

DRIVERLESS CARS AND REAL ESTATE

UCLA Ziman Center

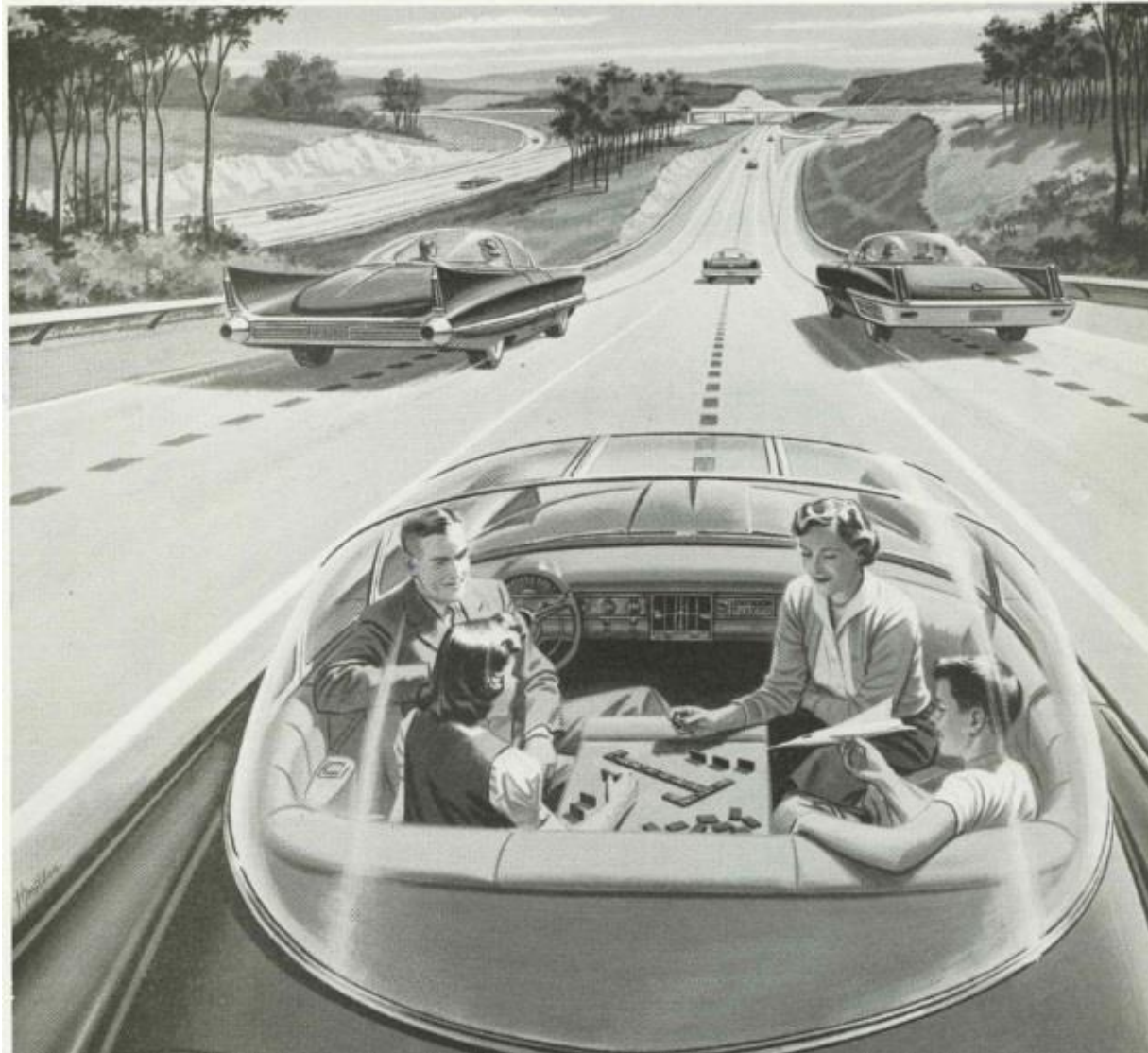
June 27, 2017

Taylor Mammen, Managing Director



