

# The Impact of Urban form Attributes, Vehicle Cost, and Gas Price on Household Vehicle Ownership and Usage in Metro Manila

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## Abstract

Sustained economic growth coupled with inadequate public transport service are the main factors that contribute to increasing private vehicle dependency in Metro Manila. These issues exacerbate traffic congestion and spur higher energy demand resulting in more greenhouse gas (GHG) production. This paper developed a multinomial logit (MNL)-based household vehicle ownership model and a linear regression-based household energy demand model taking account of urban form attributes, gas price, and vehicle cost.

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*Index terms*— urban form, gas price, vehicle cost, household vehicle ownership and usage, metro manila.

## 1 Introduction

The Philippines has become one of Asia's fastgrowing economies with an average gross domestic product (GDP) growth of 6.8% per annum in the last three years [1]. Unhampered economic growth is an influential factor expected to fuel private passenger vehicle sales and usage, which triggers traffic congestion exacerbation, higher energy demand, air quality degradation, and greenhouse gas (GHG) production in the metropolitan area. Average travel time of one person trip in Metro Manila, the national capital region of the Philippines, was expected to increase from 1.17 hours at present up to 1.33 hours in 2030 [2]. The CO<sub>2</sub> emission from road passenger transport sector in the metropolis was 13.78 million tons in 2015, and it would double up to 27.9 million tons in 2040 in case of no strategic intervention from the government [3].

Metro Manila leads all the regions in the vehicle fleet with a total of 1.698 million units registered in 2016 with an average annual uptake of 204,404 new passenger vehicles from 2015 to 2016 [4]. Private vehicles were responsible for 71.3% of vehicle trips in 2012 with an average annual growth of 3.3% from 1996 to 2012 [2]. In line with this, about 50% of the metropolitan roads have already operated at a volume/capacity (V/C) ratio of 0.80 [2], and the uptrend projected private vehicle dependency is expected to saturate the roads further. An increasing private vehicle dependency over the years has rapidly degraded the effectiveness of the vehicular volume reduction schemes implemented [5,6]. Furthermore, an increase in vehicle dependency is associated with higher road energy demand and emissions. Some literature has looked at some alternative solutions to mitigate energy demand and GHG productions through increasing accessibility of residential areas to railway stations, improvement of fuel quality, implementation of Euro 4 emission standard, expansion of the metropolitan railway network, and reduction of private vehicle kilometers traveled [3,7,??]. ??egidor and Javier [9] and the Asian Development Bank [10] emphasized the significance of managing private vehicle ownership, usage, and energy intensity to combat GHG emissions. Moreover, Mijares et al. [11] speculated that the improvement of mass public transport service might be inefficient if car ownership cost is not increased. Recently, the government launched the Tax Reform for Acceleration and Inclusion (TRAIN) law or RA No. 10963 to raise gas and vehicle price [12]. However, a reduction in energy demand for private passenger vehicles through increasing gas and vehicle prices and improving the urban form has yet to be explored in Metro Manila. A better understanding of the quantitative

44 impact of changes in gas and vehicle prices and urban form attributes is indispensable to crafting consistent,  
45 appropriate strategic approaches toward a sustainable urban transportation system by reducing private vehicular  
46 volume and energy demand.

47 Evidence from the existing literature in developed countries suggests that a number of household vehicles  
48 and vehicle type choice are significantly influenced by vehicle cost [13][14][15]; these are considered to be more  
49 significant than increases on gas taxes [15]. Penalty taxes on older SUVs could reduce emissions by inducing  
50 people to hold on to their existing sedans or purchase new SUVs in lieu of second-hand units [13]. Lower-income  
51 households are more responsive to gas prices than higher-income households [15]. As to urban form attributes,  
52 households living in higher density area are less likely to own more vehicles and put on miles [16,17] and more  
53 inclined to use smaller vehicles [14,18]. A similar finding reported that building compact cities or encouraging  
54 urban densification contributes to a reduction in mobile CO<sub>2</sub> emissions [19,20]. One explanation could be that  
55 the access to or use of parking lots is prohibitive [14] and expensive in urban high-density areas [21]. Vehicle users  
56 that originated from central business districts (CBDs) are willing to own small and luxury vehicles, presumably  
57 on account of ease in parking, and in addition to that those living in CBDs have high income [22]. Japanese  
58 households residing in high-density areas in the vicinity of railway stations have lower propensity to own more  
59 vehicles as the railway system in Japan is systematic, convenient, and sufficient to use [21]. A similar finding in  
60 Dublin, Ireland, also showed that households located close to more bus stops are less likely to own more vehicles  
61 [23]. Households living in a neighborhood with high bike lane density have a lesser likelihood to acquire vehicles,  
62 while those located in a high street block density community are more inclined toward holding smaller vehicle  
63 types [14].

