

# **The Impact of Driverless Cars and TNCs on Traffic, Parking & Real Estate**

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# **Self-Driving & Connected Vehicles-Impact on Cities**



- Uncertainty is **HIGH**
- Complete adoption in **2045 – 30 years** from now



**Disruption and  
Transformation of cities  
will be enormous**

# **Substantial Reduction in revenue for municipalities in Red Light Running, Speeding, DUI**



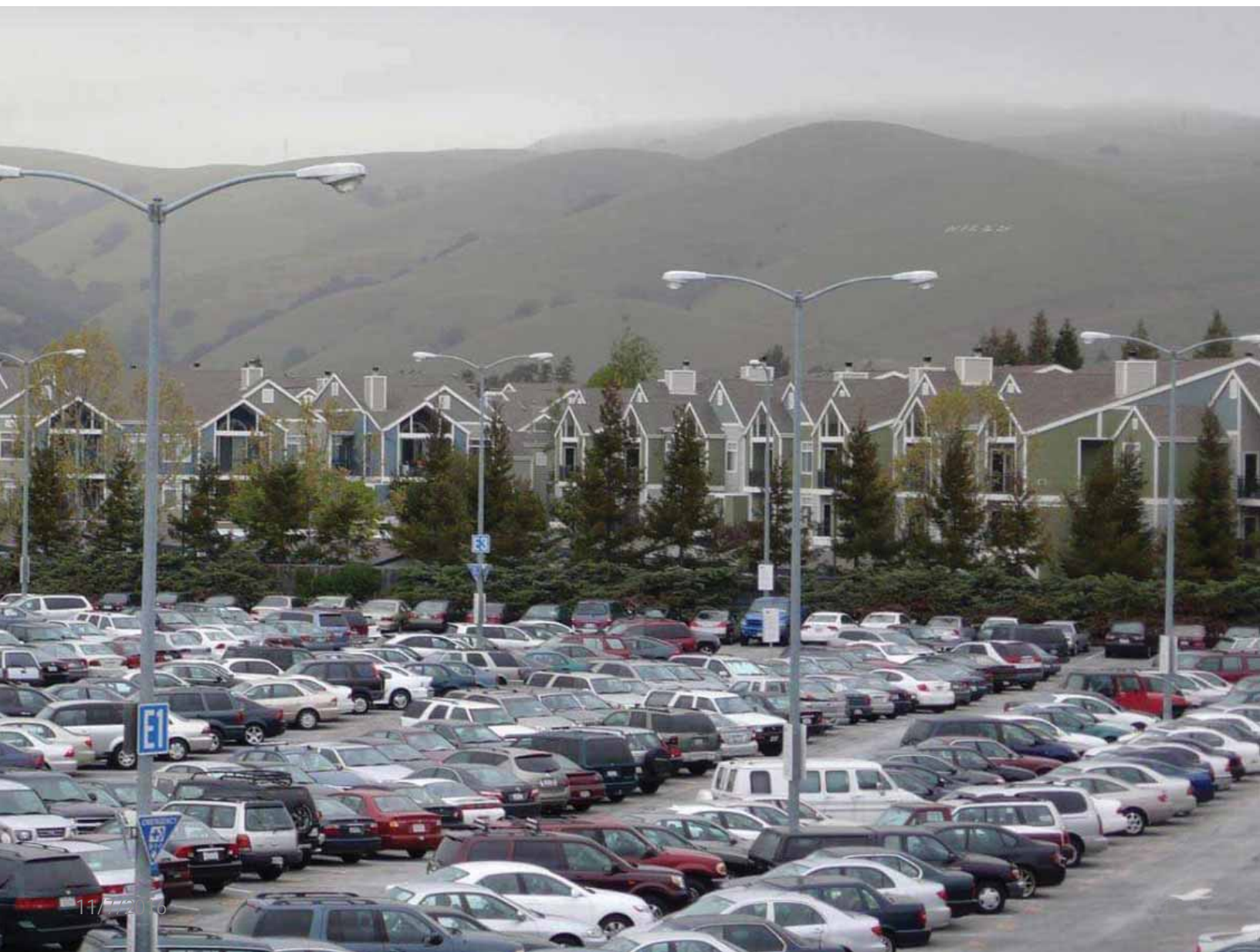
- Demand for **TODs** – reduced?
- Demand for **suburban residences could increase-**  
**better schools – expectation**  
**of safety in the suburbs**

**Existing infrastructure vs.  
NEW – better use of roads  
without widening**

- Long **commutes easier** in Rural areas
- Demand for **CBD space** **COULD** reduce

