19 percent of total metropolitan jobs are located in Established WalkUPs, with another three percent located in Emerging WalkUPs. Local-serving jobs (grocery clerks, teachers, police officers, firefighters and sanitation workers, etc.), which account for approximately 35 percent of all jobs, are least likely to locate in WalkUPs. 19 Therefore, the share of base (or export) and regional jobs that are found in metro Atlanta WalkUPs is probably closer to 30 percent, meaning these jobs are disproportionately concentrated in these places.

• Overall, Established WalkUPs have an employment density of 36.5 jobs per acre, the region as a whole, not including Established and Emerging WalkUPs, has an employment density of only 0.8 jobs/acre. Twenty-seven percent of the Atlanta region’s jobs in knowledge industries are in Established WalkUPs, while another four percent are located in Emerging WalkUPs. In addition, about 52 percent of the region’s jobs in public administration are in Established WalkUPs due to the propensity of government jobs to cluster in places like downtown where the state and federal office complexes are concentrated. Seventy-four percent of Established WalkUPs are within the city of Atlanta. However, all nine Emerging WalkUPs are in the suburbs and eight of the 10 Potential WalkUPs are outside of the city. The city of Atlanta has 83 percent of the total real estate square footage in WalkUPs. This is a key difference from our findings in the D.C. metro area, in which both the number of WalkUPs and the square footage was a slight majority in the suburbs, a surprising and significant finding. If this is indicative of the future, it could mean that the urbanization of the Atlanta suburbs will be a major part of the trend in the future, similar to metro D.C.

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Product Findings
Despite Atlanta’s reputation as an auto-oriented region, the market for walkable urban real estate is remarkably robust, particularly in the current cycle,

- There is 3.2 billion square feet of real estate in the Atlanta region. However, this figure notably omits “owner-occup” space (i.e., government, corporate and institutional-owned space).
- The amount of space in regionally significant WalkUPs is 11.6 percent of the total.
- Income-producing property, which includes office, apartment, retail, institutional and all other non-for-sale real estate, totals 1.5 billion square feet and accounts for 46 percent of metro Atlanta’s total real estate square footage. Again, this excludes owner-occupied space, which would somewhat increase this percentage.
- For-sale residential (single-family, townhouses and condominiums) account for 54 percent of all real estate in the region. Less than two percent of this inventory is in Established WalkUPs. The rest is split between drivable sub-urban and local-serving WalkUPs, although it is likely that the majority is in drivable sub-urban locations.
- Disaggregated by product-type, the share of the region’s income-producing real estate in Established WalkUPs varies from a low of 1.3 percent to a high of 64 percent:
  - Industrial: 1.3 percent
  - Flex: 2.8 percent
  - Retail: 9.1 percent
  - Health Care: 17.4 percent
  - Rental Residential: 19.4 percent
  - Office: 35.4 percent
  - Hospitality: 37.0 percent
  - Sports/Convention: 64.3 percent

- Average annual office rent in Established WalkUPs is $18.55 per square foot, compared to $14.23 for drivable sub-urban office rents, a 30 percent rental premium. This is a lower differential than in metro D.C., where there was a 75 percent office premium. One potential reason for this is the more highly utilized transit system in the Washington metro area. Transit-accessible locations in metro D.C. have significantly greater access to a highly skilled workforce. MARTA has been stereotyped as being used only by the poor, though growth in ridership since the 2008 may have reversed this perception.
- Despite the modest rent premium, valuations of office space are significantly higher in WalkUPs. Annual office rental income in the region totals $4.4 billion; 41 percent of these rents are generated by regionally-significant WalkUPs.
- While retail space in drivable sub-urban areas of Atlanta had an average vacancy-adjusted rent of $10.42 per square foot, Established WalkUPs retail rented for an average of $25.71 per square foot. This represents a premium of over 144 percent. While some of this is attributable to the large and highly successful Lenox Square Mall and Phipps Plaza in Buckhead and to other regional malls in Perimeter and Cumberland, the average retail rent in WalkUPs is still nearly double that of drivable sub-urban areas ($20.20) even when these three WalkUPs are removed from the calculation.
- Rental housing in regionally significant WalkUPs has an average vacancy-adjusted rent of $14.67 per square foot. In contrast, drivable sub-urban areas averaged $13.07 per square foot for this product type; a 12 percent premium.
- The price premium is much greater in for-sale housing. In the drivable sub-urban areas of the Atlanta region, homes are valued at $60.06 per square foot; in Established WalkUPs, values are 161 percent higher, at $156.46 per square foot.

WalkUPs in Metro Atlanta

V. WalkUP Trends

<table>
<thead>
<tr>
<th>WalkUPs vs. Drivable Sub-Urban</th>
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<td>Comparing Average Rents per Sq. Ft.</td>
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WalkUPs vs. Drivable Sub-Urban
Comparing Average Rents per Sq. Ft.
### The Last Three Real Estate Cycles

There are big questions facing developers, investors and public officials: Where is the Atlanta real estate market headed? Established and Emerging Walkups are an increasingly larger slice of the pie.

Compared to what we found in metropolitan Washington, Atlanta has fewer Walkups per capita, though in general there is a surprisingly greater real estate rental premium associated with walkability. And when plotted over the course of the last three real estate cycles, it is increasingly clear, as shown in Chart 11, that it is rapidly moving toward a walkable urban future.

The market share of the region’s development within Walkups over the past three real estate cycles (1992 to 2000, 2001 to 2008, and 2009 to the present) illustrates where different real estate products have been built over time. While these data only cover income-producing property (office, retail, multifamily rental housing, hotels, etc.), it is the development of these product types that is the best barometer of economic success for a Walkup.

As mentioned, data are available only for regionally significant Walkups, the balance being both drivable sub-urban locations and local-serving Walkups. These data, therefore, underestimate the amount of walkable urban product developed during each cycle since local-serving Walkups are lumped in with drivable sub-urban. Finally, there has been a judgment made regarding which of the Established Walkups was actually walkable urban in the current cycle, that is rapidly moving toward a walkable urban future. The market share of the region’s development within Walkups over the past three real estate cycles (1992 to 2000, 2001 to 2008, and 2009 to the present) illustrates where different real estate products have been built over time. While these data only cover income-producing property (office, retail, multifamily rental housing, hotels, etc.), it is the development of these product types that is the best barometer of economic success for a Walkup.

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### Chart 11: The Last Three Real Estate Cycles

<table>
<thead>
<tr>
<th>Year Period</th>
<th>Share of Income Property (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992-2000</td>
<td>16%</td>
</tr>
<tr>
<td>2001-2008</td>
<td>22%</td>
</tr>
<tr>
<td>2009-Present</td>
<td>50%</td>
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</tbody>
</table>

#### REAL ESTATE CYCLES QUANTIFIED

- The share of the income-producing property development (office, retail, apartment and hotel) occurring in Established Walkups increased steadily over the past three real estate cycles. In the 1990s cycle, only 10 percent of the region’s new development in these four categories occurred in Walkups. In the 2000s cycle, however, it doubled to 22 percent and it has more than doubled again in the current cycle, reaching 50 percent.
- Emerging Walkups exhibit a similar trend, albeit on a smaller scale. In the 1990s and 2000s cycles, the share of income-producing property development occurring in Emerging Walkups held steady at four percent. In the current cycle, however, it has vaulted to 10 percent. Taken together, from 2009-2013, more than 50 percent of income-producing property in the region was developed in Established or Emerging Walkups.
- The vast majority of recent development in Established and Emerging Walkups has been concentrated in areas served by the MARTA rail. In the 2009-2013 real estate cycle, 73 percent of development in Established Walkups went to the MARTA-served places. Even more dramatic, 85 percent of development in Emerging Walkups (nine percent of total regional development) went to places with rail transit.
- Multifamily rental housing has been the most significant driver of growth in regions both in Established and Emerging Walkups. In the early 2000s this rose to 28 percent but has skyrocketed to 88 percent in the current cycle. In fact, multifamily rental housing built in Established Walkups accounted for 18 percent of all income-producing property developed in the Atlanta region from 2009-2013. The volume of rental apartments in local-serving Walkups has further increased the walkable urban rental apartment market share considerably in recent years, although we do not have the data on local-serving places. There are two reasons for this boom in rental apartments in this cycle. First, it was the real estate product type that has led the way out of the Great Recession throughout the country, following the for-sale housing crash.
- Second, and less understood, experience has shown that households in walkable urban places have historically had a higher propensity to rent than to own. It is not understood why this is the case, but this has been observed around the world as well as in this country.
- Following rental housing, office space has been the second most important factor in Atlanta’s trend toward walkable urbanism. Only 15 percent of the office space delivered in the 1990s cycle was built in Atlanta’s then Established Walkups. This increased to 31 percent in the 2000s and again to 50 percent in the current cycle that started in 2009.
- Despite higher rents, development of new retail space in Walkups lags. Only six percent of retail space developed in the region during the 1990s was located in Walkups. In the early 2000s, this rose slightly to seven percent but has fallen to only two percent for the cycle starting in 2009.
- The higher cost of parking in Walkups, and relatively higher parking requirements for retail, may be a factor. However, another likely reason is that many through-out all retail tenants have not yet figured out how to build walkable urban retail formats, particularly when it comes to big box stores. Many smaller specialty stores, such as Urban Outfitters and Brooks Brothers, and grocery stores like Publix and Whole Foods, etc. have walkable urban formats. These retailers, however, have not taken this format to metropolitan Atlanta as easily as in other regions. Big box walkable urban pioneers, such as Target and Home Depot, only have five or so years of experience with this format, while Wal-Mart is only recently attempting walkable urban locations. Adding local-serving Walkups to these product totals will probably significantly increase the percentage of retail that is walkable urban in the current cycle once we have this data in the metro D.C. area, the most significant type of development in this cycle has been 200 to 300-unit rental apartments over grocery stores in regionally significant and local-serving Walkups.
A Region Continually in Economic and Land Use Flux