64 However, the state of the public transport system in Metro Manila is apparently different from that of developed  
65 countries. The Public Utility Jeepney (PUJ), whose features are like a minibus, is the dominant mass transit  
66 mode in Metro Manila. PUJ stops are practically non-existent because passengers are loaded and unloaded  
67 anywhere along the roads. There are bus stops along the roads, but the buses (standard buses) also operate the  
68 same way as the PUJs. Correspondingly, the impact of bus stop density in the metropolis is hypothesized to  
69 have no impact on household vehicle ownership and usage, unlike in developed countries. The empirical finding  
70 in Ho Chi Minh City was reported that the bus stop density had no impact on vehicle type choice and usage  
71 [24]. In this context, we should consider the road public transport line density rather than the bus stop density.  
72 Additionally, on-street parking is rampant in Metro Manila. Higher block density or road density is associated  
73 with more on-street parking space, which in turn probably encourages private vehicle ownership. The proximity  
74 of residential areas to critical destinations (i.e., hospitals, schools, markets, and recreational centers) and the  
75 accessibility to CBDs have not been known how these factors affect household energy consumption for private  
76 vehicle usage. The impact of an increase in one percent of gas price on household vehicle ownership and usage  
77 in developing countries is not known to be higher or lower to some extent, compared with that of developed  
78 countries, because for developing countries the percapita GDP is relatively even lower, but the public transport  
79 service is relatively much inefficient and inadequate.

80 This paper intends to identify the impact of vehicle and gas price and urban form attributes on household  
81 vehicle ownership and energy demand within Metro Manila, using the sample data of 2,300 households gathered  
82 from various traffic analysis zones (TAZs) in the metropolis in April and May 2017, based on a simple random  
83 sampling technique. For the urban form characteristics, a multi-criteria accessibility index of communities to  
84 essential destinations, road public transport line density, road density, and accessibility of residential areas to  
85 CBDs took into account important peculiarities and measures. The multinomial logit (MNL) regression and  
86 linear regression were applied to develop the models. Also, the developed models were used in a sensitivity  
87 analysis by varying the significant variables captured by the models. The findings of this study provide insights  
88 on effective solutions on how to lower private passenger vehicles and energy demand in Metro Manila toward a  
89 sustainable urban transportation system.

## 90 2 II.

## 91 3 Methodology

92 This section provides a brief description of the model formulation followed by the sample data, the mathematical  
93 framework, the scenario formulation, and the elasticity of energy demand and CO<sub>2</sub> emission with respect to the  
94 gas price increase.

## 95 4 a) Model Formulation

96 We classified household vehicle holdings (vehicles and types owned by households) into five different bundles  
97 (alternatives). The description of the sedan, and multipurpose vehicle (MPV), whereas UV (utility vehicle)  
98 refers to a large vehicle (i.e., SUV, minivan, van, pickup, and Asian utility vehicle (AUV)). Correspondingly,  
99 the UV has a larger seating and luggage capacity than the Car. Households owning two UVs or more than  
100 two vehicles are very few (less than 0.1%) in our data sample, and we thus removed those households to avoid  
101 problems arising during the model estimation. The likelihood value of the model estimation cannot be maximized  
102 if an alternative has very few observations in the data sample, specifically the household energy demand model.

103 A multi-criteria gravity-based accessibility function was taken into account to approximate the accessibility of  
 104 household residential areas to key destinations or facilities (see Equation ( 1)). The center point of a TAZ was  
 105 used as the coordinate of a residential area, and the TAZs are based from [25].  
 106 
$$A_{ij} = \frac{W_j}{d_{ij}^2} \quad (1)$$

107 The key destinations are categorized as Educational Institutions, Hospitals and Medical Care Centers, Public  
 108 Markets, and Recreational and Shopping Areas. Distance  $d_{ij}$  represents kilometer travel required to reach a  
 109 point of interest  $i$  of a destination category  $j$ , while weight  $W_j$  refers to the importance of a destination category  
 110  $j$ . The weights  $W_j$  were adopted from [26] and are provided in Table 2.

111 Soltani [27] identified the impact of distance from home to CBD on household vehicle holding using the cut-off  
 112 approach. The impact of distance to CBD is changed if the distance cut-off is varied. Using the gravity-based  
 113 accessibility approach (see Equation ( 1)) is likely to be more reliable to understand the impact of distance from  
 114 a residential area to CBD on household vehicle holding and energy demand. If the distance linearly increases,  
 115 the accessibility to CBD exponentially decreases.

116 
$$A_{ij} = \frac{W_j}{d_{ij}^2} \quad (2)$$
 where distance  $d_{ij}$  represents kilometer travel  
 117 required to reach CBD point  $i$ . b) Data Source A total number of 2,300 households were selected through various  
 118 TAZs in Metro Manila to participate in the face-to-face interview from April to May 2017, using a simple random  
 119 sampling technique. The status of each randomly selected household had not been known. Such a technique is  
 120 the ease of assembling the sample, and every household gets an equal probability of being selected. Furthermore,  
 121 Metro Manila has no baseline statistical data of household vehicles and types owned by households. After cleaning  
 122 the data, only 2,140 observations were used for data modeling. Based on the Cochran formula, the size of 2,140  
 123 samples provided a confidence level of 99% with a margin of error of 2.79%. Table 3 presents the distribution of  
 124 households vehicle holdings and the descriptive statistics of energy demand by household vehicle holdings. The  
 125 household energy demand is converted from the monthly household expenditure on gasoline and diesel. The data  
 126 sample shows that 47.29% of households have no vehicle, and this figure corresponds to a report of Nielsen Global  
 127 Survey of Automotive Demand that about 47% of Philippine households have no four-wheeler [28]. Table 4 shows  
 128 the descriptive statistics of the independent variables. All the independent variables have 2,140 observations,  
 129 except vehicle cost and monthly expenditure on gas having 344 observations. As mentioned earlier, we use the  
 130 average vehicle cost and monthly gas expenditure to capture the impact of gas price and vehicle cost on household  
 131 vehicle holdings and energy demand, and any vehicle purchased before the year 2012 was removed to avoid data  
 132 inconsistency. To explain, for instance, some vehicles purchased in the year 2000 or 2005 cost much cheaper than  
 133 those of the current year and using the actual vehicle cost in the former year relative to the household income in  
 134 the survey year might not make sense. Specifically, vehicle average lifespans for car and UV in Metro Manila are  
 135 14.225 and 13.929 years, respectively [29]. Additionally, vehicle cost and gas expenditure are considerably varied  
 136 from household to another (see the last two rows of Table 4).