**Substantial reductions in  
pedestrian and auto  
accidents**





**Roads & Parking  
consume 40% of the  
urban land area**

**At Least 4 spots for EVERY  
CAR in the U.S.  
1 Billion spaces**







**256 Million Cars  
Registered**

**Imaging 50% fewer cars  
with Self-Driving**

**75 BILLION SF of space  
to become available!**

**The Impact on land values is predicted to be deflationary**

- **Last Mile issue for e-commerce will be solved**
- **Commodity retail will suffer – grocery stores, etc.**

**Micro Deliveries**  
**using AVs**  
**groceries <60 minutes**

**TODAY – Cars Sit**  
**95% of the time**

**Cheaper to pay for time  
you ACTUALLY USE**



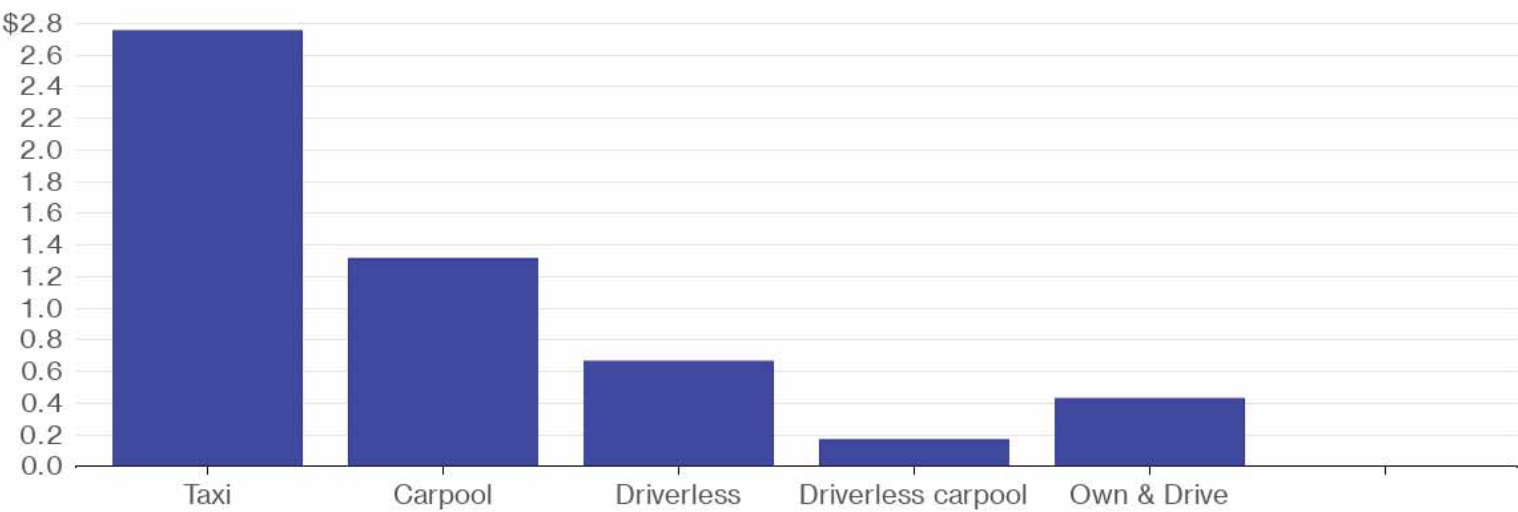
**NOW \$0.75**



**\$0.15**

# Driverless Carpools Cheapest

Cost per mile for a taxi will beat owning and driving in 2025



Source: Bloomberg New Energy Finance & McKinsey



**Utilization rate of cars  
can go from 5% to 70%  
with Self-Driving Cars**

# Uber Drivers – Las Vegas

A year ago, there was **30%**  
utilization of an Uber car in Las  
Vegas

**NOW, in 2016 – 60% to 70%**  
**utilization with HUMAN**  
**DRIVERS**

- **15% of all adults** have used Ride-Hailing service
- In **S.F. trips in SOVs** dropping dramatically

- **Now a Fleet of AVs provides access to jobs, school, shopping**
- **At a fraction of the cost of owning a car**

- **Mobility for young, old,  
Blind**
- **Children to school or  
carpooling**
- **More opportunity for  
physically challenged**

**Lyft – started in 2012**  
**4 years later...**  
**14 Million rides**  
***MONTHLY !!!***



# Investments in TNCs

- **2013**      **\$500 Million**
- **2014**      **\$ 5.6 BILLION**
- **2015**      **\$ 11.5 BILLION**