Starting with one of Atlanta’s early names, Terminus, transportation has been essential to the region’s economy, driving continual changes in economic growth and land use.

Public policy initiatives on the regional and local levels contribute to the region’s ability to attract and endure the development of WalkUPs. The Atlanta Regional Commission (ARC) administrates the Livable Communities Initiative (LCI), which was begun in 1999 as a way to provide an alternative to the prevailing development patterns, through the LCI program, planning grants are provided to local governments and non-profit organizations in order to prepare a plan for the enhancement of existing town centers, activity centers, and corridors. The valuable these areas to take advantage of the infrastructure and private investments already committed in these jurisdictions—resulting in more balanced, regional development while reducing vehicle miles traveled and improving air quality. Then, after the initial plan is complete, more money is made available to the jurisdictions that can help implement these plans.

ARC established the LCI program in 1999. To date, more than $195 million in planning and transportation funds have been allocated to over 210 district areas in the region. Livable Communities Coalition, Georgia Conservancy, the Congress for New Urbanism—Atlanta, and the Urban Land Institute-Atlanta are other important organizations that work to advance walkable urbanism throughout the region.

The City of Atlanta is developing one of the most comprehensive programs in the country that has the potential to create several new regional and locally significant WalkUPs—the Atlanta BeltLine. Originally proposed in a graduate thesis at Georgia Tech by Ryan Gravel, the Atlanta BeltLine is the most ambitious City in its history to catalyze its WalkUP future that will guide private real estate development for decades to come. The program consists of a combination of public infrastructure investments in transit, trails, and green space, in actions for affordable housing construction, land use and zoning schemes that will create more urban, walkable destinations. The project is built on a 22-mile loop of old rail corridors that are two to four miles from the Downtown and Midtown WalkUPs. This program will be a model for the country as a whole.

Atlanta is also building its first new streetcar line downtown, connecting Centennial Olympic Park with the Sweet Auburn district, home of the Martin Luther King Jr. historic site. This is the first expansion of the region’s rail transit system in more than a decade and is the beginning of a new streetcar network that will enhance the safety and mobility needs within the City of Atlanta and will connect to the Atlanta BeltLine.

Our first WalkUP study looked at metropolitan W ashington, D.C. which, according to our research, is the leading metropolitan area for walkable urban development in the nation. For many observers, metropolitan Washington, D.C. is an imitable model for the future of the built environment. As the nation’s capital, it benefits from a site of a kind economic and employment base, namely the federal government, which, by providing a recession-resistant foundation, has provided a recession-resistant foundation.

Yet every metro area has a unique economic base upon which it earns its living. Metro D.C. does have the federal government as its economic base, though it also includes many high tech and bio-tech sectors and a cluster of corporate headquarters for the hospitality industry. And the federal government is not always resistant to economic contractors, as the current budget cuts due to the “sequester” demonstrate.

In Detroit, the economic base continues to be auto. In Seattle, it is aircraft, the port and software. In Columbus, Ohio, state government and insurance. In Atlanta, the economic base, besides the state and federal governments, includes transportation (rail, highway, parking and air travel), which has led Atlanta to be a major logistics center (e.g., UPS); other Fortune 500 headquarters and the world’s largest airline, Delta. The concentration in metro Atlanta of higher education, media, telecommunications and research shows the growth of the knowledge economy as well.

This section will postulate a hypothesis that metro Atlanta is tracking the same walking urban (land) development pattern as metro Washington, which has provided a recession-resistant foundation. For many observers, metropolitan Washington, D.C. is an imitable model for the future of the built environment. As the nation’s capital, it benefits from a site of a kind economic and employment base, namely the federal government, which, by providing a recession-resistant foundation, has provided a recession-resistant foundation.

First, it is important to point out the many similarities between metropolitan Washington and metro Atlanta. On the surface it may not be obvious, but these two metro areas may be as comparable as any two large metropolitan areas in the country, as shown by:

• Population: Atlanta and D.C. share the same population in the Metropolitan Statistical Area (MSA)—Atlanta is 5.4 million versus metro Washington at 5.7 million (2011 estimates).

• Character: Both are historically sleepy Southern metropolitan areas that economically bloomed in the late 20th century, primarily from being “inward by Northern.”

• Development Form: For most of the late 20th century, both metro areas were at the cutting edge of the then new disposable urban development patterns, inventing some of the most famous “edge cities,” such as Perimeter Center and Tysons Corner.

• Traffic: As a result of the development boom, these two metropolitan areas had consistently the worst traffic congestion in the nation, repeatedly in the top 10 most congested in the Texas Transportation Institute’s rankings.

• Rail Transit: These regions received two of the three federally funded heavy rail passenger transit systems in the 1970s.7

• Governmental Capital: Both are capitals, one being the state capital and the other being the federal capital, putting a stabilizing foundation under both metro economies.

• African-American Middle Class: These metro areas are the first and second most favored regions by African-Americans, having the two largest concentrations of black middle class households.

There are many differences as well:

• Scale of Government: The federal government is a far larger economic presence in metro Washington than the combination of the state and federal presence in metro Atlanta.

• Sports Teams: Atlanta has had consistently better performing sports teams—while this is a mildly tongue-in-cheek comment, it reflects an important but difficult to measure reality. Confidence, civic engagement and swagger which makes it a better than even match for the metro D.C. business community, which is in the shadow of the federal government.

However, metro Washington was a first-mover in the trend toward walkable urbanism, starting in the mid-1990s with the early turn around of downtown D.C. and the urbanization of selected suburbs, such as Arlington, as verified by the D.C. research report. The differences include:

• Forty-three WalkUPs in metro D.C. versus 27 in metro Atlanta.

• The average size of metro Washington’s WalkUPs is 408 acres versus 374 in metro Atlanta.

• The economic performance ranking of the WalkUPs in each metro area was relative to the area, a platinum ranking one is probably a gold or even silver ranking in metro D.C.

WalkUP Trends

Metro Atlanta & Metro DC: Peas in a Pod

As comparable as any two metropolitan areas in the country, these two cities can learn much from each other.
The walkables are a different story. There is a point in the walkable urban trend where the walkables stop. In the case of the walkables, this is revealed by their as-yet-undeveloped relationship to the walkable urban trend. The walkable urban trend is the walkables’ future. A high walkability index is associated with walkable urban places.

The Rise of the Creative Class

As Florida says in the recently revised The Rise of the Creative Class, the key force is that shaping our geography, spearheading the development back from outlying areas to urban centers and close-in walkable suburbs. He quotes Carly Fiorina, then-CEO of Hewlett Packard Co., as saying, “Keep your tax incentives and highway interchanges; we will go to where highly skilled people are.” Florida’s research demonstrates that most highly skilled, highly educated creative class workers want to work and live in walkable urban places. The creative class is driving the current and future knowledge economy and, in turn, driving the demand for walkable urban places. Notably, metro D.C.’s population holds more college degrees per capita than anywhere else in the nation. And knowledge workers want walkable urban options. In short, metropolitan Washington, D.C., can be used as a model for the future of the built environment because it is also the farthest along in adjusting to the demands of the knowledge economy and having highly educated workers. The graph below shows three sets of data about the percentage of the workforce over 25 with a college degree in 1990, 2000 and 2010.

