The Hamilton & KWC Ontario Transportation Effect

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

"The basic value of an investment—be it in highway or anything else—is the value of the resources it releases for other uses" ~ Herbert Mohring, Journal of Political Economy, 1961

By Don R. Campbell and Melanie Reuter
Real Estate Investment Network

Cutting Edge Research Inc.
105-150 Crowfoot Cres. NW Suite 1018
Calgary, AB T3G 3T2
Tel (403) 208-2722 Fax (403) 241-6685
E-Mail: info@reincanada.com
Web Page: www.reincanada.com

EXECUTIVE SUMMARY AND REPORT HIGHLIGHTS

- In June 2007, "MoveOntario 2020" - a 12 year plan to fund 52 transit projects around southern Ontario was announced. The improvements to transit in the GTA and Hamilton areas 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 the GO Train Stations along the Lakeshore West Line to Hamilton.

- 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 creation of Hamilton's Red Hill Valley Parkway in 2007 and the proposed extension to the Mid-Peninsula Highway further south.

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

As many of the Move 2020 projects have not yet begun the physical construction, 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: Hamilton Neighbourhoods located near the on and off ramps to the Red Hill Creek Expressway. These include: McQuestern East and West, Barton, Nashdale, Kentley, Glenview East, Corman, Red Hill, King's Forest and Albion Falls.

Second Tier: Stoney Creek will also be positively impacted by the easier access and traffic flow created by the Highway 8 link to the Red Hill Valley Parkway. This will allow commuters from as far away as Toronto and Oakville to cut key minutes off their drive.

Third Tier: Areas that are within 800 meters of the proposed LRT and Go train stations in both Hamilton and the KWC region. These areas will move up to second tier once the official announcements are made as to exact locations, then eventually move to first tier once the actual construction begins. Breslau, Waterloo, and downtown Kitchener may be very important areas to consider if the proposed transit improvements occur.

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.

ABOUT THE REAL ESTATE INVESTMENT NETWORK

Founded in 1993, the Real Estate Investment Network™ (REIN) has grown over the years to become Canada's leading real estate research, investment and education organization. It serves more than 3,100 member clients who own more than 18,200 properties (valued at $2.35 billion) across the country. Members use the unbiased research and proven systems to invest in properties in economically strong regions across the country.

REIN does not sell or market real estate to its members or the general public, but instead conducts objective and unbiased research, analysis and investor education.

The foundation of REIN's work is the research and analysis of current real estate trends and patterns. This information is then disseminated to members through regular seminars in Toronto, Vancouver, Ottawa, Calgary and Edmonton, and via research reports that detail current and emerging trends. 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 Report is one such research publication, as are Don R. Campbell's bestselling books *Real Estate Investing in Canada, 97 Tips for Canadian Real Estate Investors* and *51 Success Stories for Canadian Real Estate Investors*. 100% of all of Don Campbell's author royalties are donated directly to Habitat for Humanity and to date REIN has raised over $311,000 for this worthy cause.

Habitat for Humanity®

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

TABLE OF CONTENTS

OVERVIEW OF THE TRANSPORTATION REPORT

As populations 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 is 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 that special research report, the **Real Estate Investment Network™** has completed detailed research into current and proposed transportation improvements in Calgary, Edmonton, as well as the Greater Toronto Area.

Realizing the housing value impact for some communities over others, a study of the transportation effects in the Hamilton and Kitchener Waterloo Cambridge (KWC) areas was undertaken. Answers to four very important questions will have a direct financial impact on tens of thousands of residents. These questions are as follows:

1. How will the Red Hill Expressway affect property values in the City of Hamilton?
2. How will the proposed Rapid Transit Lines in the KWC region affect residential real estate?
3. How will the recently expanded Lakeshore West GO Train Line affect residential property values in the Hamilton Area?
4. How will the improvements to other transportation networks affect residential property values in Hamilton and the Kitchener Waterloo Cambridge area?

For many 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 including the Redhill Expressway expansion, transit expansion in KWC, the extension of Highway 407, and the GO Train and subway extensions, 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

Underpinning our analysis is a synopsis 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 Hamilton and KWC as the projects continue and are completed.

A synopsis of published works indicates that most studies showed commerical 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 neighbourhood residents, for example. Table 1 is 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 Commercial Property Values

Light Rail System	Effect on Property Values
Dallas	
2002 Weinstein & Clower	Proximity to DART resulted in a 24.7% increase vs. 11.5% for non-DART properties for office buildings
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
1997 Ryan	No significant premium in 3 market areas; a penalty in 2; and a small premium for industrial areas.
1995 Landis & Huang	There were no significant premiums for property 1/4-1/2 mile from stations.
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%
Dallas	
2003 Lyons & Hernandez	Value of properties rose 39% more than the control group not served by rail.
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.
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 discernable 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.
San Diego	
2002 Cevero & Duncan	17% and 10% premiums resulted respectfully 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 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	
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.

Source: Huang, H. (1996). "Land Use Impacts of Urban Rail Transit Systems" in Journal of Planning Literature, vol. 11, iss. 17.

DIRECT EFFECTS OF TRANSPORTATION IMPROVEMENTS ON REAL ESTATE VALUES

Distance is Now Measured in Minutes, Not Kilometres

Credit: Go Transit

Over the past fifteen 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[1]. 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[2.] This is even evident when light rail precedes development; positive effects on land values in proposed station areas have been noted in research[3]. This supports the notion that areas will most commonly be zoned high density and discourage the development of low-density housing in station areas.

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. In fact, research conducted in Buffalo, New York indicated that a preception of being close to light rail transit stations revealed a higher premium on real estate values than acutal walking distance[4]. This focus on time and accessibility has been confirmed in studies conducted in major urban regions, whether the access improvements have been new rail transit or new highway expansion. We will discuss the Go Train and proposed Rapid Transit projects first and then examine the impact of highway improvements on real estate in the Greater Golden Horseshoe area.

---

1 Campbell, Don R. (2005) *Real Estate Investing in Canada* John Wiley & Sons Publishers: Toronto.

2 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.

3 Knapp, G. & C. Ding & L. Hopkins. (2001). “Do Plans Matter? The Effects of Light Rail Plans on Land Values in Station Areas” in *Journal of Planning Education and Research*, Vol. 21, No. 1, 32-39.

4 Hess, B.D. & T.M. Almeida. (2007). “Impact of Proximity to Light Rail Rapid Transit on Station-area Property Values in Buffalo, New York“ in *Urban Studies*, Vol. 44, No. 5-6, 1041-1068.

BACKGROUND: KITCHENER WATERLOO CAMBRIDGE AND HAMILTON

As of the last federal census, there were 504,559 people living in the city of Hamilton[5]. It is projected that by 2031, there will be three million more people living in the GTA and the Hamilton Area – and they will be bringing with them an additional 1.5 million vehicles every year.

In Hamilton alone, the population is anticipated to increase 32% by 2031, which translates into 105,000 new jobs, and subsequently, if left unchecked, 180,000 additional auto driver trips per day that will need to be accommodated by the road network. The City, in its Transportation Master Plan[6], states that "this translates into 1.2 million additional kilometres driven by Hamilton residents each day and a consumption of 40 million litres of fuel per year…significant congestion on most escarpment crossings will result in increased delays to auto drivers, transit riders and commercial vehicles".