## 137 5 c) Mathematical Framework

138 The existing literature has applied various joint discrete-continuous choice algorithms to develop the household  
 139 vehicle ownership and usage model to capture the dependency between the discrete choice and the continuous  
 140 choice; however, the estimated percentage shares of the discrete choice component and the estimated output  
 141 variables of the continuous choice component were inaccurate [16,17, [30] [31] [32] [33][34]. If we  
 142 apply the developed model using those algorithms to simulate the total vehicle fleet and vehicle usage of each  
 143 alternative as numerical values in response to variation of the input variables, those algorithms cannot perform  
 144 well. Accordingly, all the existing literature simulate the percentage changes of the output variables in place  
 145 of numerical values under changes in the input variables for the sensitivity analysis. Therefore, this study  
 146 developed the household vehicle ownership model and energy demand model separately but estimate the two  
 147 models simultaneously.

148 The household vehicle ownership model was developed using the MNL regression, on account of its simple  
 149 form and ease in interpretation. The probability of an alternative  $T$  chosen by a household  $n$  is expressed as  
 150 Equation (3) below [35]:
$$P_{nt} = \frac{\exp(\beta'x_{nt})}{\sum_{t=1}^M \exp(\beta'x_{nt})} \quad (3)$$

151 Let  $n$  ( $n = 1, 2, \dots, N$ ) and  $t$  ( $t = 1, 2, \dots, M$ ) be the indices representing households and household vehicle  
 152 holdings, respectively,  $T'x_{nt}$  is a column vector of explanatory variables including a constant, and  $\beta$  is a  
 153 column vector of the corresponding coefficients.

154 The parameters of the utility functions can be estimated using the maximum likelihood function (LL), as seen  
 155 in Equation (4):
$$\ln L = \sum_{n=1}^N \sum_{t=1}^M P_{nt} \ln P_{nt} = \sum_{n=1}^N \sum_{t=1}^M P_{nt} [\beta'x_{nt} - \ln \sum_{t=1}^M \exp(\beta'x_{nt})] \quad (4)$$

156 
$$\frac{\partial \ln L}{\partial \beta} = \sum_{n=1}^N \sum_{t=1}^M P_{nt} x_{nt} - \sum_{n=1}^N \sum_{t=1}^M P_{nt} \frac{\sum_{t=1}^M \exp(\beta'x_{nt})}{\sum_{t=1}^M \exp(\beta'x_{nt})} x_{nt} = \sum_{n=1}^N \sum_{t=1}^M P_{nt} x_{nt} - \sum_{n=1}^N \sum_{t=1}^M P_{nt} x_{nt} = 0 \quad (5)$$
  
 157 
$$\frac{\partial \ln L}{\partial \beta} = \sum_{n=1}^N \sum_{t=1}^M P_{nt} x_{nt} - \sum_{n=1}^N \sum_{t=1}^M P_{nt} x_{nt} = 0 \quad (6)$$
  
 158 
$$\frac{\partial \ln L}{\partial \beta} = \sum_{n=1}^N \sum_{t=1}^M P_{nt} x_{nt} - \sum_{n=1}^N \sum_{t=1}^M P_{nt} x_{nt} = 0 \quad (7)$$

159 where  $y_{nt}$  is a column vector of explanatory variables including a constant,  $\beta$  is a column vector of the  
 160 corresponding coefficients for an alternative  $t$ , and an error term  $\epsilon_{nt}$  is the unobserved part.

161 **6 d) Scenario Formulation**

162 Five different scenarios were formulated to simulate the percentage changes in household vehicle holdings and  
 163 energy demand based on the "what if" concept rather than the intrinsic forecast method for the sensitivity  
 164 analysis as follows:

165 ? Scenario 1: High accessibility to key destinations (all TAZs = maximum multi-criteria accessibility); ?  
 166 Scenario 2: High public line density (all TAZs = maximum line density); ? Scenario 3: a 25% vehicle price  
 167 increase;

168 ? Scenario 4: a 25% gas price increase; ? Scenario 5: Integration of scenarios 1 through 4.

169 The percentage changes of the total energy demand of all the above scenarios relative to the actual total energy  
 170 demand are expressed as follows (Equations ( ??), (10), and ( 11)):

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 172 Usage in Metro Manila

173 where  $R_{nt}$  defines the dummy variable of choice indicator, taking the value 1 if an alternative  $t$  is made by  
 174 a household  $n$  and 0 otherwise. We assumed the energy demand for the bundle  $T$  chosen by a household  $n$  is a  
 175 linear function, as seen in Equation ( ??).

176 For the gas price scenario analysis, the retail gas prices in April 2017 in Metro Manila were used as the reference  
 177 values because the survey was carried out during the mentioned period. The retail pump prices were 47Php/liter  
 178 (for gasoline RON97) and 30Php/liter (for diesel) during that period [36].

