The KWC Transportation Effect

The Impact of Transportation Improvements on Housing Values in Kitchener, Waterloo, & Cambridge

REIN
REAL ESTATE
INVESTMENT NETWORK

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EXECUTIVE SUMMARY

- KWC transportation improvements will deliver a 10%–20% enhancement of real estate values in the regions most affected. In the future, these areas will outperform the rest. If the market goes up everywhere, these areas will increase by about 10%–20% more and if the market's values drop, these areas will drop by 10%–20% less.

- In studies of the effect of transportation improvements on real estate in other jurisdictions around the world, it was found that real estate value increases occur for properties located within 500-800 metres of stations on the new transportation lines. This will include property around the new rapid transit stations in the KWC region, once finalized, and GO Train stations on the Kitchener Line.

- Real estate prices in key neighbourhoods will increase more quickly than other regions due to the improved transportation linkages provided. Improved accessibility drives real estate demand. As with rapid transit, accessibility to major highway and highway improvements proved to be a major determinant for increased property values in all studies. Studies show that, as highway networks are created and existing corridors to the CBD are improved, the value of real estate in the area increases. Positive effects on real estate values will be felt from the widening and expansion of the Conestoga Parkway.

- Values in older and more established neighbourhoods are impacted more significantly than in newer developments.

Investors should only focus on regions where they know the projects are moving ahead or are already completed. With that in mind, the key areas in these regions that will be positively affected are:

First Tier: Construction of a transportation improvement is already underway in these areas that will positively impact real estate values. These include: Country Hills, Grand River South, Hibner Park, George Lippert Park, Duke Park, Uniroyal Goodrich Park, Forest Heights, Forest Hill, Laurentian Hills, Meinzinger Park, Alpine and Alpine Village, Southdale, Vanier, and Rockway.

Second Tier: Areas which are within 800 meters of a proposed LRT Train station. These areas will move up to second tier once the actual construction begins: Lincoln, Conestoga, Colonial Acres, Lakeshore North, Waterloo North, the University District, west Columbia, Veteran's Green, Village 1 Green, Kitchener Central, Waterloo Park, downtown Waterloo, Westount, Mary Allen Park, Argyle Park, Waterloo South, Cherry Park, Gildner Green, Victoria Park, Hibner Park, Duke Park, Civic Centre Park, Market Green, Sandhills Parkwill, Cedar Hill, King East, Mill Courtland, Woodside Park, Wallenberg Park, Knollwood Park, Rockway, Southdale, Country Hills, Vanier, Alpine, and Hidden Valley.

Third Tier: These regions will feel the ripple effect outward from the main impact areas; these include the Townships of Woolwhich, Wellesley, Wilmot, and North Dumfries.

There may be some negative effects on properties located in the immediate vicinity of certain stations such as nuisance, property crime, noise, loitering, vandalism, and increased traffic.

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REIN™'s primary purpose is to provide expert assistance to its members and other Canadians to assist them in making sound decisions about purchasing principal residences and investment/recreational real estate. This Transportation Report is one such educational report, as are Don R. Campbell's best-selling books *Real Estate Investing in Canada (Version 2.0), 97 Tips for Canadian Real Estate Investors 2.0, 51 Success Stories for Canadian Real Estate Investors, 81 Financial and Tax Tips for the Canadian Real Estate Investor: Expert Money-Saving Advice on Accounting and Tax Planning, The Canadian Real Estate Cycle and Buying U.S. Real Estate: The Proven and Reliable Guide for Canadians, Real Estate Joint Ventures,* and *The Little Book of Real Estate Investing in Canada.* One hundred per cent of all of Don Campbell's author royalties are donated directly to Habitat for Humanity Edmonton and to date has raised over $1 million for this worthy cause.

All research can be accessed at www.reincanada.com.

OVERVIEW OF THE TRANSPORTATION EFFECT

As populations continue to grow in areas across Canada, governments and private sectors attempt to meet the infrastructure needs of its residents by providing road improvements and an increase in mass transit options. With these transportation improvements comes much discussion around the environmental, economic and social impacts of these projects; however, the effects of these changes on real estate are overlooked. The Real Estate Investment Network (REIN) first recognized the need to examine the impact of transportation changes on housing values with the BC Transportation Minister's announcement of new bridges and additional rapid transit lines in the Greater Vancouver Regional District. From the discoveries made in the original version of that report, the Real Estate Investment Network has completed detailed research into current and proposed transportation improvements in Calgary, Edmonton, the Greater Toronto Area, the Kitchener-Waterloo-Cambridge region (KWC), Hamilton, and Ottawa.

Realizing the housing value impact for some communities over others, a study of the transportation effects in Edmonton Census Metropolitan Area (CMA) was first undertaken in 2010. With changes to KWC's transportation system underway, a new edition was needed to update dilligent real estate investors. This report focuses on answers to three very important questions that will have a direct financial impact on tens of thousands of Kitchener, Waterloo, and Cambridge residents. These questions are as follows:

1. **How will the proposed Rapid Transit Lines in the KWC region affect residential real estate?**

2. **How will the recently extension of the GO Train affect residential property values in the KWC area?**

3. **How will the improvements to other transportation networks affect residential property values in and the Kitchener Waterloo Cambridge area?**

For many KWC residents, a vast majority of their personal net worth is tied to the value of their homes, so the answers to these questions are very important planning tools. As with our previous reports and books, the goal of this research is not only to assist investors and homeowners in gaining knowledge about how a project may affect their personal net worth, but to cut through the emotions and debate that surround transportation projects and answer these key questions from an objective, research-oriented point of view.

This will enable readers to see clearly how the new and proposed transportation projects will affect their personal real estate portfolio today and in the future, allowing them to plan long in advance of the programs' completions.

Peer-Reviewed Studies on Transportation and Real Estate Values

Our analysis is a summary of detailed studies conducted on transportation changes implemented in other regions across North America and Europe. These peer-reviewed journal articles provide us with a snapshot of what we can expect in terms of the impact on real estate prices in KWC as projects are started and completed.

A synopsis of published works indicate that most studies showed commercial and residential property values generally rise the closer they are to light rail stations and major highway improvements. As accessibility increases, so do values. Other factors influence value such as: station design, quality of service, land market,

socio-economic status of the neighbourhood residents for example. Table 1 outlines a brief synopsis of some of the findings on the effects of light rail systems across the continent on property values.

Table 1 - Effects of Light Rail Systems on Property Values	
Light Rail System	Effect on Property Values
Dallas	
2003 Lyons & Hernandez	Value of properties rose 39% more than the control group not served by rail.
2002 Weinstein & Clower	Proximity to DART resulted in a 24.7% increase vs. 11.5% for non-DART properties for office buildings.
2002 Weinstein & Clower	Median values of residential properties increased 32.1% near DART compared to 19.5% in the control group areas.
1999 Weinstein & Clower	There was a 5% penalty over time for units nearer stations, less than 1/4 mile.
1999 Weinstein & Clower	The value of offices less than 1.4 miles from a station increased by 10% & retail property increased by 30%.
San Diego	
2002 Cevero & Duncan	A 72% premium resulted for parcels near stations in the Mission Valley.
2002 Cevero & Duncan	17% and 10% premiums resulted respectively for multi-family homes near East Line and South Line stations.
2001 Cevero & Duncan	The value of condos and apartments from 1/4-1/2 mile from a station increased 2-18%; the value of single family homes decreased 0-4%.
1995 Landis & Huang	There were no significant premiums for property 1/4-1/2 mile from stations.
1995 Landis et al.	The typical home sold for $272 more for every 330 ft. closer it was to a light rail station.
1994 Landis et al.	For every 1, 000 ft. closer to a station, prices increased $337 or 1%, but decreased 4% for units closer than 900 ft. to a station.
Santa Clara/San Jose	
2000/01 Cevero & Duncan	Properties less than 1/4 mile from a station experienced a 23% premium.
2001/2000 Weinberger	Rent for units within a 3/4 mile of a station increased 4-12%.
Los Angeles	
2002 Cevero & Duncan	Values rose 103.5% for apartments and homes 1/4-1/2 mile from a station, but decreased 6% for condos.
Portland (Eastside)	
1999 Dueker & Bianco	Median house values rose at increasing rates the closer to the station. The largest change, $2,300, was for homes up to 200 ft. from a station.
1998 Al-Mosaind et al.	A 10.6% premium for homes 500 meters from a station was observed.
1997 Lewis-Workman et al	Property values increased by $75 for every 100 ft. closer to the station (within 2,500 - 5,280 ft. radius).
1996 Knapp et al.	The value of parcels located 1/2 mile of the alignment rose the farther they were from the line; values rose the closer parcels are to stations.
1993 Al-Musaind et al.	The value of homes within 500 metres increased by 10.6% or $4,324.
Sacramento	
1994/95 Landis et al.	There was no discernible positive or negative impact to property values (not statistically significant). Single family homes rose 0.4% for every 1, 000 ft. closer to a station, and 6.2% if very near a station.
Santa Clara/San Jose	
1994 Landis	The price of single family homes increased by 0.1% for every 1, 000 ft. closer to a station, but decreased 10.8% if closer than 900 ft.
Toronto	
1983 Bajic	There was a $2,237 premium for the average home.
Vancouver	
1998 Ferguson	A $4.90 premium per foot associate with proximity to station was found.
London	
2007 Savills	A one-minute reduction to a commuter rail journey increased the average home value by £1,000.
Source: Huang, H. (1996). "Land Use Impacts of Urban Rail Transit Systems" in Journal of Planning Literature, vol. 11, iss. 17.	

BACKGROUND: KITCHENER, WATERLOO, CAMBRIDGE

The Regional Municipality of Waterloo is located in Southern Ontario and is comprised of the cities of Kitchener, Cambridge, and Waterloo, and the townships of Wellesley, Woolwich, Wilmot, and North Dumfries. The Regional Municipality of Waterloo straddles Highway 401, Canada's busiest transportation corridor. Only 100 kilometres west of Toronto and less than two hours from major Canada-U.S. border crossing at Detroit/Port Huron and Niagara, the region has witnessed strong population growth.

Figure 1. Map of the Regional Municipality of Waterloo
Source: Regional Municipality of Waterloo

According to the 2011 Federal Census, the population of the Waterloo Region was 507,096, an increase of 6.1.% from 478,121 in 2006. The Regional Municipality of Waterloo recently released its 2012 Year-End Population and Household Estimates bulletin, revealing that the population of the city has continued to grow over the last couple of years to 559,000 at the end of 2012[1]. The population increase represents a growth 10.2% from the last census - an addition of 51,904 residents.

Waterloo is one of the fastest growing regions in Ontario. By 2031, the Regional Municipality's population is expected to increase to 729,000[2], a growth of 30% from today. This expected population increase has raised concerns about urban sprawl and traffic congestion. A 2006 report showed that 88% of workers in Kitchener, Waterloo and Cambridge used a private vehicle to get to work, a minimal decrease from 2001, when 89% of workers commuted this way[3]. With the region's urban expansion comes the need for infrastructure and transportation improvements to provide connectivity to the region and its jobs.

