

Media Relations Contact:  
**Morgan Lyons**

**September 24, 1999**

## **DART Rail Boosts Property Values and Retail Sales According to University of North Texas Study**

Values of property near DART light rail stations are 25 percent higher than for similar properties not served by the growing rail system, according to a new study. DART has also helped occupancies and retail sales, especially in downtown Dallas.

The study, conducted by the University of North Texas' Center for Economic Development and Research, said changes in tax valuations between 1994 and 1998 showed "proximity to DART light rail stations appears to be a plus for most classes of real estate, especially Class A and C office buildings and strip retail." The study was directed by UNT economist Dr. Bernard Weinstein.

The Center studied 700 properties within a quarter-mile of 15 DART stations as well as 160 comparable properties not served by DART. Property values increased in 11 of the 15 neighborhoods reviewed, with the sharpest gains registered in the corridor from Cityplace through Mockingbird to Lovers Lane in north Dallas.

New projects along the rail corridors confirm the report's conclusions.

Dallas developer Ken Hughes, president of UC Urban, said "The proximity of the DART station and growing ridership made the Mockingbird Station project attractive and doable -- and we're not doing it half-way."

Hughes' project includes the renovation of a former Southwestern Bell telephone warehouse and office tower that fronts on Mockingbird Lane and North Central Expressway. The existing structure is being converted to retail and 220 loft apartments, with plans for additional mixed use development on the property including an 8-screen movie theater complex, restaurants, office space, a music store and a future hotel.

Cityplace Station-area developer Robert Bagwell, president of Urban Partners, is building the nearby West Village with transit in mind. The project covers 7.5 acres with six buildings to house townhouse lofts, retail, and a theater. It will benefit from an entrance to DART's Cityplace Station on the west side of the expressway, which will also be served by the McKinney Avenue Trolley. "West Village is designed so residents can park their cars all week and take either the train or the trolley to work. We need a strong public transportation component to give our development and our city the ease of movement and urbanity to compete with major cities internationally."

Office properties near DART Rail gained the most average value at 29 percent, while the average gain of all properties was 16 percent, compared to a 12.8 percent average value increase showed by the control group. Retail property values rose 84 percent around Kiest Station in the South Oak Cliff section of Dallas and 79 percent at Mockingbird Station.

A review of land prices showed even more benefit from DART Rail. Land values near DART stations increased an average 14.66 percent during the study period compared to a 7.2 percent average increase for comparable properties not near DART.

The study also found that DART Rail helped the occupancy and rental rates of nearby commercial properties. Average occupancies went from 80 percent in 1994 to 88.5 percent in 1998 for Class A buildings, while rents increased from an average \$15.60/sf to \$23.

Strip retailers near DART stations registered a 49.5 percent gain in occupancy and a 64.8 percent improvement in rental rates during the study period.

To measure retail sales, the study reviewed sales tax data from the Texas Comptroller of Public Accounts. Using zip codes, the researchers measured changes in sales tax receipts from downtown Dallas and at four other DART stations -- Mockingbird and Park Lane in north Dallas and 8th & Corinth and Kiest in south Dallas.

Downtown Dallas showed the greatest retail sales improvements. Tax receipts for the first quarter of 1998 were \$197.2 million, up 79 percent over the period a year earlier. For the second quarter of 1998, receipts were \$202 million, compared with \$113 million for 1997.

Weinstein said it is possible the region will continue to reap the benefits of investing in light rail for some time. "The demographic composition of Dallas is changing in ways that will enhance the demand for public transit, and, perhaps, the value of properties located close to DART light rail stations."

The report can be found online at [www.unt.edu/cedr/dart.pdf](http://www.unt.edu/cedr/dart.pdf).