179 **7 e) Elasticity**

180 Once we obtain the energy demand model by household vehicle holdings, we calculate the elasticity of energy  
 181 demand (GJ/household-month) with respect to a 1% gas price increase to capture the marginal effect of gas  
 182 price, as seen in Equation (12). The elasticity of CO<sub>2</sub> emissions (Tons/household-month) with respect to 1%  
 183 gas price increase is calculated using Equation ( 13):

184  $\frac{\partial E_{t,n}}{\partial P_{gas}} = \frac{E_{t,n}}{P_{gas}} \times \frac{\partial P_{gas}}{\partial E_{t,n}}$  (12) where  $E_{t,n}$  is the total energy demand of 1% gas price increase for bundle  $t$  and  
 185  $\frac{\partial CO_2}{\partial P_{gas}} = \frac{CO_2}{P_{gas}} \times \frac{\partial P_{gas}}{\partial CO_2}$  (13) where Total energy  $t$ , 1% gas defines  
 186 the total energy demand of 1% gas price increase for bundle  $t$  and Total households  $t$  is the total number of  
 187 households for bundle  $t$ . The CO<sub>2</sub> emission factor is 74.10 tons/TJ [37].

188 III.

190 **8 Results and Discussion**

191 This section discusses the model estimation results, scenario analysis, and elasticity of energy demand and CO<sub>2</sub>  
 192 emissions with respect to a 1% gas price increase.

193 **9 a) Model Estimation Results**

194 **10 i. Household vehicle holdings**

195 For the household vehicle ownership model, the parameter estimates are shown from rows 2 through 11, and the  
 196 zero-vehicle bundle was used as the reference category. The McFadden R<sup>2</sup> was 0.396 that is higher than the  
 197 critical value of 0.3 [38]. The intercept coefficients of the MNL model have no interpretable meaning, but they  
 198 are included to capture the average unobserved effect [35]. The household size coefficients are negative for all  
 199 the alternatives, which indicate that households with more family members are less likely to hold vehicles, unlike  
 200 previous studies. One explanation may be that large-sized families have low income, relative to small-sized families  
 201 in Metro Manila, and therefore large size families have a lower vehicle purchasing power. The coefficients of the  
 202 age of household head demonstrate that older households (household head aged 40 years old and above) have  
 203 a higher propensity to hold more and large-sized vehicles (UVs), compared with younger households (household  
 204 head aged below 40 years old). That household heads reach the mid-age (40 years and older) is just about the  
 205 time their children become adults; therefore, the older households need vehicles with large seating and luggage  
 206 capacity (i.e., UVs). For wealthy households, it is the stage when the kids are provided with their own vehicles.

207 The high accessibility of residential areas to the key facilities and the high road public transport line density  
 208 have negative impacts on household vehicle holdings, and the impact of the multi-criteria accessibility was at a  
 209 higher degree relative to the road public transport line density. As hypothesized, the high road density encourages  
 210 household vehicle holdings for all the bundles, on account of larger on-street parking space and generally no law  
 211 reinforcement related to onstreet parking in residential areas in Metro Manila. Unlike the findings in other  
 212 countries [16-18, 21, 34], the population density has no effect on household vehicle holdings. This could be  
 213 explained that the multi-criteria accessibility has a stronger impact on household vehicle holdings than the  
 214 population density, and all the studies in the existing literature have never considered the factor of multi-criteria  
 215 accessibility to the key facilities. Households with high accessibility to CBDs are more likely to hold more  
 216 vehicles. It is intuitive that those located close to CBDs have higher income, which means higher purchasing  
 217 power for more vehicles. A similar finding in China was also reported by Jiang et al. [22]. The coefficients of  
 218 vehicle cost-to-annual household income ratio factor are negative for all the alternatives, which indicates that

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219 high-income households are likely to hold more and large vehicles. Inversely, households are more prone to hold  
220 fewer and small-sized vehicles, if the vehicle cost is increased.

## 221 11 ii. Energy Demand

222 The parameter estimates of the energy demand model for all the bundles are demonstrated in the last ten rows  
223 of Table 5. As explained previously, zero-vehicle households have no energy demand. The positive intercept  
224 coefficients indicate that household holding vehicles are more likely to consume energy. Larger household  
225 size is associated with higher energy consumption for one-UV households and one-car households but has no  
226 statistically significant effect on households owning two cars. Generally speaking, households with more members  
227 are associated with more trips, which in turn requires more energy demand. It is surprising to see that car-UV  
228 households with more family members are likely to consume less energy. Age of household head has an effect  
229 on bundle 5 (i.e., car-UV households) only, and older households for this bundle are associated with less energy  
230 consumption, relative to younger households intuitively having more small child-related trips.

231 The multi-criteria accessibility has a negative impact on energy demand for one-car households but has a  
232 positive effect on energy demand for two-car households. Such a factor has no effect on energy demand for the  
233 one-UV and car-UV households. The road public transport line density has a negative impact on energy demand  
234 for one-car households, but a positive effect on energy demand for one-UV households. The line density has no  
235 effect on two-vehicle households. One-car households located in high road density area are more likely to consume  
236 more energy, probably owing to the fact that high road density is associated with more moving vehicles and  
237 narrow road space wherein traffic flow is slower. Additionally, an average fuel economy of a private vehicle in  
238 Metro Manila was 8.97km/l at 39.79km/h speed and 5.26km/l at 16.25km/h speed [39]. Contrary to one-car  
239 households, the other households are likely to consume less energy, and this could be explained that households  
240 holding larger and more vehicles might put on fewer miles, probably because a higher road density area has more  
241 convenience stores, supermarkets, and other facilities resulting in fewer private vehicle trip activities. It is not  
242 surprising to see that households of all the bundles having higher accessibility to CBDs require lower energy  
243 demand since the CBD area is the proximity of land-mixed use, pedestrian-friendly street, and better public  
244 transport accessibility.

