



October 2026

# TOD on a Roll: Making the Most of New Transit Connections



Yonah Freemark

*Photo: Sound Transit.*

# Transit-Oriented Development Offers Key Benefits Compared to Other Forms of Construction

**Upfront public infrastructure costs** that are one-third lower, and **infrastructure maintenance costs** that are half as high

13 percent higher **property tax revenues** per acre, bringing in more funds for local services

Substantially higher **transit ridership** than what would occur without any TOD investment

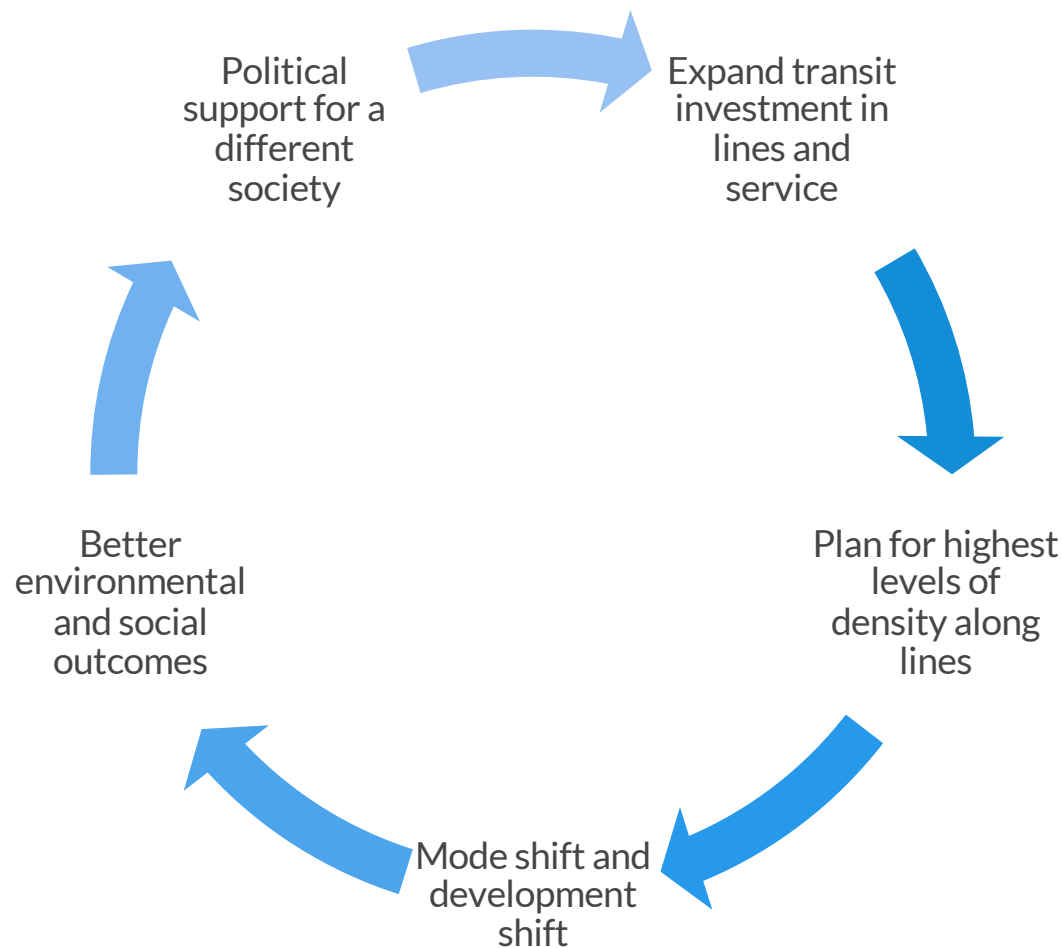
Substantial reduction in **traffic congestion**

Thousands of dollars in lower **household expenditures** due to lower transportation costs