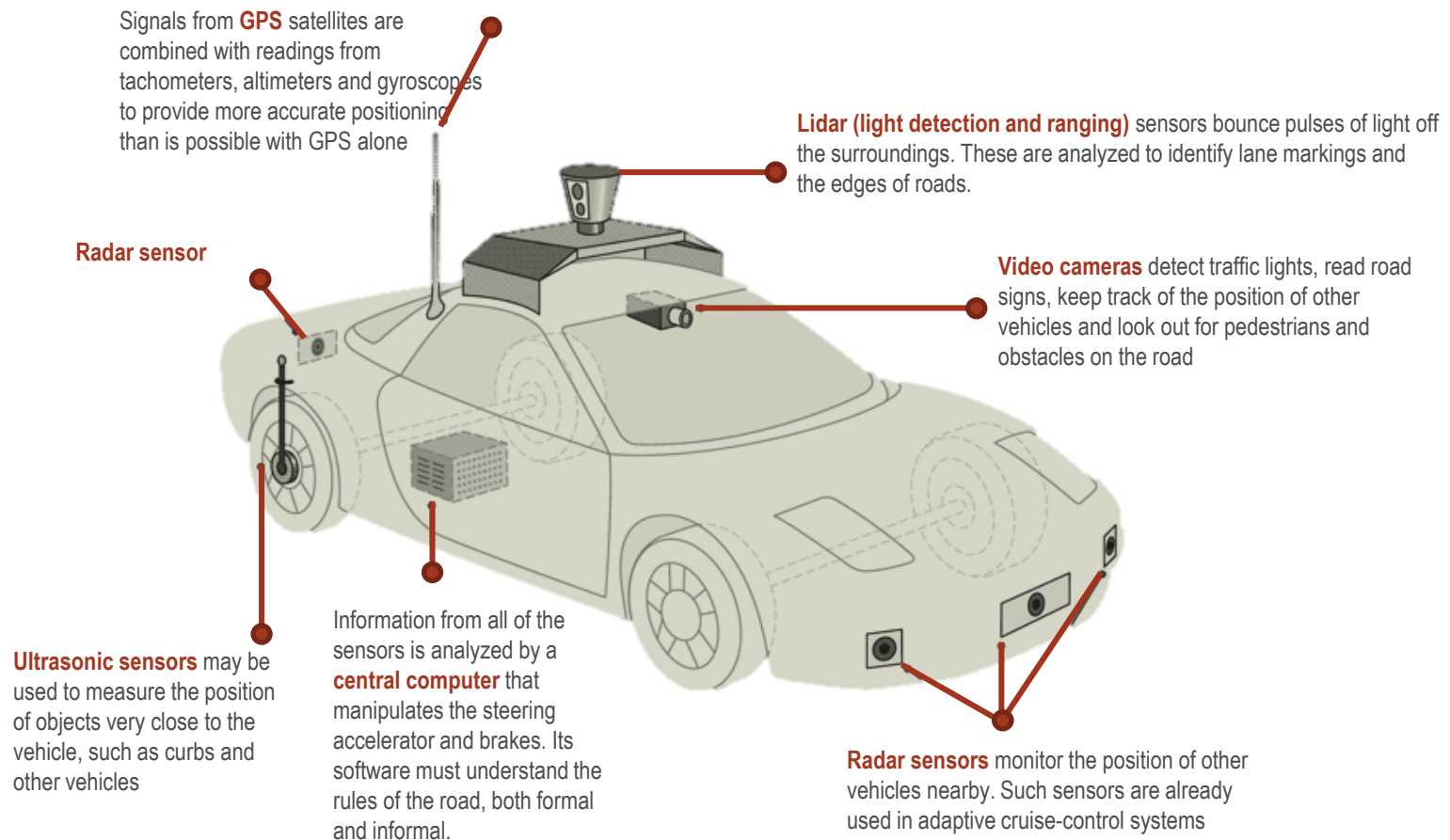
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THE IDEA OF AUTONOMOUS VEHICLES HAS BEEN AROUND FOR DECADES

