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The effects of the bus rapid transit infrastructure on the property values in Colombia

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ABSTRACT

Several articles have theoretically and empirically verified favorable changes in the value (per square meter) of properties near urban mass transit infrastructure. The main purpose of this study was to demonstrate this effect under an unbiased specification using Geographical Information Systems (GIS) and advanced econometric techniques (Pooled Cross Sections, Spatial Econometrics, Box-Cox Transformation and Structural Change). Particularly, if the construction of the bus rapid transit (BRT) infrastructure impacted the price market (per square meter or asking price) of the residential and commercial properties in Bogota and Barranquilla (Colombia) with access to the BRT. Results indicated the true private monetary or higher valuation of such properties, caused by public investment over several years (1999–2011). This effect is conceived as a positive economic externality of the BRT projects.