245 The negative coefficients of expenditure on gas-to-income ratio factor were found for all the bundles, and most  
246 significant for one-UV households. Generally speaking, households with higher income are more like to consume  
247 more energy; and inversely, an increase in gas price has a negative impact on energy consumption.

248 Furthermore, the developed models for household vehicle holdings and energy demand are applied to estimate  
249 the output variables and then compared with the actual output variables as discussed below.

250 Table 6 presents the estimated output variables and the actual output variables. As seen in columns 2 and 3,  
251 the predicted percentage shares exactly matched the actual percentage shares for all the bundles. As apparent  
252 from columns 4 and 5, the predicted total energy demands are equal to the actual ones for all the bundles. The  
253 root mean square errors (RMSEs) of the estimated energy demand (the last column of Table 6) are very small  
254 for all the bundles (except bundle 2), as compared to the corresponding mean energy demands (see column 4 of  
255 Table 3). The RMSEs of bundles 3 and 5 were higher than those of bundles 2 and 4, on account of the relatively  
256 higher standard deviations of bundles 3 and 5 (see column 6 of Table 3).

## 257 12 Estimation results of the MNL regression and linear regres- 258 sion -parameters (t-value)

## 259 13 Variables

260 One As can be seen in Table 6, the separate estimations of the discrete choice model and the continuous choice  
261 model using the maximum likelihood function performed well in terms of accuracy of the estimated output  
262 variables, as compared with other algorithms. Those algorithms include the two-step approach proposed by Dubin  
263 and McFadden [40], the multiple discrete-continuous extreme value (MDCEV) [16]. In summary, improvement  
264 of accessibility of residential areas to the key destinations, improvement of road public transport line density,  
265 and increases in gas and vehicle prices have negative impacts on household vehicle holdings and energy demand.  
266 These factors are considered for scenario analysis in the subsection below, whereas a 1% gas price increase is  
267 taken into account of investigating the elasticity of energy demand and CO<sub>2</sub> emissions.

## 268 14 b) Scenario Analysis

269 As assumed earlier for scenario 4, gas price changes have no impact on household vehicle holdings. Had all the  
270 scenarios been integrated, the percentage share of zero-vehicle households would have increased from 47.29% up  
271 to 89.78% (a 42.49% increase), which translates to a 78.95% decrease (55.42% of car and 23.53% of UV) in the  
272 vehicle fleet. The simulated percentage changes in energy demand based on the various scenarios are shown in  
273 Figure 2. If the key facility accessibility and the road-based public transport line density for all the TAZs had been  
274 improved, the energy demand would have decreased by 37.45% and 50.43%, respectively (see scenarios 1 and 2).  
275 An increase in vehicle and gas prices would cut down the energy demand by 12.81% and 4.30%, respectively, and  
276 the impact of vehicle and gas prices is much smaller than that of the improvement of the urban form attributes.

277 An increase in vehicle price is more effective than an increase in gas price by 2.97 times, which is slightly smaller  
278 than a finding in the USA wherein an increase in vehicle price is more effective than an increase in gas price by  
279 3.19 times [13]. Had the four scenarios been coupled, the energy demand would have lowered by 84.92%. Based  
280 on the "what if" scenarios analysis, the improvement of accessibility to the key facilities and public line density  
281 could be the chosen solutions for the adoption of strategic options to suppress household vehicle ownership and  
282 usage,

## 283 15 J GI

284 The simulated percentage changes in household vehicle holdings are illustrated in Figure 1. The positive sign  
285 means an increase, and the negative sign means a decrease. Scenario 1 shows the percent changes in household  
286 vehicle holdings if all the TAZs have the same highest accessibility to the integral destinations and services. The  
287 percentage share of the zero-vehicle households would have increased by 26.43% that could be traced to a decrease  
288 in the households owning vehicles had all the TAZs been maximized. The percentage share of the zero-vehicle  
289 households would have increased by 21.09% shall all the TAZs have been introduced with the same highest road  
290 public transport line density (see scenario 2). A marginal increase in percentage change in two-car households  
291 could be traced from a decrease in percentage changes in one-UV households and car-UV households. It is also  
292 evident from scenario 3 that a 25% increase in vehicle cost would have reduced the vehicleowning households by  
293 4.88% only. rather than controlling household vehicle ownership via an increase in gas and vehicle prices.