# **GARAGE DESIGNS**

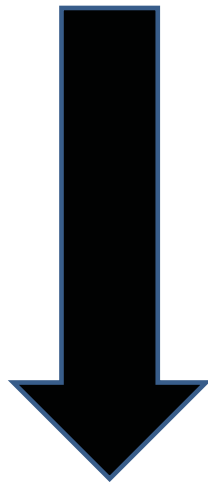
**NOW 8 ft. – 10 ft. clear height**



**INCREASE to 17 ft. – 18 ft. for  
repurposing**



**9 ft. – 10 ft. spaces**



**Another  
20% in  
land  
savings**

**7 ft. – 7.5 ft.**



**With self  
parking  
autos**

**Cost of urban  
construction could drop  
by 10% - 20%  
Could encourage more  
development**

# Summary Impact on Real Estate

**Please Pay  
attention if  
you own  
commercial  
property**

**You “get” VALUE created  
by reduced NEED for  
parking spaces!**



**Think about impact**  
**50% fewer parking**  
**spaces – how you would**  
**use that land**

## **EXAMPLES - Think about this**

- **A 1 million sf center with 5.0 parking ratio - 5000 spaces**
- **Now reduce the parking by 50% or 2500 spaces –**
  - **frees up 30 acres of land**

- Insure longer **DROP OFF AREAS** for car sharing – Uber, Lyft, etc.
- Westfield is going to triple or quadruple the Drop-Off space