The region's transportation network is already feeling the pressure of growing demand; congestion, traffic through neighbourhoods, and full buses have become a common occurance. Waterloo Region planners are

[1] Regional Municipality of Waterloo. (March 2013). 2012 year-end population and household estimates. Retrieved from http://www.regionofwaterloo.ca/en/doingBusiness/resources/2013-v2-2012_YEAR-END_POPULATION_AND_HOUSEHOLD_BULLETIN.pdf
[2] Regional Municipality of Waterloo. (2013). Doing business in the Waterloo Region. Retrieved from http://www.regionofwaterloo.ca/en/doingbusiness/doingbusiness.asp?hdnContent
3 Outhit, J. (Apr. 5, 2008). "Time, Cash Key to Better Transit Trends". *The Record.*

aware of the traffic congestion and three major projects are currently underway to help Southern Ontarians navigate the Waterloo Region: the extension of the Lakeshore West GO Line, improvements to Highway 8, and the construction of a Rapid Transit line through Kitchener and Waterloo.

The extension of the Lakeshore West GO line and the construction of a rapid transit line are designed to offer additional means of traversing the vast region, reducing commute times and helping ease inner-city congestion while reducing pollution from idling cars during rush hour. The Highway 8 improvements, once complete, will provide a much needed high capacity collector road system around the city with connections to major roadways. It is only a matter of years before Southern Ontarians will reap the full benefits of these projects.

DIRECT EFFECTS OF TRANSPORTATION IMPROVEMENTS ON REAL ESTATE VALUES

Distance is Now Measured in Minutes, Not Kilometres

Over the past seventeen years, our research has revealed that real estate values are driven both up and down by eight clear fundamentals, of which transportation change is one of the most dramatic catalysts[4]. The basic theory in real estate is that the more attractive the location, the higher the value of the home. As the demand for homes in that area expands, the result is higher housing values. This location theory is often misunderstood, as location is not just a subjective desire (e.g., to be close to the beach), but is actually a combination of all eight fundamentals, each of which contribute to desirability. The key fundamental we are studying in this report is **Transportation Accessibility.**

Accessibility Drives Real Estate Prices

Generally, one of the attributes coveted by home buyers is nearness to the Central Business District (CBD). As saturation occurs and homes are no longer affordable, people begin to find locations outside the vicinity. Access to good highway systems, mass transit and commuter rail is sought in order to afford easy access to the CBD. Accessibility is a critical determinant of residential land values, and the improved access between urban centres and residential neighbourhoods greatly improves the value of homes[5].

As fuel prices continue to rise across the globe, commute times, commute costs and accessibility to job centres become key determinants for potential home buyers and commercial enterprises. Residents now measure their commute distances in minutes, not kilometres, a process that leads to higher demand for properties that are located farther from their jobs in distance, yet closer in terms of commute time.

Walkability

Further proving that minutes are becoming more important than kilometres is the growing popularity of walk scores. Launched in 2007, www.walkscore.com calculates an address's walkability by bestowing points for amenities located within a one mile (or 1.6 kilometre) radius. Such amenities include schools, nearby stores, restaurants, and parks.

Realtors are increasingly using walk scores as part of their MLS listings for homes for sale or as part of the advertising for homes for rent. Using an algorithm, the walk score provides a quantitative alternative to the traditional feature often found in ads of properties for sale or rent of "close to amenities". A high walkability score is a big draw for potential buyers. Current market turbulence means people are looking to save money any way they can. The option of saving gas by using mass transit such as bus and LRT adds allure to a property. Advertising nearness to transit and amenities is a huge draw and smart marketers are taking this free walking measure and running with it. Research indicates that a "walk and rider" living close to transit saves over $1,200 per year[6]. The research further posits that the group reaping the largest benefits are renters;

4 Campbell, Don R. (2005) *Real Estate Investing in Canada* ISBN 0-470-83588-5 John Wiley & Sons Publishers: Toronto.

5 Smersh, G.T. & M.T. Smith. (2000). "Accessibility Changes and Urban House Price Appreciation: A Constrained Optimization Approach to Determining Distance Effects" in *Journal of Housing Economics, Vol. 9, No. 3*, pp. 187–196.

6 Baum-Snow, N. & M.E. Kahn. (2000). "The Effects of New Public Projects to expand Urban Rail Transit" in *Journal of Public Economics,* Vol. 77, pp. 241-263.

wherein, the prices of real estate in areas with improved transit have not increased proportionately to the cost savings of using transit over car commuting and hence the premium has historically not been reflected in higher rents for these areas. Renters in these areas can save money in commuting and generally do not pay that difference in rent.

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As demonstrated throughout this report, this focus on time and accessibility has been confirmed in other studies conducted in major urban regions, whether the access improvements have been new rail transit or new highway expansion.

[7] Baum-Snow, N. & M.E. Kahn. (2000). “The Effects of New Public Projects to expand Urban Rail Transit” in *Journal of Public Economics,* Vol. 77, pp. 241-263.

LIGHT RAIL TRANSIT EXPANSION IMPACT ON RESIDENTIAL PROPERTY VALUES

The benefits of light transit expansions go beyond the expected decreased commute times and a reduction in carbon emissions. In studies conducted across North America, the values of homes in neighbourhoods close to mass transit had premiums ranging between 3% and 40%, depending on the different types of housing and socioeconomic positions of the real estate owners[8].

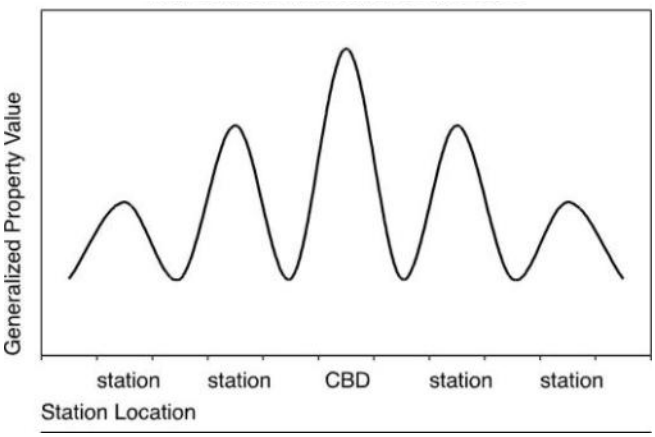

Figure 2. Peaks and Valleys of Property Values at Rail Stations in relation to the CBD

Studies show that there appears to be a higher positive impact on property values located near commuter railway stations over light and heavy railway[9]. The positive effects of proximity to rail transit, however, were limited to homes located within a one-half mile radius of stations. Even announcements of improvements that will shorten and ease commutes have resulted, historically, in high-valued housing developments — in comparison to new developments located a distance from these opportunities. Additionally, development sites near rail stations have tended to draw a higher density of development, resulting in a higher value or rent for these homes.

Areas in which the average income of the residents was at or below the median incomes of the whole region received the largest percentage increase in property values. As the average income of an area increased above the median, rail links did not have as much effect. This is due generally to increased reliance on transit as a means of primary transportation for people with incomes at or below the median.

As detailed in Figure 1[10], the property values nearest to the stations had a dramatic increase in their average value. This effect was maximized in a zone of 500 metres surrounding each station. One study on the impact of the Los Angeles Metro Rail system revealed that properties located within one-quarter mile of a rail station enjoyed a value premium of $31 per square foot[11].

Proximity to Rail Transit and Housing Values and Rents

In areas in which the average incomes were at or below the median, the closer a dwelling was located to transit, the higher its resale value and rent. In San Francisco, for example, one-bedroom apartment units located within one-quarter mile of a suburban Bay Area Rapid Transit System (BART) rented for 10% more per square foot than other one-bedroom units in similar neighbourhoods[12]. The demand for two-bedroom units was

8 Diaz, R. (n.d.) *Impacts of Rail Transit on Property Values*. www.apta.com/research/info/briefings/documents/diaz.pdf.
9 Debrezion, G., E. Pels, & P. Rietveld. (2003). *The Impact of Railway Stations on Residential and Commercial Property Value.* Tinbergen Institute Discussion Paper.
10 Ibid.
11 Fejarang, R. A. (1994). *Impact on Property Values: A Study of the Los Angeles Metro Rail,* Transportation Research Board, 13th Annual Meeting, Washington, D.C.
12 Cervero, R. (1996). "Transit-Based Housing in the San Francisco Bay Area: market Profiles and Rent Premiums", in *Transportation Quarterly*, *Vol. 50, No. 3, pp. 33-47*.

even stronger, and they were renting for a 16% premium over similar two-bedrooms not directly associated with the BART station.

Overall, studies have found that rent decreased by approximately 2.5% for every one-tenth of a mile distance from the station[13].

A study examining the long-term effects of the BART system on housing prices over a twenty-year period indicated that homes closer to the system were valued 38% higher than similar homes not located near any BART services[14]. In Alameda County, house prices rose by $2.29 for every metre a house was located closer to a rapid transit station.

New Jersey experienced similar positive effects. The median prices for homes located in census tracts immediately served by the rail line were 10% higher than those in other census tracts[15]. Similar effects were seen in Portland, where homes within 500 metres of light rail sold for 10.6% more than houses located 500 metres or more away.

A study conducted by the University of Buffalo's Architecture and Planning department found that proximity to a rail station in the Buffalo region was the fourth property characteristic that potential buyers considered in their housing purchases. Property value was assessed at premium in neighbourhoods close to most stations, even when the study factored in house size, number of bedrooms, nearby parks, and average crime rate in the area.[16]

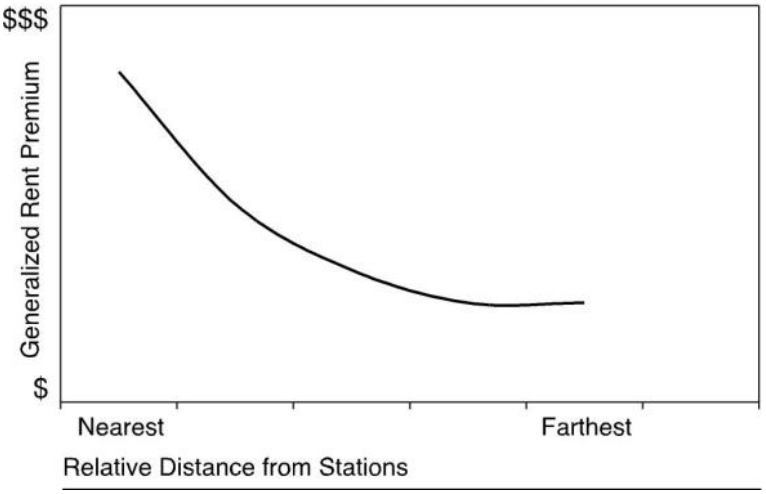

Figure 3. Residential Rental Premium versus Distance from Commuter Rail Station

In anticipation of the implementation of Chicago's Midway Line, one study found that the collective increase in the value of homes located near new transit stations was US$216 million more than properties located farther away[17]. A study conducted in the 1980s in Ontario found that, in Metropolitan Toronto, the savings realized from living in an area that afforded a shorter and easier commute using transit translated into a willingness to pay more for homes that delivered these time savings[18]. This is true even today, with a premium being placed on both rents and market values for properties located with walking distance (500 metres) of the subway and commuter train stations.

