

TOP
GLOBAL TRENDS
AFFECTING DOWNTOWNS

**AND HOW TO
RESPOND
AT HOME
[REVISITED]**



Progressive Urban Management Associates-- August 2012

“As we look deeper into the 21st century, the name of the game has changed. Instead of isolation, we are faced with the pressing reality of a single, rapidly evolving, global and multiethnic culture. Connections and relationships cannot be ignored, because what happens in one part of the world, whether economic, political, cultural or environmental, affects all other parts.”

*Loheed & Brooks
“New Places for a New Age”
Urban Land*



2006

2011

DEMOGRAPHICS

Changing American Demographics

Immigration Trends

Changes with the "Creative Class"

Changing American Demographics

Education, Talent & Jobs

Emergence of Young Professional Women

LIFESTYLES

Traffic Congestion & Value of Time

Trends in Health Care/Wellness/Recreation

Growth of Tourism

America's Growing Debt Burden

Changing Consumer Behaviors

Shifts in Transportation & Mobility

Health & Wellness

The Age of Austerity

GLOBAL COMPETITION

The Emergence of China, India, Etc.

Continued Advances in Technology

Environmentalism, Sustainability, Climate Change

The Emergence of a Planetary Middle Class

Continued Advances in Technology

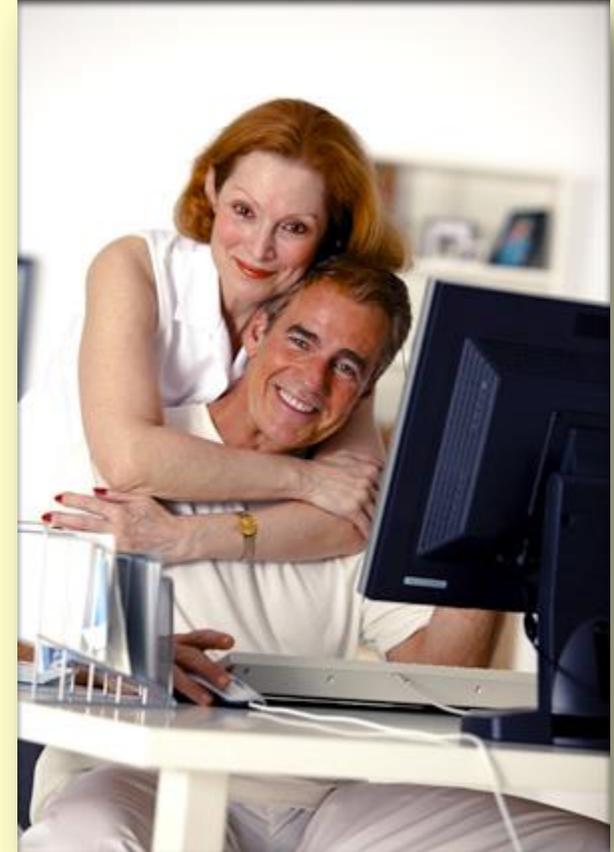
Sustainability Mainstreamed



Changing American Demographics

“Baby Boom” 76 million born 1946 to 1964

- Sheer numbers supported labor markets, entitlements and consumption
- College education rates increase 5x
- Living longer, healthier, but will create demand on health care system
- Recession causing more to “age in place”
- Empty nest market looking to downsize, urbanize

