



A WHITE PAPER FROM ALTICORD INFRASTRUCTURE & MOBILITY PVT LTD

The Multiplier Effect: The Economics of Urban Mobility and the Places It Builds

Why mobility infrastructure is best understood not as a route between two points, but as economic development for everywhere along it.

ALTICORD INFRASTRUCTURE & MOBILITY PVT LTD

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Executive Summary

Mobility infrastructure is usually evaluated the way an engineer evaluates it: by what it costs to build, how many passengers it can carry, and how quickly it gets them from one point to another. That evaluation is necessary. It is also incomplete.

The more consequential economic effect of a well-placed mobility investment is not the value it creates for the person travelling on it, but the value it creates for everyone and everything around it — the land it passes over, the businesses it puts within reach, the informal economy it can help formalise, and the place-level identity it can help a location build for itself. A transit line is, among other things, a piece of economic development infrastructure wearing the disguise of a transport project.

This paper sets out the economic case for thinking about urban and difficult-terrain mobility this way: the direct evidence for land value uplift around transit; the documented ecosystem effects — commercial, social and even security-related — that well-designed transit access can trigger in the areas it serves; the specific economics of footfall and dwell time in tourism and pilgrimage geographies; and the employment effects, both during construction and across decades of operation.

A mobility project's fare revenue is rarely its most important number. Its most important number is usually what happens to the land, the businesses, and the people within a few hundred metres of every station.

The paper closes with the argument most relevant to how such projects should be structured: that these place-level, ecosystem-wide benefits are not automatic. They depend on the mobility asset continuing to run safely, reliably and predictably for decades — which in turn depends on who is accountable for operating it, not only for building it. This is the same logic that underpins Alticord's own positioning as a design-build-finance-operate concessionaire, discussed in Section 6.

1 Mobility as Economic Infrastructure, Not Just Transport

Conventional cost-benefit analysis for a transit project typically monetises two things well: time saved by travellers, and, where data allows, safety improvements from shifting trips away from more dangerous modes. Both matter. Neither captures the fuller economic footprint of the investment.

Urban and regional economists increasingly frame transport accessibility as a determinant of land value in its own right — a formalisation of an intuitive idea that

dates back over a century in urban economics: land closer to the means of getting somewhere is worth more than land far from it, all else equal. When a mobility investment materially changes how accessible a location is, it does not only move people faster. It re-prices the land, re-shapes what can profitably be built on it, and changes who can afford to be there.

Approached this way, a mobility investment has at least four distinct economic constituencies, beyond the passenger paying the fare: the landowner whose property becomes more accessible; the local business that gains footfall it would not otherwise have had; the worker who gains access to jobs that were previously an impractical commute away; and the public exchequer, which can in principle recover some of the value it created through land value capture mechanisms, and reinvest that recovered value in further infrastructure.

This paper treats that fuller picture — not merely the transport case — as the real economic argument for mobility infrastructure in difficult-terrain and high-footfall geographies.

2 The Direct Case: Land Value Uplift and Value Capture

A substantial body of empirical research across multiple countries has tested and confirmed that new transit accessibility is capitalised into land and property prices. Studies of light rail, metro and bus rapid transit systems across North America, Europe, Australia and Asia consistently find measurable value uplift for land and property within convenient reach of a new or upgraded transit stop, relative to comparable land further away — with some studies finding land-value access premiums reaching over 100 percent in strong markets, and more typical uplifts in the range of single-digit to low double-digit percentages for residential property.

The magnitude varies with context: uplift tends to be larger in markets with more redevelopment headroom, larger near stations that anchor genuinely new accessibility rather than marginal improvements to existing service, and can differ by neighbourhood income level depending on local market dynamics. But the direction of the effect — that accessibility is capitalised into land value — is one of the more robust findings in transport economics.

Value capture: recovering what public investment creates

Because a public mobility investment can materially increase private land value nearby, a growing set of financing tools — land value capture mechanisms such as joint development, tax-increment financing, betterment levies and station-area

development rights — allow the public authority that funded the infrastructure to recover a share of the value it created, and reinvest it in further transit, public space or affordable housing near the same stations. This reframes a transit project from a pure public expenditure into a mechanism that can partially fund itself through the very economic value it generates.

For a concessionaire-led project, this same logic can extend to structuring station-area development rights or commercial concessions as part of the project's own economics — aligning the developer's returns not only with fare revenue, but with the broader economic activity the project enables around its stations.