One-third reduction in **air pollution** impacts from development

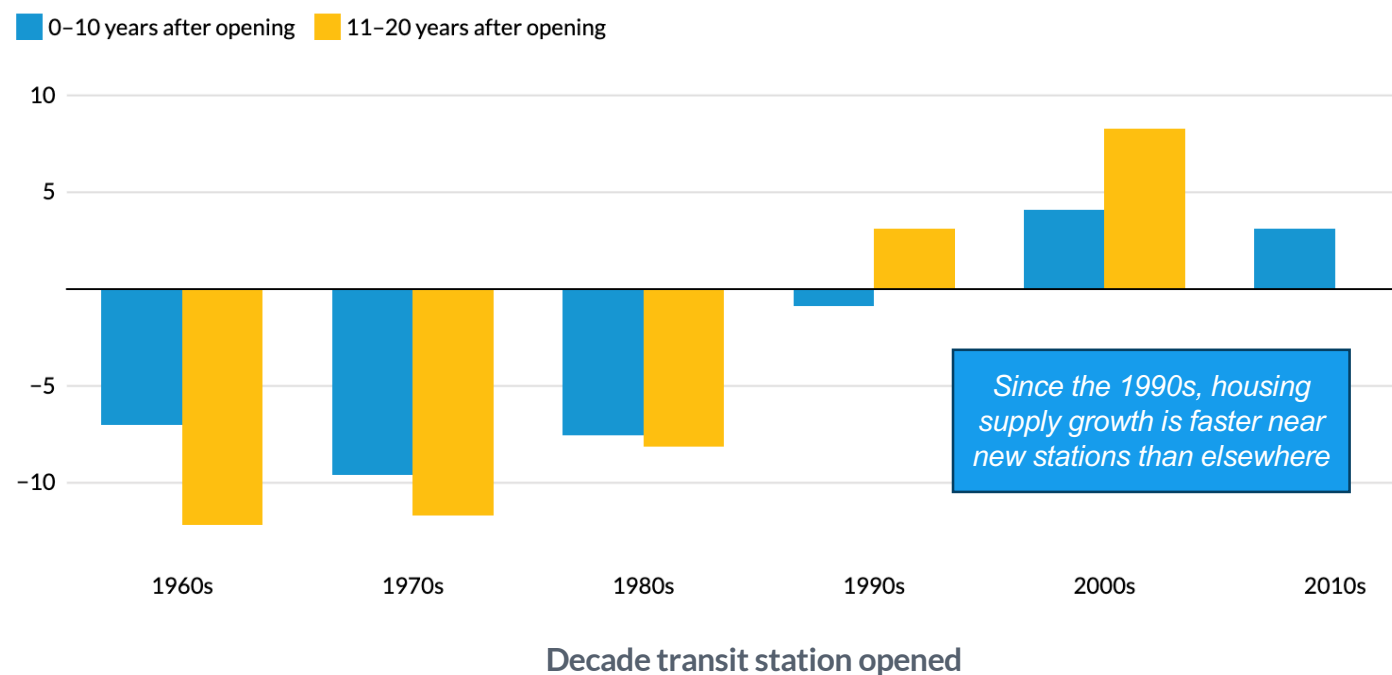
Sources: Seva Rodnyansky, Tushar Kansal, Ben Holland, Justyn Huckleberry, Jyot Chadha, Ian Carlton, and Natalie Walker (2026), "Building Homes Near Jobs, Stores, and Transit Saves Public Dollars," Pew. Jen-Jia Lin and Ting-Yu Shin (1998), "Does Transit-Oriented Development Affect Metro Ridership?," Transportation Research Record. Matthew J. Nahlik and Mikhail V. Chester (2014), "Transit-oriented smart growth can reduce life-cycle environmental impacts and household costs in Los Angeles," Transport Policy. Ming Zhang (2010), "Can Transit-Oriented Development Reduce Peak-Hour Congestion?," Transportation Research Record.