A report prepared for the Ontario Ministry of Transportation outlines, in depth, the trends and outlooks for the GTA and Hamilton including commuting patterns in and between communities. This level of detail can assist investors in making decisions based on where they want to live and their commute patterns. For a detailed report see: IBI Group. Transportation trends and outlooks for the Greater Toronto Area and Hamilton: Strategic transit directions. (January 2007). http://www.metrolinx.com/default.aspx

5 Statistics Canada (2006). Community Profiles – Hamilton City. www.statscan.ca
6 City of Hamilton. (2008). Transportation Master Plan. http://www.myhamilton.ca/myhamilton/CityandGovernment/CityDepartments/PublicWorks/CapitalPlanning/StrategicPlanning/StrategicEnvironmentalPlanningProjects/GRIDS/Transportation+Master+Plan.htm.

In 2006 the Waterloo Region's population reached 478,121, a 9% increase from the previous census five years prior, with a forecasted growth to 729,000 within the next 25 years[7]. In Kitchener, at last census there were 451,235 people living in the Census Metropolitan Area (CMA), which is also nearly a 9% increase from five years previous[8]. The same increase was found in Cambridge with the latest population increasing 9.1% to 120,371[9].

According to the latest census, most of the 188,255 workers (88%) in Kitchener, Waterloo and Cambridge used a private vehicle to get to work[10]. This has barely changed since 2001, when 89% commuted this way. To compare, at this current rate, it will be 2021 before the KWC region matches current transit in Hamilton; 2041 before it reaches the current ridership in Ottawa, and 2051 before transit is as popular as it is in Toronto today. To respond to this disconnect between this region and others, a series of growth strategies are underway to boost the use of public transit.

In June 2003, the Regional Growth Management Strategy (RGMS) was adopted that identifies where, when and how future residential and employment growth will be accommodated. The strategy is guided by concepts of growth by choice not chance with consideration of a rapid transit service linking Cambridge, Kitchener and Waterloo through a Central Transit Corridor.

According to the Toronto City Summit Alliance in 2007, the growth of the GTA and the Hamilton area has resulted in the transportation infrastructure failing to meet the needs of its residents[11]. Community and regional planners can and do use transportation to guide growth. The Province's Places to Grow Act 2006[12] outlines a plan to accommodate this growth through increased efficiency and use of public transit and the creation of compact urban centres, wherein residents live and work within the same community. The Act also addresses the need to move, not only people, but also goods between communities and across the province. The Ministry of Transportation feels that the Places to Grow Act is not only supported by the increased efficiency of transit, but also in the increased efficency of highways.

7 Region of Waterloo. (2008). Rapid Transit in the Region of Waterloo. http://transitea.region.waterloo.on.ca/index.php?option=com_content&task=view&id=1&Itemid=3.
8 Statistics Canada. (2006) Community Profiles – Kitchener CMA, ON. www.statscan.ca
9 Statistics Canada. (2006) Community Profiles – Cambridge, ON. www.statscan.ca
10 Outhit, J. (Apr. 5, 2008). "Time, Cash Key to Better Transit Trends". *The Record.*
11 Toronto City Summit Alliance (February 2007). Transit and Transportation Infrastructure: Backgrounder for Toronto Summit 2007. http://www.torontoalliance.ca/summit_2007/pdf/Transportation_Backgrounder.pdf.
12 Ministry of Public Infrastructure Renewal. (2006). Places to Grow Act 2006. http://www.placestogrow.ca/index.php?lang=eng

IMPACT OF HIGHWAY CONSTRUCTION, EXPANSION AND IMPROVEMENT 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. Our research showed that as highway networks are created and existing corridors to the central business district (CBD) are improved, the value of real estate in the area increased[13].

Underpriced 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[14]. 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[15]. 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[16.] In fact, one study showed that values did not reach pre-construction levels until five years after construction was completed[17.]

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[18]. 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)[19].

---

13 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.

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

15 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.

15 ten Siethoff, ibid.

16 ibid.

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

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

19 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.

Difference Between Rail Improvements and 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 level[20]. 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[21].

Commercial Property Values

Controlling for other factors, values of commercial properties located away 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, indicating once again that accessibility is key.

Overall, the completion or expansion of major arterial highways has a significant positive impact on accessibility and, therefore, property values.

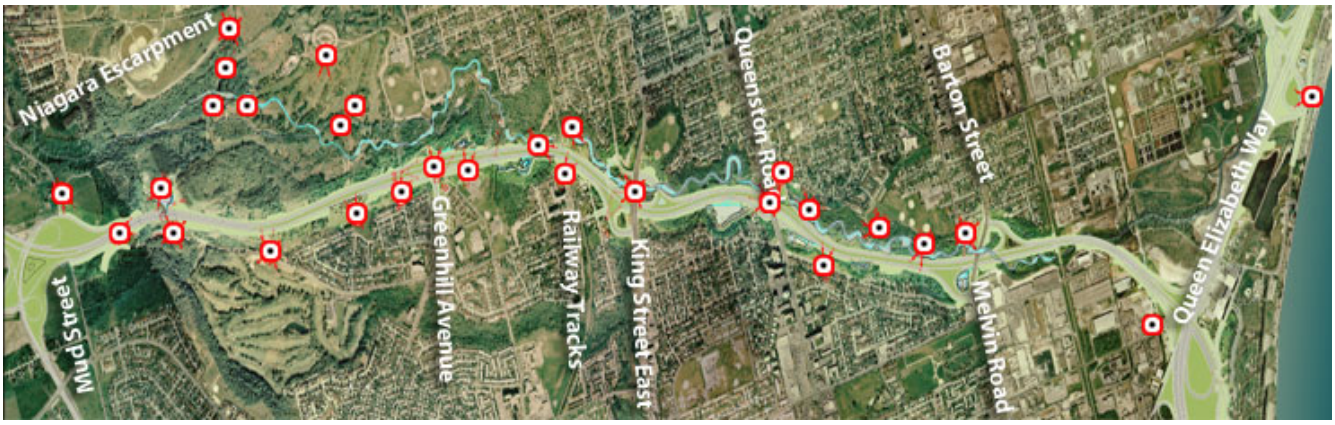
20 Palmquist, R. (1980). Ibid.

21 Lewis, C.A., J. Buffington, & S. Vadali. (1997), ibid.

HIGHWAY IMPROVEMENTS IN KWC AND HAMILTON

Red Hill Valley Parkway - Hamilton

Opened in November 2007, the Red Hill Valley Parkway is a four-lane highway (popularly called the Red Hill Creek Expressway) running through Hamilton. It is the north-south leg of the 403 to QEW parkway and completes an express bypass south of Hamilton, as it connects the Lincoln M. Alexander Parkway to the Queen Elizabeth Way near Hamilton Harbour. It encompasses an eight kilometer four-lane 90 km/hour parkway with a truck climbing lane from the Greenhill Avenue interchange to the Mud Street interchange[22].



Red Hill Valley Parkway connects QEW to HWY 403. *Source: SKB & Associates*

The freeway, combined with the existing Lincoln Alexander Parkway, completes an express bypass south of Hamilton's urban core. Arguments were made in the consultation process that the highway was the only viable alternative to the congested roads of Highway 403 and QEW Burlington Skyway Bridge. Creation of the highway would divert the growing truck traffic off city streets in southern and eastern Hamilton.