Metropolitan Washington

The Next Five Most Walkable Metro Areas

(out of the 30 largest U.S. metros, based on Brookings research referred to above)

Metropolitan Atlanta

The Nation

Metro D.C. has had the most educated workforce and has the most walkUPs according to the Brookings study (even more than metro New York since the vast majority of the walkable urban places are in Manhattan and Brooklyn, where about 10 percent of the metro population is, whereas the suburbs have not urbanized as much as D.C.). The next five most walkable metro areas of the largest 30 U.S. metropolitan areas have college-educated populations in 2010 that were equivalent to metro D.C.’s in 1990. A plausible assumption can be made regarding education levels that the next five most walkable metro areas are 10-20 years ahead of both metro Atlanta and the nation.

Further, assume that metro D.C. is roughly 20-30 years ahead of the nation as a whole. It is possible that the country will follow the trajectory of the most walkable metro areas and metro D.C. over the next few decades as education levels continue to increase, the country evolves further into the knowledge economy and, therefore, the walkable urban trend continues.

Metro Atlanta falls in between the next highest five metros and the national average. The hypothesis would indicate that metro Atlanta would be 15-20 years behind metro D.C. However, the speed with which creative class workers want walkable urban development shows, nearly as high a market share in the walkUPs phenomenon as metro Atlanta, doing much more quickly adopting to this new development trend. It is a plausible conclusion that metro Atlanta is only between five and ten years behind metro Washington.

In 1990, metro D.C. had five meaningful walkable urban areas. Its downtown—like many city centers across the nation—was abandoned and considered dangerous. No suburb located walkable urban places had yet emerged, except for Old Town Alexandria and Rosslyn. When Joel Garreau wrote Edge City across the nation—was abandoned and considered dangerous. No suburb located walkable urban places had yet emerged, except for Old Town Alexandria and Rosslyn. When Joel Garreau wrote Edge City in 1989, the seminal book about the rise of drivable suburbs, his prime example was Tyson Coner in suburban Virginia. It was the world’s largest drivable sub-urban concentration of commercial enterprises; now it is on the path to becoming walkable urban. A rise in highly educated knowledge workers has powered the explosion in demand for and development of walkable urban places in metro D.C. and elsewhere. These highly educated creative class workers, especially the young Millennials (born between 1982 and 2004), want to live and work in walkable urban places. Since metro D.C. has relatively more of these workers than any other metropolitan area, it is not surprising that it leads the walkable urban trends. As these Millennials age, many seem to be moving to or near suburb walkUPs, such as Arlington and

Metro Atlanta...
The trajectory for large metropolitan areas—and the country as a whole—is toward a better-educated population, a greater participation in the knowledge economy and a growing demand for more walkable urban places. Metro D.C. just happened to get there first. However, this research reveals that metro Atlanta is not far behind.

Bethesda. When it comes to developing suburban Walk UPS, metro D.C. has a substantial lead over all other U.S. areas.

The growth of college-educated population in select U.S. metro areas with at least a four-year degree is projected to increase in the next 15 years. D.C.’s % of college-educated adults is about 15 years ahead of the nation as a whole.
Economic Rankings

Based on the Brookings methodology, WalkUPs in the Atlanta region fall into four levels when measured by economic performance. Each WalkUP level has different growth and investment potential.

Economic rankings are based on the rents achieved for four product types: office, retail, rental apartment, and for-sale housing. Each WalkUP’s average rent per square foot was determined and weighted according to the percentage of square feet per product type. The assumption is that the amount the market is willing and able to pay in rent is a proxy for that WalkUP’s economic performance. Rent is a proxy, but the best proxy we have at the moment since there is no calculation of gross domestic product (GDP) below the metropolitan level.

The ranges for overall weighted rents in Atlanta are vastly different than those in D.C. Annual rents for WalkUPs in metro Atlanta range from $11.21 to $25.28 versus a range of $14.07 to $46.73 in D.C. Because of this disparity, we graded Atlanta’s WalkUPs on a curve. Therefore, the economic performance of WalkUPs in Atlanta cannot be directly compared with their counterparts in D.C. In future studies, however, they will be directly compared, as they will be adjusted for relative GDP per capita.

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WalkUP Rankings

The charts to the right summarize by level the relative rents. Walk scores, and FAR of the 27 Established WalkUPs. The three “Urban Universities” WalkUPs were omitted due to lack of data concerning owner-user space.

Even so, we have included some data on square footage in those three WalkUPs since the maximum vacancy and the Walk Scores were sufficient to qualify. Economic rankings are based on the rents achieved for four product types: office, retail, rental apartment, and for-sale housing. Each WalkUP’s average rent per square foot was determined and weighted according to the percentage of square feet per product type. The assumption is that the amount the market is willing and able to pay in rent is a proxy for that WalkUP’s economic performance. Rent is a proxy, but the best proxy we have at the moment since there is no calculation of gross domestic product (GDP) below the metropolitan level.

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Even so, we have included some data on square footage in those three WalkUPs since the maximum vacancy and the Walk Scores were sufficient to qualify.
This is a diverse category, including both downtown adjacent and urban commercial places that have attracted significant new real estate development in recent years as well as suburban places that have long been auto-dependent. Silver WalkUPs have not yet achieved “critical mass”, defined as not requiring any special government assistance or subsidy, but they have a trajectory that suggests they will continue to develop into higher performing walkable urban places.

Silver WalkUPs have the greatest value-creation potential for investors and developers if they continue to evolve and achieve critical mass. While they may still have an image as being somewhat economically risky, as evidenced by their high capitalization rates and relatively lower valuations, this will likely be improved with more development and place management. These WalkUPs have begun to achieve a “buzz” in recent years and talk that they are “gentrifying.” The eventual result should be lower capitalization rates over time and, therefore, higher valuations as they move into the Gold tier,

This tier includes four areas adjacent to or near downtown: Upper Westside, SoNo, Sweet Auburn, and Centennial Olympic Park. Traditionally a center for light industry, the Upper Westside has undergone significant change in recent years. Older buildings have been rehabilitated and put to new uses as retail and restaurants while new multifamily housing and retail for walkable housing has also been built. The impact of the Atlanta BeltLine is already being felt even though there are no physical improvements in place yet.

“SoNo,” or South of North Avenue, is the area that connects Downtown to Midtown. This was one of Downtown’s earliest redeveloped residential areas with a variety of single-family homes, town homes, apartments, high-rise condos, and garden-style condos. However, much of the 1980s redevelopment of this area actually reduced walkability through the installation of superblocks and large suburban garden apartment complexes. This WalkUP also contains Emory Midtown Hospital.

South Auburn, the area centered around Auburn Avenue, is a downtown adjacent place that was the historic center of black business and culture in Atlanta. It was the birthplace of Martin Luther King Jr and includes three historic churches and storied fraternal organizations among its historic and cultural assets, many of which are managed by the National Park Service. The construction of Interstate 75 and 85 in the 1950s cut off the community from Downtown and it has suffered significant disinvestment and currently contains many underutilized properties. Revitalization is slowly emerging in some parts of South Auburn and the streetcar has also been built. The installation of a streetcar in 2014 will provide a major catalyst to spur a quicker pace of investment. A variety of new one- and two-story storefront buildings exist on the center of the area and will be an important historic asset in any development.

WalkUP in between large OSU Government Center to the west and the economically vital Human Race to the east, it will probably be an in-fill opportunity. Finally, while highly walkable and directly adjacent to Atlanta’s downtown core, much of the land in the Centennial Olympic Park WalkUP is devoted to large, multi-block urban open space that depresses its vibrancy.

Lindbergh and South Buckhead are both Strip Commercial WalkUPs, located further north from downtown, within Atlanta’s favored quarter. Lindbergh Center includes a major 51 acre, master planned site with 2.7 million square feet of office space, 330,000 square feet of retail space, 565 apartments, and 386 condominiums, all built over the course of the last decade. This has resulted in significant retail on nearby sites and, as such, Lindbergh is on a rapidly upward economic trajectory. South Buckhead is anchored by Piedmont Hospital and the continuing transformation of auto-oriented Peachtree Street into Peachtree Boulevard will drive more walkable redevelopment in this WalkUP.

This tier also includes three suburban areas that lie beyond Atlanta’s Perimeter highway: Downtown Marietta, Downtown Roswell, and Sandy Springs. Sandy Springs is a Strip Commercial Redevelopment WalkUP that is investing in new infrastructure to increase its walkability. The city of Sandy Springs, the first of a spate of new cities that have recently formed in formerly unincorporated Fulton County, is actively pursuing the development of a town center that it currently lacks. Downtown Marietta and Downtown Roswell are Suburban Town Centers that are becoming more vibrant with smaller shops and restaurants and additional residential development. Downtown Marietta would benefit from the development of a Bus Rapid Transit (BRT) corridor, currently planned (but not yet funded), which would connect to the MARTA rail transit system. Roswell has a long-established and growing bicycling infrastructure and would benefit from future MARTA rail transit expansion up the GA-400 corridor.
WalkUP Rankings

The WalkUP Wake-Up Call: Atlanta © The George Washington University School of Business 2013

WalkUP

The WalkUP Wake-Up Call: Atlanta

Buckhead Triangle
Peachtree Center
Inman Park

WalkUPs are 16 percent higher than in Silver Walk-UPs, their Walk Score is somewhat higher (1.8 points) and performance improvement.