# Transit-Oriented Development: An Opportunity to Promote a Virtuous Cycle in the Built Environment



# The United States is Slowly but Steadily Getting Better at Concentrating Growth in Transit Areas

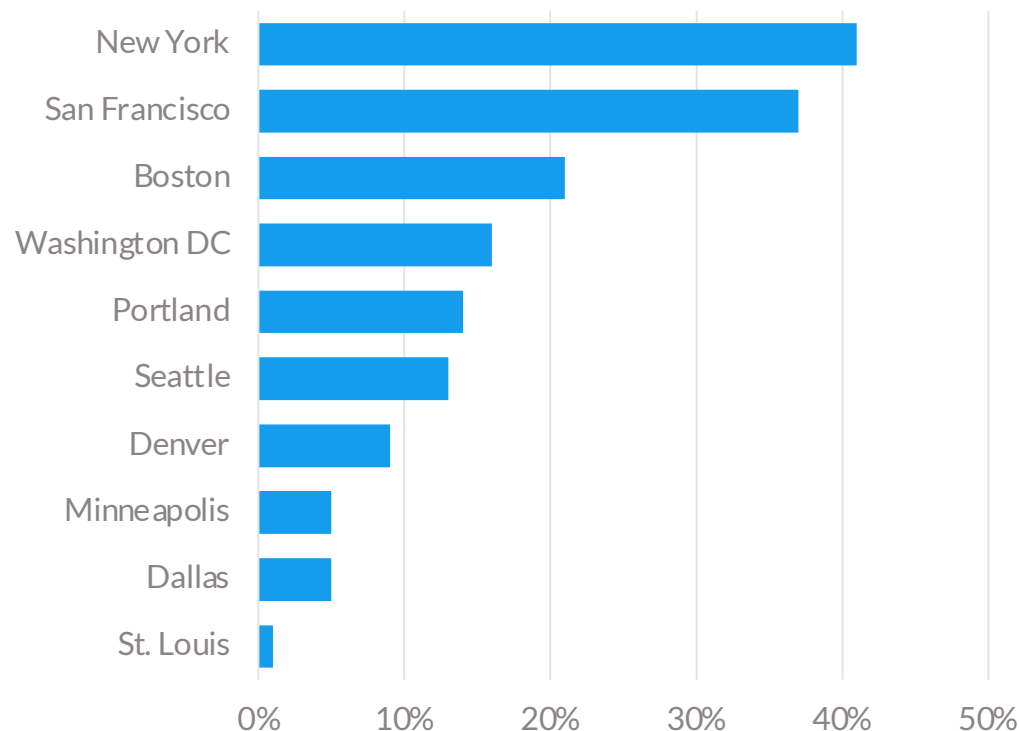
Percentage-point difference in housing stock between tracts within a half mile of new fixed-guideway transit stations and tracts without new stations in the same urban area



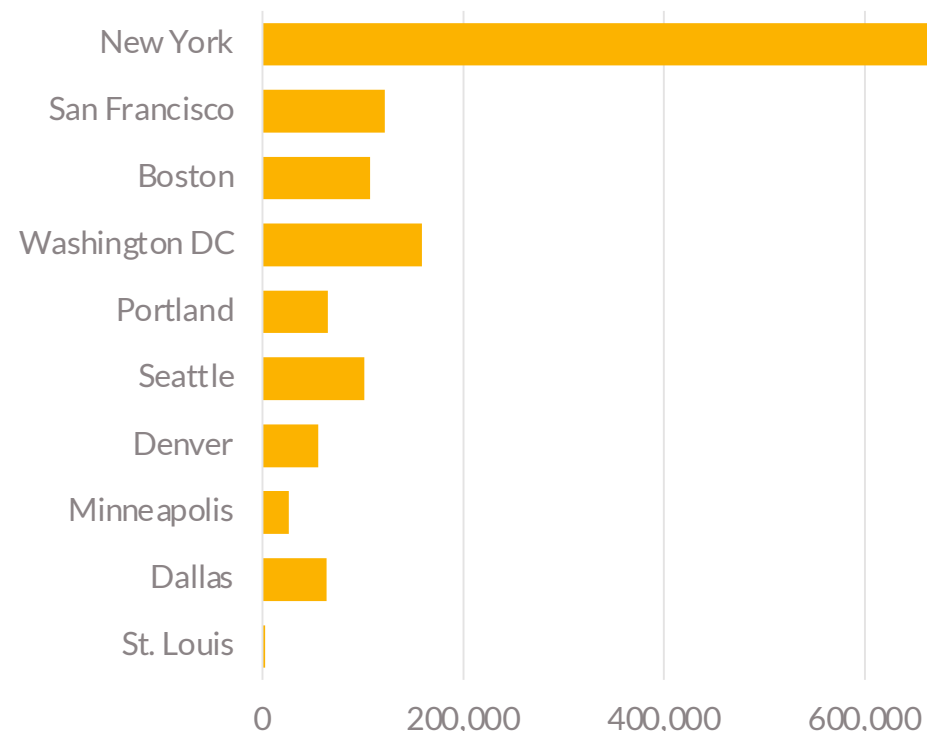
Source: Yonah Freemark (2024), “Spurring Housing Development Near Transit through Federally Funded Land Acquisition,” Urban Institute *Urban Wire*.