A report by Savills published in 2007 shows that a one-minute reduction in commuter rail journey in London increases the average value of a home by approximately £1,000. At the same time, the report noted that

13 Benjamin J.D., Sirmans G. S. (1996). "Mass Transportation, Apartment Rent and Property Values" in *The Journal of Real Estate Research,* Vol. 12, Issue 1.

14 Landis, J. & R. Cervero. (1995). "BART at 20: Property Value and Rent Impacts." Transportation Research Board, 74th Annual Meeting, Washington, D.C.

15 Voith, R. (1991). "Transportation, Sorting and House Values" in *AREUEA Journal, Vol. 117, No. 19*.

16 Donovan, Patricia. (2007). "Housing Prices Higher Near Most Buffalo Metro Rail Stations". On University of Buffalo website: http://www.buffalo.edu/news/8669

17 McMillen, D. & McDonald, J. (2004). "Reaction of House Prices to a New Rapid Transit Line: Chicago's Midway Line, 1983-1999" in *Real Estate Economics, Vol. 32*, p. 463.

18 Bajic, V. (1983). "The Effects of a New Subway line on Housing Prices in Metropolitan Toronto" in *Urban Studies, Vol. 20, No. 2 May*, pp. 147-158.

16 Weinstein, B. & T. Clower. (1999). *The Initial Economic Impacts of the DART LRT System*. Prepared for Dallas Area Rapid Transit.

homes right next to a commuter rail station or a main road may experience a decrease in the average home price as buyers are less attracted to these areas. The Savill report shows a positive correlation between the precentage of commuters in the area and average house prices[19].

In the majority of the studies reviewed, commuter railway stations have had a significantly higher impact on property values than light or heavy railway stations. This allows us to analyze the impact of the CTrain's new lines with a significant degree of accuracy.

Negative Effects of Rail Transit on Property Values

There were some impacts from transit that negatively affected housing values as well. Noise, nuisance, associated crime and increased traffic combined to decrease property values in the *immediate* vicinity of stations. In two communities in Atlanta, there were two very different effects of rail on housing prices, based solely on the existing median incomes of the areas.

In a neighbourhood south of the tracks, whose population had a lower median income, residents put more value on access to rail transit. Therefore, home values increased by $1,045 for every 100 feet closer to a rail station. Conversely, in a neighbourhood north of the tracks with a higher median income, housing prices dropped by nearly the same amount the closer they were to the stations. This is likely explained by this group's reliance on personal vehicles versus mass transit, in addition to increased noise and associated crime. In the southern (lower median income) neighbourhood, these issues were mitigated by the ease of travel using mass transit.

In studies that found transit accessibility had little impact on home values — such as that conducted on the Dallas Area Rapid Transit system — it was determined that these cities had well-maintained, efficient highway networks already available to the residents[20].

Impact of Commuter Rail on Commercial Property

Studies indicate that the proximity to mass transit has even more impact on the values of commercial properties[21]. The movement of a large number of people is conducive to increased retail activities, expanding the attractiveness of the area to commercial investors and retailers. Whereas the value of homes located immediately adjacent transit stops is often less than areas beyond eyesight, the value of retail property is only higher when directly adjacent rail stations[22].

[19] Cook, L., Barnes, Y., Ward, J., Hudson, N., Rose, L. (2007). "Commuter impact on property". Savills Research.
[20] 20 Weinstein, B. & T. Clower. (1999). *The Initial Economic Impacts of the DART LRT System*. Prepared for Dallas Area Rapid Transit.
21 Debrezion, G., E. Pels, & P. Rietveld. (2003). *The Impact of Railway Stations on Residential and Commercial Property Value.* Tinbergen Institute Discussion Paper.
22 Ibid.

WATERLOO REGION RAPID TRANSIT

With little opportunity to add or expand the road networks in the region's core areas, and an expected increase in population of 100,000 in the central transit corridor by 2031, Waterloo Regional Council chose Light Rail Transit (LRT) as the most sustainable rapid transit solution to meet the community's future transportation needs.

In June 2011, Council approved the technology, route, stations, staging and funding for the Waterloo Region's Ion rapid transit service. LRT service will be brought to the Regional Municipality of Waterloo in two stages:

Ion RAPID TRANSIT STAGE 1

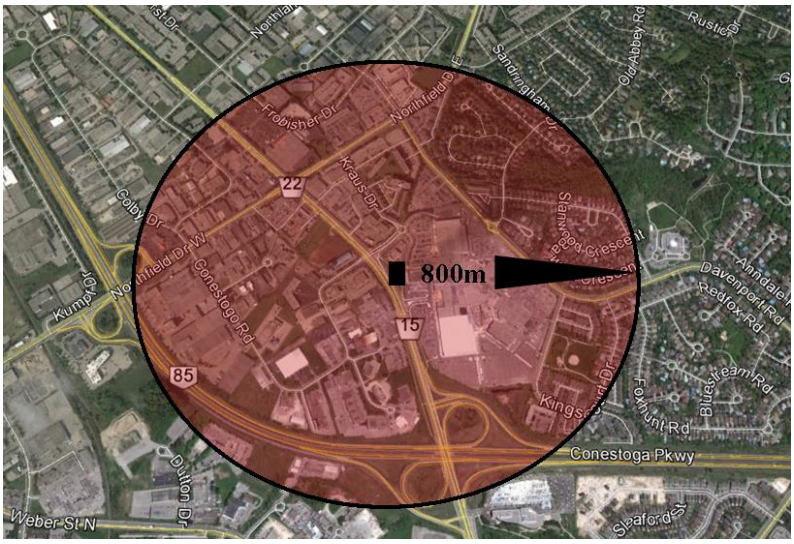

Figure 4. Conestoga Mall Station

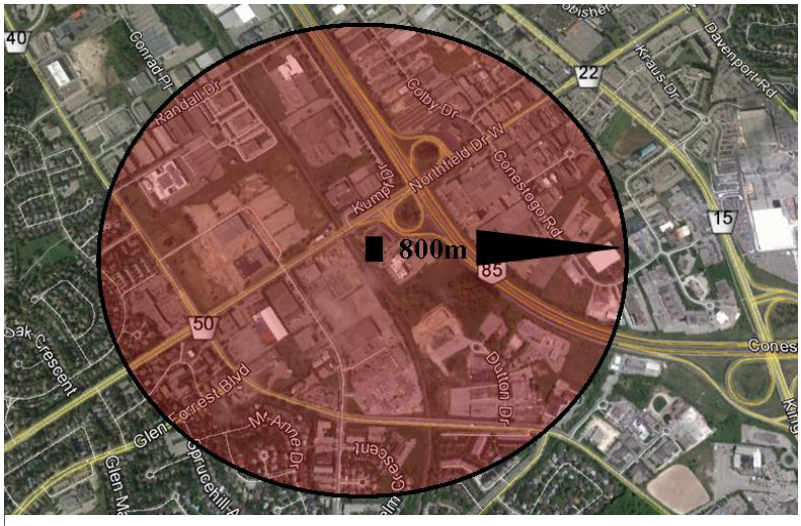

Figure 5. Northfield Drive Station

Ion LRT System

The first stage of Waterloo's Ion rapid transit service will be a 19 kilometre LRT route with 16 stops, running from Conestoga Mall in Waterloo to Fairview Park Mall in Kitchener. Construction on the LRT line is expected to begin by the end of 2014, with the line in operation by 2017[23].

Conestoga Mall

The first LRT station, Conestoga Mall, will be located near Conestoga Mall on King Street. A Park n' Ride is proposed at this facility to serve those traveling from farther distances to ride the LRT. Homes located in the areas in of Lincoln, Conestoga, and Colonial Acres will all enjoy not only quick access to the station, but also premiums above average home price increases thanks to this new transit access.

Northfield Drive

From the Conestoga Mall stop in Waterloo, the Ion LRT route travels down the median of King Street and will turn left onto Northfield Drive where it will continue in the median before turning left onto the existing Waterloo Region-owned rail spur at the Northfield Drive/Kumpf Drive intersection. The station will be almost immediately after this intersection. A Park n' Ride is proposed at this facility to serve those traveling from farther distances to ride the LRT. The communities of Conestoga, Lakeshore North, and Waterloo North will benefit most from this LRT station.

[23] Region of Waterloo. (April 2013). Rapid transit project update. Retrieved from http://rapidtransit.regionofwaterloo.ca/en/multimedialibrary/resources/RTProjectUpdateApril2013.pdf

