Technology, Mobility, and Real Estate

Cooper Martin
Program Director, Sustainable Cities
• City of the Future – Technology and Mobility

• Implications: Impact on Real Estate
What is the City of the Future Project?
CITY OF THE FUTURE
LEADING IN THE AGE OF DISRUPTION
NATIONAL LEAGUE OF CITIES CENTER FOR CITY SOLUTIONS AND APPLIED RESEARCH
AREAS OF FOCUS

1. Planning for Demographic and Workforce Trends
2. Planning for Infrastructure Finance
3. Public and Private Mobility Systems
4. New Modes
Transportation plans by year
FINDINGS OF CITY OF THE FUTURE

We conducted a content analysis of city and regional transportation planning documents from the 50 most populous US cities, as well as the largest cities in every state – a total of 68 communities. Our analysis yielded the following results:

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>6%</td>
<td>0.6% of plans consider the potential effect of driverless technology.</td>
</tr>
<tr>
<td>20%</td>
<td>20% of plans include road diets or other plans to reduce road capacity or long-term maintenance costs.</td>
</tr>
<tr>
<td>12%</td>
<td>12% of plans are clear that no new highways are under consideration.</td>
</tr>
<tr>
<td>3%</td>
<td>3% of plans take into account private transportation network companies (TNCs) such as Uber or Lyft, despite the fact that they operate in 60 of the 68 markets.</td>
</tr>
<tr>
<td>50%</td>
<td>50% of plans contain explicit recommendations for new highway construction.</td>
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WE’VE EXAMINED 68 CITY AND REGIONAL LONG RANGE TRANSPORTATION PLANS FROM THE LARGEST CITIES IN THE COUNTRY:

<table>
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<th>Percentage</th>
<th>Description</th>
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<tbody>
<tr>
<td>3%</td>
<td>mention Uber, Lyft or TNC’s within the plan even though 55 currently have one of these companies operating.</td>
</tr>
<tr>
<td>6%</td>
<td>mention autonomous vehicles in any way.</td>
</tr>
<tr>
<td>20%</td>
<td>mention road diets or any other planned reduction in road capacity.</td>
</tr>
</tbody>
</table>
WHY IS THIS IMPORTANT?

THIS IS ABOUT MORE THAN MOBILITY
2020 DEMOGRAPHICS AND WORKFORCE TRENDS

Millennials and Gen Xers will increasingly be the largest demographic in the workplace.

Many traditional 9-5 positions will be replaced by contract jobs.

The way we occupy workspace will change.
The US population is mostly growing in Cities.

73 OUT OF 100

Of the 100 largest urban areas in the US 73 will grow faster than the national average.

Younger generations are maintaining a greater preference for walkable places.
Public and Private Mobility Systems
2020 PUBLIC AND PRIVATE MOBILITY SYSTEMS

- Bus lines will be optimized and consequently more useful and attractive to riders.
- Transportation access will be made seamless.
2030 PUBLIC AND PRIVATE MOBILITY SYSTEMS

Public transit will begin to deploy driverless technology
THE FUTURE OF MOBILITY IN CITIES IS MULTIMODAL

alternative transportation modes have proliferated.

While federal funding has remained focused on highways, many cities across the world, including US cities, have adopted alternative modes of transportation to move around.

National League of Cities’ State of The Cities 2014 data; Data adapted from EMBARQ, World Resources Institute, 2015.
The window of opportunity to solve problems is moving faster than the planning process. But it’s not just the assumptions that are limiting the planning field, it’s the information that planners have to work from. Planners can’t simulate inter-modal traffic, which is the future.

Peter Torrellas, Siemens
Implications: Impact on Real Estate

Two Competing Predictions

• Downtowns Hypothesis
• Exurbs Hypothesis
3D Taxable Value Per Acre

Des Moines, IA
County Comparisons
Total Value Per Acre

$476M/acre

$192M/acre

$8M/acre

Davidson County, GA
pop. 648,300

Travis County, TX
pop. 1,096,000

Gwinnett County, GA
pop. 812,000

Nashville

Austin

Lawrenceville
Little Rock, AR
Denver, CO
Austin, TX
THANK YOU

Cooper Martin, Program Director
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Ultimately parking is the single most important design feature that dilutes the tax productivity of development. Municipalities, for whom property taxes are their lifeblood, should treat parking for what it is: dead weight.
OUR STREETS ARE UNDERFUNDED
Local Revenue Sources by State

Source: http://slfdqs.taxpolicycenter.org/pages.cfm
Outline

• City of the Future – Technology and Mobility
  • Dramatic, rapid changes and disruptions to transportation now, and in the near future

• Implications: Impact on Real Estate
  • Hypothesis 1 – ease of commuting and further sprawl
  • Hypothesis 2 – increased densification, trading car space for human space
  • Important! Not mutually exclusive!