22 SKB & Associates. (2007). Red Hill Valley Project. http://www.myhamilton.ca/Hamilton.Portal/Inc/RHVP-VirtualTour/map.html

Highway Projects in the KWC Region

The expanded Homer Watson interchange, a $21-million project of the Ministry of Transportation and regional government located at the south end of Kitchener, includes a walking and cycling overpass at Highway 401 near the Conestoga College campus, linking a trail between Kitchener and Cambridge.

Red Hill Valley Parkway looking south from the Greenhill overpass

Conestoga Campus will also be receiving $21 million for a Cambridge Campus next to Highway 401, which it is anticipated will be used to house programs in welding, robotics, civil engineering and renewable energy. The new campus, across the highway from the Doon campus, will have 2,000 full-time skilled trades students and 1,000 apprentices, boosting total Conestoga enrolment beyond 14,000. Construction is scheduled to begin in spring of 2010 and the campus is set to open in two to three years. The combination of a new interchange and an influx of capital into the university will likely affect the value of housing in this area.

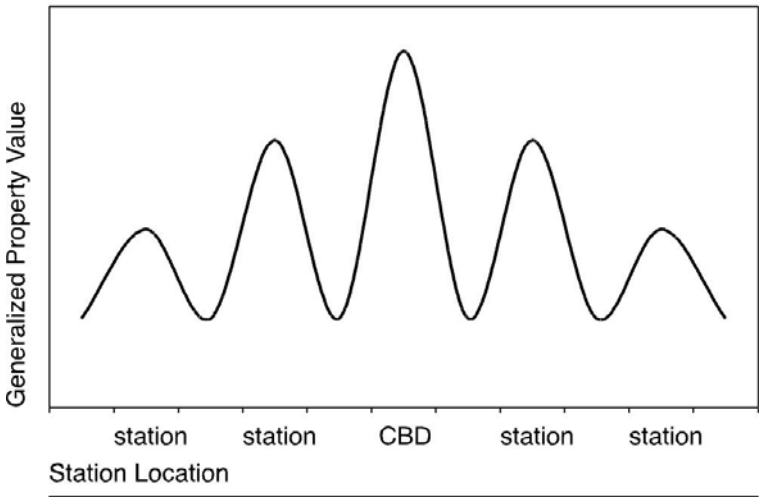
A bottleneck on Highway 8 between Kitchener and Cambridge will ease commuting woes through a $25 million widening project set to be completed in 2010. The last phase will widen the highway to eight lanes over the Grand River. A partial interchange is to be added where River Road will be extended across the highway.

Projects are already underway as a result of transportation improvements and the Places to Grow Act, which is resulting in densification and development. The Sportsworld Crossing near Highways 8 and 401 will bring 250,000 square feet of office space onto the market by the end of 2008; the Deer Ridge Centre continues to expand and emerge as an office-commercial hub in south Kitchener.

IMPACT OF LIGHT RAIL TRANSIT ON RESIDENTIAL PROPERTY PRICES

According to the census, the projections made by the Places to Grow Plan, and evident when driving on its streets, Toronto's population is on the rise and road congestion is getting worse. With more people, longer commutes and a history of disjointed urban planning, the Province knows that the answer lies in an expansion of public transit.

Figure 1. Peaks and Valleys of Property Values at Rail Stations in relation to the CBD



The benefits of light transit, as well as heavy commuter rail 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[23].

Studies show that there appears to be a higher positive impact on property values located near commuter railway stations over light and heavy railway[24]. 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. The impact is felt more dramatically in older more established neighbourhoods, with new developments also able to ask a premium for their residential properties.

Areas in which the average income of the residents was at or below the median incomes of the region witnessed the largest percentage increase in property values. As the average income of an area increased above the median, the effect of the new rail link had a diminishing impact on property value increases. This is due generally to increased reliance on transit as a means of primary transportation for people with incomes below the median.

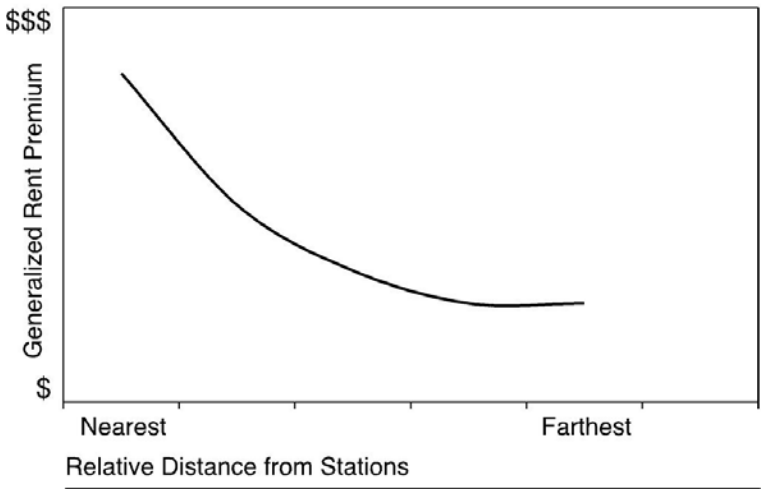
23 Diaz, R. (n.d.) *Impacts of Rail Transit on Property Values*. Downloaded from www.apta.com/research/info/briefings/documents/diaz.pdf.

24 Debrezion, G., E. Pels, & P. Rietveld. (2003). *The Impact of Railway Stations on Residential and Commercial Property Value.* Tinbergen Institute Discussion Paper.

As detailed in Figure 1[25], 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. Additionally, the preceived distance to the station is even important. Research conducted in Buffalo, New York indicated that apparent proximity to rail stations has an even greater locational advantage[26]. What this means is that perceived closeness to stations is even more important than actual walking distance to the station.

One study on the impact of the Los Angeles Metro Rail system revealed that properties located within one-quarter mile (400m) of a rail station enjoyed a value premium of $31 per square foot[27].

Figure 2. Residential Rental Premium versus Distance from Commuter Rail Station



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[28]. The demand for two-bedroom units was 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[29].

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[30]. In Alameda County, house prices rose by $2.29 for every metre a house was located closer to a rapid transit station. In Buffalo, NY, homes located within one quarter

25 Debrezion, G., E. Pels, & P. Rietveld. (2003). *The Impact of Railway Stations on Residential and Commercial Property Value.* Tinbergen Institute Discussion Paper.

26 Hess, B.D. & T.M. Almeida. (2007). "Impact of Proximity to Light Rail Rapid Transit on Station-area Property Values in Buffalo, New York" in Urban Studies, Vol. 44, No. 5-6, 1041-1068.

27 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.

28 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.*

29 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.

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

mile of a light rail station increased 2.5% ($1,300-3,000) above the median house value[31]. This translates into an increase of $2.31 (using geographical straight-line distance) and $0.99 (using network distance) for every foot closer the house was to a light rail 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[32]. 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. In Atlanta, researchers examined sale prices of all property transactions and found that property values increased as far away as three miles from MARTA stations (yet very close properties decreased by 19%)[33]. In Dallas, Texas, property value increased 12% more near DART stations compared properties outside of a one quarter mile from stations[34].

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[35]. 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[36]. 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.