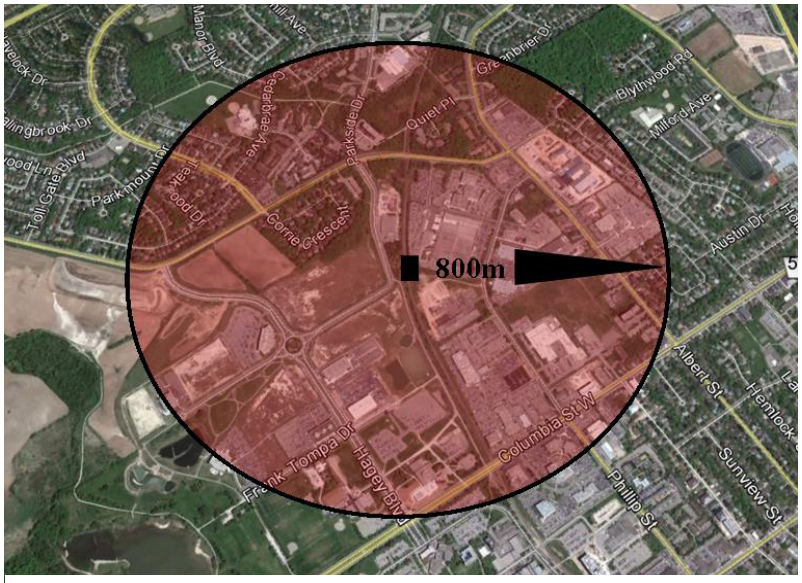

Figure 6. Research & Technology Park Station

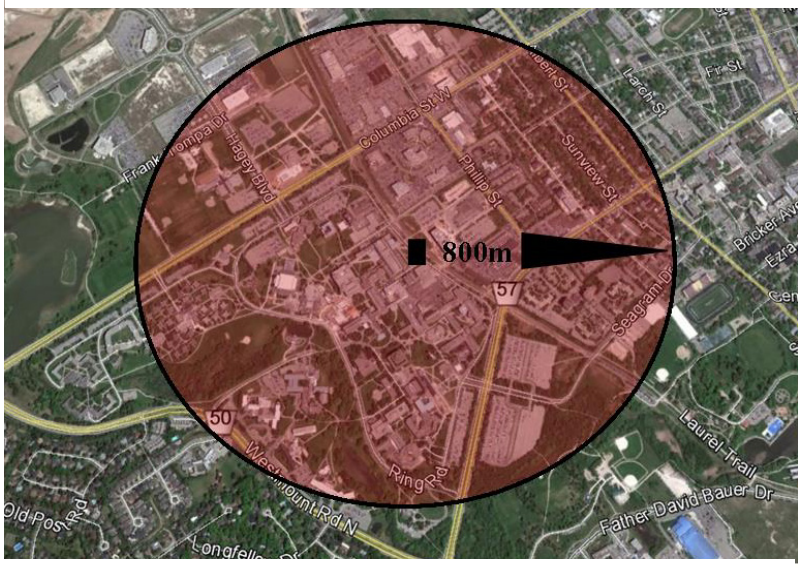

Figure 7. UWaterloo Station

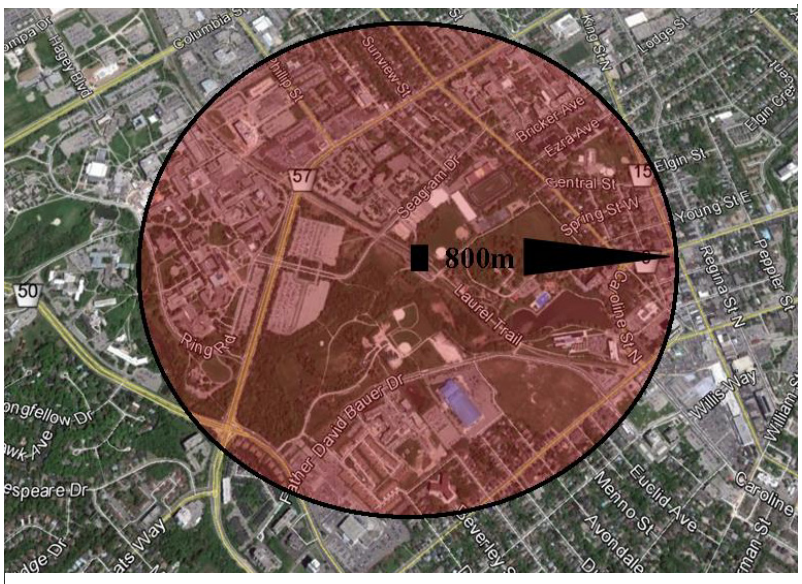

Figure 8. Waterloo Park Station

Research & Technology Park

The LRT will continue down the Waterloo rail spur before finally coming to a stop at the David Johnston Research & Technology Park at the University of Waterloo near West Graham Way. Areas roughly 800 meters from the station which will enjoy increased real estate premiums (as well as access to LRT) include Waterloo North, the University District, and west Columbia.

UWaterloo

The LRT will continue from the Research & Technology Park Station down the Waterloo Rail Spur and cross Columbia Street before coming to stop near the University of Waterloo's William G. Davis Computer Research Centre. Price premiums will be experienced in the communities surrounding Veteran's Green and Village 1 Green.

Waterloo Park

The Waterloo Park Rapid Transit Station will be located on the Waterloo Rail Spur immediately after the LRT crosses Seagram Drive. Houses in south Kitchener Central and surrounding Waterloo Park should experience an increase in property values.

Uptown Waterloo Southbound/Northbound

After Waterloo Park Station, the LRT will continue along the Waterloo rail spur, with all existing pedestrian crossings remaining intact. A new bridge will be constructed across Laurel Creek near Father David Bauer Drive to accommodate the LRT rails. The LRT will continue to the Erb Street/Bridgeport Road intersection, where it will split into two one-way lines. Southbound trains will exit the rail spur

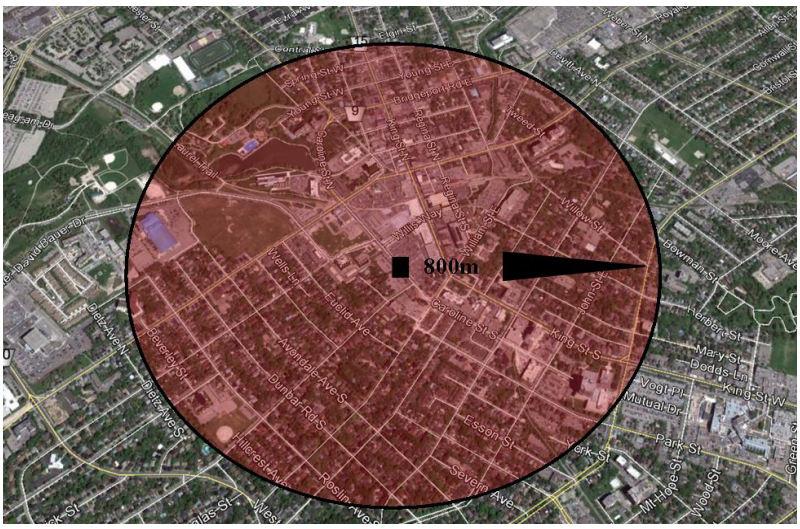

Figure 9. Uptown Waterloo Stations

and continue on new track down the right-hand side of Caroline Street, crossing Father David Bauer Drive and Willis Way before coming to a stop at the Uptown Waterloo Southbound Rapid Transit Station. The Northbound station will be located on Waterloo rail spur, just before King Street. Residents of downtown Waterloo, Westmount, southeast Waterloo Park will enjoy the close proximity to the LRT and properties located within the 800 metre radius of the station can anticipate a 10% - 20% premium in their values.

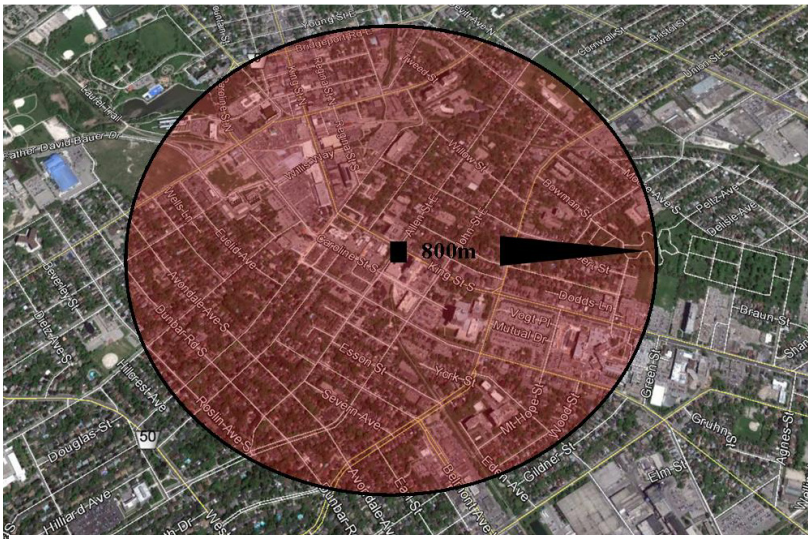

Figure 10. Allen Stations

Allen Southbound/Northbound

The southbound LRT track will continue from Uptown Waterloo Station down Caroline Street before turning left onto Allen Street. The station will be on the left-hand side of Allen Street West, on the same side of the street as the Adult Recreation Centre and 90 seconds by foot to Waterloo City Hall[24]. The northbound LRT will be located on King Street, north of the Allen Street/King Street intersection. Neighbourhoods that will experience the 800m radius effect from the addition of this station are Mary Allen Park, Argyle Park, and Westmount.

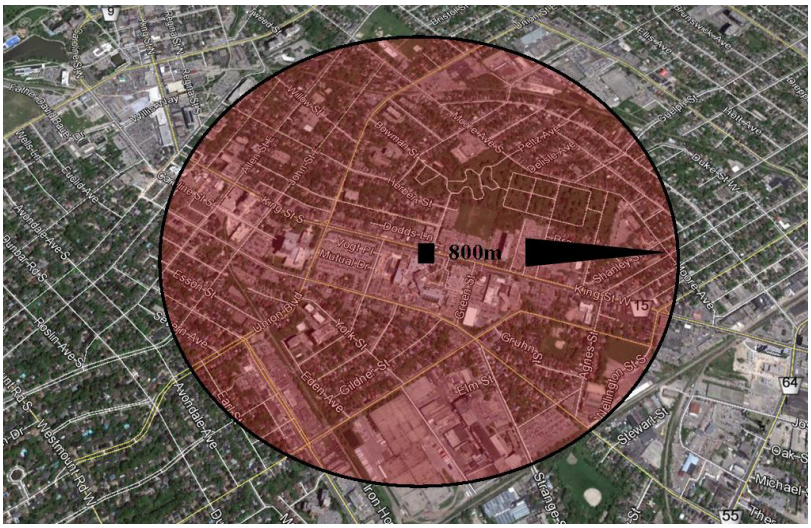

Figure 11. Grand River Hospital Station.

Grand River Hospital

The Grand River Hospital Rapid Transit stations will be located in the median of King Street, near the King Street/Pine Street intersection, directly in front of the Grand River Hospital. The southbound station will be located south of the King Street/Pine Street intersection while the northbound station will be located to the north of the King Street/Pine Street intersection. Properties in the Waterloo South, Argyle Park, Cherry Park, and Gildner Green communities within the 800m radius of the station will experience price premiums.