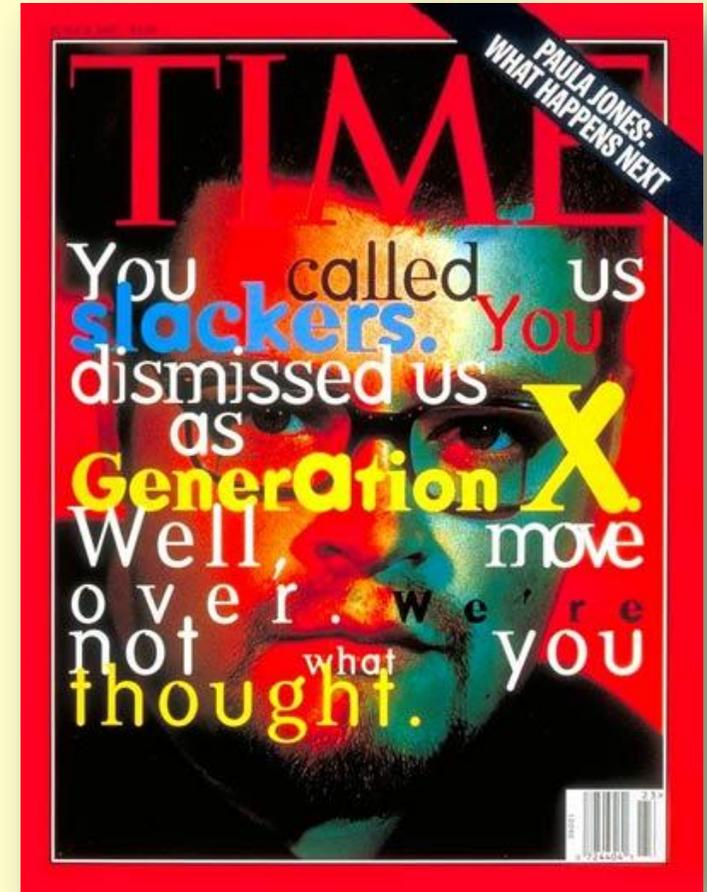




Changing American Demographics

“Generation X” 53 million born 1961 to 1984

- Cynical, bitter toward baby boomers
- Ability to multi-task & transfer skills enhances marketability in job market
- Value lifestyle over company loyalty
- Discretionary spenders, homebuyers at earlier age, majority have children
- Now moving into leadership positions
- Job prospects are good





Changing American Demographics

“Millennials” 77 million born 1977 to 2003

- Growing up with technology
- More optimistic, tolerant and open-minded
- Multi-cultural – majority minority rises from 43 to 58 of 100 largest US cities in past ten years
- Denver: 2000/29%; 2010/35%
- Spirit of volunteerism and passion to foster change
- Millennials voted more than 2:1 for Obama, outvoted seniors

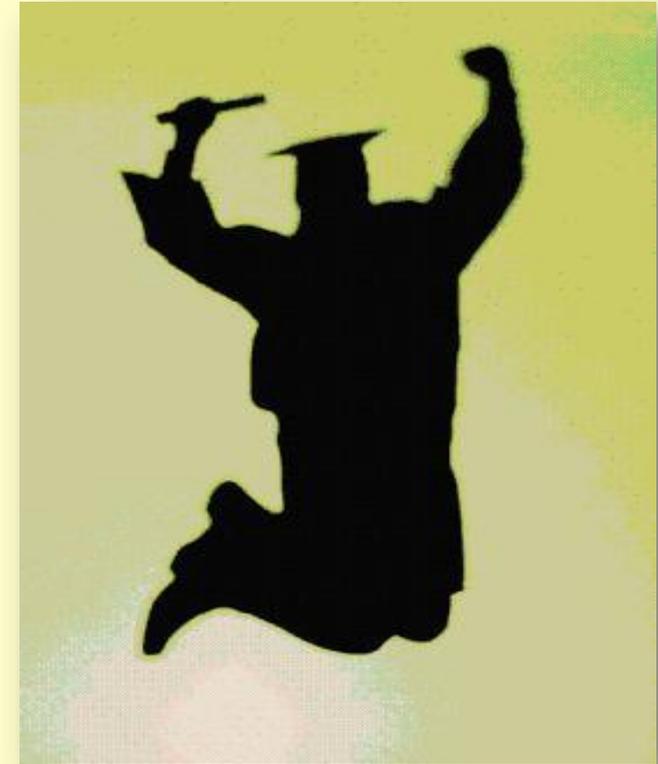




Education, Talent & Jobs

The Premium of a Highly Skilled Workforce

- Worker shortages as early as 2018
- College graduates are choosing cities:
2000: 61% more likely; 2010: 94%
- Denver #1 for in-migration of people
ages 25 to 34
- Companies will be under increased
pressure to locate near skilled workers
- Educational institutions as economic
anchors, stabilizers
- Immigrants increasingly skilled



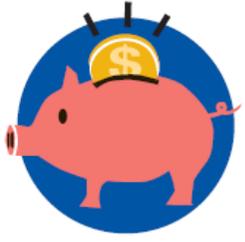


Emergence of Young Professional Women

Women will dominate professional occupations...