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 GoTrain's new lines and the new subway stations 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[37]. This is likely explained by this group's reliance on personal vehicles versus mass transit, in addition to

31 Hess, B.D. & T.M. Almeida. (2007). "Impact of Proximity to Light Rail Rapid Transit on Station-area Property Values in Buffalo, New York" in Urban Studies, Vol. 44, No. 5-6, 1041-1068.

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

33 Bowes, D.R. & K.R. Ihlanfeldt. (2001). "Identifying the Impacts of Rail Transit Stations on Residential Property Values" in *Journal of Urban Economics*, Volume 50, Issue 1, July 2001, Pages 1-25

34 Weinstein,

35 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.

36 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.

37 Nelson, A.C. (1992). "Effects of elevated heavy-rail transit stations on house prices with respect to neighborhood income" in *Transportation Research Record* 1359: 127-132.

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[38].

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[39]. 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[40].

The impact on the values of the commercial properties is only felt on those located within easy walking distance to the stations. Outside of the immediate area, the impact of rail improvements is nominal on commercial property.

Coming to Select Neighbourhoods: Improved Transit and Increased Real Estate Values

On June 15, 2007, the Premier and Minister of Transportation announced "MoveOntario 2020", a 12 year plan to fund 52 transit projects to improve transit services provided in southern Ontario by GO Transit, the Toronto Transit Commission, York Region Transit's Viva bus rapid transit system, Durham Region Transit, Mississauga Transit, Brampton Transit, 2/3's of Waterloo Region's rapid transit funding, and the Hamilton Street Railway.

The highlights of the announcement are:

- Increasing speed and reducing emissions by electrifying the existing diesel powered GO Lakeshore line, which goes to Hamilton and expanding capacity on all GO lines
- Two rapid transit lines across Hamilton one running east/west and the other running north/south

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

39 Debrezion, G., E. Pels, & P. Rietveld. (2003). *The Impact of Railway Stations on Residential and Commercial Property Value.* Tinbergen Institute Discussion Paper.

40 Ibid.

PROPOSED RAPID TRANSIT SYSTEMS

HAMILTON

In February 2007, Hamilton Public Works Committee and City Council endorsed the Hamilton Transportation Master Plan (HTMP). Included in the HTMP was a rapid transit strategy, which included three rapid transit corridors:

- King/Main between Eastgate Square and McMaster University (east/west);
- James/Upper James between Downtown and Rymal Road (north/south); and
- An East-West route across the Mountain

At the time that the HTMP was completed, it was envisioned that Bus Rapid Transit (BRT) lines would be used in Hamilton, with the potential to move to Light Rail Transit (LRT) in the long term. As a result of the Province's MoveOntario 2020 initiative (June 2007), an accelerated rapid transit plan in Hamilton was effected and the funding from MoveOntario 2020 may also make LRT in the short term more feasible than it appeared when the HTMP was prepared.

The city initially established the Bus Rapid Transit (BRT) network plan consisting of three main corridors and other interconnecting routes: A Lower City east-west corridor between McMaster University and Eastgate Square; a Central North-South Corridor on James Street and Upper James via Mohawk College; and, a Mountain East-West Corridor on the LINC or parallel facility[41]. The originally proposed BRT route seen below is the starting off point for discussion on the fast-tracked

41 City of Hamilton. Transportation Master Plan. http://www.myhamilton.ca/NR/rdonlyres/9C87D1C8-0444-4A3A-A26A-1102B6049BBB/0/2ExecutiveSummary.pdf.

LRT route. Public Consultations are currently underway with the overwhelming majority of the public preferring the implementation of an LRT system over a BRT system.

One of the proposed rapid-transit lines would stretch along Hamilton's north-south corridor, shuttling riders between the lakeshore and the airport (with stops at Lime Ridge Mall and Mohawk College). The other would be similar to the existing B-Line Express, which runs between Eastgate Square, in the city's east end, to McMaster University, on the lower city's western limits.

Changes in other bus routes may be worth noting. Beginning on September 2, 2008 two new routes were added. The 44-Rymal bus route starts at the Glancaster Bus Loop on the west Mountain and travels north on Glancaster Road, east on Rymal Road, north on Prichard Road, west on Stone Church Road, south on Anchor Road and east on Bigwin Road back to Prichard Road. The bus returns south on Prichard Road and west on Rymal Road back to the Glancaster Loop.42

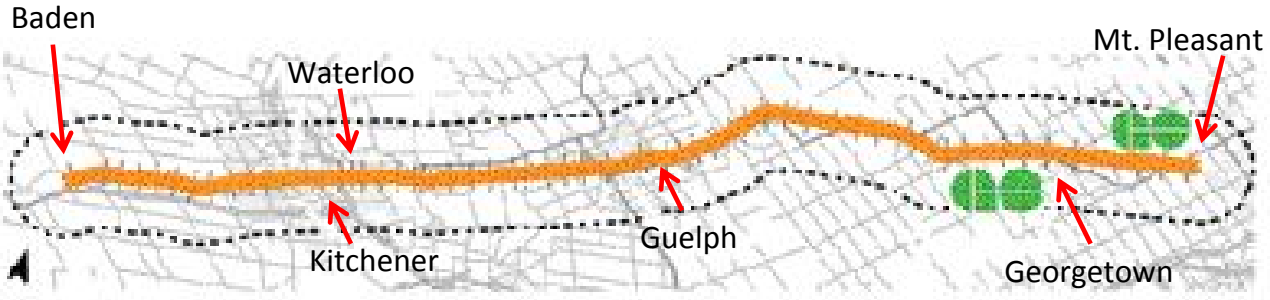
Another addition, which will add value to the relatively new Lakeshore West GO Train is the 18-Waterdown route created to coincide with the Waterdown High School's bell times. Beginning at the Aldershot GO Station, the route goes north on Waterdown Road and Mill Street, west on Dundas Street, north on Highway 6, east on Parkside Drive, south on Evans Road, west on Dundas Street and south on Mill Street and Waterdown Road back to the Aldershot GO Station.

GO TRANSIT

GO Transit operates seven train lines and a bus system that covers more than 2,200 kilometres. GO carries over 48 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. 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. GO services the City of Toronto, the City of Hamilton, and the surrounding Regions of Halton, Peel, York, and Durham, Simcoe, Dufferin, and Wellington Counties. In addition to the bus service, Barrie and Bradford are also serviced through rapid transit. The Lakeshore West line services the Hamilton area.