[24] Region of Waterloo. (January 2014). "Ion update January 2014." Retrieved from http://rapidtransit.regionofwaterloo.ca/en/multimedialibrary/resources/JanuaryIONUpdate2.pdf

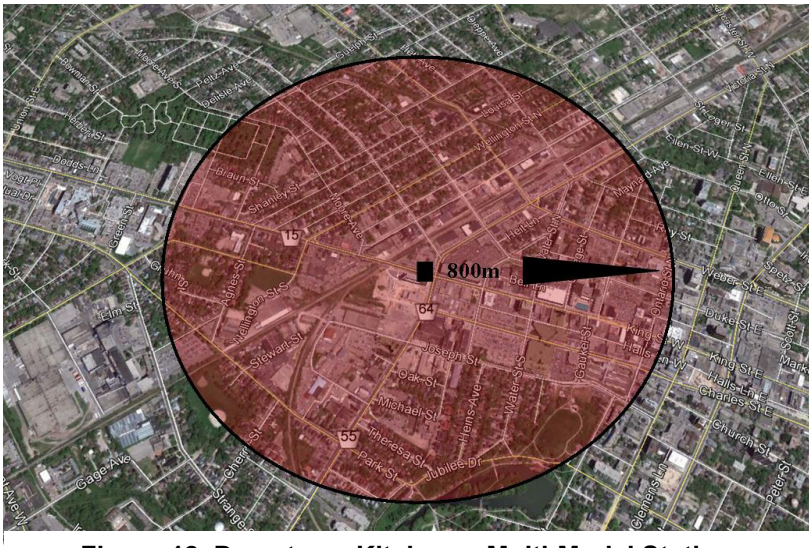

Figure 12. Downtown Kitchener Multi-Modal Station

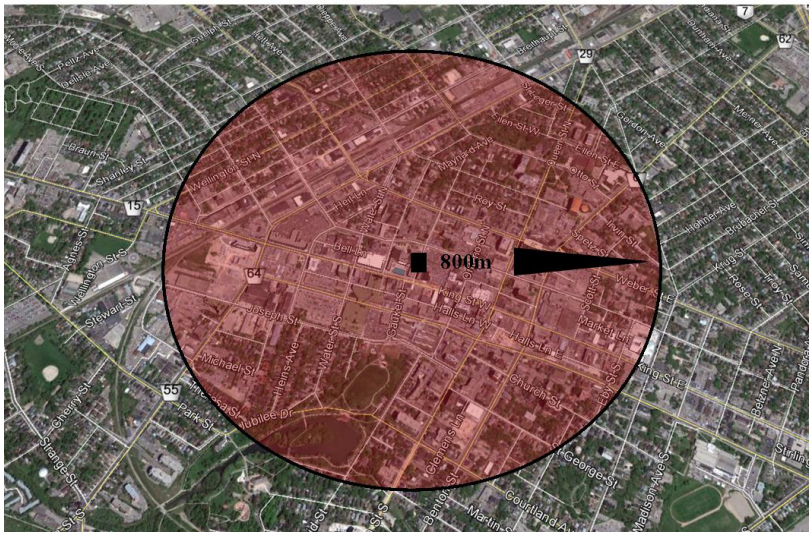

Figure 12. Downtown Kitchener Multi-Modal Station

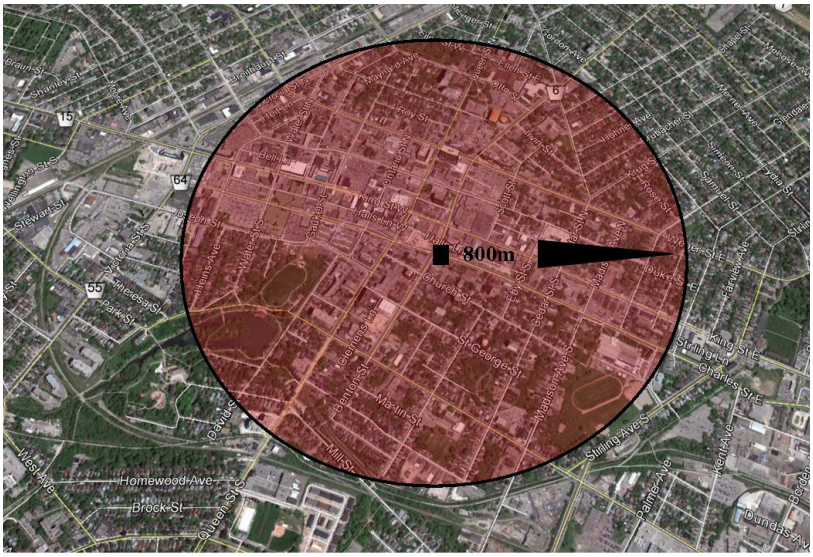

Figure 13. Benton/Frederick Stations

Downtown Kitchener Multi-Modal

The LRT line will once again split into two one-way lines on King Street south of the Moore Avenue/Breithaupt intersection. The southbound and northbound platforms of the Downtown Kitchener Multi-Modal Rapid Transit Station will be located just south of the CN Train tracks (the future site of the Kitchener GO Train Station), but on opposite sides of King Street. Homes located in the Warehouse District, or surrounding Cherry Park, Victoria Park, Hibner Park, and Duke Park will all enjoy not only access to the LRT line, but also quick access to downtown Toronto via the Kitchener GO Line, and premiums above average home price increases, thanks to this new transit access.

Gaukel/Young

The southbound LRT trains will stop at the Gaukel Rapid Transit Station, located on the south side of Charles Street just before the Charles Street/Gaukel Street intersection. The station will be located just across Gaukel Street from the existing Charles Street GRT bus terminal. Northbound LRT trains will stop at the Young Rapid Transit Station, located on the north side of Duke Street just after the Duke Street/Young Street intersection. The communities of Hibner Park, Civic Centre Park, Victoria Park, Market Green, and Sandhills Park will benefit most from this LRT station.

Benton/Frederick

The Benton Street Rapid Transit Station will service southbound LRT trains. The station will be located on the south side of Charles Street, just before the Charles Street/Benton Street intersection. Northbound LRT trains will stop at the Frederick Street Rapid Transit Station, located in the median of Frederick Street, between Duke Street and King Street. Areas roughly 800 meters from the station which will enjoy increased real estate premiums (as well as access to LRT) include Victoria Park, Cedar Hill, and King East.

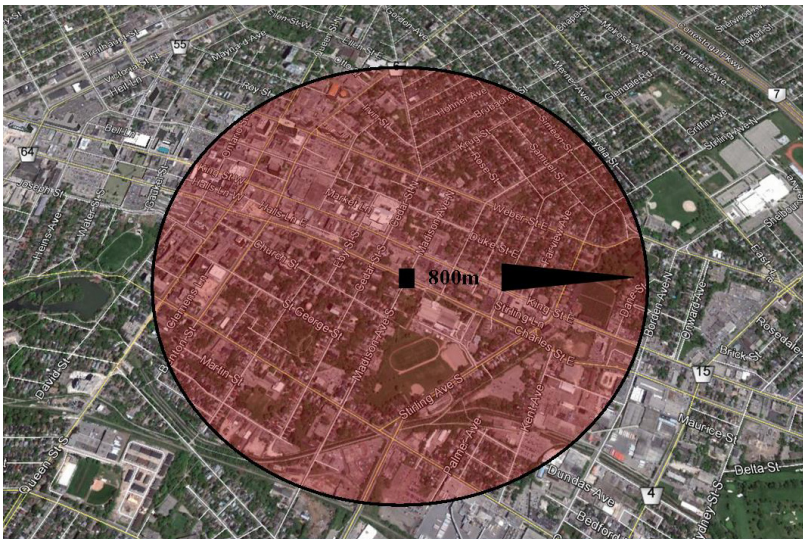

Figure 14. Cedar Street Station

Cedar Street

The Cedar Street Rapid Transit Station will service both southbound and northbound trains. The station is located in the median of Charles Street, with the southbound platform just after the Charles Street/Cedar Street intersection and the northbound platform located just before the intersection. Price premiums will be experienced in the communities of Cedar Hill, King East, Mill Courtland, Woodside Park, Wallenberg Park, and Market Green.

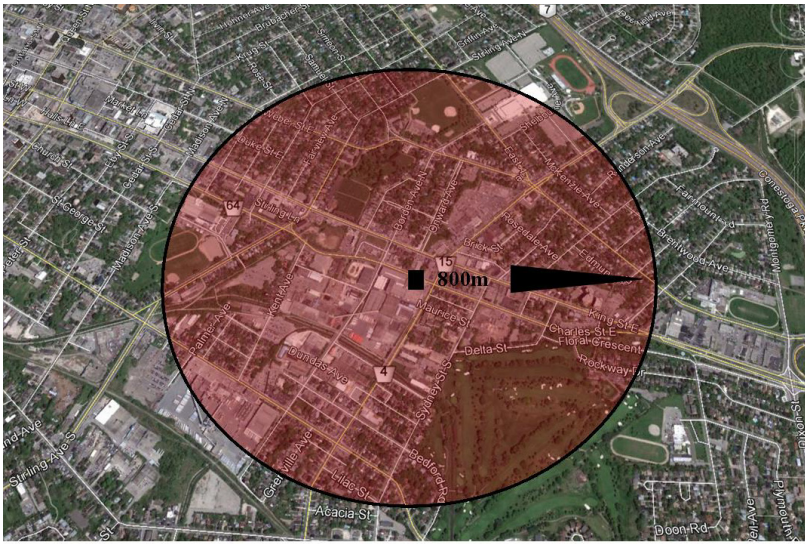

Figure 15. Borden/Ottawa Stations

Borden/Ottawa

After the Cedar Street Rapid Transit Station, southbound LRT trains will stop at the Borden Street Rapid Transit Station, located in the median of Charles Street just before the Charles Street/Borden Street intersection. Northbound trains will stop at the Ottawa Street Rapid Transit Station, located in the median of Charles Street just before the Charles Street/Ottawa Street intersection. Houses in the Mill Courtland, Woodside Park, Knollwood Park, and Rockway communities should experience an increase in property values.

Figure 16. Mill Street Station

Mill Street

The Mill Street Rapid Transit Station is located on CN's Huron Park rail spur just after the Ottawa Street/Mill Street intersection. Residents of Mill Courtland, Woodside Park, Rockway, and Southdale will enjoy the close proximity to the LRT and properties located within the 800 metre radius of the station can anticipate a 10% - 20% premium in their values.