- Women outnumber men in US workforce, “*mancession*” accelerates trend
- College enrollments to stabilize at 60% female -- Next professional class
- In position to influence shape of cities? 15% of elected officials, 15% of architects, 37% of planners, but change is on the way
- Vibrant mixed-use environments match activities valued by American women





Changing Consumer Behaviors

Recession marks a realignment in American consumption...

- Impulse replaced by deliberate spending
- Ecommerce only 5% of sales, but now influences 53% of purchases
- *Groupon* connects ecommerce with place
- Boomers, who drove past binge, will save more and spend less
- Gen X and millennials will dominate consumer recovery
- Importance of quality, function, convenience, environment & social considerations





Shifts in Transportation & Mobility

Behaviors are shifting away from automobiles...

- Congestion has stabilized at 39 hours in annual delays (vs. 14 hours in 1982)
- Denver: 1982/12 hrs vs. 2010/49 hrs
- Autos are 2nd largest household expense, consume 2 hours of daily wages
- Driving miles have declined since 2007
- Boomers simplifying & downsizing
- Millennials don't love cars – 21% of all miles in 1995; 14% of all miles today
- Walkable urban real estate commands 40% to 200% value premium





Health and Wellness

Opportunities from growing industry & movements...

- Shortage of doctors and nurses projected by 2020
- Insurance reform creates demand for 64 million sq.ft. of space
- Health care companies economic stabilizers, civic partners
- Health, food & active lifestyles
 - ✓ Locavores, organics
 - ✓ Eradication of food deserts
 - ✓ Urban farming & hydroponics

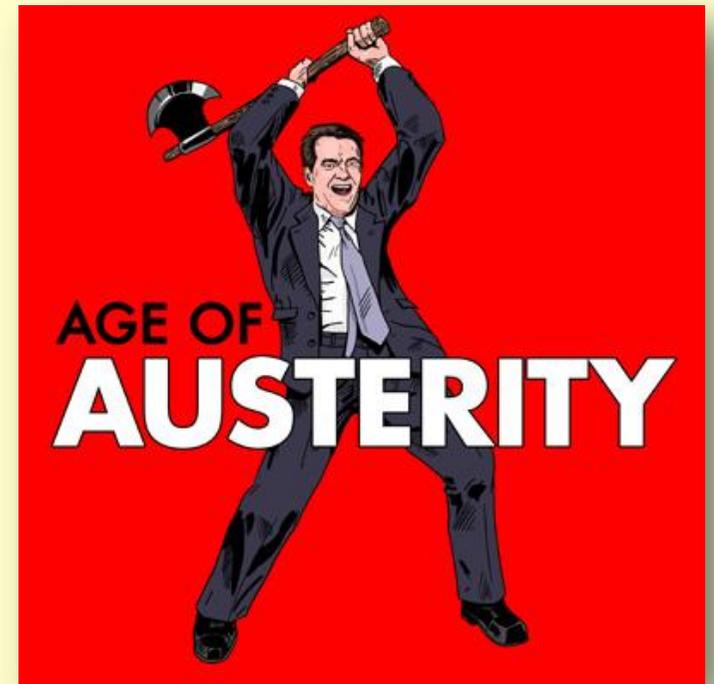




The Age of Austerity

Cities become the engines of growth & innovation...

- Per capita national debt:
2007: \$29,000; 2012: \$50,000+
- In 1950, 16 workers for each SSI recipient;
By 2030, 2 workers for each recipient
- Since 2007, housing values down 27%,
commercial values decline 34%
- Impact on local governments – loss of
jobs, 62% delay capital investment
- Investment in infrastructure, education &
innovation to come from regions, not feds





The Emergence of a Planetary Middle Class

“We are at the dawn of the post-U.S. century”.