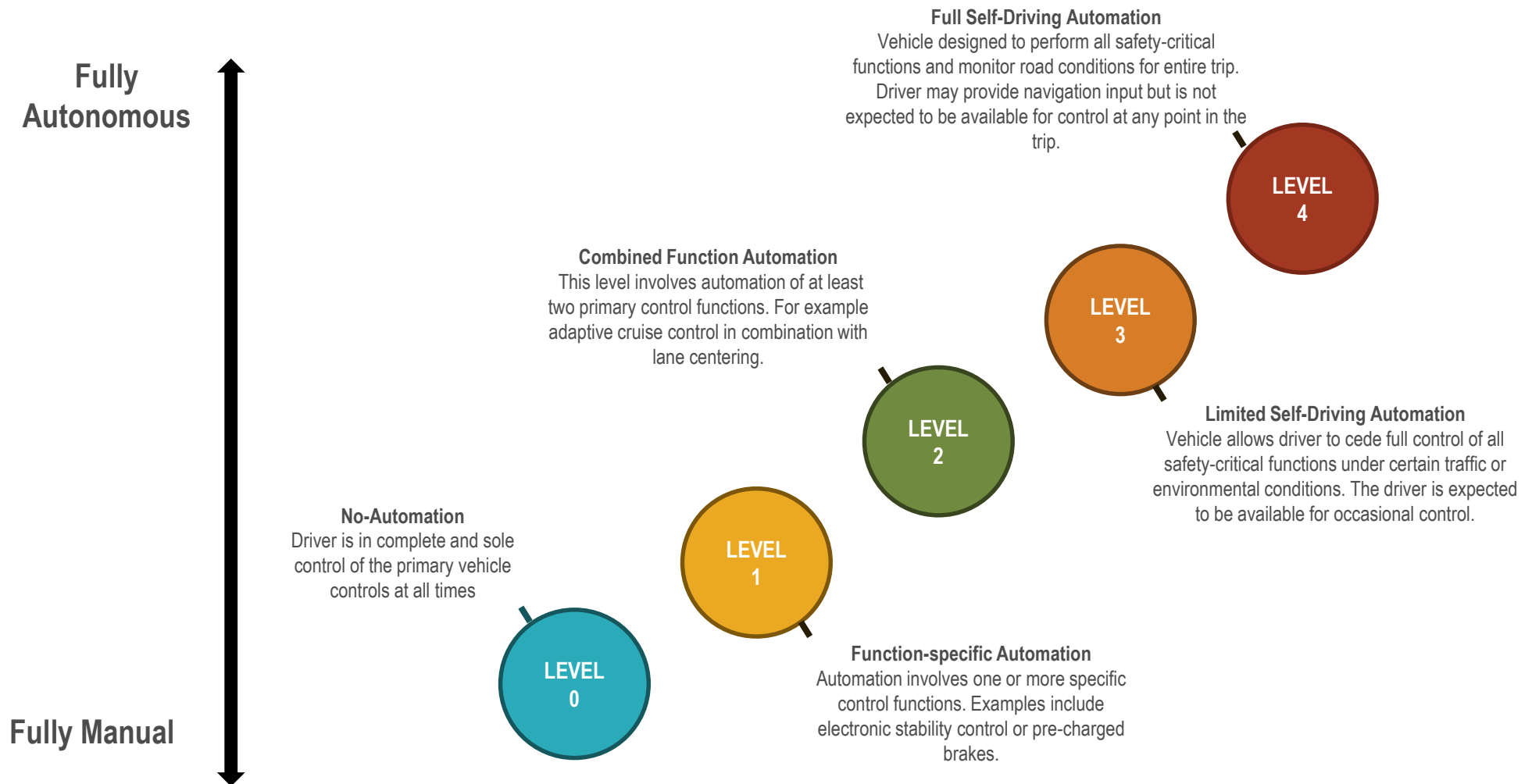


SEVERAL TECHNOLOGICAL ADVANCEMENTS ARE FACILITATING AV DEVELOPMENT TODAY

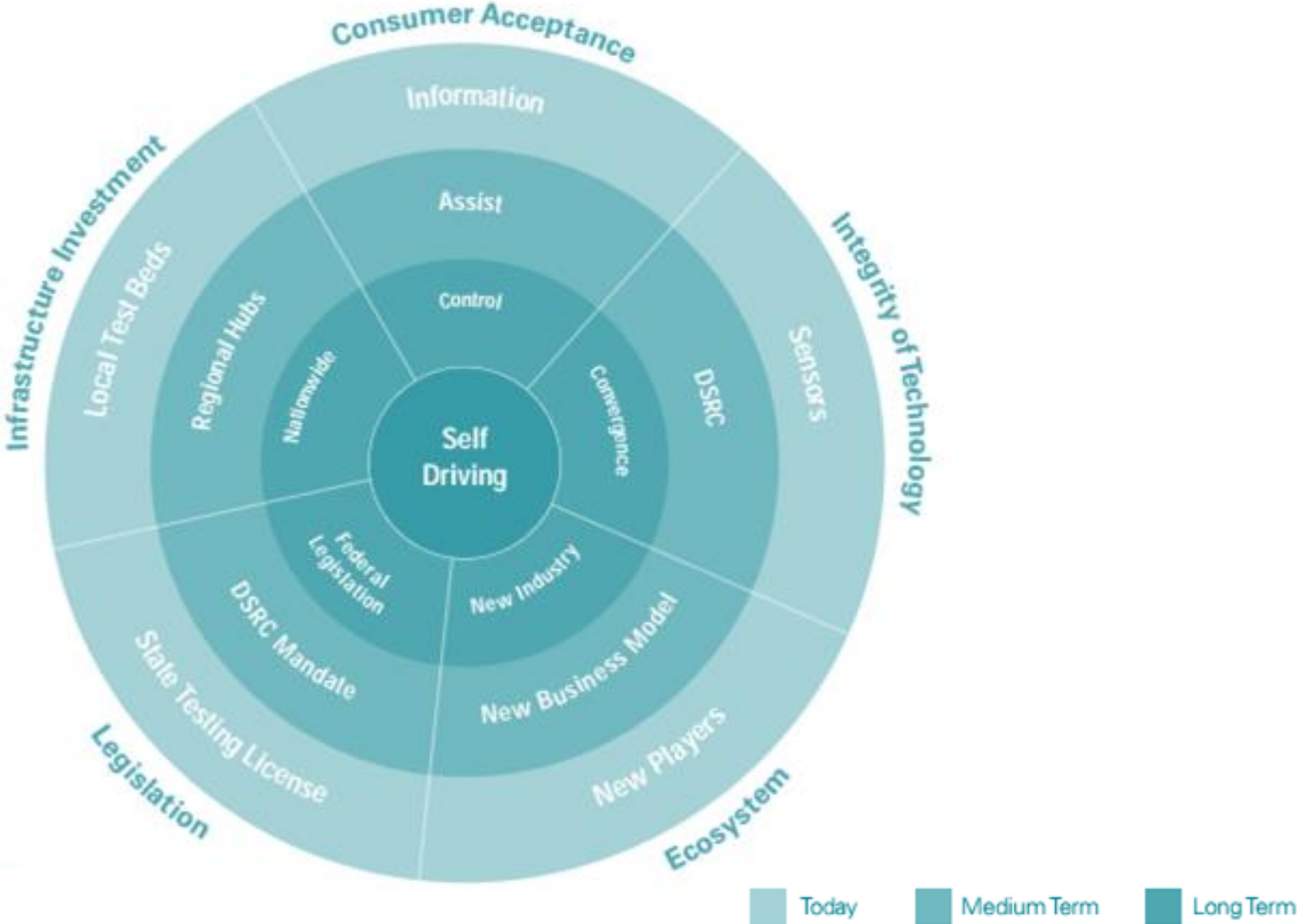
- Internet of Things (V2V, V2I Connectivity)
- Ubiquitous Internet
- Virtual Reality
- E-commerce (Amazon Drones)
- Electric Cars
- Processing Capacity



