

Urban Walkability in New York Metro Solves Multiple Challenges



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Up for Growth's Housing Underproduction in the U.S. report underscores the severe housing crisis across the country and its significant economic, social, and environmental consequences. As the report outlines, homes in metropolitan regions throughout the country are unaffordable for a large share of households, both leading to increased houselessness, and encouraging population and development into environmentally destructive exurban sprawl. This outward expansion reinforces our reliance on automobiles, leads to additional energy consumption and carbon emissions, diminishes public health, and has negative foreign policy implications. We can help address the housing shortage by allowing housing to be constructed in walkable urban places where we already have built the infrastructure and where artificial zoning constraints have pushed housing prices to record highs. While we give an example here using metropolitan New York, this concept applies to all regions struggling with high housing costs.

There are two basic forms of housing development in metropolitan America. The first is “drivable suburban,” which is extremely low-density and automobile-dependent, has segregated land-uses with housing separated from schools, offices, retail, and other aspects of life, and is mostly made up of large lots. It is the number one contributor of urban-related greenhouse gas emissions. The second is “walkable urban,” which is higher density with multiple transportation options, integrated land-uses within walking distance, and far less land use. People living in walkable urban places create an estimated 50% fewer greenhouse gas emissions over the course of their daily lives than those in drivable suburban places.

From the perspective of reducing emissions, a greater proportion of development needs to be walkable urban. This would reduce price pressure on walkable urban land, the type of community that price premiums tell us many people want to live in but can't afford. It would take advantage of existing infrastructure, decrease greenhouse gas emissions and noise pollution, increase both gross regional and gross national product, put a solid fiscal base under local jurisdictions, and if done right, diversify accessibility to high-opportunity communities for low-income households.

Metropolitan New York

The Housing Underproduction report estimates that metropolitan New York, the largest American metro region, has a housing deficit of 342,000 units as of 2019, which based on the regional product mix, can be assumed to consist of 200,000

rental units and 142,000 for-sale units. For context, the region has about 7.8 million housing units (44% in New York City and 56% everywhere else). In the decade from 2010 to 2020, the whole region only added about 286,700 housing units. At that rate, it would take 12 years for the region to make up for the housing deficit it is already in, without accounting for any additional population growth and natural replacement. In other words, without dramatic action, this deficit will get deeper.

Metro New York is ranked the most walkable urban metro in the country by Foot Traffic Ahead 2019 (Loh). However, in this region—an area roughly the size of Maryland—only 17% of walkable urban development is in the vast suburbs according to our research in WalkUP Wake Up Call: Metro New York (Leinberger et al., 2017.). The price premiums for its walkable urban housing are the highest in the country. Walkable urban rental apartments have a 236% price per square foot price premium over drivable suburban rental, and walkable urban for-sale housing has a 70% price per square foot premium, both reflecting the pent-up demand for walkable urban housing.

One explanation for this price premium is that the New York region has compressed all its walkable urban real estate (housing, office, retail, and other buildings) into a tiny 2.5% of the region's total land mass. The other 97.5% of land consists of low-density drivable suburban areas and open space, built at a density much less than metropolitan Los Angeles.

It's crucial to understand that this tiny area of walkable urbanism is an economic powerhouse. It generates about 56% of the region's \$1.2 trillion gross regional product and 53% of its \$6 trillion in real estate asset value, and it contains 32% of all real-estate inventory by square footage. This vitality is focused on a small area in New York City (much of the city is actually drivable suburban) and certain other walkable urban places in the region, such as the downtowns of Jersey City, Newark, Stamford, and White Plains. Research by Chang-Tai Hsieh and Enrico

Moretti indicates that limitations on available housing in the San Francisco, San Jose, and New York metro areas, reduces total U.S. GDP by 3.7 percentage points as individuals are priced out of making efficient moves for better jobs and opportunities (2019). Addressing housing needs and being a growing economy are one and the same.

Underproduction Within New York Metro

New research conducted for the Urban Institute and the Housing Crisis Research Collaborative explored how housing production varied between municipalities—towns and cities—between 2000 and 2020. On average, data showed that municipalities with greater numbers of residents with higher incomes and more expensive homes added more housing than communities with residents with lower incomes and less-valuable homes. The explanation for this phenomenon is relatively straightforward: Developers want to build in economically vibrant, attractive cities and towns. They are unlikely to put their money into major projects in depressed metropolitan areas, cities, or neighborhoods.

