



Real Estate Needs to Charge Up to Lead the Electric Vehicle Revolution

As electric vehicles (EV) become more popular, both the private and public sectors are betting big on the continued growth of the EV industry.

The global EV market is projected to grow over 40 percent between 2020 and 2027, highlighting the industry's key role in promoting clean energy and the reduction of emissions worldwide.¹ With growing interest in green technology and long-term sustainability, the installation of electric vehicle charging stations at retail and commercial locations offers a significant opportunity for investors to benefit both the environment and the people who work, visit and shop in their spaces.

"With more people driving electric cars, if there's no EV infrastructure at a property, suddenly it becomes less valuable," said Andrew Kupiec, President, Agile Real Estate & Experience Services. "Buildings that have an all-encompassing approach to experience, social responsibility and amenities are going to perform best. EV charging needs to be an important part of the amenity package."

Kupiec points to the growth of car and bikeshare programs at commercial spaces as a precedent for electric vehicle infrastructure. As those programs have become standard at many major assets over the past decade, more investors and occupiers are viewing EV charging as the next step in a line of must-have offerings.

In addition to the installation of chargers for individual EV drivers, corporate vehicle fleets remain a point of interest for investors. Many companies—including CBRE—are on track to replace their entire fleet with electric vehicles, necessitating a new approach to accommodate the required infrastructure.

From an economic and operational standpoint, the long-term savings on vehicle maintenance and fuel costs offset the initial electric-fleet investment, giving investors the opportunity to save money while pursuing climate-friendly business objectives. For corporate leaders, making the all-electric transition offers the potential for increased efficiency and cost reductions in their vehicle fleets. Fleet evolution is top of mind for companies who may be betting on a future without fossil fuels, particularly those in the energy, logistics and automobile industries, and with a variety of emerging electric truck and van options, automakers are hoping to encourage corporations and consumers alike to make the switch.

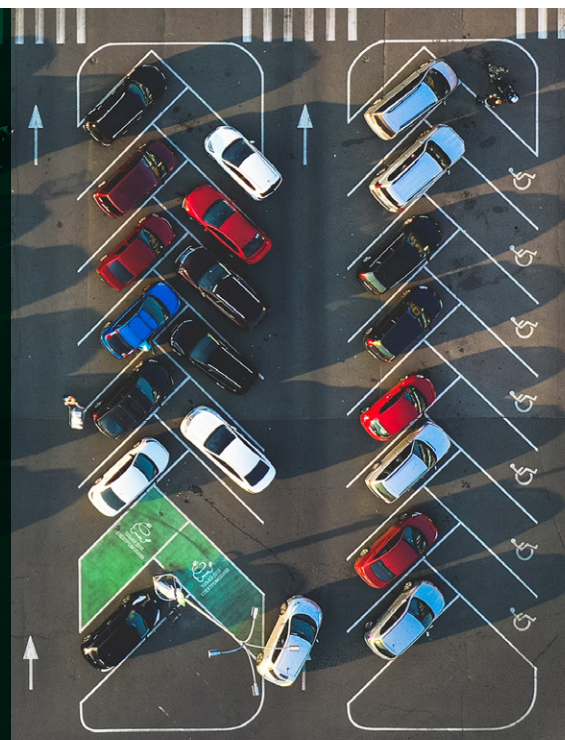
But are drivers willing to change their habits? Particularly in the United States, car culture dominates, with over 90 percent of American households having access to a vehicle.² However, a sizeable portion of the population isn't necessarily married to the idea

¹ <https://www.globenewswire.com/news-release/2021/01/09/2155831/0/en/Electric-Vehicle-Market-to-Register-Growth-40-7-by-2027.html>

² <https://www.valuepenguin.com/auto-insurance/car-ownership-statistics>

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— Andrew Kupiec
President, Agile Real Estate & Experience Services



of driving a gas-fueled car, with around 66 percent reporting an increased desire to buy an EV.³ This uptick in interest also corresponds with EV infrastructure becoming a priority for the U.S. government.

“I think a lot of trends are moving in our favor,” said Justin Holmes, VP of marketing and public policy for Zipcar. Zipcar, the world’s leading car-sharing network, has not only introduced EVs into their fleet but also sees a consumer move toward a more collective and sustainable approach to urban mobility.

“Particularly in cities, I can certainly imagine a future with fully electric, fully automated and fully shared fleets [of vehicles],” he said. “Consumer interest is rising and as government increases its investments, technology will improve and encourage further adoption.”

According to Holmes, more work must be done to educate consumers on the benefits of EVs, but Zipcar’s partners—including city governments and university campuses—have been eager to invest in more sustainable mobility options.

Kupiec agrees that education and changes in consumer behavior are crucial to ensure widespread EV adoption. “Casual users of electric vehicles may not be as familiar with them,” he said. “Something as simple as forgetting to plug it in or not following manufacturer recommendations can cause a ton of problems. There will be quite a bit of education involved to see widespread comfort with EVs, and I think CBRE is well-positioned to help with that change management.”



Essentially, for less than a cup of coffee, you can provide EV charging to your employees or building occupants.

– Mark Pastrone, COO of SemaConnect

Through their investments, governments and corporations have an opportunity to expand the network of available options for drivers. If widespread EV usage is an inevitability—and most experts think it is—there is no choice but to embrace and partner with this growing industry, particularly as organizations work to prepare for and mitigate the effects of global climate change. With the EV industry nowhere near peak usage, continued development offers plenty of possibility for investors as technology improves and knowledge increases.

For Mark Pastrone, COO of SemaConnect, a North American leader in Class A electric vehicle charging solutions, the impact of this growing industry can’t be overstated. Pastrone worked alongside CBRE’s Project Management team in 2019 to install 1,100 EVC stations for Electrify America LLC.

“An hour of electricity with standard chargers costs about 80 cents,” he said. “For a passenger vehicle, you’re putting 25 miles of range back into the vehicle per hour that they’re charging. Essentially, for less than a cup of coffee, you can provide EV charging to your employees or building occupants.”

Although electric vehicle charging may be viewed as a near-term perk or amenity, evidence suggests it will be a necessity for commercial properties in the future—real estate investors and owners must be prepared for the EV revolution.

³ <https://www.cars.com/articles/cars-com-reports-66-of-americans-have-renewed-interest-in-evs-following-president-bidens-infrastructure-plans-but-mainstream-adoption-still-years-away-434881/>



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www.cbre.com/EVCharging

JIM HURLESS

*Managing Director,
Advisory & Transaction Services*
+1 214 709 3099
Jim.Hurless@cbre.com

MARK BLUESTEIN

FM Engineering Operations Director
+1 479 282 9365
Mark.Bluestein@cbre.com

SEAN ANDERSON

Senior Project Manager
+1 303 264 1901
Sean.Anderson@cbre.com

CHRISTOPHER THOMAS

Senior Director, Energy Procurement
+1 312 935 1047
Christopher.Thomas@cbre.com

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