AUTOMATION OCCURS ALONG A SPECTRUM

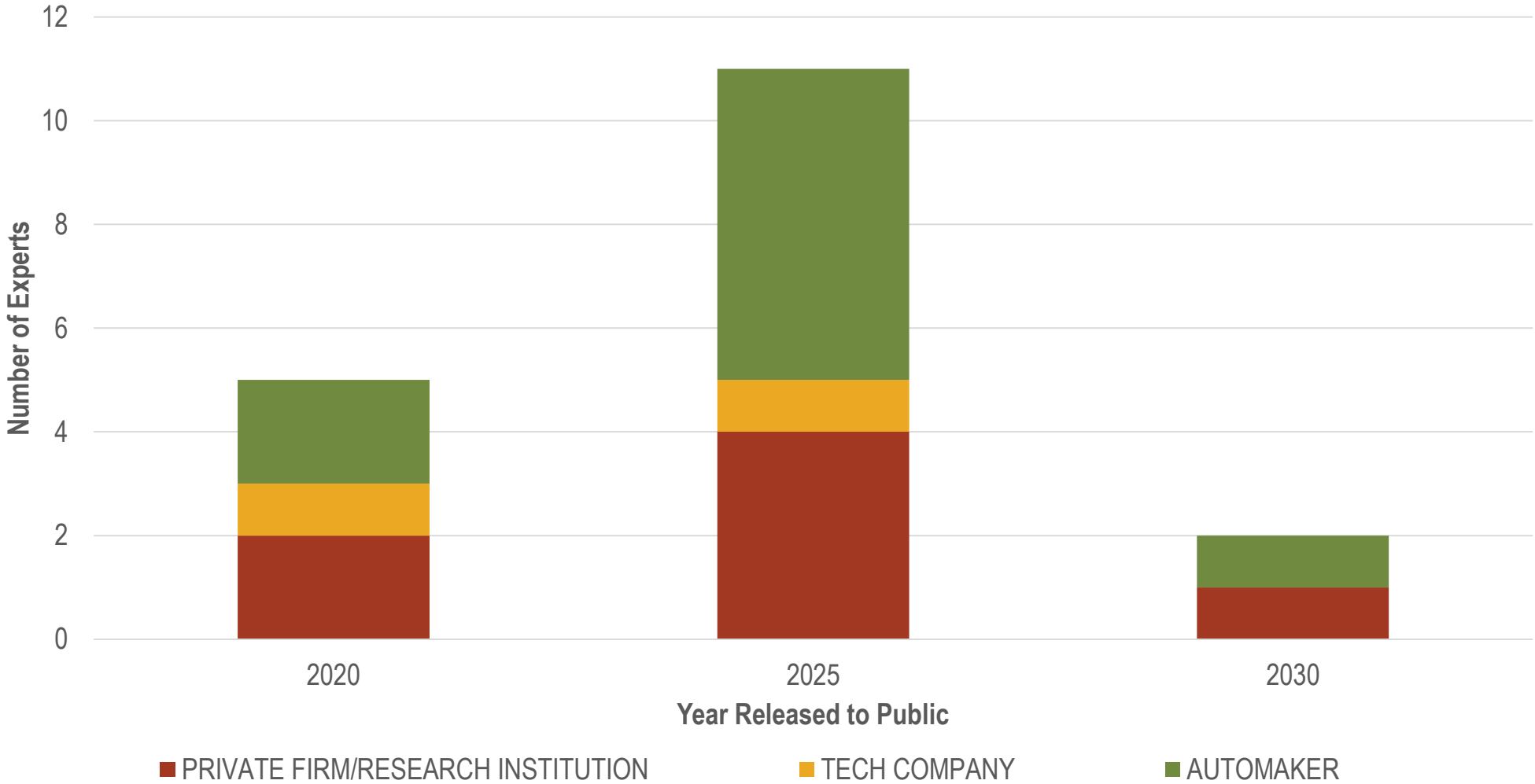


MANY FACTORS, FROM DIFFERENT DIRECTIONS, DRIVE AV DEVELOPMENT AND ADOPTION



NO CONSENSUS ON TIMING, BUT AVS COULD IMPACT 10-YEAR UNDERWRITING PRO FORMA...