# Outcomes Differ by Metropolitan Area; Some Have Concentrated Growth Near Transit, Others Not

Share of overall housing growth within a half mile of rail stations, 1980-2022, by urban area



Total housing units added within a half mile of rail stations, 1980-2022, by urban area



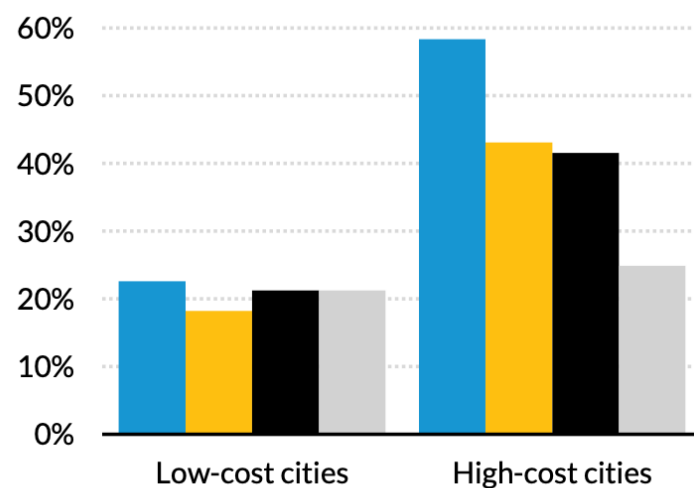
Source: Yonah Freemark (2026), "Transit-Oriented Development Can Help Cities Grow. Which Urban Areas Are Doing Best?," Urban Institute *Urban Wire*.

# TOD Investment in Washington State Has Varied Dramatically Based on Local Real Estate Markets

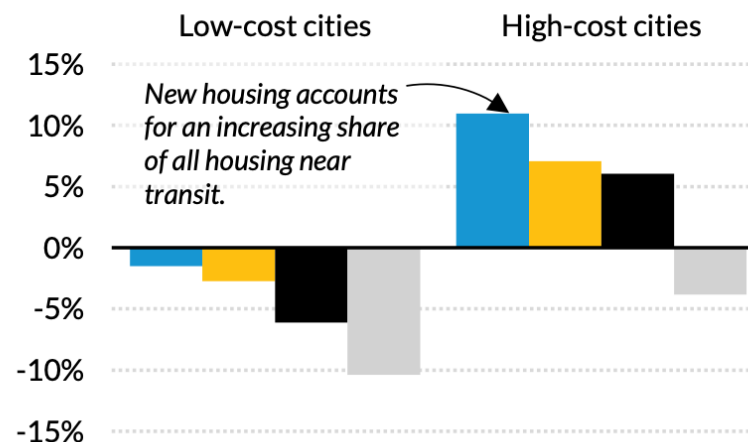
Population and housing growth has concentrated in high-housing-cost cities—and particularly in neighborhoods close to fixed-guideway transit stations

■ Near station open before 2010 ■ Near station open 2010–2024 ■ Near planned station ■ Rest of city

Percentage change in population, 2000–20



Percentage-point change in share of housing units built in the past decade, 2020 versus 2000



Example high-housing-cost cities:

- Bellevue
- Redmond
- Seattle
- Shoreline

Example low-housing-cost cities:

- Everett
- SeaTac
- Spokane
- Tacoma
- Vancouver

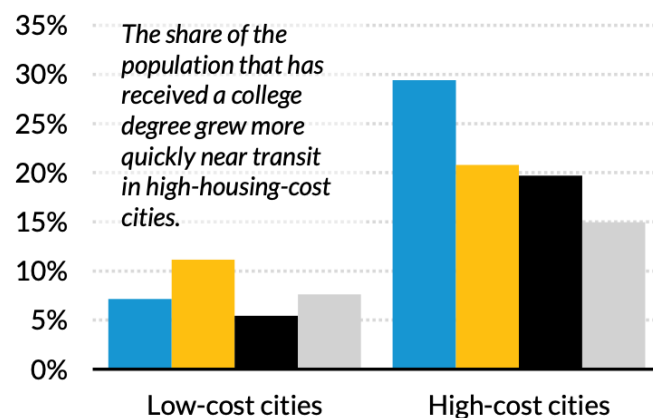
Source: Yonah Freemark, Kate Howe, Daniel Kennedy, Lydia Lo, and Teddy Maginn (2025), "Generating Affordable and Abundant Transit-Oriented Development in Washington State," Urban Institute.

# There is Some Evidence That Gentrification is Occurring in Areas Around Transit Stations in High-Cost Cities

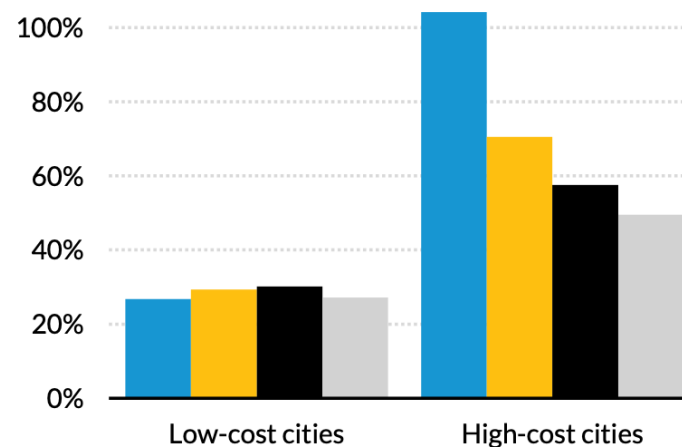
Among high-housing-cost cities, areas near transit area concentration population growth among adults with higher education and with higher incomes

■ Near station open before 2010 ■ Near station open 2010–2024 ■ Near planned station ■ Rest of city

Percentage-point change in share of adults with a BA or higher, 2000–2020



Percentage change in per capita income, 2000–20



*New residents in the station areas of high-housing-cost cities are also more likely to take transit. This is not true of the new residents in low-housing-cost cities.*

Source: Yonah Freemark, Kate Howe, Daniel Kennedy, Lydia Lo, and Teddy Maginn (2025), "Generating Affordable and Abundant Transit-Oriented Development in Washington State," Urban Institute.

# Ultimately, We're Faced With Contrasting Outcomes in Different Sorts of Cities

## High-cost cities and neighborhoods

### Positive current conditions

- Concentration of growth in transit areas
- Access to a mix of amenities

### Negative current conditions

- Risk of difficulties making projects pencil out due to high land costs
- Gentrification of station areas

