

How might driverless cars impact real estate?

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The car industry has undoubtedly been accelerating R&D projects in this area. 'Driven' trialled a driverless car in Stratford London last year. In the US, General Motors' Cruise launched 2020 by unveiling its vision for driverless shared ownership cabins, and Google's Waymo announced last week that it would team up with UPS to test self-driving vans in Arizona.

Driverless vehicles have been promised by many as a panacea to numerous ills. Automation could mean efficient traffic management, greater accessibility, tailored public transport, faster travel times and a reduction in the large costs of congestion to business.

There remains scepticism regarding timescales, given safety concerns and that only 54% of UK A and B roads have 4G coverage (or better), there remains a large infrastructure gap to fill. There is also a concerning blind-spot when it comes to bad weather in trials. But even with delays, we might soon start seeing changes to where consumers choose to live and shop. This could well happen within the term of a commercial lease, or impact the long-term viability of developments, and all manner of consequences to our lives and real estate have been theorised.

Greater ease of transport may shift demand for residential space away from densely populated areas. Cheaper car sharing may remove the demand for city-centre car parking and free up space for leisure, retail or other uses. Driverless vans could amplify the profitability of online shopping and click-and-collect. Retail stores may even go mobile and cars might eventually lose ground to automated pods that shuttle goods and people alike.

Likely or not, the scope for innovation is exciting. It would also fundamentally disrupt the real estate sector, as longstanding perceptions of the value of locations adapt. So, flexibility in your real estate portfolio remains critical.

As for what land will have the greatest value in the future? That's the billion-pound question, you tell us!

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