



nerej

Commercial real estate impacted by shifts in mobility - by David Kirk

March 10, 2017 - Appraisal & Consulting

David Kirk, Kirk & Co.

Roadbeds are getting makeovers. Move over and make room for new and changing trends in mobility. At the Counselors' 2016 Stanford Symposium on the future urban environment designers and engineers flipped through schematics, plan and profile, for public ways including streets, sidewalks and green space. The panel was focusing on mobility including autonomous or self-driving vehicles. Vehicular right of ways, asphalt and otherwise, might give back up to 75% of the pavement.

Commercial real estate is already impacted by dramatic shifts in mobility and in behavioral and demographic shifts by the users of commercial real estate. Trends like the increasing use of Uber, Zip Car and two wheelers are already impacting demand for parking, curbside pickups, mass transit and private shuttles, and traffic lanes and pedestrian ways. Not revolutionary or evolutionary, just more dramatically changing. Commercial real estate rents and prices are changing too.

Planners and developers have been rethinking and revising parking requirements for commercial real estate for over a decade. Boston has approved new CBD developments with substantial reductions in parking ratios and overall requirements. Mixing real estate uses complicates the task. Mixing different vehicular requirements also adds complexity to design and engineering. Mobility trends are rendering outmoded and dysfunctional the traditional intermodal linkages both inside and outside the structures.

Autonomous cars are a quantum leap to better mobility and traffic density and flow. Because this mode of transportation is still in beta and proto phases for at least a few more months, the impact is just reasonable conjecture. At the Counselors' symposium at Stanford University in 2016, panelists reported on prospects for increasing green space. Before autonomous cars, roadways required or occupied 80% of the right of way with green space close to zero per cent; after autonomous cars, roadways will require or occupy 20% of the right of way with 42% of the right of way available for green space. The changes will be dramatic if not precisely, and autonomous cars are one mode of the mobility future.

Walking streets are several decades old. Planners and developers had to visit and revisit European cities to see and watch how the traditional squares of cities and towns spilled at the edges for pedestrians, and central downtown boulevards could be closed for pedestrian, retail and entertainment. With Times Square in New York City now one of the most famous pedestrian spaces, mobility has demonstrated an extraordinarily wide and flexible range of possibilities.

Some improvements to accommodate changes in mobility are nominal in cost and maintenance but make a major impact. Some are logically cost effective. Some are significantly costly in construction and maintenance. Some are significantly profitable for the property. All might enhance marketability

and defer economic and functional obsolescence, and improve sustainability of the property. If the property is relevant and attractive for longer, the property is more sustainable and healthy.

David Kirk, CRE, MAI., FRICS, is principal and founder of Kirk & Company, Real Estate Counselors, Boston, Mass.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540