These places have achieved critical mass; there is a “there, there” and there is generally no need for public sector intervention to keep projects to get financed and built. Investors recognize this by lower capitalization rates (increasing land values). Land prices are at a premium, reflecting the higher rents and selling prices. Infill projects that fit the less than five percent higher, and for-sale housing values are 78 percent greater than Gold WalkUPs, respectively.

WalkUPs are 20 percent, 40 percent, 17 percent, and 15 percent greater than Gold WalkUPs, but this tier has a lower average Walk Score (79.2). This is due, in part, to highly successful regional malls in Buckhead, Cumberland-Core, and Perimeter at The Center, which decreases walkability but enhances overall economic performance.

Average Key Metrics

Walk Score: 86.4
Gross FAR: 0.80 (Floor Area Ratio)

HOUSING:

Table 1: Average Key Metrics

<table>
<thead>
<tr>
<th>Category</th>
<th>Walk Score</th>
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<tbody>
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<td>0.91</td>
</tr>
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<td>Ponce WalkUPs</td>
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HOUSING:

GOLD

Average Rent per Sq. Ft. (\$/Sq. Ft.)

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INMAN PARK and Ponce WalkUPs are Urban Commercial WalkUPs that have attracted a great deal of private investment in recent years, in no small part due to the public investment in the Atlanta Beltline but also the relative scarcity of walkable urban places that attract a broad audience. These places abut the portions of the Atlanta Beltline that were first developed as a linear park and new multifamily housing has been built or is accommodated the new interest that the parks and trails have generated.

The WalkScore City Market; currently under construction, has the potential to further catalyze development and enhance its walkable character, providing a needed “100 percent” location for the WalkUP.

The Gold Tier includes the region’s only Established Greenfield/Brownfield WalkUP: Atlantic Station. This master planned development has been hailed as a national model for walkable urbanism in the region for decades as a Suburban WalkUP in the region

Retail rents, 15 percent higher housing rents, and 165 percent higher office rents, 141 percent higher parking availability, increased accessibility and bicycle infrastructure have paid off for Downtown Decatur, with housing values that are among the highest in the region on a square foot basis. Decatur’s earliest downtown, linked to the region by MARTA, help to make this WalkUP a regional destination to own and rent.

The Gold Tier has a lower average Walk Score (79.2). This is due, in part, to highly successful regional malls in Buckhead, Cumberland-Core, and Perimeter at The Center, which decreases walkability but enhances overall economic performance.

The Platinum WalkUPs have the highest rents, 21 percent above Gold. Office rents, retail rents, and housing and for-sale housing values are 20 percent, 40 percent, 17 percent, and 15 percent greater than Gold WalkUPs, respectively.

While compared to divisible sub-urban areas, the room concentration and the high-income housing (both high density and the Ansley Park neighborhood immediately adjacent), add to this early example of a WalkUP in the region

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RETAIL:

Office: \$179.92
Retail: \$125.12
Rental: \$148.10
Overall Average: \$184.45

WalkUP Rankings

CHARACTERISTICS

This ranking has been achieved by only four of the 27 WalkUPs, but they represent a wide array of walkable urbanism. Despite their different typographic and historical position, however, all three Platinum WalkUPs share one key characteristic: aggressive place management.

Platinum WalkUPs predominantly are where large institutional owners, such as insurance companies, pension funds, sovereign wealth funds and REITs, have chosen to invest, resulting in the lowest capitalization rates and highest valuations and land prices.

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While compared to divisible sub-urban areas, the room concentration and the high-income housing (both high density and the Ansley Park neighborhood immediately adjacent), add to this early example of a WalkUP in the region.
Cumberland-Core is one of the largest employment concentrations in the entire state of Georgia, but it has historically been an auto-oriented Edge City, in the mold of Tysons Corner in the Washington area. However, aggressive place management and an investment in pedestrian infrastructure have helped this area to begin the transition to a more walkable environment. Cumberland-Core is currently undertaking a rezoning process to support more walkable development and an under-utilized, 50-acre parcel with an oversized surface parking lot may be a key opportunity for catalysts to redevelop that advances this transition. However, there is a near-total absence of for-sale housing and it is very expensive for its rental housing. The development of additional residential opportunities, either rental or for-sale, could help further advance the vitality and economic performance of the WalkUP.

When Buckhead emerged to regional prominence it was as a nine-to-five office alternative to downtown Atlanta, its early development built around Lenox Square, the luxury Lenox Square mall in 1959. However, aggressive place management and an investment in pedestrian infrastructure have helped this area to begin the transition to a more walkable environment. Buckhead has historically been an auto-oriented Edge City, in the mold of Tysons Corner in the Washington area. However, aggressive place management and an investment in pedestrian infrastructure have helped this area to begin the transition to a more walkable environment. Buckhead has achieved its current success as it has invested in an aggressive program to activate its streets and promote walkable urban development. Although it must still contend with the high-capacity traffic streets, such as Peachtree Road, Piedmont Road, and Lenox Road, and significant drivable sub-urban-style retail (including Lenox Square), Buckhead has made significant strides. In each case, the malls help to buoy the overall rents of the places (through, each of these places also has a thriving office market). Though these malls may be valuable, cash-producing assets today, national trends suggest that the era of this retail model is coming to a close, with more malls being redeveloped into connected, grid- ded places every year. The CIDs that manage these places will need to help manage this transition, whenever it occurs, if they are to maintain their Platinum-level economic performance.

Midtown, located just north of Atlanta’s downtown, was a nine-to-five office alternative to downtown Atlanta two decades ago. Guided by the Midtown Alliance’s Blueprint Midtown, nearly 13 million square feet of new real estate has been developed in this area since 2001, all with an eye toward the creation of a vital, walkable urban place. The success of Midtown has doubtlessly had a positive impact on adjacent WalkUPS (Arts Center, Ponce, SoNo, and Georgia Tech).

WalkUPs fall into the same four levels as the economic rankings, although driven by entirely different variables. Our work in metropolitan Washington was our first attempt at operationalizing the social equity performance rankings for WalkUPs, based upon the original Brookings research referred to above. Since the release of the D.C. report, we have taken into account reaction and insight from commentators and refined our social equity metric, particularly regarding the concept of “access.” In general, we consider a regionally significant WalkUP to be more socially equitable to the extent that it meets the following two conditions:

1. The WalkUP is accessible to as wide a range of potential workers and consumers as possible.
2. The WalkUP is affordable to as wide a range of potential residents as possible.

These criteria exclude a great many potential factors in evaluat- ing social equity, including quality of public services, safety, and public and environmental health to name only a few. The decision...
to exclude these factors was partly a function of data availability (much of this data is not available at the micro-level we require) and it is not available from a nationally replicable source so it can be used in all metropolitan areas in the U.S. for comparison purposes. However, we recognize that this ranking is by its very nature, controversial. It is hoped that the release of these rankings will promote lively discussion, further research and, hopefully, eventual consensus on how to measure social equity, something that there is no agreement upon today.

Our social equity metric is a composite of the following elements of “access” considered in our definition of housing affordability: racial diversity, accessibility, and share of the population that can access the WalkUP by transit within 45 minutes:

- **Household housing and transportation costs** as a percentage of the metropolitan area median income: This is used to measure actual household affordability since housing and transportation are interlinked, especially since many lower- and middle-income households have to “drive until you qualify,” the current U.S. affordable housing strategy. The Center for Neighborhood Technology, which developed this metric, pegs 45 percent as the maximum share of a household’s budget that should be devoted to housing before it ceases to be affordable.[26] This metric factors into both elements of “access” considered in our definition of equity, since the transportation costs of living in a place are related to those of working in that place. Relative weighting is equal to 20 percent of total score.

