NEW WAYS OF FINANCING PUBLIC TRANSPORT

Transit Oriented Development and the financing of the Copenhagen Metro

Henrik Plougmann Olsen, CEO, Metroselskabet

Copenhagen Metro

Key Activities
Development
Planning
Construction
Operation

Facts
55 mio. annual passengers
24/7 operation
98.6 % punctuality
96 % satisfaction

Construction port folio
City Ring
North Harbour
South Harbour
Light Rail Ring 3

Result 2013
EUR 30 million

Annual fare income
EUR 100 million

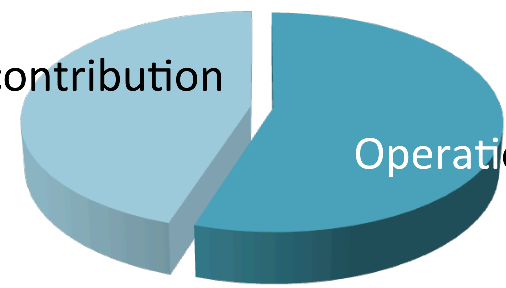
Financing the City Ring

Financial challenge: The metro is not self-financing

Future operational revenues cannot fully cover the initial investment.

About 55% of the initial investment will be covered by operation.

The remaining 45% comes from owner contributions.

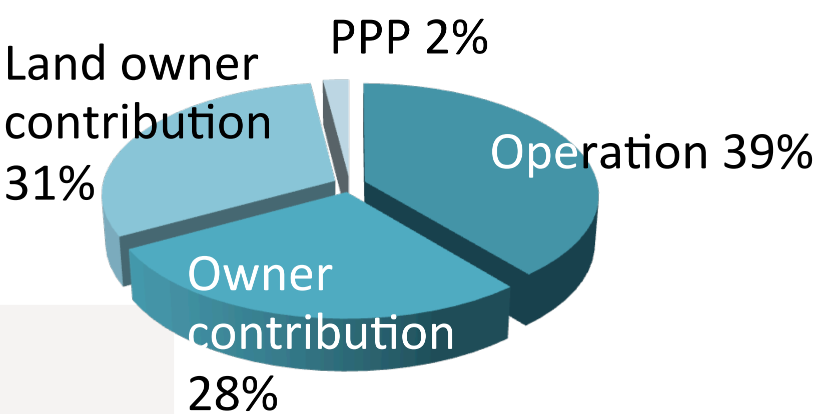


Another Example

The Northern Harbour Line M4

- Increasing passenger revenue for the City Ring as a whole.

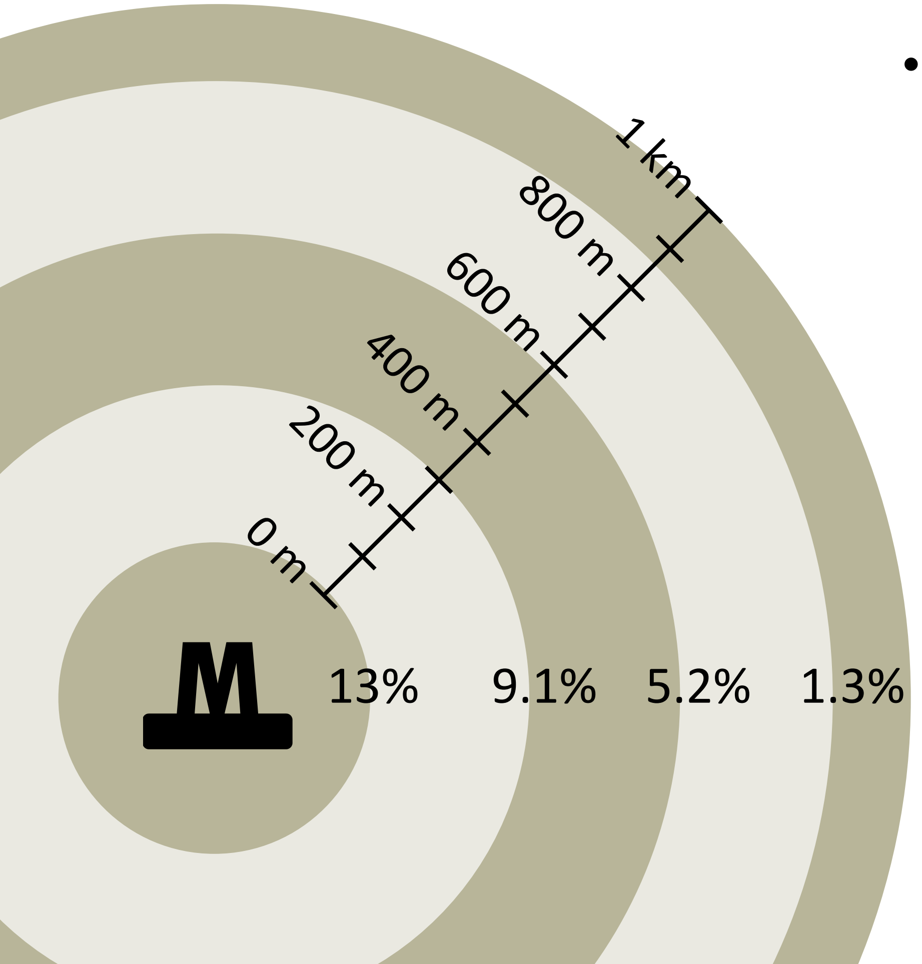
- Financing: 31% is contribution from development of the harbour area.



Financing new infrastructure

- Fundamental conditions:
  - Land ownership.
  - Political prioritisation of land use.
  - Publicly owned company to carry debt burden.
- Model developed over time:
  - Owner contribution and operation surplus.
  - Land owner contribution.

Value of property increases close to stations



- Developing public transport creates considerate value.
- **House prices** increase by 1.3% for every 100 meter when approaching a station (within a 1 kilometer radius).
- Value of **commercial space** increases close to stations.
  - Retail industry: The willingness to pay for space is 15% higher within 200 meters to a station.
  - Business services and production: The willingness to pay increases up to 30-40% very close to stations.

Source: University of Copenhagen 2014.

Future perspectives

Increased private funding

- Possibilities for investors.
- Public-private partnerships.
- Shopping malls.
- Cultural institutions.

Thank you for your attention

Contact information

Henrik Plougmann Olsen, CEO
Metroselskabet