

Business

Love them or hate them, research offers financial case for big city bike lanes

Beyond health and environmental benefits, studies indicate bike lanes boost city businesses

[James Dunne](#) · CBC News · Posted: Jun 08, 2019 4:00 AM EDT | Last Updated: June 8, 2019



A bike lane signal in Toronto. (James Dunne/CBC)

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Bike lanes come with their share of claims and controversies; beloved by some and bemoaned by others.

With bike month being marked through June, and recent bike lane announcements in Canadian cities, a review of academic and business research suggests five key economic benefits associated with bike lanes in urban centres.

The research is focused on cities with existing bike lane networks and does not cover the impact of reduced lanes for drivers or examine bike lanes in suburban settings, where bike commuting is less common.

While hailed for keeping cyclists safe, the cost of installing protected bike lanes, their location and their impact on businesses remain contested topics.

Beyond claims about safety, health care costs and environmental benefits made in favour of cycling infrastructure, supporters are leveraging financial arguments to

1. Bike lanes can boost retail sales



A woman on her bike in New York City in 2016. New York has tracked the impact of bike lanes on businesses and its study indicated a positive effect. (Shannon Stapleton/Reuters)

In recent years, New York City has aggressively expanded its network of protected bike lanes.

The city has been tracking the impacts of the lanes on businesses. One 2012 study following the construction of a bike lane on 9th Avenue, found local businesses saw an increase in retail sales of up to 49 per cent, [compared to a three per cent increase in the rest of Manhattan.](#)

A broader evaluation of bike lanes in the Big Apple conducted by municipal officials in 2014 indicated that streets with protected bike lanes experienced retail sales spike by up to 24 per cent compared to streets [without protected lanes.](#)

In Salt Lake City, 2015 sales tax statistics also noted a [sales bump with new bike lanes.](#)

Positive results have been seen in San Francisco too; after bike lanes and wider sidewalks were installed, two-thirds of merchants reported that increased levels of bicycling and walking improved business, [only four per cent said the changes hurt sales.](#)



The installation of bike lanes on Toronto's downtown artery Bloor Street a few years ago was controversial. It was found to have 'a positive or at least neutral' impact on local merchants. (James Dunne/CBC)

In Toronto, 2017 research into business activity and protected bike lanes on the downtown artery Bloor Street found "[a positive or at least neutral](#)" impact, with most merchants reporting more customers after the lanes were installed.

In contrast, a study in Vancouver showed a change in the style of bike lanes on one street [had a negative impact on businesses there](#) though the analysis was limited to a short time period.

2. Bicyclists can be big spenders

Bike lanes are believed to boost sales for some retailers because several studies have shown cyclists are good customers.

In France, a recent study covering six cities found that [cyclists spend more money per week in shops than drivers](#). Research from [Copenhagen](#) has shown similar results.



A cyclist in Portland, Ore., in 2017. A study in Portland found that people who biked to a bar, restaurant or convenience store spent 24 per cent more per month than those who drove. Drivers, in contrast, spent more at grocery stores. (Reuben M. Ramos/Shutterstock)

Closer to home, a 2012 study from Oregon found that in the city of Portland people who biked to a bar, restaurant or convenience store [spent 24 per cent more per month than those who drove](#). The cyclists spent more than drivers because they visited merchants more often.

The author of that study suggests cyclists have more disposable income [because they spend less money on auto repairs, gas, insurance, and car payments](#).

However, the same data shows that for trips to the supermarket, bikers didn't keep up with drivers on overall spending.

3. Bike lanes can boost urban home values

[A report from a real estate firm this month](#) ranking Canadian cities on a 'Liveability Index' included access to bike lanes as a key factor in making a city attractive.

In the U.S., several academic studies have tried to quantify what close proximity to bike infrastructure means for property values.



A father and son bike on the Monon Trail near Indianapolis, Ind. Research into home prices indicated homes close to the bike path into the city sold for about 11 per cent more than similar homes farther away. (Shutterstock / Lindasj22)

According to a 2004 study in Indianapolis, Ind., homes within one kilometre from the city's Monon Trail were selling for about 11 per cent more than similar homes farther away.

A 2006 University of Delaware paper looking at past research from across the U.S. concluded that "the majority of studies indicate that the presence of a bike path/trail either increases property values and ease of sale slightly or has no effect."

The papers said Delaware properties within 50 metres of bike paths had a value at least \$8,800 greater than those farther away, and even more "when controlled for specific variables."

That prospect for a premium price on homes with easy access to bike lanes or paths is not welcomed by everyone. Some observers point to bike lanes as a tool of gentrification that help create housing affordability issues.

4. Bike lane projects create more jobs than roads alone

Another unique factor some use in favour of bike lanes actually comes out of critiques against them: their cost.

A Canadian report from 2014 noted that the price for installing a bike lane can range from as low as \$20,000 per/ km for a painted lane to \$1.2 million per/km if a road needs to be widened.

- [Montreal's new bike path network aims to be accessible to 'all levels,' Plante says](#)

- **[Millions approved for bike lane projects across B.C.](#)**

A 2011 U.S. study analyzing 58 projects in 11 different cities found that for every million dollars spent cycling infrastructure projects created 11.4 local jobs compared to 7.8 jobs for road-only projects.

The study says a bike lane "which requires a great deal of planning and design will generate more jobs for a given level of spending," than a road alone, employing more construction workers and engineers while utilizing less materials.

Nonetheless, bike lane budgets can still produce [bad news for local leaders](#) even in bike friendly cities.

5. Bike lanes attract talented workers and tech companies

Celebrity academic and urban planner Richard Florida of the University of Toronto asserts that many members of the so-called creative class of workers are bikers.

He's argued in editorials that cities seeking to attract these valuable workers [should build bike lanes](#) and noted [that cities with a higher number of bicycle commuters also tend to have higher wages](#).

Across North America, cities are investing in bike lanes, with some mayors saying luring high tech workers and companies is part of their motivation.

Over two terms, Chicago Mayor Rahm Emmanuel poured millions into bike lanes, [winning the best bike city in America title](#). While opening new bike lanes in 2012 he said "[you cannot be for a startup, high-tech economy and not be pro-bike.](#)"

For further evidence of how important bike lanes are to tech companies, look no further than Amazon's request for proposals for its second headquarters, [which mentions bike lanes twice](#).



When the tech giant Amazon was looking for a 2nd head office, it said bikes lanes were important. More than half of the workers at Amazon's head office in Seattle, shown here in 2018, walk or bike to work. (Rocky Grimes/Shutterstock)

'Bikelash' continues

Outside of health and environmental claims, there are also business arguments related to bike lanes for their role in helping combat traffic congestion, and freeing up parking space for development.

Still, there's vocal opposition.

Lawrence Solomon, an environmentalist and energy policy researcher once advocated in favour of bike lanes. [Now, he rails against them.](#)

And just two years ago, academics in New Zealand [produced an international study on the "bikelash" trend](#), against cycling infrastructure.

- [City of Regina unveils plan to implement 94 km of bike lanes and paths](#)
- [Cycle Toronto wants city to extend Bloor Street bike lanes in both directions](#)

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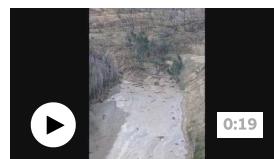
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