- **Racial Diversity Index**: This measures how evenly split the population of a WalkUP is between four major racial categories: Hispanic, non-Hispanic white, non-Hispanic black, and non-Hispanic Asian. A[27] higher racial diversity index means a WalkUP’s population is less concentrated among a single race. For instance, a high-diversity place like Lindbergh has no racial majority: 42 percent of its population is Hispanic, 33 percent of its population is non-Hispanic white, 17 percent of its population is non-Hispanic black, and seven percent of its population is non-Hispanic Asian. In contrast, in a low-diversity place, the vast majority of the population is in a single racial group: in the West End, for instance, 90 percent of the population is non-Hispanic black and no other racial category constitutes more than 10 percent. This serves as a measure of a common non-economically barrier to housing access—a racially diverse neighborhood is an indication that renters, brokers, and landlords facilitate an inclusive environment. Relative weighting is equal to 15 percent of the total score.

- **Income Diversity Index**: This measures the breadth of the distribution of household incomes within the WalkUP—the higher the index, the greater the degree to which the income distribution of the WalkUP matches that of the Atlanta region as a whole. This is a proxy for measuring the range of housing options and the accessibility of housing in the area to potential residents at each income class. Relative weighting is equal to 15 percent of the total score.

- **Share of the population that can access the WalkUP by transit within 45 minutes**: Regionally significant WalkUPs are chiefly employment centers so the measure of access to the area was determined to be crucial for social equity. This measures how well employers, developers, and suburbanites plan to link social equity to the regional transit network, and it can play a critical role in sustainable development. Relative weighting is equal to 25 percent of the total score.

- **Share of the population that can access the WalkUP by car within 20 minutes**: While transit access is valued as a more sustainable and equitable mode of commuting, we recognize that the automobile is the dominant mode of transport in the Atlanta region and is likely to remain so for the foreseeable future. However, shorter auto commutes are also valued as a means of addressing employment access and sustainability. Relative weighting is equal to 15 percent of the total score.

- **Income Diversity**: The lowest levels of social equity, these nine WalkUPs have on average:
  - The highest percentage of subsidized housing.
  - The lowest percentage of non-Hispanic black, non-Hispanic Asian, and non-Hispanic white residents, as indicated by the race of children served through Head Start.
  - The lowest percentage of non-Hispanic white residents.

- **Transit Accessibility**: The lowest provision of affordable housing, with an average of only 3.3 percent of units receiving subsidy.

- **Auto-Accessibility**: The lowest levels of transit- and auto-accessibility, with only four percent of the population of the WalkUP accessible to more than 10 percent of the population via transit and no Copper WalkUP is accessible to more than five percent of the population via car.

- **The lowest WalkScores**, averaging 77.9 (compared to 82.5, the average for all WalkUPs in the Atlanta region).

**Characteristics**

- **The lowest level of social equity, these nine WalkUPs have on average:**
  - The highest percentage of subsidized housing.
  - The highest percentage of non-Hispanic black, non-Hispanic Asian, and non-Hispanic white residents.
  - The lowest percentage of non-Hispanic white residents.

**Observations**

Five of the nine WalkUPs in this tier lack access to MARTA rail transit, with three being located in the suburbs, outside of the I-285 boundary. This significantly limits access to the jobs and services located in these areas. Atlanta’s long-range transit plan includes building regional rail to serve Emory, light rail to serve Emory and Sandy Springs, a streetcar to serve South Buckhead and Buckhead Triangle, and bus rapid transit (BRT) to serve Sandy Springs and Downtown Roswell, but none of these projects has been funded and the most recent transportation ballot measure dramatically failed.

The two WalkUPs in this category that is best linked to the regional transit network, Buckhead and Arts Center, is also the least affordable. However, as the loci of a great deal of on-going construction and future development investment, they may also have the greatest opportunity to foster greater equity through inclusionary housing agreements that will increase affordable housing. The same is true of Perimeter at The Center, one of the other WalkUPs in this category that is served by MARTA rail.
CHARACTERISTICS

The second lowest level of social equity, these nine WalkUPs have on average:

- The second highest household housing and transportation costs (46 percent of average metro household income).
- A significantly greater provision of subsidized housing than Copper WalkUPs (11.1 percent), and better transit and auto accessibility, as defined by the metrics above (seven and five percent of the region’s population, respectively).
- Slightly lower racial diversity than Copper WalkUPs, though again, with a wide range within the category.
- Somewhat worse income diversity than Copper WalkUPs, though again, with a wide range within the category. This category includes both the most income-diverse WalkUP in the region (Ponce) and the least income-diverse (West End).
- Slightly higher Walk Scores than Copper WalkUPs (78.1).
- Greater accessibility than Copper WalkUPs, with six percent of the population accessible by transit and five percent by auto (as defined above).

OBSERVATIONS

Six of the eight WalkUPs in this tier (Georgia Tech, Downtown Marietta, Ponce, Cumberland-Core, Upper Westside, and Buckhead Village) lack access to MARTA rail transit, but they are, on average, better connected than those in the Copper tier. Of those six, four (Georgia Tech, Ponce, Buckhead Village, and Upper Westside) are within a short bus ride or long walk to MARTA.

Most problematic in this tier is Cumberland-Core, one of the most important employment centers in the state, with a location at the Perimeter that is inaccessible to a substantial portion of the region’s population (only five percent can access it by transit and only five percent with a short car trip, as defined by the metrics above). However, BRT service is anticipated for future transit expansion in the region.

Downtown Marietta, which is currently among the least accessible WalkUPs in the region, is also targeted for BRT service.
Average Key Metrics

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
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</thead>
<tbody>
<tr>
<td>Housing &amp; Transportation Costs: (As a % of median income for metropolitan Atlanta)</td>
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<tr>
<td>Subsidized Housing</td>
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<tr>
<td>Income Diversity</td>
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<tr>
<td>Racial Diversity</td>
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<tr>
<td>Walk Score</td>
<td>94.2</td>
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<tr>
<td>Transit Accessibility</td>
<td>20%</td>
</tr>
<tr>
<td>Auto Accessibility</td>
<td>6%</td>
</tr>
</tbody>
</table>

PLATINUM

CHARACTERISTICS

The highest level of social equity, these three WalkUPs have on average:

- Much greater transit accessibility than Gold WalkUPs, with an average of 20 percent of the region’s population located within 45 minutes. They equate to levels of auto-accessibility (six percent of the population).
- Dramatically higher Walk Scores than Gold WalkUPs, including some of the most walkable neighborhoods in the region (94.2).
- Comparable housing and transportation costs to Gold WalkUPs (40 percent AMI), still below the threshold for affordability set by the Center for Neighborhood Technology (45 percent).
- Somewhat greater provisions of subsidized housing units (22 percent), much greater levels of racial diversity, and slightly greater levels of income diversity than Gold WalkUPs.

OBSERVATIONS

All three of these WalkUPs are highly walkable and highly transit-accessible. While that has not proven as surefire a path to economic performance in Atlanta as it has in D.C. where economic rankings are driven by walkability, there is strong reason for optimism that this will soon change. As such, these highly socially equitable places are well positioned to move up the economic rankings.

With the proper policies in place, Atlanta has the potential to host more WalkUPs that are both highly valuable and highly equitable. Peachtree Center ranked as Platinum in social equity and Gold in economic performance. A healthy and expansive office market—coupled with the greatest racial diversity and transit-accessibility in the region—are critical factors in this achievement.
WalkUps: The Next Wave

There are more WalkUps in metropolitan Atlanta waiting in the wings, the vast majority in the suburbs.

In addition to the 27 Established WalkUps in the Atlanta region, we wanted to determine where the next WalkUps are likely to emerge. As a result of this analysis, we defined 19 additional places that are either emerging as regionally significant walkups or potentially have a set of assets (land, supportive policy, place management, infrastructure, etc.) that make them well positioned to redevelop as WalkUps in some part in the future.

There are nine Emerging WalkUps. These are places that have a sufficient allotment of commercial real estate to be considered regionally significant. Most of these have also made significant investments in walkable infrastructure and have active place management entities that have helped these places make great strides in their transition from diffuse sub-urban to walkable urban development. However, in each of these cases, a diffuse, auto-oriented street layout result in lower Walk Scores ranging from 57.0 to 69.3, which is below the 70.5 threshold for Walkups based upon the Brookings research.

There are also 10 Potential WalkUps. These places require significant development that leverages enhanced pedestrian activity. In Hapeville, there is a 130-acre mixed-use development planned on the former Ford assembly plant that will include Porsche’s new North American headquarters. Similarly, there are plans for a mixed-use town center on the site of the now-shuttered GM facility in Doraville. Future opportunity sites may include the regional malls that are present in four of these Emerging WalkUps, and other major development that leverages enhanced pedestrian activity. In Hapeville, there is a 130-acre mixed-use development planned on the former Ford assembly plant that will include Porsche’s new North American headquarters. Similarly, there are plans for a mixed-use town center on the site of the now-shuttered GM facility in Doraville. Future opportunity sites may include the regional malls that are present in four of these Emerging WalkUps, and other major development that leverages enhanced pedestrian activity.