Trains Expanded from Waterloo Region to Toronto

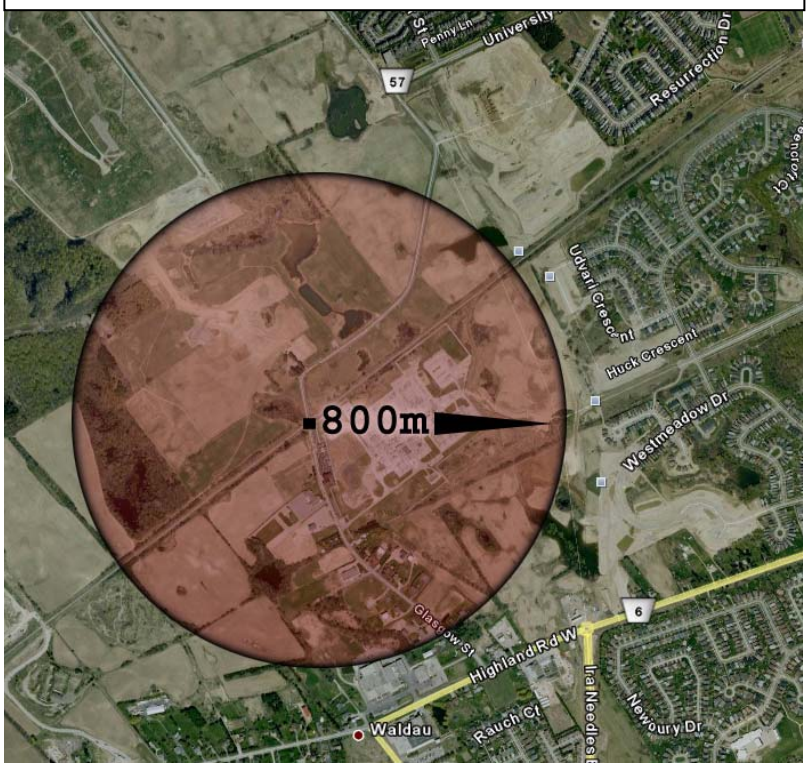
In September 2008, an announcement was made that an expansion plan would include commuter trains running from the Waterloo region to Toronto seven days a week. GO Transit announced that



42 City of Hamilton. HSR adds two new routes beginning September 2 http://www.myhamilton.ca/myhamilton/CityandGovernment/NewsandPublications/NewsReleases/2008News/08-08-28ph.htm

trains could be running as early as 2011 and the prospective station properties were selected pending the western expansion.

800 Metres around anticipated GO Train Station on Glasgow St.

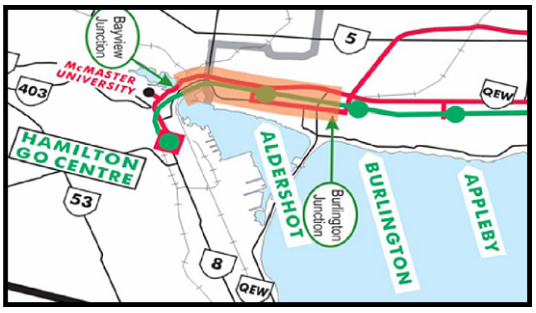


These three train stations are proposed at Breslau, downtown Kitchener, and the city's western edge. The Bresleau station would include a park-and-ride lot, the Downtown Station would run parallel to Victoria Street near the Via Rail station. The most western commuter station would be north of the existing tracks near Ira Needles Boulevard, along Glasgow Street. This would also be a car-friendly park-and-ride station like the one in Breslau. The proposed plans would also make the Petersburg GO's most westerly point.

The 2006 census found 10,665 people commute daily between Waterloo Region and the Toronto area. Another 12,480 region residents head to Wellington County to work, and 9,465 Wellington County residents head to the region to work daily.

LAKESHORE WEST (TO HAMILTON)

In this region the only existing station is the Lakeshore West Station. Currently, trains only run during rush hour and off hours are serviced by a bus service for areas beyond Aldershot. Current stations include: Hamilton, Aldershot, Burlington, Appleby, Bronte, Oakville, Clarkson, Port Credit, Long Branch, Mimico, Exhibition and Union Station.



However, construction is underway to add an extra track between Burlington and Bayview Junction and from Port Credit to Oakville, which will allow for an expanded service. In April 2008, GO Transit implemented 12-car trains, which can accommodate 300 new riders per train – an increase of 20%. There is off-peak train

service on parts of the Lakeshore line. MoveOntario 2020's commitment to electrifying the diesel powered GO Lakeshore line will mean that commuters will get from Toronto to Hamilton 15 minutes faster. This incentive will be enough to entice more people to trade more expensive housing closer to Toronto for more affordable homes closer to Hamilton. The distance remains the same, but a savings of 30 minutes a day commute time or 2.5 hours a week will sweeten the option.

Kitchener Waterloo Cambridge

Stay tuned for Rapid Transit coming to the KWC region. There are many transportation improvements underway in the KWC region - airport, Light Rapid Transit (LRT), roads and buses. In May 2004, the Government of Canada, the Government of Ontario and the Region of Waterloo announced joint funding for a Rapid Transit Initiative. Preliminary station announcements were made on March 20, 2007.

Although it is important to realize that these are just proposed stations, of which many may change as funding constraints are recognized, studies indicate that 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. The following stations are proposed for the KWC region (For a detailed look at the most current station locations see the Region of Waterloo website[43]):

Waterloo

Conestoga Mall	King/Victoria	Research/Technology Park
King/Weber Station	Grand River Hospital	Northfield/Parkside
Wilfrid Laurier University	Waterloo Town Square	Weber/Victoria
Bridgeport/Weber	University of Waterloo	

Kitchener

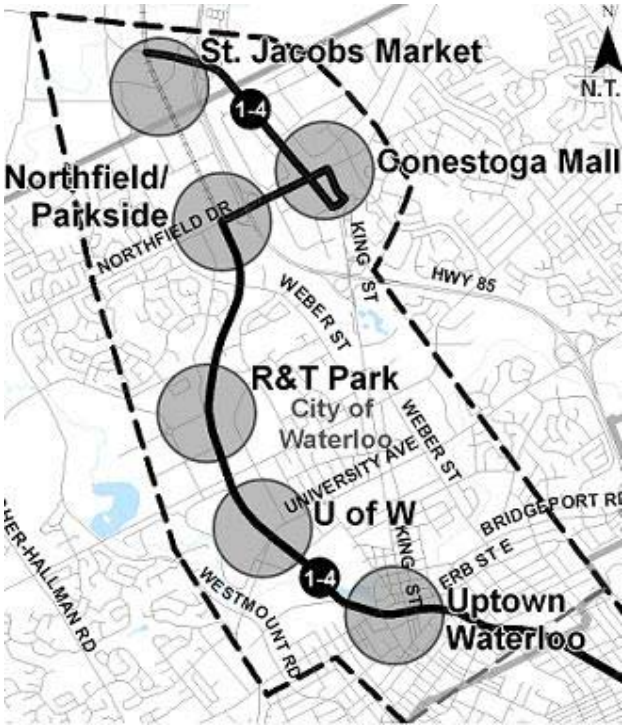
Charles/King/Ottawa	Courtland/Fairway	Downtown Kitchener
Kin/Montgomery	Ottawa/Courtland	Grand River Hospital
Fairview Mall	Kitchener Market	Uptown Waterloo

Cambridge

Fairview Mall	King/Montrose	Hespeler/Pinebush
Sportsworld	Cambridge Centre	Dundas Samuelson
Preston Core	Hespeler/Can-Amera	Galt Core

43 Region of Waterloo. (2008). http://transitea.region.waterloo.on.ca.

Route decisions and station locations are still being evaluated through the environmental assessment process that examines the impact on air, land, water, plant and animal life, and human beings, as well as social, economic, and cultural conditions. Detailed maps with the proposed routes and station locations created by the Region of Waterloo Planning, Housing and Community Services are located in Appendix A at the end of this document. The process is currently in Phase 2, step 3 with the results from step 2 already published. Once this is completed, Phase 3 will begin during which a preliminary design of the preferred rapid transit system for the Waterloo Region will be undertaken. It is important to keep in mind that this project is still in its infancy and real estate investors should consider that these preferred routes and station locations may possibly never come to fruition. Having said that, here are the preferred routes for the various segments of the system[44]: An optimistic timeline has construction set to begin 2011. Stay tuned for changes in the interim.