Edward M. Casal, *Urban Land*

1850	1950	2012	2050
China	United States	United States	China
India	United Kingdom	China	United States
United Kingdom	Germany	Japan	India

The World's Largest Economies 1850 to 2050



Continued Advances in Technology

Areas where technology will have the largest impact...

- Health, biotechnology (genomics, bioinformatics, augmentation)
- Renewable energy, battery storage
- Ubiquitous computing --
iPhone: 2007; iPad: 2010
- 5.3 billion global cellphone subscribers
- Explosion in social communications:
networking, publishing & feedback
- Offices combine business and social
functions – mixed-use within, without





Sustainability Mainstreamed

Trends converging to make sustainability a megatrend...

- Majority of planet now lives in cities
- Today 3 billion – 6 billion by 2050
- At current growth rates, global resource consumption by 2050 = 200% of Earth's overall biocapacity
- American cities account for 75% of economic output with 56% of carbon emissions
- Wal-Mart's "Sustainability 360" cuts waste, increases fleet efficiency and influences suppliers



Conclusions

Overall, trends favorable for vibrant downtowns?

- America growing, younger & older, more diverse
- Increasingly connected & competitive world
- Resource-intensive lifestyles increasingly expensive and not sustainable
- Innovation and investment will be city-driven



Implications for Downtowns

Demographics...

- **Capture the young skilled workforce**
 - ✓ Be welcoming with information on jobs, housing and services
 - ✓ Embrace tolerance, multi-cultural
- **Create an environment that appeals to young women**
 - ✓ Mixed-use social environments
 - ✓ Encourage leadership in policy and planning positions



Implications for Downtowns

Demographics...

- **Foster education**
 - ✓ Educational institutions as anchors
 - ✓ Explore K thru college continuums
- **Housing with diverse price points**
 - ✓ Appeal to young skilled workers
 - ✓ Next cycle to be led by rental residential
- **Don't forget the boomers!**
 - ✓ Amenities that cross generations



Implications for Downtowns

Lifestyles...

- **Mobility options, “living streets”**
 - ✓ Walkable, bikable, transit-rich
- **Partner with health care providers**
 - ✓ Economic anchors, stabilizers
 - ✓ Allies for healthy lifestyles
- **Capitalize on healthy food movements**
 - ✓ Retail prototypes to serve niches
 - ✓ Regulatory prep for urban farming



Implications for Downtowns

Lifestyles...

- **Keep it fun, entertaining & interesting**
 - ✓ Integrate mobile technologies
 - ✓ Welcome variety of cultures, tourism
- **Advocate for regional investment**
 - ✓ Education role – benefit of shared investment & strong downtown
 - ✓ New policy role for downtowns



Implications for Downtowns

Global Competition & Change...

- **Entrepreneurship continues to be the key to job growth**
 - ✓ Broaden small business support
- **Develop innovative public/private financing tools**
 - ✓ Local community capital
 - ✓ Regional infrastructure banks
- **Be technologically relevant**
 - ✓ Support ubiquitous computing
 - ✓ Mobile & social applications



Implications for Downtowns

Global Competition & Change...

- **Adaptive reuse will be more affordable as costs rise**
 - ✓ Consider post 1950s buildings
- **Sustainability as part of the downtown brand**
 - ✓ Cities will lead sustainability policy
 - ✓ Downtowns embody the megatrend
 - ✓ *We are the business model* for a sustainable future



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Development Issues Breakout Session

Chose Your Issue

- Efficient and Predictable Permitting
- Competitive Tax Structure
- I-195/Knowledge Economy
- Strengthen Downtown Office Sector
- Promote Incentives for Development

Development Issues Breakout Session

Answer These Questions:

- What is Measurable, Quantifiable Success?
 - What Partners, Resources and Strategy are needed to reach Success?
 - When is Success? What is a reasonable Timeline?

User Experience Breakout Session

Chose Your Issue

- Improve Quality of Open Spaces
- Promote High Service Transportation System
- Develop a Safe and Vibrant Night Time Economy
- Continue Partnerships to Promote Retail, Restaurants, Arts and Housing in DOWNCITY

User Experience Breakout Session

Answer These Questions:

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