3 The Ecosystem Effect: What Grows Around a Station

Land value capture describes what happens to prices. It does not fully capture what happens to a place. The most closely studied example of mobility infrastructure reshaping the economic and social fabric around it is Medellín's Metrocable, an aerial cable transit system integrated into the city's metro network from 2004, serving previously disconnected hillside informal settlements.

Rigorous, peer-reviewed research on the Metrocable's impact has found effects well beyond travel time. Researchers using difference-in-difference methods found that neighbourhoods connected by the first Metrocable line experienced a substantially larger reduction in homicide rates than the city as a whole over the following years — a result attributed to two combined mechanisms: better economic accessibility for residents, and a stronger state and institutional presence in areas that had previously been effectively outside it. Separate research on a later expansion of the same system found a measurable reduction in informal, unregulated housing in the newly connected area, consistent with formal investment and formal housing gradually displacing informal settlement patterns once an area gains reliable, permanent transit access.

Alongside the transit investment itself, Medellín paired the Metrocable with complementary public investment in the neighbourhoods it served — libraries, schools, public space and sports facilities — at a scale reported to be several times the capital cost of the cable system itself. The lesson generalised from this experience is instructive and worth stating precisely: mobility access is often the precondition for an ecosystem's development, but rarely the whole cause of it. Transit access makes an area's development possible; deliberate, coordinated investment in what surrounds the stations is usually what makes that potential real.

The cable car did not build the schools, the libraries or the public squares. It made it economically rational to build them there, and possible for residents to reach the opportunity on the other side of the line.

For a developer such as Alticord, the implication is that a mobility project's station sites are not incidental to the transport function — they are, in effect, the seeds of the surrounding local economy, and worth treating as such in project design, station placement and engagement with the local authorities and communities who will shape what grows around them.

4 Tourism & Pilgrimage Economics: Footfall, Dwell Time and Local Multipliers

Tourism and pilgrimage destinations have a distinctive economic structure: value is generated less by any single high-value transaction than by the volume of visitors, how long they stay, and how much of their spending is captured by the local economy rather than leaking to intermediaries far from the destination itself.

Access constrains footfall — and footfall is the whole economy

Where the only way to reach a destination is a long, difficult, or seasonally unreliable road journey, that journey itself functions as a cap on visitor volume, regardless of how much underlying demand exists. Every hour added to an access journey, and every day the route is closed by weather or congestion, is demand that a destination's local economy — its guides, small hotels, food vendors, transport operators and craft sellers — never gets the chance to capture. Improving access reliability and journey time does not merely make an existing flow of visitors more comfortable; in demand-constrained destinations it can materially expand the addressable market of people willing and able to make the trip at all, including older visitors, families with young children, and visitors with mobility constraints who would not attempt a difficult trek or a multi-hour road journey.

Safety-enabled footfall growth

A destination's realistic visitor ceiling is often set as much by safety and capacity constraints on the access route as by demand. A safety-engineered, scheduled mobility system with a known, predictable hourly capacity allows a destination authority to plan for and safely absorb higher, more consistent footfall than an access route where capacity is effectively whatever an unregulated, congested road can bear on a given day.

Seasonal smoothing

Fixed-schedule mobility infrastructure, priced and marketed appropriately, can help smooth extreme seasonal demand spikes by making off-peak visits materially more comfortable and time-efficient than they were when the access journey itself was the deterrent — spreading local economic activity across more of the year rather than concentrating it, and the strain on local infrastructure, into a few peak weeks.

Local capture versus leakage

The economic benefit of increased footfall depends heavily on how much of it is captured locally. Destinations that pair improved access with deliberate support for local hospitality, guiding, retail and craft businesses — rather than allowing visitor spending to concentrate in a small number of large, often non-local operators — see a larger share of the resulting economic activity remain in the local economy, as wages, small-business revenue and local tax base rather than value that passes through the area without staying in it.

5 Jobs: Construction, Operations and the Indirect Economy

Mobility infrastructure generates employment in three distinct phases, each with a different character and duration.

- Construction-phase employment: direct jobs in civil works, tower and station construction, electromechanical installation and project management, typically concentrated over a two-to-four-year build period, with substantial local sourcing of unskilled and semi-skilled labour alongside specialist technical roles.
- Operations-phase employment: a smaller but permanent workforce required for the life of the asset — station staff, technical maintenance teams, safety and control-room personnel, and management — which, unlike construction employment, does not end when the project is complete, and which a genuine long-term operator has a direct incentive to staff and train properly rather than minimise.
- Indirect and induced employment: the larger and more diffuse layer of jobs created in the businesses that grow around improved access — hospitality, food service, retail, local transport, guiding and craft — which is where the majority of a mobility project's long-run employment impact typically accrues, and which depends on the ecosystem effects described in Sections 3 and 4 actually materialising.