294 For a 25% gas price increase, the energy demand in Metro Manila would have been reduced by 4.30%, which  
295 is smaller than the vehicle usage decrease of 9.91% in the USA [16]. Generally speaking, households living  
296 in developing countries are less sensitive to a gas price increase, presumably owing to "forced vehicle usage"  
297 compared to those living in developed countries, as a result of inadequate public transport service in the former  
298 even though the households residing in developing countries have a relatively lower income. Thus, an increase in  
299 gas price to reduce vehicle usage, vehicular energy demand, and CO 2 emissions is more effective in a developed  
300 country relative to a developing country. For more clarification, the elasticity of CO 2 emission with respect to  
301 a 1% gas price increase is shown in the subsection below. The elasticity of energy demand and CO 2 emission  
302 with respect to a 1% gas price increase are listed in Table 7. As apparent in the last column of the table, one-UV  
303 households are most responsive to the gas price increase, followed by two-car households, car-UV households, and  
304 one-car households. The energy demand and CO 2 emission would decrease by  $3.57 \times 10^{-3}$  GJ/ household-month  
305 and  $0.27 \times 10^{-3}$  tons/ household -month, respectively, among vehicle-owning households in response to a 1% gas  
306 price increase (see the last row of Table 7). A 1% gas price increase would reduce the energy demand and CO 2  
307 emission by 0.172%, this value is marginally lower than a 0.211% emission reduction in the USA [13].

## 308 16 IV. Conclusions and Recommendations

309 This study develops the MNL-based household vehicle ownership model and the linear regressionbased energy  
310 demand model using the sample data of 2,300 households gathered from various areas within Metro Manila.  
311 Unlike findings in other countries, households in Metro Manila with more members are most likely not to own  
312 vehicles because most largesized families have lower income associated with lower lbal Journal of Researches  
313 in Engineering ( ) Volume XIX X Issue VI Version I purchasing power. However, vehicle-owning families with  
314 more members consume more energy conceivably as a result of more trip activities. Households with older family  
315 heads are more likely to own more and large vehicles but less likely to consume energy. Households with high  
316 income have a higher propensity to hold more and large vehicles and require more energy demand. An increase  
317 in gas price and vehicle cost have a negative impact on household vehicle ownership and usage. In terms of  
318 urban form factors, population density has no statistically significant effect on household vehicle holdings, while  
319 an increase in road density would encourage households to own vehicles as a result of the availability of more  
320 on-street parking spaces. Households located in an area with high accessibility to CBDs are more induced toward  
321 holding more small vehicles but consume less energy. Households located in an area with high accessibility to  
322 the key destinations and high public transport line density are most likely not to own vehicles.

323 A 1% increase in gas price would reduce energy demand and CO 2 emission by 0.174%. The elasticity of  
324 CO 2 and energy demand reduction from private vehicles in term of the gas price increase was lower for Metro  
325 Manila relative to the USA. The developed models were also applied using the "what if" scenario analysis as  
326 explained earlier. Results showed that if the accessibility to the key facilities and the road-based public transport  
327 line density for all the TAZs had been maximized, the energy demand would have been reduced by 37.45% and  
328 50.43%, respectively, while a 25% vehicle price increase and a 25% gas price increase would have cut down the  
329 energy demand by 12.81% and 4.30%, respectively. Therefore, improvement of both the key facility accessibility  
330 and the public transport line density are the most effective solutions toward a sustainable urban transportation  
331 system rather than increasing gas and vehicle prices. Shall all the mentioned scenarios have been combined, the  
332 vehicle fleet and energy demand would have decreased by 78.95% (55.42% of car and 23.52% of UV) and 84.92%,  
333 respectively.

334 It is evident from the empirical findings that transportation planners and policymakers should consider the  
335 improvement of accessibility to the core facilities and public transport line density rather than increasing gas and

336 vehicle taxes in order to mitigate traffic congestion, energy consumption, worsening urban air quality, and GHG emissions in metropolitan areas of developing countries. <sup>1 2 3 4</sup>

