



Google may provide transparent vehicle location and pricing data from a number of providers).

Assessing the market opportunity starts with a look at the cost of Vehicle Ownership

A number of variables are likely to impact how consumers will behave when presented with options for personal mobility. These include safety, convenience (the car is an extension of the home and it contains many personal items), flexibility, and cost. In our PCOT 2 report we focused our analysis on the cost side of the equation with most of our efforts centered on the most densely populated metropolitan markets (i.e. dense urban centers), as we believe that population density will play a key role in driving the economics and practicality of shared mobility models. Interestingly, based on variables that we've collected from census data, taxes, parking costs, insurance costs, and other factors, the cost of individual vehicle ownership varies greatly by metro area. For example, while we assumed that variable cost (i.e. fuel, maintenance, tire replacement costs, and depreciation) was relatively stable at ~\$0.47 per mile in most regions, fixed costs (i.e. insurance, registration, taxes, parking, and traffic tickets) could range from \$3,000 to \$6,000 (20 MSA average is ~\$4,500). On average, across 20 metropolitan areas, the cost of operating an individually owned vehicle is \$0.93 per mile. However, it ranges from \$0.70-\$0.75 in St. Louis and Atlanta to \$3.35 in Manhattan. In addition, vehicles are typically driven with only 1 occupant (70%-80% of the time), which makes these data points a good proxy for individual mobility costs.

Figure 1: Cost of private vehicle ownership

	Top 20 MSAs	Nationwide
<b>variable cost (\$/mile)</b>		
fuel cost	0.11	0.11
maintenance	0.11	0.11
depreciation	0.25	0.25
tires	0.01	0.01
<b>variable cost per mile</b>	<b>0.47</b>	<b>0.47</b>
<b>fixed cost (\$/year)</b>		
insurance	948	838
license, registration, taxes	718	718
parking	1,690	1,014
traffic tickets	75	75
finance cost	1,012	1,012
	<b>4,443</b>	<b>3,657</b>
<b>miles traveled</b>	<b>9,658</b>	<b>12,000</b>
<b>fixed cost per mile</b>	<b>0.46</b>	<b>0.30</b>
<b>cost of ownership per mile</b>	<b>0.93</b>	<b>0.78</b>

Source: AAA, Ward's, Insurance Information Institute, DB estimates