The third category is usually the largest in aggregate, but it is also the category most dependent on everything else in this paper: it only fully materialises if the underlying land value and footfall effects are real, if local businesses are positioned and supported to capture the resulting demand, and if the mobility asset itself keeps running safely and reliably long enough for a durable local economy to form around it rather than a short-lived spike.

6 Why the Operating Model Determines Whether the Multiplier Sustains

Every economic effect described in this paper — land value uplift, ecosystem formalisation, footfall-driven tourism revenue, indirect employment — depends on one underlying condition: that the mobility asset keeps running, safely and predictably, for long enough for a local economy to form, stabilise and grow around it.

This condition is not automatic. A ropeway or transit system that opens well and then degrades in reliability or safety over a decade of under-maintained operation does not merely inconvenience its passengers — it undermines every downstream economic effect this paper describes. Land value uplift can reverse if accessibility becomes unreliable. Businesses that invested near a station on the strength of its footfall are directly exposed to that footfall declining. A destination that built its visitor growth around a mobility asset's capacity and reliability is exposed to both if that asset stops performing to standard.

The multiplier effect is not a one-time payment triggered by a ribbon-cutting. It is a long-run bet that the asset will still be running to standard in year twenty as reliably as it did in year one.

This is precisely the argument for a design-build-finance-operate concessionaire model, discussed at greater length in Alticord's companion white paper on mobility infrastructure and safety. When the entity that designs and builds a mobility asset also remains commercially accountable for operating it safely and reliably across a multi-decade concession term, its incentives are structurally aligned with sustaining — not merely triggering — the economic multiplier this paper describes. A construction-only contractor's commercial interest in the project is largely resolved at handover; a concessionaire's is not, because its own returns over the following decades depend on the same reliability, safety and service quality that the surrounding economy depends on.

Alticord's model — retaining responsibility for operations and maintenance across the full concession term, rather than exiting at construction handover — is built around this alignment: the Company's own commercial interest, and the interest of the place and people around each project, point in the same direction for the life of the concession.

7 A Framework for Estimating Place-Level Impact

Alticord evaluates the likely place-level economic impact of a mobility corridor alongside its transport case, using a consistent set of questions:

- Catchment and reach: how large a population, and how much developable or redevelopable land, sits within convenient reach of each proposed station?
- Baseline accessibility gap: how much does the project actually change journey time and reliability, relative to the existing alternative — a marginal improvement generates a marginal economic effect, a step-change generates a much larger one.
- Local absorption capacity: are there existing or readily developable local businesses positioned to capture increased footfall, or would increased demand largely leak to non-local operators without deliberate local-economy support?
- Formalisation potential: in geographies with significant informal economic activity, could improved, reliable access support a transition toward more formal, investable local businesses and housing?
- Value capture opportunity: does the relevant public authority have, or could it develop, mechanisms to capture and reinvest a share of the land value uplift the project is likely to generate?
- Operating durability: is the project structured so that whoever operates the asset has a multi-decade commercial stake in its continued safe and reliable performance — the precondition, per Section 6, for every other effect in this framework to sustain?

Corridors that score well against this framework are, in Alticord's assessment, likely to deliver economic value well beyond their fare-box economics — which is, in the Company's view, the more complete way to evaluate what a mobility investment is actually worth to the place it serves.

Conclusion

The economic case for mobility infrastructure in difficult-terrain and high-footfall geographies is stronger, and broader, than a fare-box or travel-time analysis alone suggests. The evidence from land value uplift research, from Medellín's documented ecosystem transformation, and from the basic economics of footfall-constrained tourism and pilgrimage destinations, points to the same conclusion: mobility infrastructure is economic development infrastructure for the place it serves, not merely a route through it.

That value is real, but it is not guaranteed by construction alone. It depends on the asset continuing to perform safely and reliably for decades, which depends in turn on who remains accountable for it once it is built. Alticord's position as a design-build-finance-operate concessionaire is built around exactly this connection — between long-term operating accountability and the durability of the economic multiplier this paper describes.

This is the fuller case Alticord makes for mobility infrastructure: not only as a way to move people, but as one of the more effective tools available for developing the economic life of the places those people call home.