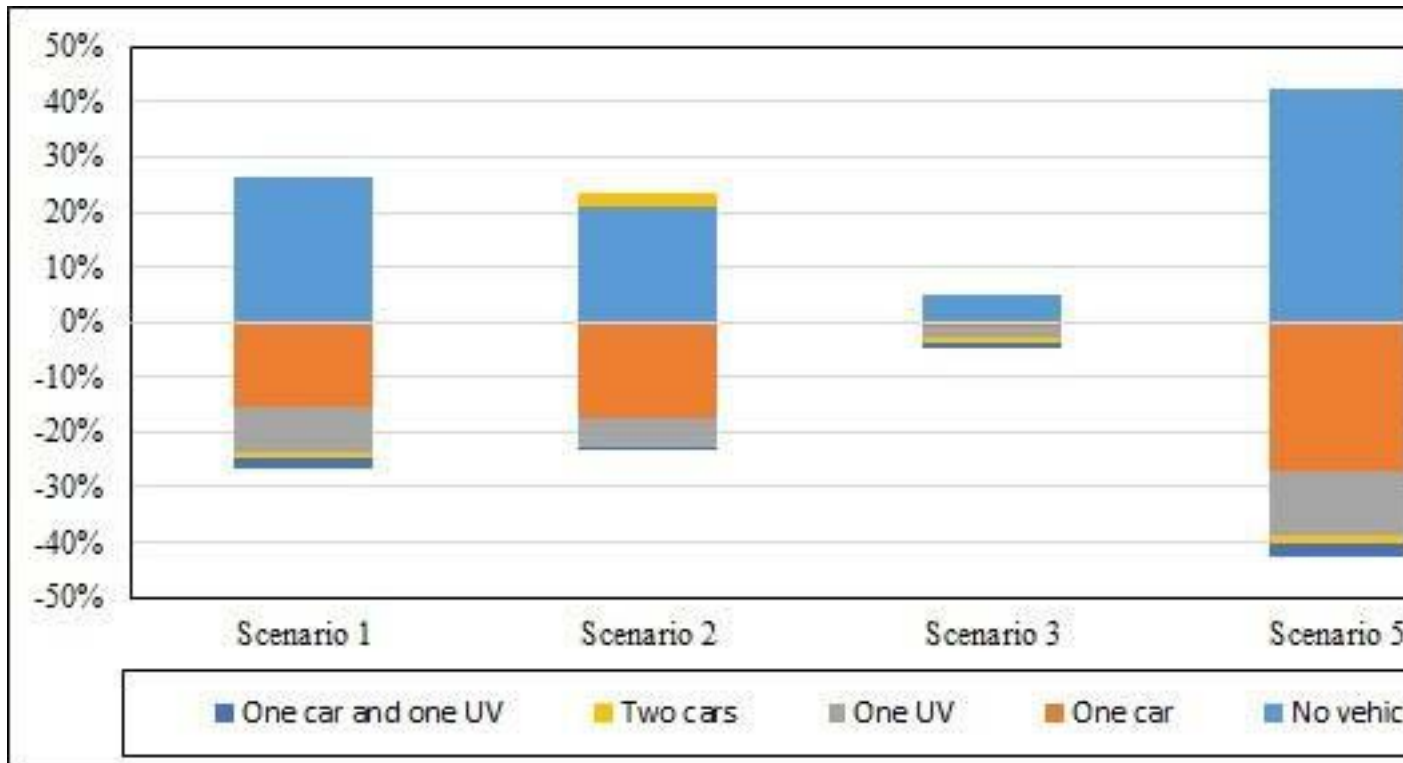


Figure 1: Global Journal of Researches in Engineering

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<sup>2</sup>The Impact of Urban form Attributes, Vehicle Cost, and Gas Price on Household Vehicle Ownership and Usage in Metro Manila

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<sup>4</sup>The Impact of Urban form Attributes, Vehicle Cost, and Gas Price on Household Vehicle Ownership and Usage in Metro Manila © 2019 Global Journals Global Journal of Researches in Engineering ( ) Volume XIX X Issue VI Version I

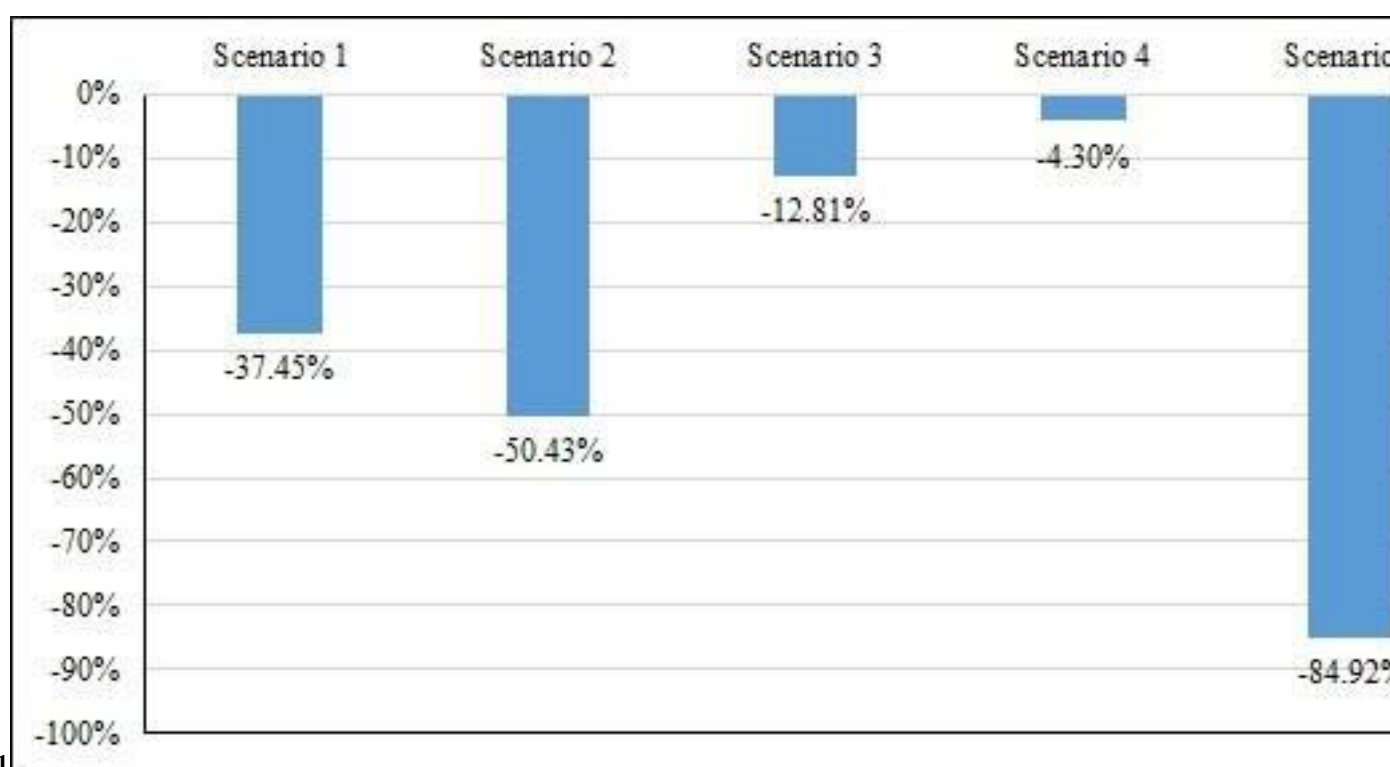


Figure 2: Figure 1 :