There is a strong management entity (e.g. East Windward). A long-term vision and early development of a walkable urban form but requires more scale (e.g. Serenbe). A strong place management entity (e.g. East Windward). A long-term vision and early development of a walkable urban form but requires more scale (e.g. Serenbe).

EMERGING WALKUPS

Each of the places identified as Emerging WalkUps lie outside of the city limits of Atlanta, with six located either largely or entirely outside of the Perimeter. However, four of the Emerging WalkUps are currently served by MARTA rail and six are managed by Community Improvement Districts, with plans for an seventh CID (in Brookhaven) under consideration. As such, these places have better regional access and more tools for achieving walkable urbanism than many diffuse sub-urban areas.

On average, these places have a much larger retail component than any of the Established WalkUP place types, with 31 percent of square footage in that use. This is largely due to the presence of major regional malls in North Point, Gwinnett Place, and Town Center. Office space occupies an average of 21 percent of the total square footage, while residential uses constitute an average of 23 percent of square footage, the smallest share outside of downtown Atlanta. A greater provision of residential real estate would help to encourage the development of more resident-serving retail, services, and businesses, which will be an essential step toward the advancement of walkable urbanism in these WalkUps.

While on average, real estate in Emerging WalkUps rent for $15.99 per square foot, (compared to $18.45 for Established WalkUps); these places span the full range of economic performance in the region. At the high end, North Point would qualify as a Platinum WalkUp if it were able to achieve the necessary walkability benchmarks; at the low end, Hapeville and Gwinnett Place would be ranked in the Copper tier.

On the social equity axis, however, Emerging WalkUps perform almost uniformly poorly: as of the nine would be ranked as Copper and the other three as Silver, with none ranking either of the upper two tiers. Most of these areas were relatively diverse in terms of race and income (with a notable exception being Brookhaven, which is very skewed toward higher income households due to the presence of Brookhaven Club). However, none of these areas have more than six percent of their units in the form of subsidized housing and seven of the nine have no such units at all. In the peripheral locations of most of these areas hurt their performance in transit- and auto-accessibility.

While Emerging WalkUps have not yet met the walkability criteria, active Community Improvement Districts (CIDs) have many of these places make great strides. For instance, Perimeter CID has invested millions of dollars in sidewalk improvement, while North Fulton CID has plans to replace the Encore Parkway Bridge and add pedestrian/bicycle facilities to that roadway in North Point. While these infrastructure enhancements are critical to improving walkability and will lay the groundwork for more walkable urban development, the advancement of supportive land use policies and assistance with recruiting and implementing high-quality development is another function these CIDs are playing in aiding the transformation of these places. Currently, CIDs manage the emerging WalkUps of Gwinnett, North Point, Town Center, and all three sub-areas of Perimeter.

In addition to these current investments, there are plans and major opportunities related to each of these areas, which may help them become more walkable in the long term. There are unfunded plans to extend MARTA rail to Hapeville and to implement other high-capacity transit lines to North Point, Perimeter Center and Gwinnett, which will improve their regional accessibility and help support development that leverages enhanced pedestrian activity. In Hapeville, there is a 130-acre mixed-use development planned on the former Ford assembly plant that will include Porsche’s new North American headquarters. Similarly, there are plans for a mixed-use town center on the site of the now-shuttered GM facility in Doraville. Future opportunity sites may include the regional malls that are present in four of these Emerging WalkUps, or other communities throughout the country, regional malls has been the focus of catalytic walkable urban redevelopment.

POTENTIAL WALKUPS

Potential WalkUps are places in the region that currently have significant under-utilized land, have a sparse, auto-oriented street grid, lack supportive retail, services, or community amenities; or simply lack the critical mass to achieve walkability. However, each possesses some combination of assets that present strong opportunities to attract walkable urban development to become Emerging, and then Established, WalkUps in the future.

East Windward, West Windward, Encore Park, and Cumberland Powers Ferry areas places that were originally developed as highway-oriented, low-den- sity, diffuse sub-urban districts. However, each of these places is managed by Community Improve- ment Districts that are committed to the transforma- tion of these areas to more walkable urban places. North Fulton CID (which includes Encore Park and the two Windwards) North Fulton CID has made major investments into improvements in mobility and pedestrian infrastructure and has played an impor- tant role in supporting updated land use policies at the municipal level.

This advocacy has borne fruit, as the City of Milton adopted a transfer of development rights ordinance and form-based code for its portion of West Wind- ward. In addition, development is underway for a new walkable community near Encore Park, which will include 350 units of housing, 750,000 square feet of office space, more than 600,000 square feet of retail, two hotels, and a new campus for Gwin- nett Technical College. Cumberland-Powers Ferry, managed by Cumberland CID, has also been the
focus of major planning efforts and there are plans to construct a BRT line with a station located in this area.

Three of the Potential WalkUPs are composed of major, publicly owned opportunity sites, two of which are adjacent to existing MARTA rail stations. Fort McPherson was closed as an Army base in 2011, and plans have been crafted by the McPherson Planning Local Redevelopment Authority to redevelop the area into a mixed-use, transit-oriented community. The first phase of this development is intended to include 3.5 million square feet of lab and office space and 1,747 units of residential development; subsequent phases may include a high-density retail district, a historic district, open space, and an additional 4,000 units of housing. An experienced walkable urban development team has been selected, including Atlanta-based Cousins Properties and Forest City Enterprises, one of the largest walkable urban developers in the country. Kensington Station has a large vacant parking lot and older residential properties. The DeKalb County government owns a large amount of land nearby and is looking to redevelop that area into a walkable urban community, consisting of as much as 2,000 housing units, 150,000 square feet of retail, and 310,000 square feet of office. Finally, a 55-acre surplus of parking lots at Turner Field, adjacent to the redeveloped local-serving Grant Park, represents a significant in-fill development opportunity for which the City of Atlanta has been evaluating development options.

Located in the southern portion of the region near the regional employment center at Hartsfield-Jackson Airport, College Park and Morrow-Southlake are also looking to redevelop as more walkable urban areas. College Park, with its existing MARTA rail station and plan to develop over 500 new housing units and 350,000 square feet of new commercial space, may be better positioned to become a WalkUP in the near term. The lead developer is Jacoby Group, the original developer of Atlantic Station. There are plans to build a commuter rail station at Morrow-Southlake. The Southlake Mall represents an opportunity for catalytic redevelopment, if that plan is implemented.

Serenbe is an innovative Greenfield WalkUP development located at the southern edge of Fulton County. With its focus on walkability, diverse architecture, access to nature, and premier restaurants, it has already become a regional destination for local tourism. While it lacks the critical mass to be an Established WalkUP, plans to attract more employment uses and to develop nearby communities in a similar mold might allow Serenbe to become a regional model for walkable urbanism.

Finally, the potential developments on the BeltLine may prove to be the catalyst for many as yet defined WalkUPs. Acting as a rail transit perimeter, similar to the highway perimeter, the BeltLine is probably the most important rail transit project in the country. The number of WalkUPs resulting from this investment has not been defined but could be between two and four.
The metropolitan landscape in Atlanta has never before been systematically categorized by walkable urban versus drivable sub-urban. There is much to learn. Even this first glimpse reveals startling differences in economic and social equity performance between the two forms of development.

**Conclusions & Recommendations**

The WalkUp Investment Criteria

Investors and developers looking for new opportunities should understand these place characteristics before investing, matching their risk tolerance and the implicit market risk implied in these rankings, such as:

- **Investing in a Copper WalkUp** means that a long-term time frame is required to maximize returns, though entry prices are relatively modest. Place strategy and management for a Copper WalkUp is particularly important to ensure economic performance.
- **Silver WalkUps** are prime for growth in the existing real estate cycle and there is opportunity for improvement to a Gold ranking, increasing returns substantially.
- **Investing in Gold or Platinum WalkUps** is much less risky, but the high price of entry reflects this. The upside of Platinum investments might be relatively less but more stable and, thus, attractive to institutional investors (insurance companies, pension funds, REITs, etc.).