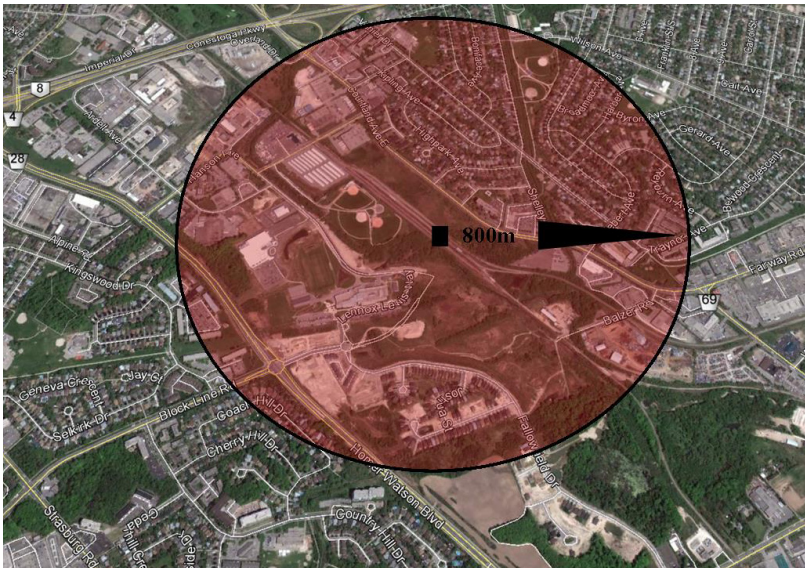

Figure 17. Block Line Station

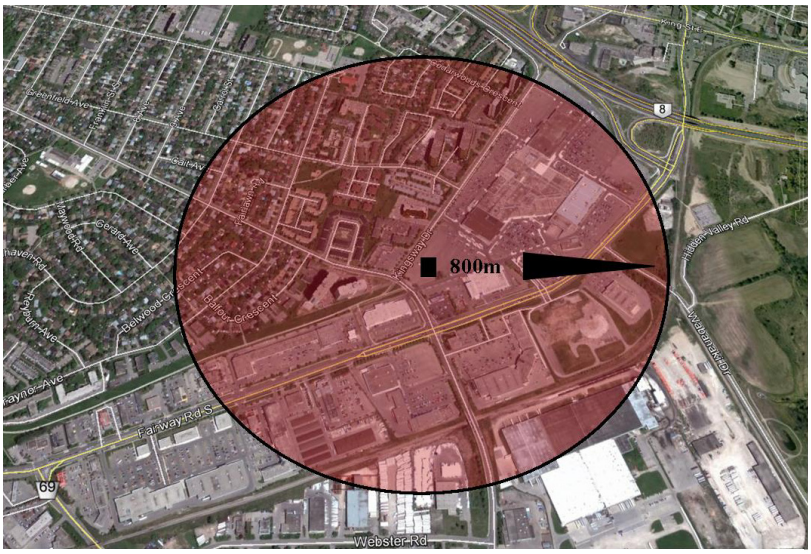

Figure 18. Fairview Park Mall Station

Block Line

The LRT line will continue on the Huron Park rail spur, crossing under Conestoga Parkway overpass (a new overpass is currently under construction to accommodate both northbound and southbound tracks)[25]. A new LRT bridge will be constructed across Schneider Creek to accommodate both a southbound and northbound LRT line. The LRT will leave the CN Huron Park rail spur at Hayward Avenue. The Block Line Road Rapid Transit Station will be located on the south side of Courtland Avenue between Hillmount Street and the newly completed Block Line Road. Neighbourhoods that will experience the 800m radius effect from the addition of this station are Country Hills, Vanier, and Alpine.

Fairview Park Mall

From Block Line Station, the LRT will continue down the right-hand side of Courtland Avenue, turning left onto Balzer Road and entering the Region's Hydro Corridor. The existing aerial hydro line is to be buried and the towers removed so that the LRT line can be constructed here. The LRT line will follow the hydro corridor, parallel to Fairway Road, before coming to its temporary terminus at the Fairview Park Mall. A Park n' Ride is proposed at this facility to serve those traveling from farther distances to ride the LRT. The communities of Vanier and Hidden Valley will benefit most from this LRT station.

Ion aBRT System

This stage will also include a 17 kilometre adapted Bus Rapid Transit (aBRT) route from Fairview Park Mall to the Ainslie Street Bus Terminal in Cambridge. This BRT is considered to be adapted Bus Rapid Transit, as the route is the foundation for a future extension of the LRT line[26].

The aBRT system will include seven stops. The stops will serve the following destinations:

- Fairview Park Mall (where LRT and aBRT meet)

[25] Region of Waterloo. (July 10, 2013). "Conestoga Parkway (Highway 7/8) Lrt Overpass Construction." Retrieved from https://rapidtransit.regionofwaterloo.ca/en/multimedialibrary/resources/E-13-085ConestogaParkwayHwy78LRTOverpassConstruction.pdf

[26] Region of Waterloo. (June 2013). "Ion update June 2013." Retrieved from http://rapidtransit.regionofwaterloo.ca/en/multimedialibrary/resources/RT_ION_Update_June_2013.pdf

- Sportsworld
- Hespeler Road at Eagle Street
- Cambridge Centre Mall
- Can-Amera Parkway
- The ‘Delta’ Intersection (Hespeler Road at Coronation Boulevard)
- The Ainslie Street Terminal

Construction on the aBRT system is already underway. The Sportsworld stop was recently built by the Ministry of Transportation (MTO) with a park n’ ride facility to serve those traveling from farther distances. The Highway 8 bridge over Grand River is currently being widened to accommodate aBRT lanes in both directions. The aBRT service is expected to being operating by the end of 2014 or the spring of 2015[27].

Ion RAPID TRANSIT STAGE 2

The second stage of the Ion Rapid Transit project will see the aBRT line converted to an LRT, creating a 37 km rapid transit system with 23 stations between Waterloo and Cambridge. Stage 2 will extend LRT from the temporary terminus at Fairview Park Mall to the Ainslie Street aBRT terminal.

Given that the research indicates that commercial and residential properties increase in value within 800 metres of a light rail station, as a homeowner, business owner or real estate investor, it is prudent to know where the intended future Rapid Transit Stations will be. The Region of Waterloo has released a map showing where the proposed LRT stations will be located:

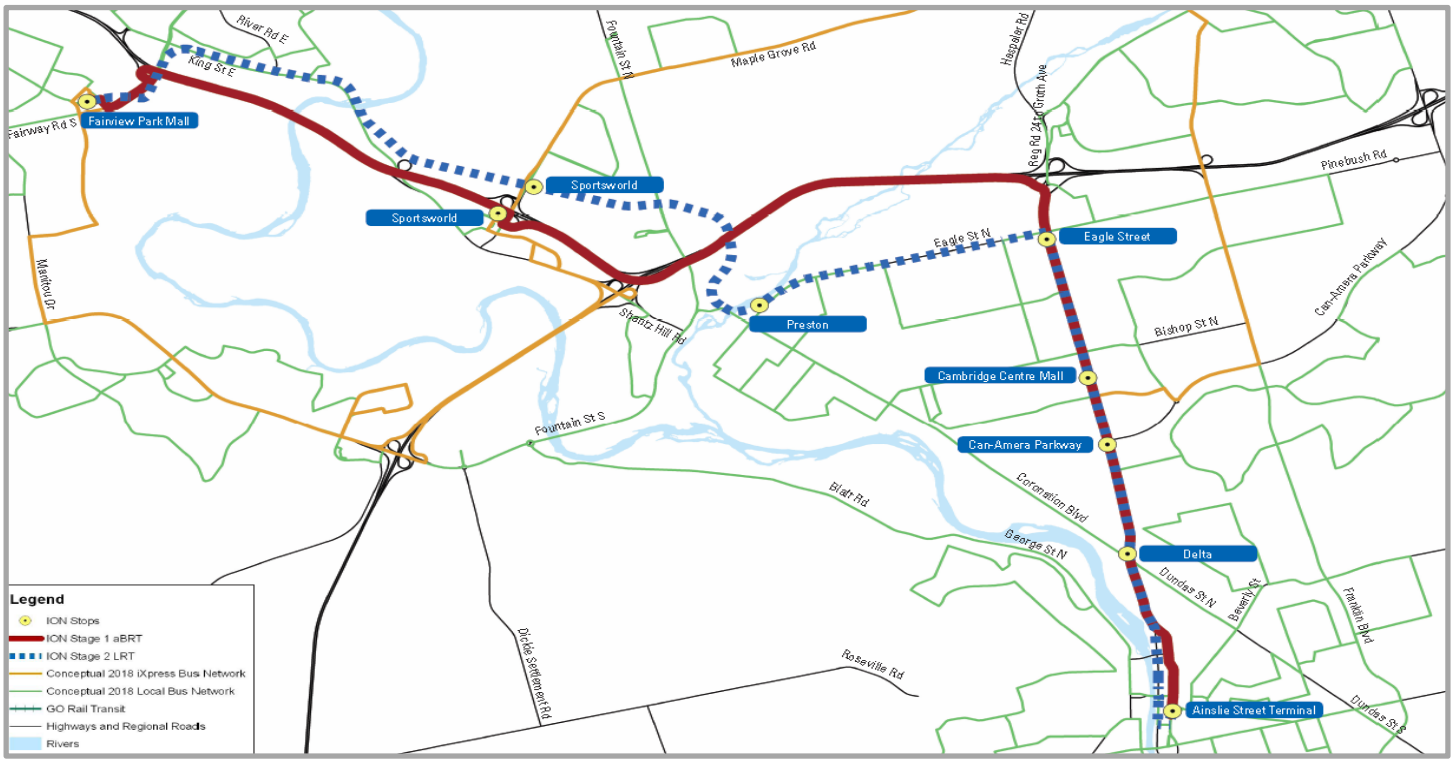

Figure 19. ION Rapid Transit Stage 2 Map

[27] Region of Waterloo. (April 2013). Rapid transit project update. Retrieved from http://rapidtransit.regionofwaterloo.ca/en/multimedialibrary/resources/RTProjectUpdateApril2013.pdf

It is important to monitor the buzz around the creation and expansion of transportation projects in the city. However investors should keep in mind that politics, big business expansions, world events, advances in science and technology and transportation proposals are not certain until the “digging” begins.

WATERLOO REGION HEAVY RAIL TRANSIT

GO Transit is Ontario's interregional public transit system, servicing the GTA and Hamilton area. GO Transit operates seven train lines and a bus system that serve a population of over 7 million people within a 11,000 square kilometre area. GO currently runs 240 train trips and 2,061 bus trips daily, and carries approximately 251,000 passengers a day. 96% of GO Train commuters travel to and from Union Station in Toronto, while about 70% of bus trips made by commuters are to and from Toronto[28].

GO carries nearly 65 million passengers a year on a system of trains and buses that connect with each other and with regional transit across the Greater Toronto Area and Hamilton[29]. The train system is a heavy rail commuter rail network that mainly operates only in peak rush-hour periods and then only in the primary direction of travel. The following map shows GO Transit service options throughout the GTA.

Figure 20. GO Transit System Map

Source: GO Transit. (January 2014). Maps.

[28] Go Transit. (January 2014). What is Go? Retrived from http://www.gotransit.com/public/en/aboutus/whatisgo.aspx
[29] Ibid.

KITCHENER GO TRAIN LINE

Early in 2011, Metrolinx announced that GO Trains service would be extended on the Georgetown Line would be extended west from Georgetown Station to serve stations in Guelph and Kitchener. Two trains which previously operated out of Georgetown began to stop at a new temporary facility in Kitchener between King and Park Street[30]. The service was previously known as the Georgetown GO Train, but was renamed the Kitchener Line after the new train service began. The line currently runs Mondays to Fridays during rush hours, providing Kitchener residents with a ride to Toronto in the morning and a ride out in the afternoons/early evening.

