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Property values along proposed railway could increase

Properties near proposed stations could increase in value

By Jason Weitzel
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A proposed regional rail line has some local officials excited about the impact it could have on commercial and residential real estate.

The R-6 extension, which would provide passenger train service between Norristown in Montgomery County and Wyomissing, is still in the planning stages and would call for the collection of tolls on Route 422 to fund the project. Stations have been proposed for Wyomissing, Reading and Monocacy in Berks County.

"From the real estate side, there may be opportunities for older towns and stations along the area," said Leo D. Bagley, assistant director of the Montgomery County Planning Commission and project manager for the county's R-6 extension committee. "These municipalities have been searching for ways to compete against wealthier township neighbors that attract a lot of growth."

Bagley said Montgomery County's extensive rail system, which includes seven regional rail lines and 41 stations, has provided a significant boost to local real estate, citing Conshohocken and Ambler as boroughs that have been revitalized by an influx of younger professionals seeking a convenient urban lifestyle.

Local officials, like Wyomissing borough councilman Fred Levering, who also chairs the transportation committee for the Greater Reading Chamber of Commerce, have urged Berks officials to start taking cues from the county's southeastern neighbors.

"One of the most important things is to keep our young people," Levering said. "I can't imagine a lousier thing than spending a zillion dollars to send our kids to school, and when they return, they decide not to stay. You've got to get businesses thriving and offices filled; that's really the first step. We have to keep expanding business, and the residential will come along. Once you have people living here long enough, then retail comes in."

Levering, a Realtor with Prudential Landis Homesale Service, Spring Township, sees the railway as an opportunity to entice businesses to relocate from the Philadelphia area as a way to capitalize on the lower costs.

"In a lot of ways, I think we've been somewhat undiscovered," Levering said. "Because of technology, businesses can virtually locate or grow anywhere, so a lot of the decisions on location are now based on quality of life. I think we have a lot to offer in that regard, all except for the transportation infrastructure."

The R-6 extension is projected to cost between \$234 and \$297 million to begin service, with annual operating costs of \$5.4 to \$7.4 million, according to the Montgomery County Planning Commission. Revenue generated by the tolls, which would be installed between Douglassville and King of Prussia, would also fund improvements to Route 422.

Besides an alternative means of transportation, Bagley said a commuter rail line has other benefits.

"There was a study done close to 20 years ago conducted by the Federal Reserve Bank on real estate values in proximity to rail stations," he said. "They were able to determine that the value of a house increased 10 percent if you were within one mile of a train station. I think today ... it's more than 10 percent."

Noise, vibrations and excess traffic congestion rank among the largest downsides to living near a railroad hub, but the property value positives largely outweigh the negatives, according to an independent study linked on the American Public Transportation Association Web site.

Stations have been proposed for the area near Vanity Fair in Wyomissing and Seventh and Franklin streets in Reading, the site of the old station. Details on the Monocacy hub are still unclear.

The extension will also need to clear several hurdles in order to come to fruition. Norfolk Southern, who owns the rails and has become an interested participant, according to Levering, would need to juggle freight and commuter services through modernized switching systems. Cost is also a factor, however, several groups, including Berks Area Regional Transportation Authority, have offered significant monetary assistance toward the project's detailed revenue



study, which is expected to take up to 18 months.

Levering, whose chamber has also offered assistance, is hopeful that funding can be achieved through other ways.

"I've spoken to some people and there's an element to the stimulus package that hasn't been rolled out," he said. "There may be money in there that we can access for starting a project like this."

If the existing right-of-way is used, and local officials decide to proceed, Bagley believes the R-6 extension could be functional by 2013 or 2014.

"We can't expect change to happen overnight," said Levering. "When you talk to people at the Berks Economic Partnership and the Greater Reading Chamber of Commerce, they can't wait to get their arms around this. And it's our heritage; it was part of our past, and I think it can be part of our future. I think it could jumpstart the area."

Contact Jason Weitzel: 610-371-5078 or jweitzel@readingeagle.com