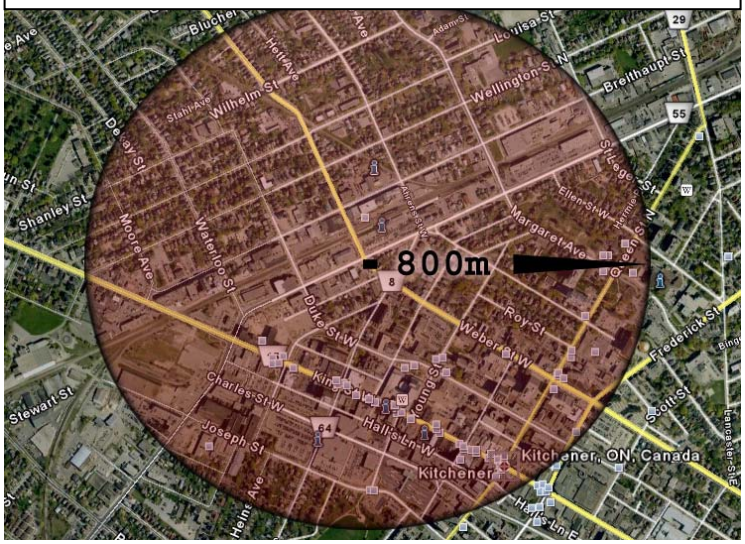


Waterloo

Segment 1 – North Waterloo through Uptown Waterloo: The five top ranked routes use either the King Street or Railway corridors: Light Rail Transit (LRT) on the King-Kraus-Northfield-Railway alignment, the King-University-Railway alignment and the King only alignment are ranked first, second and third while the King-Kraus-Northfield-Railway and the King-University-Railway alignments, both with Bus Rapid Transit (BRT), tied for fourth. The adjacent map depicts the the route ranked as the favoured route for segment 1. St. Jacobs Market, Conestoga Mall, Northfield/Parkside, Research and Technology Park, University of Waterloo, and Uptown Waterloo stations are included along this route.

In north Waterloo, two new buildings are being constructed in the University of Waterloo's Research and Technology Park, and it is possible that Research in Motion will start building on the 15-hectare site it purchased from Dalsa. This is the location for the proposed Research and Technology Park Station.

800 Metres around proposed King/Victoria station

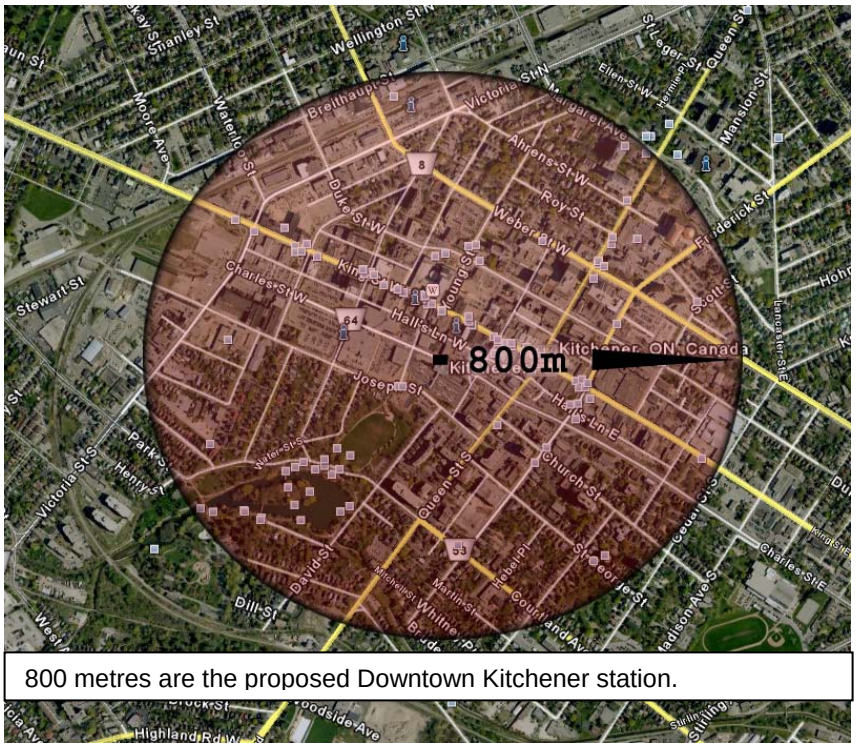


Kitchener

Segment 2 – Uptown Waterloo to Downtown Kitchener: The King Street corridor is also ranked highly in Segment 2.

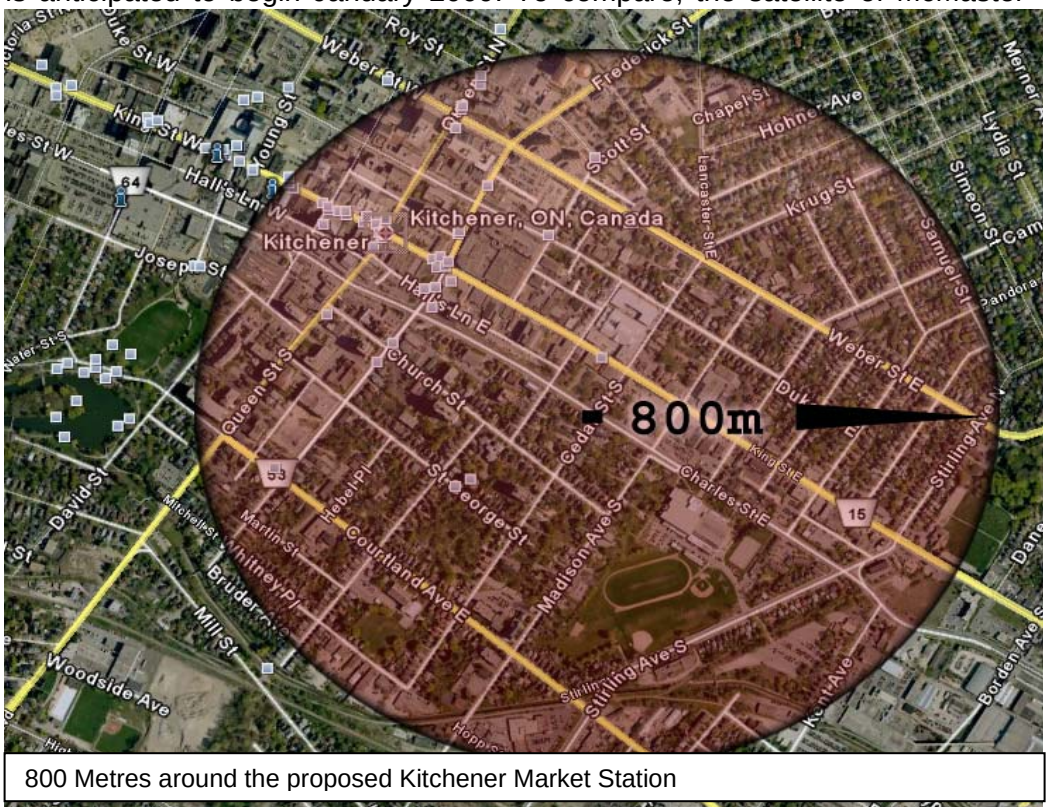
44 Region of Waterloo. (2008). Environmental Assessment. Phase 2, Step 2. http://transitea.region.waterloo.on.ca/pdfs/PCC_HANDOUT_P2S2_EVALUATION_RESULTS_-_with_all_appendices.pdf.