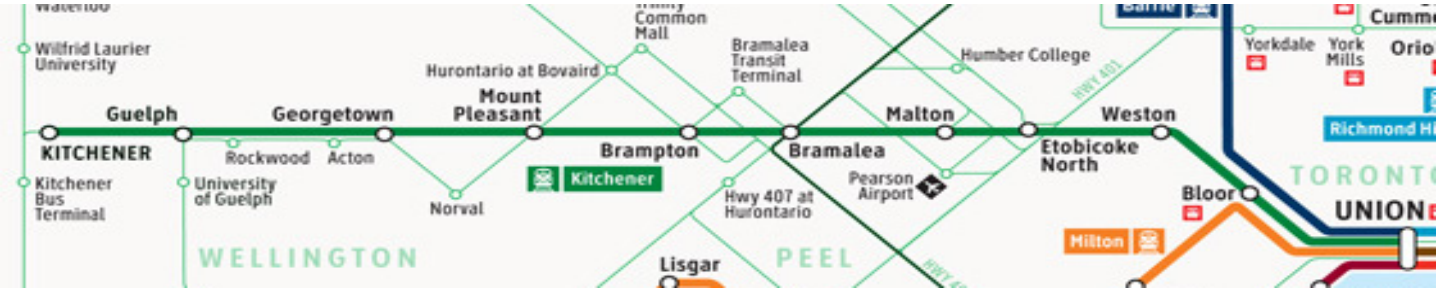

Figure 21. GO Kitchener Line

Source: GO Transit. (January 2014). Maps.

GO Transit currently connects with the Grand River Transit bus service and will tie in to the region's rapid transit as well as VIA Rail when the Kitchener Multi-Modal corridor is complete. The new Kitchener GO Train Station will be located on Weber Street West, near the corner of Victoria Street at the existing Kitchener VIA Rail Station. The Weber Street entrance to the Kitchener VIA Station will be permanently closed for construction of a new road underpass. When construction is complete, access to the Kitchener Station will only be available from Ahrens Street[31]. Construction on GO Train station is expected to be complete by the end of April 2014[32].

GEORGETOWN SOUTH PROJECT

Construction is underway to extend a 3.3 kilometre rail spur from the Kitchener Line south to the Pearson International Airport as part of the Georgetown South Project. The trains will run on the same tracks as the Kitchener Line GO Trains, but will be referred to as The Union Pearson Express, only stopping at Bloor and Weston stations. Union Pearson Express trains will arrive every fifteen minutes and carry passengers on a 25 minute ride southeast through Toronto's suburbs before arriving at the Lester B. Pearson International Airport. The Union Pearson Express will be ready its first commuters in the spring of 2015 – in time for Toronto to host the 2015 Pan American Games[33].

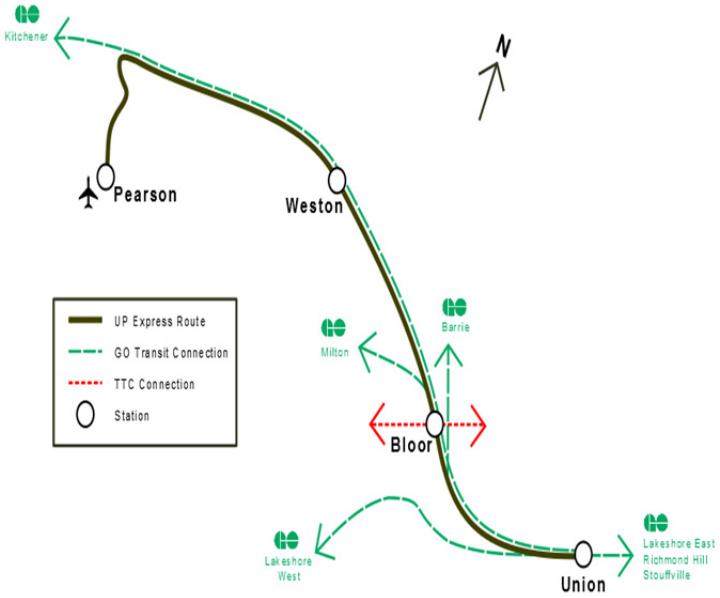

Figure 22. Union Pearson Express System Map

Source: Transit Toronto

[30] Transit Toronto. (August 2013). GO Transit's Kitchener Line. Retrieved from http://transit.toronto.on.ca/gotransit/2102.shtml
[31] VIA Rail Canada. (February 2014). Kitchener train station. Retrieved from http://www.viarail.ca/en/explore-our-destinations/stations/ontario/kitchener
[32] GO Transit. (February 2014). Stations and stops – Kitchener GO Station. Retrieved from http://gotransit.com/publicroot/en/travelling/stations.aspx?station=KITC

Figure 23. Artist's Rendering of Union Station
Source: Union Pearson Express

Union Station

Union Pearson Express passengers will board trains at a newly-constructed platform within the existing Skywalk in downtown Toronto. The new station will be connected to Toronto Transit Committee's (TTC) Union LRT Station via the Skywalk's interior walkway. This will enable guests to travel between the LRT and heavy rail terminals without having to walk outside[34].

Bloor Station

The Union Pearson Express trains will travel along the Kitchener GO Train line, stopping at the Bloor GO Station just east of the Bloor Street/Dundas Street intersection. The Union Pearson Express trains will be located at one end of the GO platforms, but separate entrances will be constructed for Express passengers. One of the new entrances will be located along Bloor Street, while the other will link to the existing Dundas West TTC station as well as a passenger pick-up/drop-off area[35].

Weston Station

Weston Station is an existing GO Train station on the Kitchener Line and is one of only two stops the Union Pearson Express will make. The station has relocated to the south side of Lawrence Avenue West, just east of Weston Road. A new parking lot with 144 spaces was built to accommodate the increased ridership on the line. There are plans to increase the parking lot by 215 parking spaces in the near future. The parking lot at John Street remains available for overflow parking. The new station will be complete by 2015 and will include access from both sides of Lawrence Avenue West[36].

Figure 24. Artist's Rendering of Weston Station
Source: Union Pearson Express

Pearson Station

After stopping at Weston Station, Pearson Union Express trains will follow the Kitchener GO line until just after the trains cross beneath Highway 427. Here the Pearson Union Express trains will then turn south. The trains will follow a three-kilometre-long spur that will rise above Highway 409 before stopping at a terminal located beside the roof of Terminal One at the Pearson International Airport – the current site of a cable-powered people mover. Passengers can then connect to the people mover to be taken to Terminal 3 or to the parking facilities near Viscount Road[37].

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[33] Metrolinx. (2014). Union Pearson Express. Retrieved from http://upexpress.com/en/information/information.aspx
[34] Metrolinx. (2014). Union Pearson Express – Stations. Retrieved from http://upexpress.com/en/project/stations.aspx
[35] Ibid.
[36] GO Transit. (2013). Georgetown South Project – Weston GO Station. Retrieved from http://www.gotransit.com/gts/en/project/weston_station.aspx
[37] Metrolinx. (2014). Union Pearson Express – Stations. Retrieved from http://upexpress.com/en/project/stations.aspx

IMPACT OF HIGHWAY AND BRIDGE CONSTRUCTION ON PROPERTY PRICES

As with rapid transit, accessibility to major highways, and highway improvements proved to be major determinants for increased property values in all studies. Studies showed that, as highway networks are created and existing corridors to the central business district (CBD) and major employment centres are improved, the value of real estate in the area increased[38].

Under-priced Property

Classical economic theory posits that when a highway is initially built, large parcels of land that previously had poor accessibility — or none at all — are suddenly considered underpriced[39]. This results in a rapid correction in the market, driving up the value of the land. Development is usually quick and the impact significant. Additionally, improvements to existing highways showed a positive increase to land prices, although to a lesser degree.

However, during the construction phase of the improvements, prices of homes fell[40]. Noise, emissions, dust, and traffic delays negatively impact the sale price of land in areas immediately adjacent the construction; this price decrease ranges from $0.05 to $0.50 per square foot of land[41]. In fact, one study showed that values did not reach pre-construction levels until *five years* after construction was completed[42].

When studying four key residential areas being affected by new major highway expansion (using over 18,800 property sales as research data), a direct correlation was determined between the accessibility increases provided by the highway and the value of residential property. The results showed that when a highway increased accessibility to the region by providing new access or shorter commute times, residential property values rose by 12%–15% over similar properties not affected by the new highway[43]. This is a significant and permanent lift in values. In fact, according to one Texas study, of all types of land use, single-family residences showed one of the largest per-square-foot increases (approximately $35.00 per square foot)[44].

Difference Between Light-Rail Improvements & Highway Improvements

Surprisingly, the main difference between the rapid transit findings and the highway findings is the impact of the noise factor from operating highways. The increase in value of residential properties located closest to the highways were partially offset by up to a 1.2% reduction for every two-decibel increase in highway noise

38 ten Siethoff, B. & K. Kockelman. (2002). Property Values and Highway Expansions: An Investigation of Timing, Size, Locations, and Use Effects. Transportation Research Board, 81st Annual Meeting, Washington, D.C.

39 Giuliano, G. (1989). "New Directions for Understanding Transportation and Land Use" in *Environment and Planning* A21, pp. 145-159.

40 Mikelbank, B. (2001). "Spatial Analysis of the Relationship between Housing Values and Investments in Transportation Infrastructure." Western Regional Science Association, 40th Annual Meeting, Palm Springs, CA.

40 ten Siethoff, ibid.

41 ibid.

42 Downs. A. (1992). *Stuck in Traffic*. The Brookings Institution: Washington, D.C.

43 Palmquist, R. (1980). *Impact of Highway Improvements on Property Values in Washington*, US Department of Transportation, Federal Highway Administration.

44 Lewis, C.A., J. Buffington, & S. Vadali. (1997). "Land Value and Land Use Effects of Elevated, Depressed, and At-Grade Level Freeways in Texas." Texas Transportation Institute Research Report Number 1327-2. Texas A&M University: College Station, TX.

level[45]. However, counter-intuitively, houses with highway noise were not found to take any longer to sell than those farther removed.

This same study revealed that properties located in commercial–industrial areas serviced by these highway improvements experienced a 16.7% increase in value after the highway was opened. Research into the impacts of specific projects indicates some very pointed effects:
Design of the freeway is important:

- Depressed freeways contributed the most to residential property values, yet had limited impact on commercial property values, except for those located adjacent to exit and entrance ramps.
- At-grade designs had the most positive impact on commercial property values, while still providing a strong positive impact on residential values.
- Elevated highways had the least impact on all land values[46].

Commercial Property Values
Values of commercial properties located 800 metres or more from a freeway exit were valued at $50,000 per acre of land and $3 per square foot of structure less than properties located closer, proving once again that accessibility and visibility is key.

Overall, the completion or expansion of major arterial highways has a significant positive impact on accessibility and, therefore, property values. This ripples across all types of property from single-family and multi-family residential to commercial and industrial

45 Palmquist, R. (1980). Ibid.
46 Lewis, C.A., J. Buffington, & S. Vadali. (1997), ibid.

MAJOR ROAD IMPROVEMENTS IN KWC

RECENT COMPLETIONS

Roadwork projects that have been completed in the last two years.