11/7/2016

**Homebuilding in suburbs  
will likely increase**

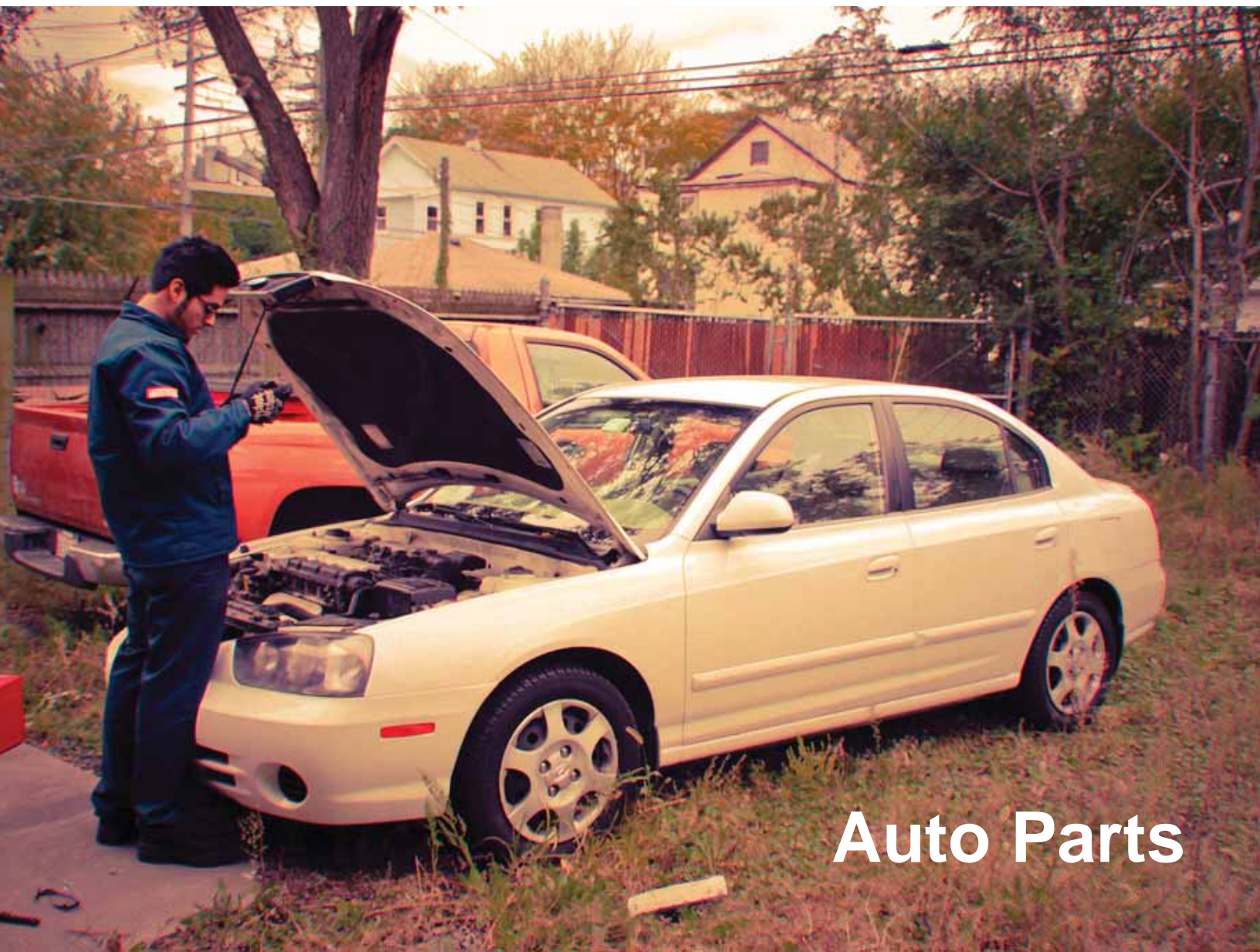
# **High Quality Malls - winners**



# Insurance







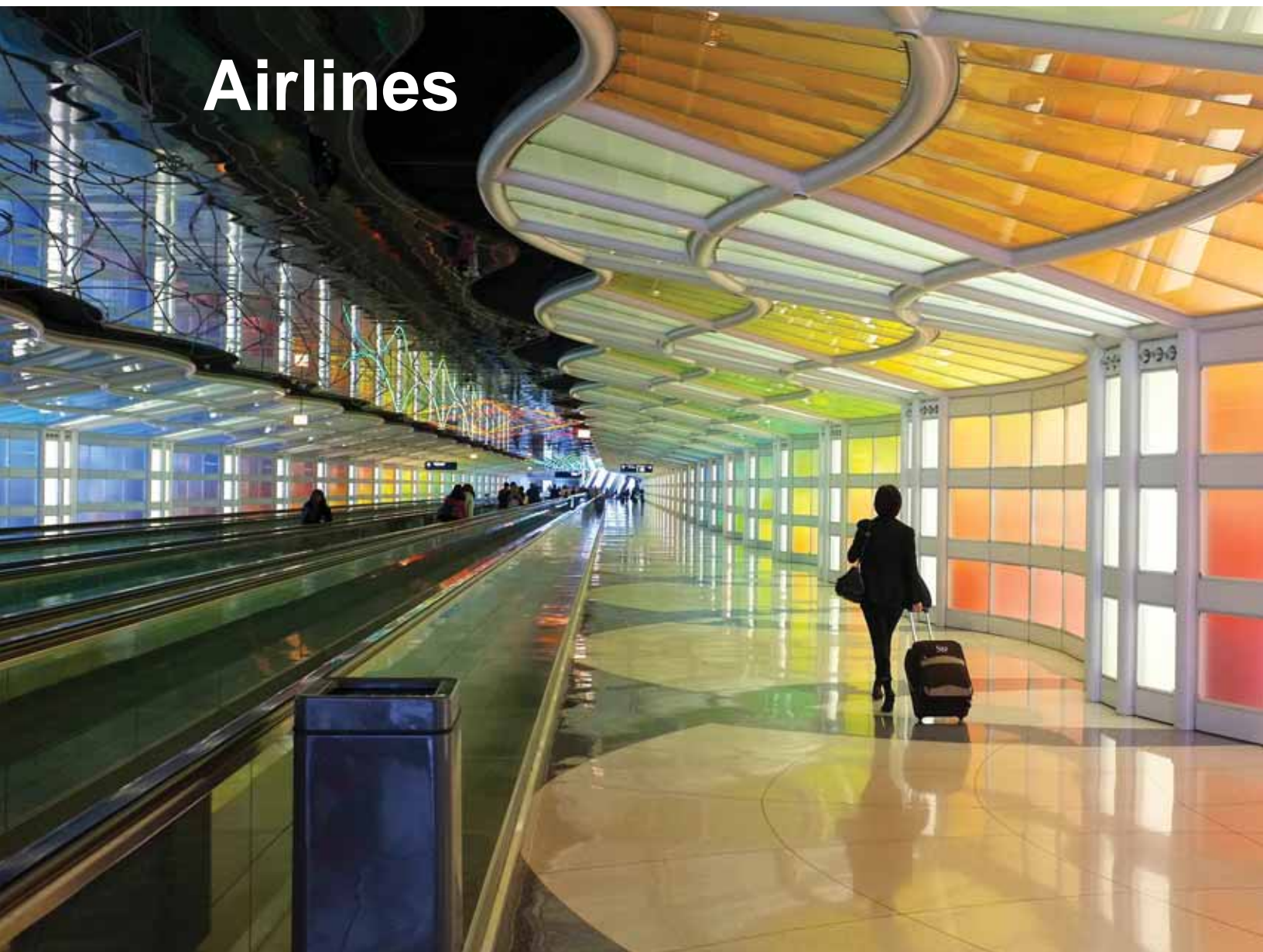
**Auto Parts**

# Hotels





# Airlines





**Mobility Drivers**





**Public Transportation**



# Parking Garages /Lots





# Energy & Petroleum



Office Space