Industry Experts Anticipated "Release Date" of Autonomous Vehicles

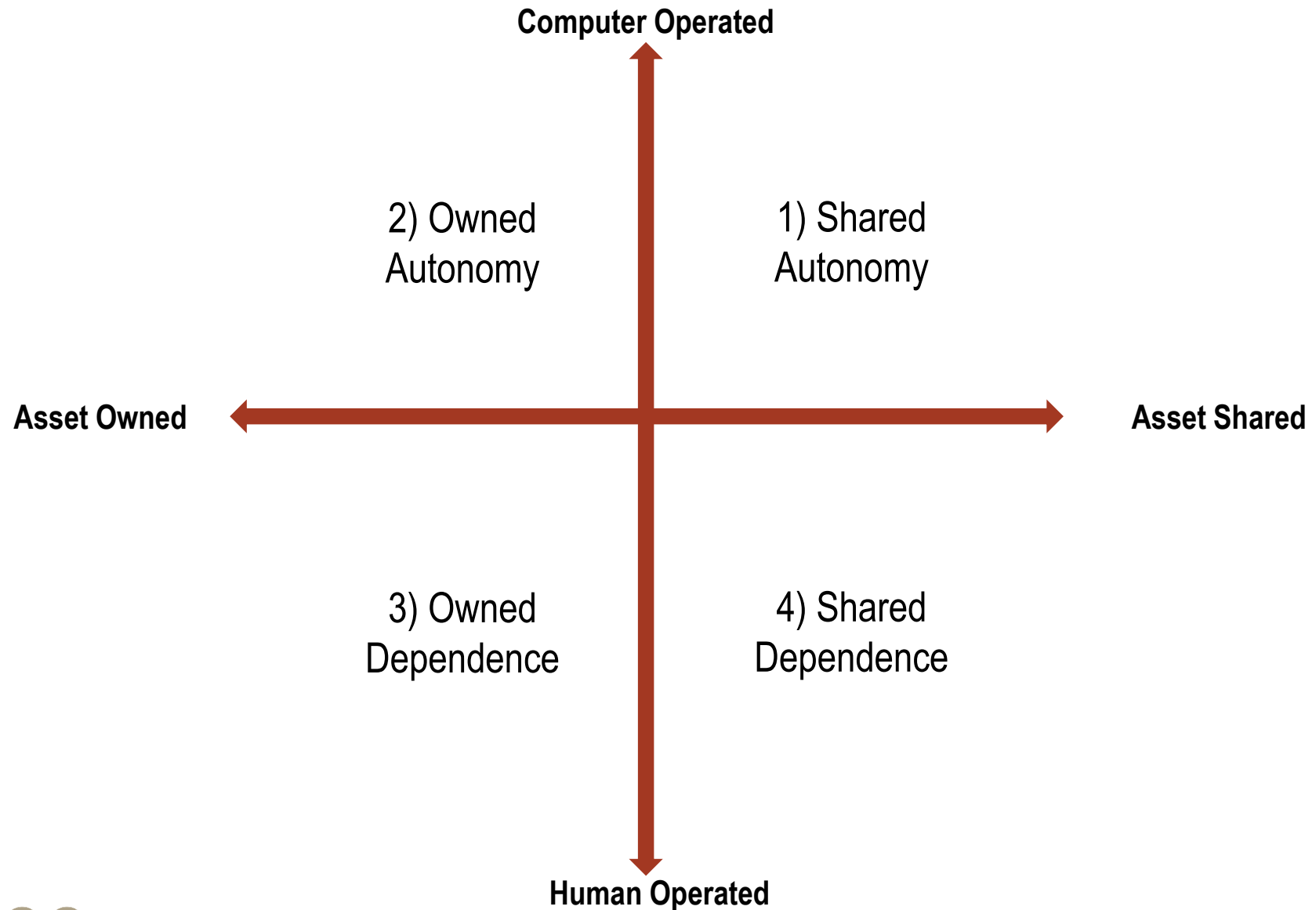


WE MAY ALREADY BE EXPERIENCING ANALOG IMPACTS

Already, up to 11 vehicles removed per carsharing vehicle.