Concession Street Bridge Rehabilitation

The Regional Municipality of Waterloo finished rehabilitation on the Concession Street Bridge over the Grand River between Grand Avenue and Water Street and resurfaced Concession Street from Grand Avenue to Chisholm Street in the fall of 2013[47].

Fairway Road Extension

A recently completed project that will positively impact the communities of Kitchener and Cambridge is the Fairway Road extension. The project included the construction of a new bridge that spans the Grand River from Fairway Road in east Kitchener to Kossuth Road in north Cambridge. The bridge represents the first new crossing of the Grand River in almost 50 years[48].

Figure 25. Construction on the Fairway Road Extension.
Source: McCormick Rankin. (2014). Fairway Road.

The bridge was opened to the public in December 2012 and includes four traffic lanes, bicycle lanes, sidewalks and a connection to the Water Bean Trail. The bridge is flanked by two roundabouts; one at Fairway Road and Zeller Drive in Kitchener and the other at Fountain Street and Kossuth Road in Cambridge[49]. The bridge provides greater access to Highway 401 and will ease congestion on Highway 8. Waterloo Region residents will enjoy the benefits of improved connections between Kitchener, Cambridge, and Guelph. Residents of Grand River South will witness price premiums for their properties.

Block Line Road Extension

Block Line Road was recently extended from Lennox Lewis Way to Courtland Avenue in a four-lane bridge over Schneider Creek and several CN rail lines. The $7 million project features also features dedicated bike lanes, sidewalks, and the installation of traffic lights at the T-intersection where Block Line ends at Courtland[50].

Block Line Road is currently being expanded to four lanes west of the bridge, between Homer Watson Boulevard and Strasburg Road[51].

Residents in Country Hills will experience an increase in property values from this transportation improvement.

[47] Region of Waterloo. (April 19, 2013). Concession Street Bridge Rehabilitation Over the Grand River and Concession Street Resurfacing. Retrieved from http://www.regionofwaterloo.ca/en/gettingAround/resources/5583-ConcessionStreetLettertoResidents.pdf
[48] Flanagan, R. (19 April 2012). "Major projects abound this construction season." *Kitchener Post*. Retrieved from http://www.kitchenerpost.ca/news/major-projects-abound-this-construction-season/
[49] CTV News. (December 7, 2012). Kitchener-Cambridge bridge now open. Retrieved from http://kitchener.ctvnews.ca/kitchener-cambridge-bridge-now-open-1.1070384
[50] Davis, Brent. (November 22, 2013). New Block Line Road bridge opening Friday in Kitchener. Retrieved from http://www.therecord.com/news-story/4230728-new-block-line-road-bridge-opening-friday-in-kitchener/
[51] Ibid.

CURRENTLY UNDER CONSTRUCTION

Roadwork projects that are currently underway.

Weber Street Road Widening

Construction is well underway for the reconstruction of Weber Street. Weber Street will be widened between College and Union Streets to carry a greater traffic load after rail transit takes over two lanes on nearby King Street. The trains are planned to launch by 2017, and will push motorists towards Weber Street. The $51 million project includes widening Weber Street from two lanes to four lanes, constructing an underpass to the CN railway tracks at Weber and Victoria Street North, and slimming the S-curve on Webert Street in north Kitchener. The entire project is expected to be completed by December 2014[52]. Residents near Hibner Park, George Lippert Park, Duke Park, and Uniroyal Goodrich Park can anticipate a premium in their home values.

Kitchener-Waterloo Expressway (Conestoga Parkway)

$130 million worth of construction work is underway along the Conestoga Parkway through Kitchener and Waterloo. Widening at the western end of the highway in Kitchener began in 2011 and will continue until 2016. Construction in Waterloo began in 2013 and is expected to continue until 2015. The only stretch of the Parkway that won't be under construction is around Highway 8 and Ottawa Street in Kitchener[53].

Kitchener

Highway 7/8 connects Kitchener and Waterloo to Cambridge via Highway 8 and is one of the busiest thoroughfares in the region. Construction is currently underway to rehabilitate and widen a 6.5 kilometre stretch of Hwy 7/8 from just west of Fischer-Hallman Road to just east of Courtland Avenue. Construction on the project began in the fall of 2011[54].

Figure 26. Highway 7/8 Construction in Kitchener.
Source: Government of Ontario.

To date, completed construction on the project includes the rehabilitation of the Fischer-Hallman Road Underpass, construction of a new South-East ramp at the Fischer-Hallman Road interchange, the installation of noise barrier walls near the Fischer Hallman interchange, the rehabilitation and widening of the Westmount Road Overpass, the rehabilitation and widening of the Courtland Avenue Eastbound Overpass, and the eastbound portion of the CNR and LRT Overpasses[55].

The project still has several phases before it can be completed. These include: the rehabilitation and widening of the Courtland Avenue Westbound Overpass, the westbound portion of the CNR and LRT Overpasses, the rehabilitation and widening of the Homer Watson Boulevard Overpass and Ottawa Street Overpass, and the installation of a median tall wall barrier to protect from oncoming traffic. The entire project is scheduled to be completed by the fall of 2016[56]. Neighbourhoods

[52] Outhit, J. (June 4, 2013). Weber Street widening to start this month. *Kitchener-Waterloo Record*. Retrieved from http://www.therecord.com/news-story/3255143-weber-street-widening-to-start-this-month/
[53] Kitchener-Waterloo Record. (April 8, 2013). Bridges will fall as Conestoga Parkway upgrades continue in Kitchener and Waterloo. Retrieved from http://www.therecord.com/news-story/2625973-bridges-will-fall-as-conestoga-parkway-upgrades-continue-in-kitchener-/
[54] Morrison Hershfield. (2014). Highway 7/8 project background. Retrieved from http://www.highway7-8.com/Pages/default.aspx
[55] Ibid.
[56] Ibid.

that will experience a positive increase in price from these transportation improvements are Forest Heights, Forest Hill, Laurentian Hills, Meinzinger Park, Alpine and Alpine Village, Southdale, Vanier and Rockway.

Waterloo

Despite congestion and rush-hour slowdowns, the Province of Ontario has no immediate plans to widen Highway 85 through Waterloo. The Province has begun to repave the highway, a project which began in 2012 between Lancaster Street and King Street. The next section of the $32.3 project stretches between Krug Street in Kitchener to Regional Road 15 in north Waterloo. Construction will include shoulder grading, line painting, and pothole repairs. Construction began in October 2012 and is expected to be completed by the end of 2014[57].

FUTURE CONSTRUCTION PROJECTS

Roadwork projects that are scheduled to begin in the next 5 years.

Conestoga Parkway – Waterloo to Guelph

Property acquisition is currently underway for a new Highway 7 express route between Kitchener and Guelph. It is estimated that 26,000 vehicles travel between Kitchener and Guelph each day[58], severely congesting the existing route. Property acquisitions along the new 18-kilometre route are scheduled to be completed by October 2014, and construction on the highway could begin as early as 2015[59].

The proposed alignment of the new four-lane highway would be constructed just north of the current two-lane highway and run east from the expressway at Wellington Street north of Victoria Street, over the Grand River into Bridgeport, and tie into Highway 6 north in Guelph. There would be five interchanges in Kitchener: at Wellington Street, Riverbend Drive, Victoria Street, Bingemans Centre Drive, and Bridge Street[60]. When the new expressway is complete, motorists will be able to drive between Kitchener in Guelph in under 11 minutes[61].

Preliminary design concepts have been released, and there are a number of neighbourhoods that stand to benefit from the transportation improvement. However, the designs are just the “recommended plan” and still need to go through the public consultation phase. The Province of Ontario is seeking federal funding to help build the highway, in partnership with the private sector. However, the province refuses to reveal the project cost, which was estimated at $300 million in 2007[62].

This projects show the prudence of waiting until the shovel hits the dirt before making any investment decisions, as governments and spending priorities change over the years.

[57] Government of Ontario. (2014). Construction reports: Southwestern. *Ministry of Transportation*. Retrieved from http://www.mto.gov.on.ca/english/traveller/trip/construction_reports-southwestern.shtml

[58] CTV News. (December 7, 2012). Kitchener-Cambridge bridge now open. Retrieved from http://kitchener.ctvnews.ca/kitchener-cambridge-bridge-now-open-1.1070384

[59] Desmond, P. (November 20, 2013). Property acquisition underway for new Highway 7 between Kitchener and Guelph. *Kitchener-Waterloo Record*. Retrieved from http://www.therecord.com/news-story/4225527-property-acquisition-underway-for-new-highway-7-between-kitchener-and-guelph/

[60] Ibid.

[61] Outhit, J. (December 7, 2012). Province puts it in writing — new Highway 7 a go. *Kitchener-Waterloo Record*. Retrieved from http://www.therecord.com/news-story/2618227-province-puts-it-in-writing-new-highway-7-a-go/

[62] Ibid.

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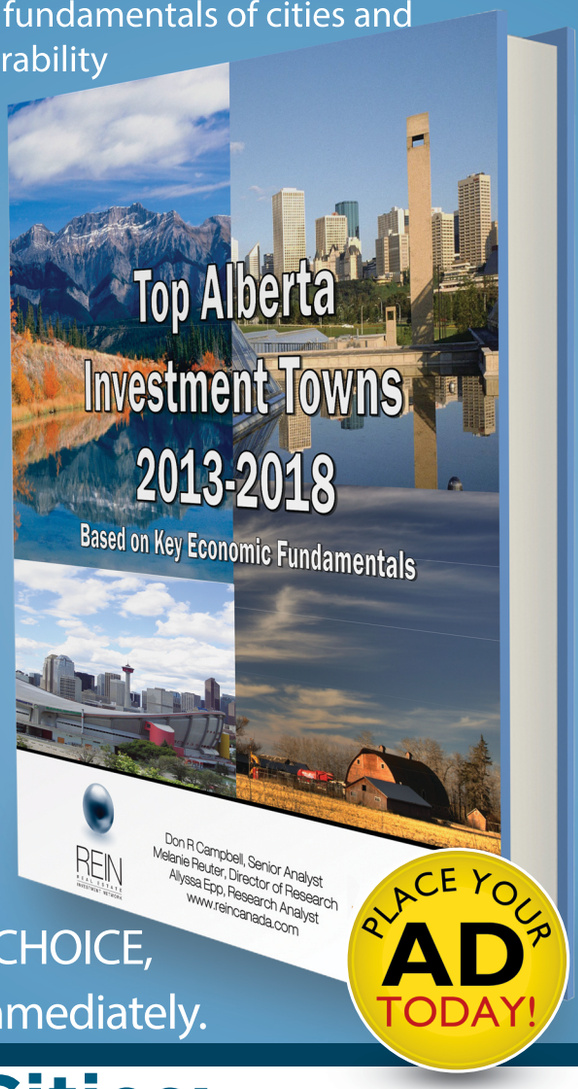

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