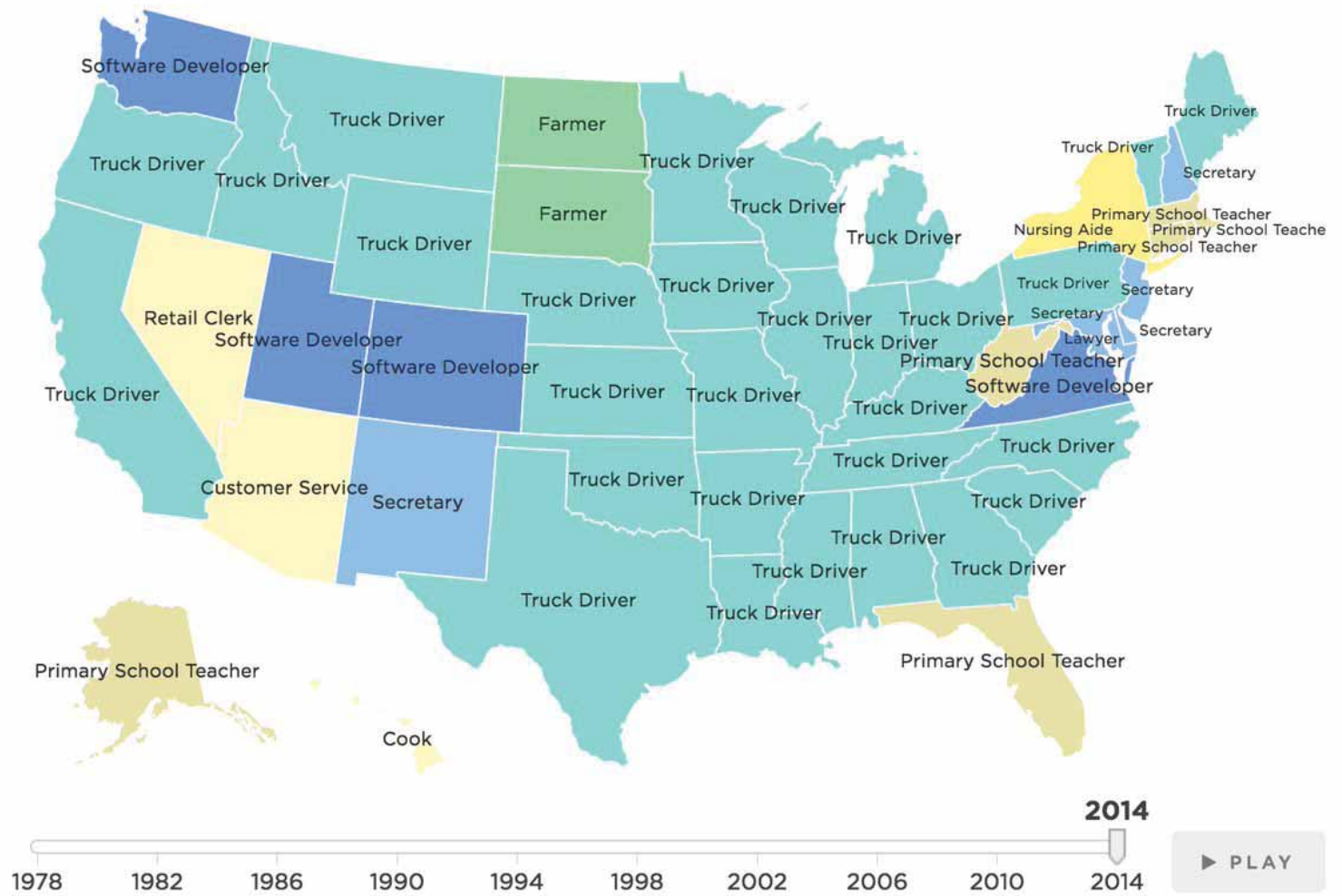
# Car Manufacturing

**Of Course, Self-Driving  
Long-Haul Trucks will be  
able to deliver goods all  
hours of the night – a  
POSITIVE IMPACT on  
Cities**



# Drivers and Trucking

## The Most Common\* Job In Each State 1978-2014



**RETHINK  
EVERYTHING!**

**“Uber yourself before  
you get Kodaked”**

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