**Economic Conclusions**

Increases in Average Key Metrics

As the average metro Atlanta WalkUp’s economic level moves from Copper to Silver, Silver to Gold, and Gold to Platinum, there are substantial increases in performance:

- **Office Rent:** $7.51/square foot annually
- **Rental Apartment Rent:** $3.15/square foot annually
- **Retail Rent:** $3.15/square foot annually
- **For-Sale Housing Price:** $1.91/square foot annually
- **+$42.06/square foot**

**Industry Profile**

The share of jobs concentrated in knowledge industries (NAICS codes 51-55) is a positive indicator of economic performance. Statistical analysis shows that there are two factors that explain 70 percent of the increased economic performance in the 24 Atlanta WalkUps:

1. **WalkUp Place managers and investors/developers would improve their economic returns by increasing the density of jobs in knowledge industries as well as the education levels of the workforce.**

2. **Increases in Average Key Metrics**

   - **Further education levels of the work force.**
   - **70 percent of the increase in rents.**
   - **The share of jobs concentrated in knowledge industries as well as the education levels of the work force.**
   - **The public policy response to these market trends should be to encourage the economic and tax-base growth, and increased quality of life resulting from WalkUp development.**

The 27 WalkUps yield a 112 percent rent premiums on a price per square foot basis over the rest of the metropolitan area for all four product types studied: 38 percent for office, 147 percent for retail, 12 percent for rental residential, and 161 percent for for-sale residential. However, we did not find walkability, on its own, to be a significant predictor of variations in economic performance among the 27 WalkUps.

In the DC study, the walkability of a WalkUp was by far the strongest determinant of economic performance. According to a Brookings Institution survey in 2007 (which will be updated in late 2013), metro D.C. is the location of the most walkable urban places in the largest 30 metro areas in the country and metro Atlanta was 14th. Thus, this finding may reflect that metropolitan Atlanta is at the beginning of its transformation of providing walkable urban development as a viable alternative and compliment to the dominant drivable sub-urban form so prevalent here. Rome was not built in a day. Just two percent of the built environment is delivered to a metropolitan area in a good year so the introduction of a new development form, such as walkable urbanism, will take decades to make itself evident. This long-term development of walkable urban places, both regionally significant and local-sourcing, will put an economic foundation under the metropolitan economies for a generation or more, just as the building of double sub-urban districts and neighborhoods did during the late 20th century when Atlanta was referred to as “the metropolis.”

We did find that both of the two most significant indicators of economic performance were related to the presence of knowledge-based workers. Given that our D.C. WalkUp Wake-Up Call report found that education and the knowledge economy are the primary drivers of the growth of walkable urban places, emphasis on the building of walkable urban places may prove to be the most effective economic development strategy a CID, city, and the region could pursue. There have also been many studies showing the prosperity of knowledge industries and the “creative class” to demand walkable urban places, which in turn promotes new ideas, business contacts and a lifestyle demanded by these workers.

WalkUp place managers and investors/developers would improve their economic performance by increasing the density of jobs in knowledge industries as well as the education levels of the workforce. The challenge is that while metropolitan Atlanta has a higher than the national average percentage of the work force that is college educated (35 percent in the Atlanta region, compared to 28 percent for the U.S.), many of the region’s competitors rank higher. In metro Denver, Portland, Seattle, Boston, and San Francisco, the places ranked two through six in the 2007 walkability survey, an average of 59 percent of workers over the age of 25 are college educated. In the most walkable region, metropolitan Washington, 48 percent of the workforce over age 25 is college educated. The development of more walkable urban places will probably be one catalyst that will attract a more highly educated workforce, hence higher economic performance.
The WalkUp Wake-Up Call: Atlanta

In the built environment, it is well known that transportation infrastructure the society selects dictates the form humankind have been building cities, the transportation system the society selects dictates the form of the built environment. Atlanta knows this far better than other metropolitan areas in the U.S. since it has no logical reason to be where it is. The early names of the city was Terminus shows the rail, highways, and eventually, airports. That one of the Atlanta region was far-sighted reasons Atlanta exists is that its far-sighted development and management of Established, Emerging, and Potential WalkUPs. If you cannot perform well on both measures, Midtown is the sole WalkUP to score Platinum on economic performance while still performing well on social equity. Peachtree Center ranked as Platinum on social equity, but also scored well in economic performance. In addition, Downtown Decatur achieved Gold status on both rankings. These are all older WalkUPs that have seen significant new development in recent years, but have retained many of their smaller and older buildings, ranging from modest to the very highest rents or sales prices. This could just be part of the evolution from a mix of rents from high to low today to completely gentrified tomorrow, though the significant provision of subsidized housing units in Downtown Decatur and Peachtree suggests that those areas will be able to maintain affordability in the long term.

Investing in rail transit in the early 21st century is as important as building the freeways in the 1960s and 1970s for the economic growth of the Atlanta region. The City of Atlanta has made important steps in this direction with the construction of the Atlanta Streetcar and the development of the Atlanta BeltLine. One obvious conclusion is that increased economic performance is associated with lower social equity outcomes.

One obvious conclusion is that increased economic performance is associated with lower social equity outcomes. Buckhead and Perimeter at The Center epitomize this with Platinum economic rankings and Copper social rankings. On the other hand, many WalkUPs with high social equity have lower economic performance. GSU-Government Center achieved Platinum in social equity and Copper in the economic rankings. However, there are exceptions to this phenomenon, and there are lessons to learn from WalkUPs that perform well on both measures. Midtown is the sole WalkUP to score Platinum on economic performance while still performing well in social equity. Peachtree Center ranked as Platinum on social equity, but also scored well in economic performance. In addition, Downtown Decatur achieved Gold status on both rankings. These are all older WalkUPs that have seen significant new development in recent years, but have retained many of their smaller and older buildings, ranging from modest to the very highest rents or sales prices. This could just be part of the evolution from a mix of rents from high to low today to completely gentrified tomorrow, though the significant provision of subsidized housing units in Downtown Decatur and Peachtree suggests that those areas will be able to maintain affordability in the long term.

Social equity outcomes since there is no agreed upon measure of social equity, the development of this social equity performance metric will hopefully allow for a more equitable development and management of Established, Emerging, and Potential WalkUPs. If you cannot measure, you cannot manage.

What is needed is a conscious strategy for each WalkUP to create and maintain affordable and workforce housing, as well as to increase accessibility. Having social equity measures will provide place managers and their jurisdictions with goals to which they can aspire. Implementation of social equity goals should be the responsibility of the place management organization and part of its charter from the local jurisdiction. An excellent example of a deliberate strategy to ensure social equity is the establishment of the Atlanta BeltLine affordable housing trust fund and its accompanying policies.

The ultimate solution to affordable housing is to build more walkable urban product. There are two reasons why walkable urban housing costs more than the driveable suburban product. The first is the higher quality of construction required for walkable urban product (better foundations, serious architecture, buildings right up to the sidewalk, etc.) Most people compensate for this additional cost by occupying a smaller amount of space, thinking that the amount of urban amenities outside the home will compensate for the smaller space. The second and more important reason for higher costs for walkable urban places is land values. Our work in metro D.C. found, for instance, that in platinum level WalkUPs, our land cost as a percentage of the house was at least 50 percent. In most driveable suburban housing, however, this cost is less than 20 percent. The shortage of walkable urban residential land, especially for townhouses and small lot, is the biggest driver for the shortage of land prices. This makes no sense in the United States, where there is no shortage of land. What we do not have is enough walkable urban land.

Public policy that creates more in-fill residential land (brownfield, reowned, assembling small parcels, knocking down obsolete uses, etc.) is the most significant way to address social equity concerns. NIMBYs (Not In My Back Yard) opposition to high density development is equally responsible for the land shortage. An education campaign must be undertaken to turn the opposition into YIMBYs (Yes In My Back Yard). Recent research is now demonstrating that single-family neighborhood adjacent to successful WalkUPs are achieving for-sale price per square foot premiums of between 40 and 100 percent. This is because these households are living in suburban splendor, yet can enjoy urban excitement (restaurants, retail, transit, and maybe work) within walking distance, which increases their quality of life. However, single-family homeowners, say surrounding Emory University, do not understand the potential quality of life and home value premiums at this point in time.

One of the proven ways of overcoming NIMBY opposition is by having multiple examples in the region of great walkable urban places. People working and living in driveable suburban districts and neighborhood will stop using the walkable WalkUPs for an evening out on the town, strolling a crowded street after dinner or a show. Eventually they will ask, “Why can’t my jurisdiction have a place like that?”

Given a growing understanding of how economical success can be, we may be able to take advantage of this rising tide of economic activity for social equity performance. Harnessing a portion of the profits and tax base increases from gentrification to address social equity (a form of “value capture”), could be a strategy to fund affordable housing or pay for the needed rail transit infrastructure.

Most importantly, we should recognize that economic success in walkable urban development does not preclude achieving social equity. On the following page we have summarized the performance ranking of the 27 WalkUPs on both economic and social equity in a scatterplot. That Midtown has achieved Platinum on the economic ranking and Gold on social equity, that Peachtree Center ranks on Platinum on social equity and gold in economic performance, while Downtown Decatur has achieved Gold ranking on both demonstrates it can be done. Now that we have the metrics to measure performance—something not available before—the WalkUPs in Atlanta can manage for success in both areas. However, conscious management toward increasing social equity is required for improvements to be made. It is natural to strive for increased economic performance. It takes the intention to balance economic and social equity performance to move to the upper right hand corner of our scatterplot.