City	Vehicles Sold	Vehicles Suppressed (foregone purchases)	Total Vehicles Removed per Carsharing Vehicle	Range of Vehicles Removed per Carsharing Vehicle
Calgary, AB (n=1,498)	2	9	11	2 to 11
San Diego, CA (n=824)	1	6	7	1 to 7
Seattle, WA (n=2,887)	3	7	10	3 to 10
Vancouver, BC (n=1,010)	2	7	9	2 to 9
Washington, D.C. (n=1,127)	3	5	8	3 to 8

SPECIFIC IMPLICATIONS DEPEND ON THE MODEL THAT RESULTS



NUMEROUS POTENTIAL IMPLICATIONS:

- Parking needs/preferences/requirements, and impacts on land residual values
- Consumer spending, household income available for housing
- Building and urban design and form
- Existing building conversion (or obsolescence?)
- Additional urban land availability, and impacts on land values
- Winners and losers: urban/suburban, neighborhoods, product types, etc.
- What happens to TOD?
- e-Commerce and distribution
- Major job dislocation
- Changes in how people spend their time
- Changes in capital markets
- Changes in infrastructure financing
- Changes in insurance liability

WHENEVER IT SEEMS FAR-FETCHED...

Horse vs. Automobile

BEFORE you discard your horse and buy an auto it is well to think of the cost.

Figure how much you spend for harness and then think of what new tires amount to.

Figure up what it takes to feed Dobbin in a year and then think of gasoline, repairs and storage charges.

Dobbin is worth what you paid for him two years ago, where's the man with an auto that can say the same?

Come in and get a new harness instead of a new car and remember that Dobbin will take you through snow and mud as well as on good roads and that his carburetor is never out of order.

Ed. Klein

732 Massachusetts Street



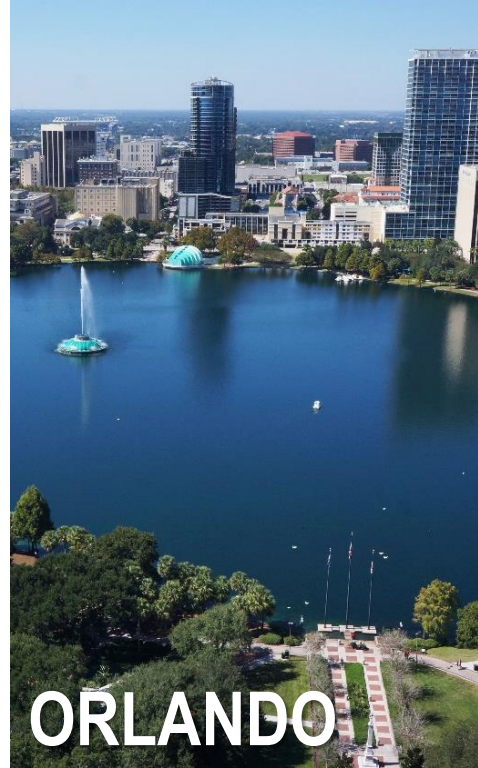
AUSTIN

221 W 6th St
Suite 2030
Austin, TX 78701



LA

11601 Wilshire Blvd
Suite 1650
Los Angeles, CA 90025



ORLANDO

964 Lake Baldwin Ln
Suite 100
Orlando, FL 32814



DC

7200 Wisconsin Ave
Suite 1110
Bethesda, MD 20814

RCLCO
REAL ESTATE ADVISORS

Taylor Mammen

Managing Director / Director of Institutional Advisory

P: (310) 282-0437

E: TMAMMEN@RCLCO.COM

W: RCLCO.COM