Bus rapid transit impacts on land uses and land values in Seoul, Korea

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Abstract

Bus rapid transit (BRT) has gained popularity as a cost-effective alternative to urban rail investments; however, relatively little is known about its impacts on land-use changes and land values. This paper examines the land-market effects of converting regular bus operations to median-lane bus services in Seoul, Korea, one of the densest, most congested cities in the world. Multilevel models reveal BRT improvements prompted property owners to convert single-family residences to higher density apartments and condominiums. Land price premiums of up to 10% were estimated for residences within 300 m of BRT stops and more than 25% for retail and other non-residential uses over a smaller impact zone of 150 m. The research findings underscore the importance of introducing zoning and other land regulatory changes prior to the initiation of BRT improvements as well as applying value-capture tools to help finance investments and redress inequities.

Keywords: Bus rapid transit; Land use; Capitalization; Hedonic price models; Multilevel models; Land-use planning; Value capture