## Low-cost cities and neighborhoods

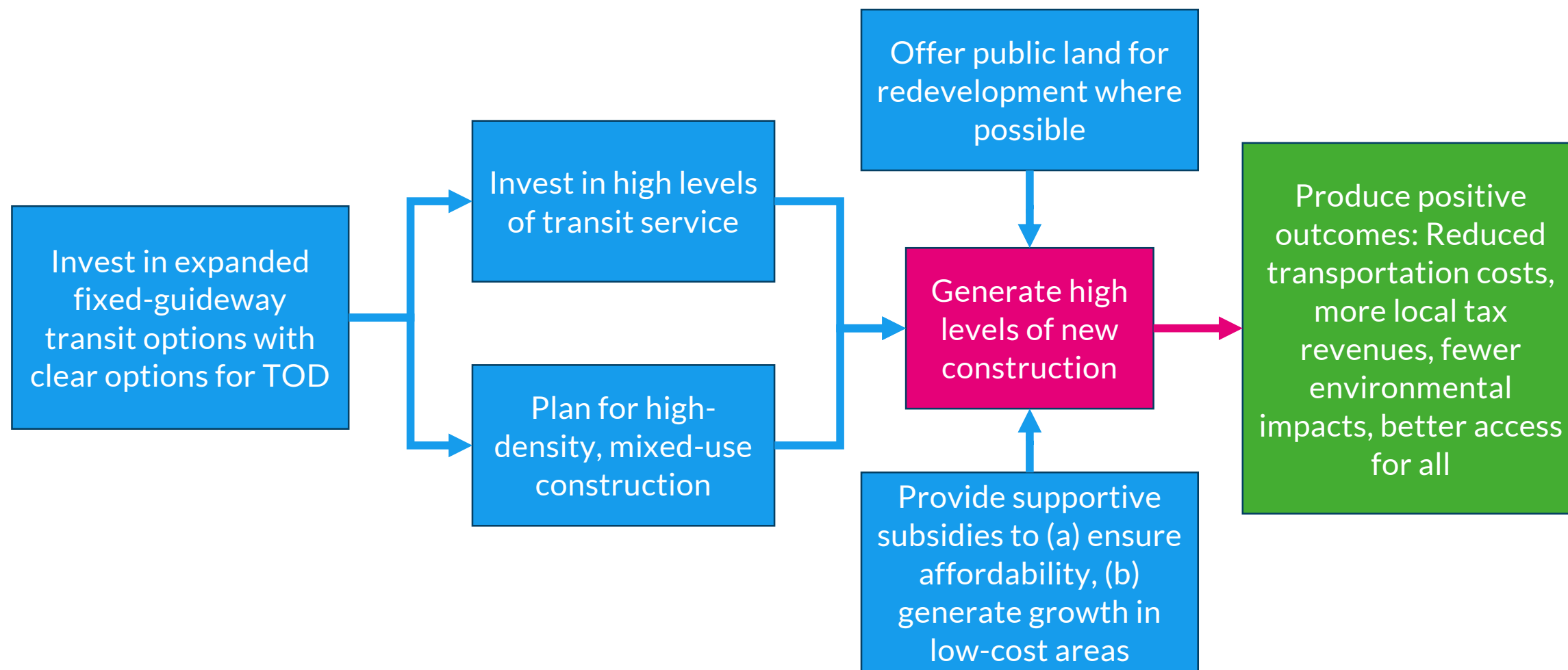
### Positive current conditions

- Low land costs that could theoretically make TOD feasible

### Negative current conditions

- Limited growth and a poor real-estate market, undermining investment
- Lack of reason for many residents to take advantage of transit service

# Best Practices for Leveraging TOD to Support Better Urban Development Outcomes



# Washington's HB 1491, Combined with the State's Growth Management Act, is a Step Forward

HB 1491 (2025) included the following elements:

- Average floor area ratio (FAR) requirements of 3.5 within a half mile of rail stations; 2.5 within a quarter mile of bus rapid transit stations
- Affordability requirements: 10% of units at 60% of area median income (AMI); 20% of units at 80% of AMI; or 10% of units at 80% of AMI if at least 10% of building units are 3+ bedroom, associated with multifamily property tax exemption (MFTE)
- Impact fee reductions of 50%
- Eliminates parking requirements
- Exempts projects from state environmental policy act (SEPA)

*Requirements for the central Puget Sound won't come into effect until 2029.*

# Though TOD is on a Roll in Many Parts of the Country, Several Barriers May Impede Its Progress in Coming Years

- High interest rates, making debt more expensive.
- High construction costs resulting from higher labor costs in part resulting from federal immigration policy, and higher materials costs in part resulting from federal tariffs.
- Difficulties making projects with affordable housing pencil out.
- Continued obstacles to easy zoning approvals and permitting in many neighborhoods where investors may otherwise want to come in.

# Thanks!

Yonah Freemark  
Urban Institute

[yfreemark@urban.org](mailto:yfreemark@urban.org)