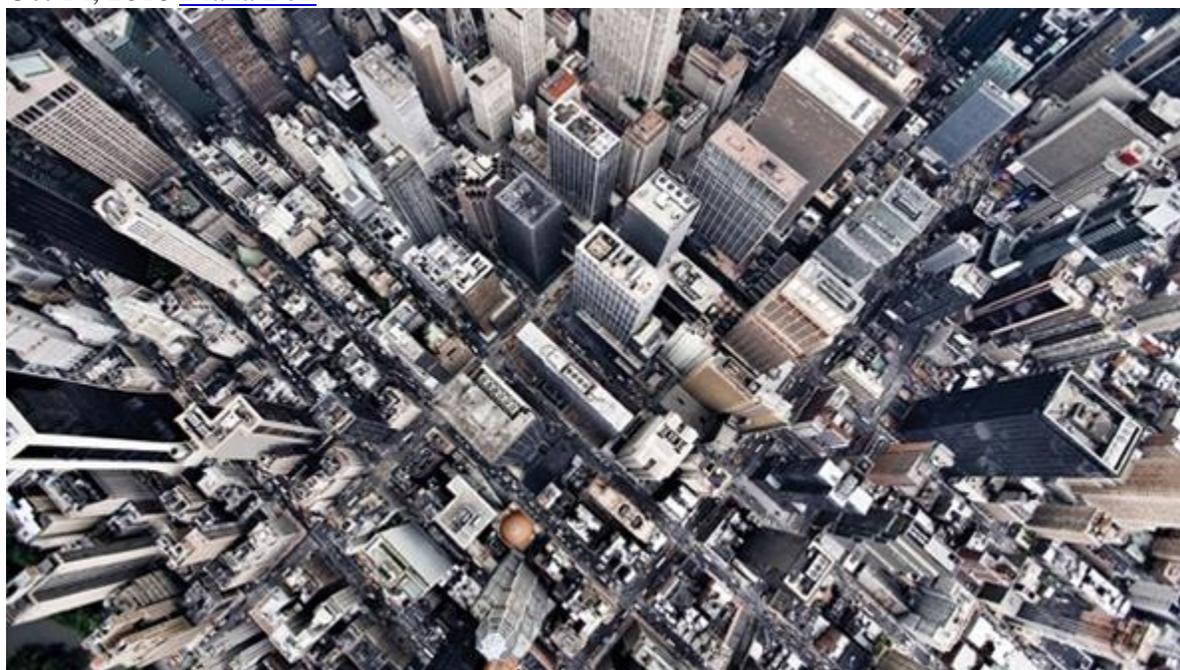


Six Things You Should Know About Future City Development

Oct 14, 2016 [Diana Bell](#)



Urban life has changed quite a lot since the onset of the Great Recession in 2008. The new “creative class,” comprising technology workers, scientists, architects, artists and writers, has been migrating from the suburbs to “superstar cities” including San Francisco, Boston and New York, according to Richard Florida, global research professor at the New York University School of Professional Studies. Florida headlined the Urban Lab panel organized by the NYU Schack Institute of Real Estate on Oct. 13.

Here are six takeaways Florida discussed with moderator Dr. Sam Chandan, associate dean of the Schack Institute.

1. **Suburban brain drain:** The past decade and a half has been marked by the “back to city movement,” and young people are leaving suburbs in droves to take high-paying knowledge jobs, partly because of a lack of diversity and tolerance in the suburbs, Florida

says. He cites Pittsburgh as an example—though local universities including Carnegie Mellon produced a city with one of the highest patents per capita ratios, students were leaving to larger cities because of a lack of diversity and feeling as if they could not fit in. As Florida puts it, “Thirty percent of New York City is foreign-born, three percent of Pittsburgh is.” Pittsburgh is turning the corner, however, he notes, citing Uber using the city as a laboratory for its self-driving cars fleet as part of the new Pittsburgh. Still, the city is 20 years out from full transformation, Florida says. To keep suburban areas invigorated, he recommends that city governments should focus on retaining young talent in sectors such as real estate and architecture. He also says real estate development is the key to rebuilding suburbs.

2. **Decline in home ownership:** The 2008 crisis was a “crisis of the way we live,” according to Florida, and since it happened we are in the midst of “resetting from single-family ownership.” He anticipates the home ownership vs. apartment renting rate to drop to about 50-50 in our lifetime. The U.S. homeownership rate is currently at 62.9 percent, a 50-year low.
3. **New city characteristics:** Now that we live in a knowledge economy, access to urban amenities and cultural capital should drive new development. Investment in new infrastructure and buildings should focus on more efficient use of space, Florida says, to preserve urban clustering and diversity that propels economic growth. New development should also increase the amount of green space in a city to foster creativity and combat urban sprawl, but there should be mechanisms in place to prevent parks from becoming “developer leverage,” he adds. Additional investment in transportation infrastructure would help workers who perform critical services for the city, but cannot afford to live downtown and face lengthy commutes.
4. **The affordability question:** “Inequality is a product of geographic structure,” Florida states, noting we have undergone “the great inversion” of poverty moving to suburbs and cities now housing the rich. He calls the affordability problem “the dark side” of development and the “new urban crisis,” saying it varies greatly by metro. According to Florida, “We have a patchwork metropolis with small areas of concentrated advantage around knowledge economies, CBDs and waterfronts.” Florida isn’t sure that affordability challenge can be effectively addressed in the urban environment, as capitalism inherently makes for inefficient cities. For instance, in a city like Manhattan, Florida says the market has triggered a high volume of luxury development. Not of all these properties are used on a daily basis.
5. **Restriction-free zoning:** When an audience member asked his opinion on the proposal of rezoning the Upper East Side of Manhattan to allow the redevelopment of obsolete office buildings into mixed-use space, Florida noted that it won’t be helpful to ease restrictions on land use and development as “land acquisition and construction costs are too high for it to work.” Knowledge of real estate is integral to urban planning, Florida contends, noting that developers are the ones making all building decisions. He advocates for the need to build city planning schools that would combine urban planning disciplines with geospatial analysis to make real estate a less-asymmetric knowledge field. “We’ve run out of frontier,” Florida says. He notes that cities have reached a limit to their geographic spread unless the country invests in high-speed rail. Developers should focus on retrofitting existing cities for efficiency and preserving their historical texture to strengthen cultural capital.

6. **Micro-living is not a cure-all:** Micro apartments and micro hotels are evidence of “city stacking” of populations and, for some economic classes, smaller spaces work well (such as for those who can afford to have a larger weekend home away from the city). But generally speaking, micro spaces will not solve the problem of chronic poverty seen in urban centers, Florida notes.