Even so, among the most expensive cities—defined as those whose home values average at least 30% more than



their respective metropolitan areas—there is considerable variation. In fact, about 40% of these exclusive cities accommodated less than half their fair share of regional housing growth. In many cases, these cities have leveraged land-use regulations, like restrictive zoning codes, to cut off the supply of new and needed housing.

Take Ridgewood, New Jersey, a leafy suburban town about 40 minutes by express train from Manhattan’s Penn Station. It is a prosperous community with homes worth 69% more than the

metropolitan average and resident incomes averaging more than twice as high as those of the region. Its residents are also far more likely to be non-Hispanic white and highly educated. Over the past two decades, Ridgewood’s residents and leaders found the means to keep the community that way, leveraging the fact that the city is zoned almost entirely for single-detached housing. The municipality added a grand total of 12 residences during that period—far fewer than the 1,106 homes the town should have added if it was to add 13%, the growth of the region over these 20 years. At the same time, Ridgewood lost about one-third of its already-small number of Black residents.

In metropolitan areas like New York, towns like Ridgewood are impediments to fair, adequate housing accessibility. Its local government has not done enough to create the conditions for construction, and the result is that it has become more and more exclusive.

To increase housing production, Ridgefield and other cities need to start by addressing restrictive zoning to allow for more units to be built in places where unaffordability is most pressing. They can do so in a way that produces more walkable urbanism—attractive for renters and homeowners alike.

Artist’s rendition of how applying A Better Foundation principles would improve housing supply in Ridgewood, NJ.



Urban Walkability (cont.)

Walkable urbanism can be achieved both in central cities and in their urbanizing suburbs. We believe that the price premiums for walkable urban housing indicate a pent-up demand for that type of built environment, where one can walk or bike to meet most of one's daily needs. The New York region should expand its walkable urban inventory around the region, including into Long Island, suburban New Jersey, Westchester, and southeast Connecticut. Doing so would reduce land-price pressure on the 2.5% of land that is currently walkable urban, perhaps increasing the amount of walkable urban land to 5-7% of the total.

Much of the 342,000 additional housing units that need to be built can be completed in urbanizing suburban communities, which can be an opportunity for them to grow their economies. This can include infill in existing downtowns; upzoning land around the over 950 existing subway, light-rail and commuter rail stations in the region; redeveloping failing regional malls and business parks; and allowing for slightly more density like duplexes and auxiliary housing units (ADUs) in existing neighborhoods, what's known as "light-touch density."

We have modeled one scenario where the region meets its housing needs with 160,000 rental and 82,000 for-sale units in walkable urban places with a focus on urbanizing suburbs, and the remaining 100,000 units in drivable suburban locations. In this scenario, the entire region could fit its walkable urban housing needs focused only on developing and in-filling around 6.3 square miles of land in the 12,800 square mile region, or only 0.005% of the metropolitan land. The 100,000 units in drivable suburban would occupy 49 square miles of new land, but this figure could be reduced through more compact development. As one of the country's oldest regions, the infrastructure and urban bones are certainly there to accomplish this, but decisions have been made otherwise.



Conclusion

Cities throughout the U.S. are struggling to address limited and unaffordable housing in their communities, increased homelessness, local government fiscal shortfalls, and vulnerable and insufficient infrastructure. Continuing development outward as suburban sprawl precipitates environmentally destructive reliance on automobiles and the infrastructure they require. It results in increased energy consumption, decreased quality of life, and the limitation of economic opportunity for millions of people.

Our research shows that across America, walkable urban places are only 1.5-6.5% of any one region's total land mass. Building more homes is imperative, but how and where we build them is critical. If cities continue to add housing on their fringes, what looks like a housing solution quickly becomes an environmental problem. In contrast, allowing more development in walkable urban places where infrastructure already exists, where economies are vibrant, and where the day-to-day necessities of life produce fewer greenhouse gas emissions, is a win not only for increased housing supply, but also for equity, affordability, economic vibrancy, and climate change mitigation.

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