The King-Charles alignment ranked first with LRT and second with BRT. LRT on the Weber-Queen-Charles alignment is ranked third. LRT on the King-Charles-Queen-Railway and King-Duke-Benton-Courtland alignments ranked fourth and fifth.



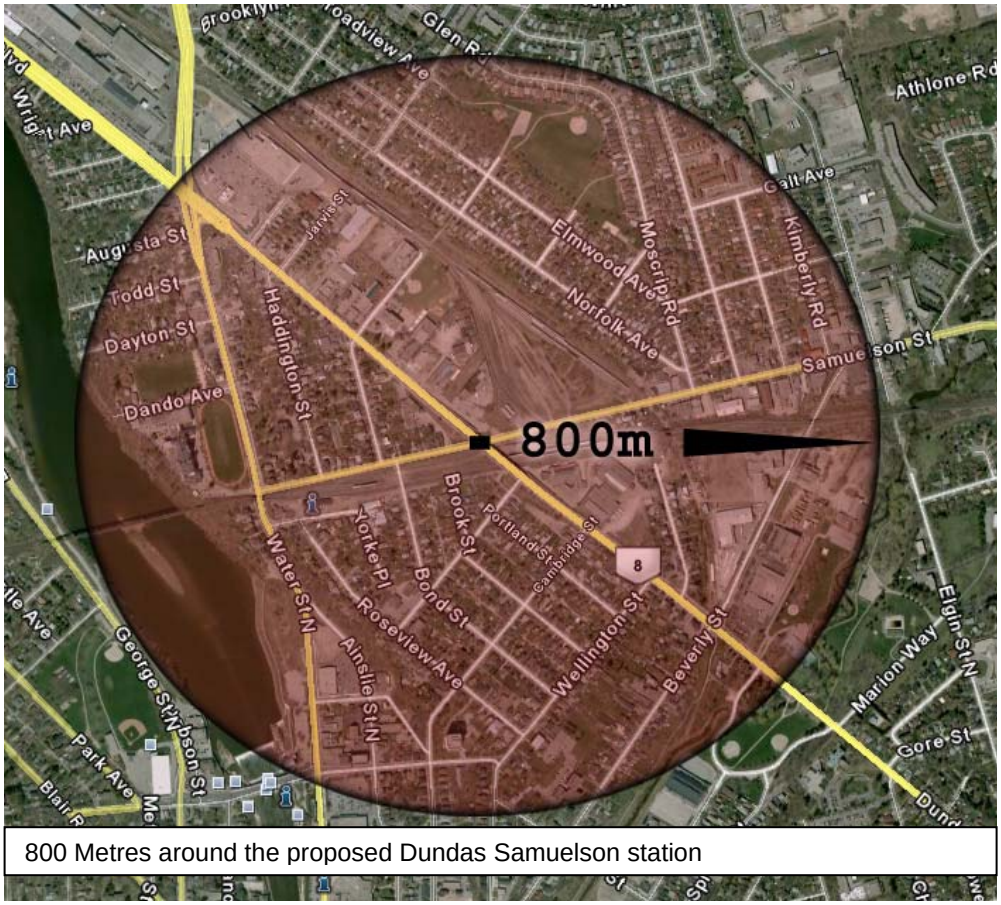
800 metres are the proposed Downtown Kitchener station.

The University of Waterloo's Downtown Kitchener Health Sciences campus is currently undergoing its second phase and is slated for completion in September 2009. It is expected to bring more that 1,200 students, faculty, and staff to the area. The Campus will house a primary care clinic, School of Optometry clinic, Centre for Contact Lens Research and the regional McMaster medical program. The University of Waterloo School of Pharmacy is the anchor for the campus and is being built at King Street and Victoria Street, near the proposed King/Victoria Station. This $30 million project will accept 120 new students annually and is anticipated to begin January 2009. To compare, the satellite of McMaster University's Michael G. DeGroote School of Medicine accepts 15 students a year.



800 Metres around the proposed Kitchener Market Station

Adjacent from the Health Sciences Campus is the redevelopment of the Lang Tannery building, which will house a mix of corporate and social space. This site is being developed as a direct result of the new campus and will be filed with restaurants, retail, office space, and multi-media, financial and health sciences industries. This project is also set to complete in 2009.



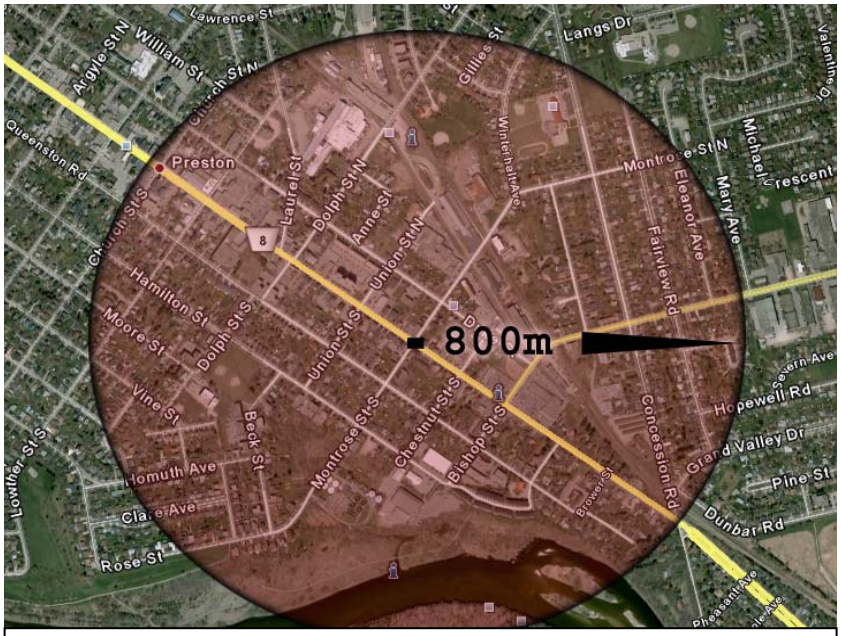
800 Metres around the proposed Dundas Samuelson station

Redevelopment of Centre Block will include up to 250 public spaces such as a condos, live-work suites, retail, restaurants, boutique hotel and spa, and parking. Phase one will begin in 2009.

Segment 3 – Downtown Kitchener to South Kitchener: The Charles-King-Dixon -Shelley-Hydro-Hwy 8 alignment ranked first with LRT and third with BRT, while LRT on the Charles-King-Borden-Courtland-Fairway-King alignment ranked second. LRT on the Charles-King-Ottawa-Railway and the Charles-King-Dixon-Kingsway-Hwy 8 alignments ranked fourth and fifth.

Cambridge

Segment 4 – South Kitchener to Cambridge (Preston): The Hwy 8-Sportsworld-Railway alignment ranked first with LRT and third with BRT while the Hwy 8-Sportsworld-Cherry Blossom-Speedsville alignment ranked second with BRT and fourth with LRT. LRT on the Railway alignment is ranked fifth.



