**Bus Rapid Transit and Office Rents**

Do office, retail and apartment market asking rents include a transit premium? If so, do they vary by type of transit mode?

**RESULTS**

### Table 1: Office Rent Results for Downtown Cleveland, Ohio

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coef (t-value)</th>
<th>Cov (R^2 adj.)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>0.000</td>
<td>0.000</td>
<td>20</td>
</tr>
<tr>
<td>BRT &lt;= 0.5</td>
<td>1.571</td>
<td>0.008</td>
<td>20</td>
</tr>
<tr>
<td>Acers</td>
<td>-4.819</td>
<td>-0.047</td>
<td>20</td>
</tr>
</tbody>
</table>

Findings:
- Class B office space commands higher rent than Class A as does the number of floors in an office building and whether it has been renovated among other factors.
- Being within one-half mile of the Cleveland HealthLine BRT corridor increases rent by $1.57 per square foot, ceteris paribus.

### Table 2: Office Rent Results for Eugene, Oregon

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coef (t-value)</th>
<th>Cov (R^2 adj.)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>0.000</td>
<td>0.000</td>
<td>20</td>
</tr>
<tr>
<td>BRT &lt;= 0.5</td>
<td>1.571</td>
<td>0.008</td>
<td>20</td>
</tr>
</tbody>
</table>

Findings:
- Class B office space commands higher rent than Class A as does the number of floors in an office building and whether it has been renovated among other factors.
- Being within one-half mile of the Eugene-Springfield BRT corridor increases rent by $1.57 per square foot, ceteris paribus.

### Table 3: Office Rent Results for Downtown Kansas City, Missouri

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coef (t-value)</th>
<th>Cov (R^2 adj.)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>0.000</td>
<td>0.000</td>
<td>20</td>
</tr>
<tr>
<td>BRT &lt;= 0.5</td>
<td>1.571</td>
<td>0.008</td>
<td>20</td>
</tr>
</tbody>
</table>

Findings:
- Class B office space commands higher rent than Class A as does the number of floors in an office building and whether it has been renovated among other factors.
- Being within one-half mile of the Downtown Kansas City BRT corridor increases rent by $1.57 per square foot, ceteris paribus.

### Table 4: Office Rent Results for Las Vegas, Nevada

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coef (t-value)</th>
<th>Cov (R^2 adj.)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>0.000</td>
<td>0.000</td>
<td>20</td>
</tr>
<tr>
<td>BRT &lt;= 0.5</td>
<td>1.571</td>
<td>0.008</td>
<td>20</td>
</tr>
</tbody>
</table>

Findings:
- Class B office space commands higher rent than Class A as does the number of floors in an office building and whether it has been renovated among other factors.
- Being within one-half mile of the Metropolitan Las Vegas BRT corridor increases rent by $1.57 per square foot, ceteris paribus.

### Table 5: Office Rent Results for Pittsburgh, Pennsylvania

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coef (t-value)</th>
<th>Cov (R^2 adj.)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>0.000</td>
<td>0.000</td>
<td>20</td>
</tr>
<tr>
<td>BRT &lt;= 0.5</td>
<td>1.571</td>
<td>0.008</td>
<td>20</td>
</tr>
</tbody>
</table>

Findings:
- Class B office space commands higher rent than Class A as does the number of floors in an office building and whether it has been renovated among other factors.
- Being within one-half mile of the Parkway West BRT corridor increases rent by $1.57 per square foot, ceteris paribus.

**Summary**

<table>
<thead>
<tr>
<th>System</th>
<th>Central County</th>
<th>Nearby Centers</th>
<th>Regional Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pittsburgh</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td>Las Vegas</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td>Downtown Kansas City</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Findings:
- The authors use the mean of the downtown focus (Cleveland, Eugene-Springfield, Kansas City) or regional focus (Las Vegas, Pittsburgh).
- In all cases, office rent is higher within one-half mile of BRT corridors, ceteris paribus.

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**RESEARCH PERSPECTIVE**

Bus rapid transit (BRT) systems may become a dominant form of fixed guide public transportation in the next few decades.

In theory, BRT systems should command a market rent premium. There is no research measuring whether the extent to which that premium is realized in the market.

**RESEARCH DESIGN**

Hedonic analysis of differences in rent with special reference to being within one-half mile of a BRT corridor

**STUDY AREAS**

- Cleveland
- Eugene-Springfield
- Kansas City
- Las Vegas
- Pittsburgh
- Portland Metro, TriMet, Lane County Transit, City of Provo, Utah, and Transportation for America (a subsidiary of Smart Growth America). The author acknowledges the support for this article came from the National Institute of Transportation and Communities with numerous co-sponsors including Utah Transit Authority.

**MODEL**

\[ R = E(B, SM, BRT) \]

\( R \) is the asking rent per square foot for property. A log-linear model is used allowing the coefficients of the independent variables to be interpreted as the dollar change in asking rent per square foot with respect to a one-unit change in the independent variable. Variables are:

- Class A and Class B
- Number of Floors
- Year Built
- Renovated
- Vacancy Rate
- Acres

**Support for this article came from the National Institute of Transportation and Communities with numerous co-sponsors including Utah Transit Authority.**

**Acknowledgement and Disclaimer**

• STUDY AREAS

  within one-half mile of a BRT corridor

  Acres

  Vacancy Rate

  Renovated

  Year Built

  Class A and Class B

  Number of Floors

  West Pittsburgh

  East Pittsburgh

  South Pittsburgh

  North Pittsburgh

  South LV

  Central East

  Central West

  Northwest

  West LV

  Outlying NE

  Downtown LV

  Metropolitan LV

  nearby stations (around the downtown focus)