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

With Self Driving Ride Hailing
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

7 ft. – 7.5 ft.

Another 20% in land savings
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
Homebuilding in suburbs will likely **increase**
High Quality Malls - winners
Insurance
Hotels
Airlines
Mobility Drivers
Energy & Petroleum
Office Space
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”