800 Metres around the proposed King/Montrose station

Segments 5 – Preston to the Delta: In Segment 5, the Railway, Railway-Coronation, Railway-Bishop and King-Bishop alignments ranked first, second, third and fourth with LRT. Four route alignments tied for fifth: BRT on the Railway alignment and the King-Coronation alignment with BRT and the Eagle alignment with both BRT and LRT.

800 Metres around proposed Galt Station

Segment 6 – Hespeler Road: In Segment 6, the Eagle -Waterway-Dunbar-Hespeler Road and Eagle-Waterway-Bishop-Hespeler Road alignments with LRT were tied for first, while the Hwy 401-Hespeler Road and Eagle-Waterway -Dunbar-Hespeler Road alignments with BRT tied for third. LRT on the Bishop-Hespeler Road alignment ranked fifth.

Segments 7 – The Delta to South Cambridge:
The Railway-Beverly-Wellington alignment ranked first with LRT and third with BRT, while LRT on the Railway alignment and the Hespeler Road-Water-Bruce alignment ranked second and fourth. BRT on the Hespeler Road Water-Ainslie alignment ranked fifth.

EFFECT ON PROPERTY VALUES: PRIMARY IMPACTS

Which Regions Will Experience a Positive Impact?

Planning theorists posit that "the basic value of an investment—be it in highway or anything else—is the value of the resources it releases for other uses"[45], which suggests that the importance of reducing time spent commuting as a result of transportation improvements and more efficient public transit, ought to be and is, realized in the value of property surrounding a station or highway extension.

As discussed at the beginning of this report, real estate markets' values are driven and supported by eight economic fundamentals, of which transportation improvement is only one (albeit a very important one). We focus solely on this one fundamental, transportation, and provide investors with a long-term (10+ years) perspective on which region's property values will be most impacted.

Values across the region will go up and down - being impacted by the other 7 fundamentals over the coming decade. However, by following the impact of transportation changes, investors and homeowners can increase any positive value growth and decrease any value drops.

There will be some very clear winners and some potential losers in the property value equation once all of the Move 2020 projects are complete; however, many of these projects are still very early in the proposal stages and it is important to know that not all proposed projects come to fruition.

The good news for investors who are using the Red Hill Expressway as a catalyst for property investment is that the project is complete. Investors can visit the area, drive the highway, use the accesses and egresses and witness for themselves the neighbourhoods that will enjoy the largest impact. There is no speculation involved.

Other transportation projects, that are just at the proposal stage, still have an element of speculation. Funding needs to be secured, environmental impact studies completed, routes finalized and construction begun before these projects become real on an investor's radar. We recommend that investors only begin to buy after they see actual work starting on a project.

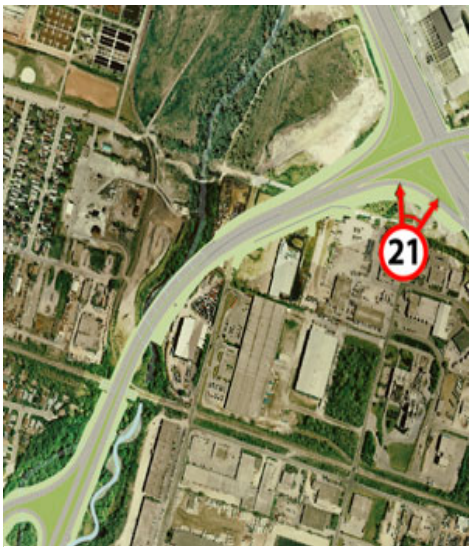
The regions on the following pages are anticipated to experience the largest positive impacts.

45 Mohring, H. (1961). "Land values and the measurement of highway benefits" in the *Journal of Political Economy*, 69, pp. 236–249.

Hamilton

The positive effect of the Red Hill Expressway has only just started in the Hamilton area. Over the coming years, as an increasing number of commuters discover the convenience of this new highway, we will witness an increase demand for Hamilton properties overall but more specifically residential properties located near the highway's interchanges.

The areas near these interchanges (as indicated by the photos below) will enjoy a 12 - 15% demand increase that will be reflected in a 12 - 15% value increase when compared to similar properties without this easy access. The neighbourhoods that will enjoy the largest positve impact are listed below:



#21 Kenora Ave. On ramp to RHV Parkway

Source: SKB Associates

The neighbourhoods located around the on-ramp from the QEW such as Nashdale and Lakely now have quick access to the highway, thus shaving minutes off of commute times.

Nashdale residents will now have a choice of two accesses to the highway, using the Kenora Avenue on-ramp or the Barton Street interchange. Other neighbourhoods around this interchange are Kentley, McQuestern East & Barton.

#20 Barton St. Interchange

Source: SKB & Associates

#14 Queenston Road Interchange.

Source: SKB & Associates

Neighbourhoods around the Queenston Road on-ramp include: McQuestern West, Glenview East, and Corman.

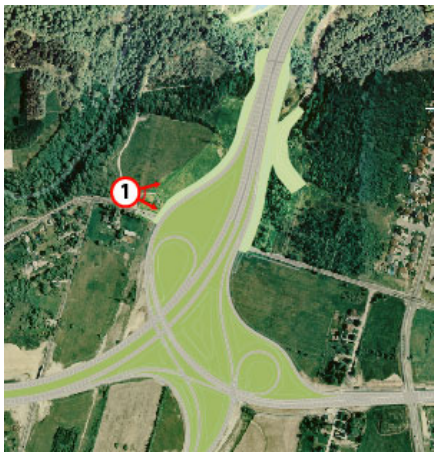
Glenview East and Red Hill are located around the King Street Interchange. In addition to being in close proximity to the the Queenston Road Interchange, Corman will also benefit from access to the Red Hill Valley Parkway by way of the the King Street onramp.

#13 King Street Interchange.

Source: SKB & Associates

King's Forest and Red Hill will be impacted by the Greenhill Road extension and the neighbourhood of Albion Falls will have access at the end of the Parkway by way of the linkage from the Parkway via the Mud Street access to the Lincoln M. Alexander Parkway

#11 Greenhill Avenue
Source: SKB & Associates



#1 Mud Street at Lincoln M. Alexander Pkwy *Source: SKB & Associates*

Stoney Creek will also be positively impacted by the easier access and traffic flow created by the Highway 8 link to the Red Hill Valley Parkway. This will allow commuters from as far away as Toronto and Oakville to cut key minutes off their drive.

The improvement of the GO Train line between Toronto and Hamilton will also increase demand for affordable property within 800 meters of the current stations along the Lakeshore West line, especially in Hamilton.

Kitchener Waterloo Cambridge

Already rated as the top region for property investment in the next five years, the Technology Triangle region is poised for strong growth. Pressure will be on the region to provide transportation infrastructure that will support this coming growth or residents and commuters will face further risks of gridlock.

The widening of major arteries, which has already begun, will help the flow of traffic. However, this widening will not have a major impact on property values as the purpose is not to open up areas, but to relieve current traffic flow.

The major impact will be felt on KWC property values once the new Light Rail Transit system is completed. Once the stations are finalized, homeowners and investors should be focusing on the older neighbourhoods with lower than median incomes within 800 meters of the stations. The Real Estate Investment Network's research team will be watching the progress of this project and will issue updates so that investors and homeowners can identify the key neighbourhoods.

Please Note: Not ALL properties in these regions will make for great investments, so make sure you complete your due diligence on all properties before you purchase.