1

Variable	Description
	Dependent variable
Household vehicle holdings:	Zero-vehicle owned by a household
Alternative 1	One car owned by a household
Alternative 2	One UV owned by a household
Alternative 3	Two cars owned by a household
Alternative 4	One car and one UV owned by a household
Alternative 5	
Energy demand:	
Energy 2	
Energy 3	
Energy 4	
Energy 5	
Multi-criteria accessibility a	Continuous variable (TAZ-based accessibility to key destinations)
Line density	Continuous variable (road public transport line density at TAZ level taking into account Jeepneys (minibusses), public utility vans, and buses)
Road density	Continuous variable (road density at TAZ level)
Population density	Continuous variable (population density at TAZ level)
CBD accessibility a	Continuous variable (TAZ-based accessibility to CBD)
Vehicle cost/ income b	Continuous variable (an average purchasing cost of one vehicle divided by annual household income)
10 x Gas expenditure/ income	

[Note: Energy demand by a one-car household Energy demand by a one-UV household Energy demand by a two-car household Energy demand by a car-UV household Independent variable Household size Continuous variable (the total number of family members) Age of household head Dummy variable (1 = if the household head is 40 years old or above; 0 = otherwise) bContinuous variable (an average monthly expenditure on gas for one vehicle divided by monthly household income) TAZ : Traffic analysis zone; CBD: Central business district a See Equations (1) and (2) b Based from[14] ]

Figure 3: Table 1 :

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Figure 4: Table 1 .

2

Facility	Weight
Hospital and medical care center	20.9%
Educational institution	32.9%
Public market and supermarket	10.7%
Social, eating and recreational facility adopted from [26]	35.5%

Figure 5: Table 2 :

3

Alternatives	Household vehicle holdings Frequency (%)	Energy demand (GJ/month)			
		Min	Mean	Max	SD
No vehicle	1,012 (47.29)	-	-	-	-
One car	711 (33.22)	0.312	2.968	9.899	1.184
One UV	288 (13.46)	0.593	4.731	14.848	2.640
Two cars	69 (3.22)	3.119	6.917	15.593	2.117
Car & UV	60 (2.81)	3.119	8.246	16.136	2.738

Figure 6: Table 3 :

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Variables	Frequency	Min	Mean	Max	SD
Household size	2140	1	3.322	11	1.230
Age of household head	2140	0	0.679	1	0.467
Multi-criteria accessibility	2140	1.126	8.743	13.129	2.507
Line density (km/km <sup>2</sup> ) a	2140	0	28.18	154.22	31.210
Road density (km/km <sup>2</sup> ) a	2140	0.419	9.456	28.201	4.167
Population density (10 <sup>3</sup> )	2140	1.524	41.257	147.848	17.976

[Note: a Based from[25] ]

Figure 7: Table 4 :

5

Household vehicle holdings Intercept	car	5.442 (12.62)**	One UV	5.521 (10.71)**	(5.64)**	Two cars	Car & UV	5.039 4.720 (4.82)
Household size		-0.443 (-6.47)**		-0.279 (-3.35)**				-0.346 (-2.29)*
Age of household head		0.049 (0.30)		0.239 (1.15)				1.038 (2.47)*
Multi-criteria accessibility		-0.513 (-11.56)**		-0.554 (-10.69)**				-0.707 (-8.01)**
Line density (km/km2)		-0.019		-0.016				-0.008 -0.015

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Figure 8: Table 5 :

6

Bundles	% Shares	Actual	Estimated	Total Energy Demand (GJ/month)	Actual	Estimated
Zero vehicle	47.29%		47.29%	-		-
One car	33.22%		33.22%	2110.19		2110.19
One UV	13.46%		13.46%	1362.52		1362.52
Two cars	3.22%		3.22%	477.27		477.27
One car & one UV	2.80%		2.80%	494.77		494.77

RMSE: Root mean square error

Figure 9: Table 6 :

model proposed by Bhat [41], the Bayesian Multivariate Ordered Probit & Tobit (BMOPT) model proposed by Fang [34], the copula-based MNL-linear regression model proposed by Bhat and Eluru [33], and the integrated multinomial logit-multinomial probit-linear regression model proposed by Liu et al.

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Figure 10:

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Figure 11:

7

Household vehicle holdings	Energy (GJ/household-month)	CO <sub>2</sub> emission (tons/household-month)	% changes
One car	-2.19 x 10 <sup>-3</sup>	-0.16 x 10 <sup>-3</sup>	-0.074%
One UV	-12.99 x 10 <sup>-3</sup>	-0.96 x 10 <sup>-3</sup>	-0.274%
Two cars	-16.96 x 10 <sup>-3</sup>	-1.26 x 10 <sup>-3</sup>	-0.245%
Car & UV	-19.69 x 10 <sup>-3</sup>	-1.46 x 10 <sup>-3</sup>	-0.238%
Overall	-3.57 x 10 <sup>-3</sup>	-0.27 x 10 <sup>-3</sup>	-0.172%

Figure 12: Table 7 :

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