Transportation infrastructure

In the built environment, it is well known that transportation infrastructure the society selects dictates the form humankind have been building cities, the transportation system the society selects dictates the form of the built environment. Atlanta knows this far better than other metropolitan areas in the U.S. since it has no logical reason to be where it is. The early names of the city was Terminus shows the rail, highways, and eventually, airports. That one of the Atlanta region was far-sighted reasons Atlanta exists is that its far-sighted economic history.

The WalkUp Wake-Up Call: Atlanta

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INFRASTRUCTURE
Further Study

No research report would be complete without the obligatory “more research needs to be done.” This is particularly the case with WalkUPs research.

There are a number of areas that require expanded research:

- This research focused on regionally significant WalkUPs. Local-serving WalkUPs, walkable urban bedroom communities, need to be quantified and better understood.
- This research is a snapshot in time (early 2013), but longitudinal research will help understand what actions are needed to improve economic and social equity performance over time.
- This is the second installment of what will hopefully be many more studies of walkable urban places in the U.S. and other countries. Comparisons to other metropolitan areas will provide insights into how this market trend is unfolding.
- The lack of knowledge of owner-user space is a major handicap in understanding where a WalkUP level. We used the rent per square foot, as a proxy for economic activity, but this is not as robust as a GDP calculation. The economic measures should include development of a regionally significant nature happening outside the Favored Quarter, a very positive social and development trend.
- The economic measures should include development of a GDP measure for a WalkUP. GDP measures have come down as far as metropolitan areas. It is time to push this “gold standard” of economic performance measurement to the WalkUP level. We used the per square foot, or the equivalent for for-sale housing values, as a proxy for economic activity, but this is not as robust as a GDP calculation.
- In this analysis we looked how the share of residents that walked or took transit to work affects the economic performance of an area and found the two variables were weakly correlated. However, did not consider the influence of mode split by the workers or customers in an area. In this analysis we looked how the share of residents that walked or took transit to work affects the economic performance of an area and found the two variables were weakly correlated. However, did not consider the influence of mode split by the workers or customers in an area.
- Social equity measures need to be further refined. There are clear and agreed-upon definitions of affordable and workforce housing, but there is no agreed-upon measure of social equity. The only thing we can guarantee about the measure we have developed in this study is that it will be challenged and will be modified with more input and experience.
- The fiscal results returning from government investment in infrastructure and operating programs should be continuously measured and analyzed. The measurement of additional government revenues resulting from new investments should be calculated continuously, just as the private sector does.
- Since most of the economic returns from public sector investments tend to accrue to the private sector, we need to understand more about the potential of “value capture.” These private sector, TIF-like, arrangements can help pay for infrastructure and social programs.
- Infrastructure costs per supportable square footage for sub-urban districts versus walkable urban places is not understood. Preliminary research shows that drivable sub-urban infrastructure, since it is so spread out, cost many times what walkable urban infrastructure costs, even when rail transit is included in the equation.
IX. Appendices

Endnotes

1. Metro Atlanta has been defined as the “urban-county Atlanta area,” including Cherokee, Clayton, Cobb, DeKalb, Douglas, Fayette, Fulton, Gwinnett, Henry and Rockdale counties, as well as the City of Atlanta that comprises the Atlanta Regional Commission.

2. FAR is a common measure of density. It involves a simple ratio of improved building square footage divided into the amount of land that it sits on in square feet. If 10,000 square feet of building (not counting parking lots) sits on 100,000 square feet of land, it has an FAR of 0.10. If 100,000 square feet of land sits on 100,000 square feet of land, it has an FAR of 1.0, and so on. Gross FAR, used here, is slightly different as it includes not only parcels of developable land, but also infrastructure such as streets and parks in the denominator. Therefore, the gross FAR of a place will be inherently lower than an FAR that only includes building parcels.

3. In the 1990s real estate cycle, we included only Arts Center, Buckhead, Buckhead Triangle, Buckhead Village, Centennial Olympic Park, Emory, OSU Government Center, Midtown, Peachtree Center, SoNo, and Sweet Auburn among Established WalkUPs as the other places had not yet developed as walkable urban. The latter two real estate cycles used the same designations as listed elsewhere in this report.


6. One of the first uses of this phrase in relation to Atlanta was in the CNN documentary in 2000, “Democracy in America” http://www.greatdebates. org/program/greatdebates/videos/6065/DEMOCRACY_IN_AMERICA_Debates_Where_ We’re_Coming_2000.html which has over one million entries in a recent Google search of “Atlanta, the poster child of sprawl.”

7. The built environment represents the largest asset class in the economy. Its economic power has been repeatedly demonstrated both by real estate booms that helped propel the nation’s economy and by real estate busts that caused two of the past three recessions. The built environment comprises two broad types of real estate products, income property and for-sale housing, as well as the infrastructure that supports real estate. That infrastructure encompasses transportation, water and sewer, public safety, electricity and broadband, among other categories.

8. These two terms employ the logic that “trans- portation drives development,” a principle that has been at work through the 6,000 years of city/metropolitan building. The construction of these descriptive terms starts with the transportation system (drivable and walkable) and continues with the form that results (sub-urban and urban). There is a third form of the built environment, drivable urban, pioneered in theory by the Swiss architect, Le Corbusier. Best known of its dozen or so cities is La Defense in Paris, which was infamously adopted for much of the 20th century public housing and has been judged to be a massive failure, as the demolition of these “vertical slums” demonstrates. Chicago’s rapid urbanization is predicated on this form of development and the jury is out on whether this will result in a similar tragedy or not.

9. “Alternative” transportation is a federal term used in many transportation bills referring to every form of transportation, except highways. This ghettoizes the many forms of transportation that have been employed to build civilization for thousands of years.


13. The long-time lack of a national data source for owner-occupied real estate is a major gap in the research. The real estate data sources used in this research have only come into existence over the past 15 years, some just in the last five years. Efforts continue to add owner-user space to the database.

14. The data sources for real estate products in that report included CoStar (office, retail, sports/ convention, health care, institutional, industrial and flex), RESI was used for rental apartments, Co-Star was used for office, retail, sports/convention, health care, institutional, industrial and flex), REIS (rental apartment), Zillow (for-sale housing) and hotel (Smith Travel). In this re- port, CoStar was used for office, retail, sports/convention, health care, industrial, hospitality, and flex; RESI was used for rental apartments, and county tax records were used for for-sale housing.
The WalkUp Wake-Up Call: Atlanta
by Dr. Lisa A. Sturtevant, assistant research professor of Real Estate and Urban Economics, George Mason University. August 1, 2012.

In the 1990s cycle, we included only Atlanta University Center, Atlanta State, Cumberland, Downtown Decatur, Downtown Marietta, Downtown Roswell, Georgia Tech, Inman Park, Lindbergh, and Perimeter at The Center, Ponce, Sandy Springs, Sixteenth Street, Upper Westside, and the West End as Emerging WalkUPs. Again, the latter two real estate cycles used the same designations as listed elsewhere in this report.

The Bay Area Rapid Transit system in California was also constructed during this period, but was primarily locally funded.

Here “core of the region” is defined as the area under the administration of the relevant regional planning agency.


A rent-equivalent of for-sale values was calculated by estimating the monthly payments on a mortgage (including principal, interest, taxes, and insurance) for a home of that value. Those mortgages were calculated assuming zero percent down payment, since the value associated with building equity and the opportunity cost of that capital investment are not included in the rents for any other product type. Other assumptions included 30-year, fixed-rate mortgage at 4.39 percent interest (the average rate available at the time of this research). In addition, home-owners insurance was estimated at $0.30 per square foot annually, mortgage insurance was estimated at 1.35 percent, and property taxes were calculated based on the millage rates for the relevant municipality.

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26. While our data shows low apartment rental rates within the WalkUP boundaries, an RCLCO Market Analysis conducted for the Cumberland CID shows that, within a larger geography, apartment rents compare favorably to the rest of Cobb County and the region as a whole, especially among Class A Apartments. This suggests that there may be apartments with higher rents just outside our WalkUP boundaries.


28. Both diversity indices were calculated using the Shannon diversity index.

29. Data was collected from The National Housing Preservation Database, created by the Public and Affordable Housing Research Corporation and the National Low Income Housing Coalition, http://www.aindex.cnt.org/.

30. Travel time data for both transit and automobiles was provided by the Atlanta Regional Commission.

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