

## Keeping Life Affordable in Asia's Fast-Growing Cities

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Growing cities such as Hong Kong are at the epicenter of what Richard Florida has dubbed “the new urban crisis,” with the city’s success sending house prices soaring out of reach of the average resident. The author and urbanist, who is director of cities at the Martin Prosperity Institute at the University of Toronto, spoke at the 2018 ULI Asia Pacific Summit in Hong Kong.

“We’re going through the largest disruption in human history as power shifts from nation-states to cities and city clusters,” Florida said. About 40 cities and city clusters around the world have become the engines of global growth, Florida said, noting that this evolving paradigm will require a new approach to real estate development, city building, and placemaking.

Building on his earlier theory that the “creative classes” in major cities generate the bulk of growth, Florida noted that political upheaval in the United States and Europe was a reaction from those left behind. According to his data, Hong Kong has 38 percent of its population in the creative classes, while Singapore has 50 percent. However, the rest of the population has not seen the benefits of the innovation-led economy.

“The challenge is to stoke the creative furnace that burns inside every single human being,” he said.

Florida said that leading cities such as Hong Kong need to build “like crazy,” both densely and vertically to provide better accommodation for all residents in their growing populations. “Hong Kong is right up against it,” he said.



Richard Florida on stage speaking at the 2018 ULI Asia Pacific Summit.

Florida argued that cities need more devolved political and fiscal power in order to develop and that, at a national level, more investment in infrastructure is needed. He praised Asia for embracing density and transit-oriented development.

Speaking on the same day of the event was Hong Kong Chief Executive Carrie Lam, who addressed the difficulty in getting different interest groups to compromise in order to build more housing in the city, where average properties cost nearly 20 times average annual earnings.

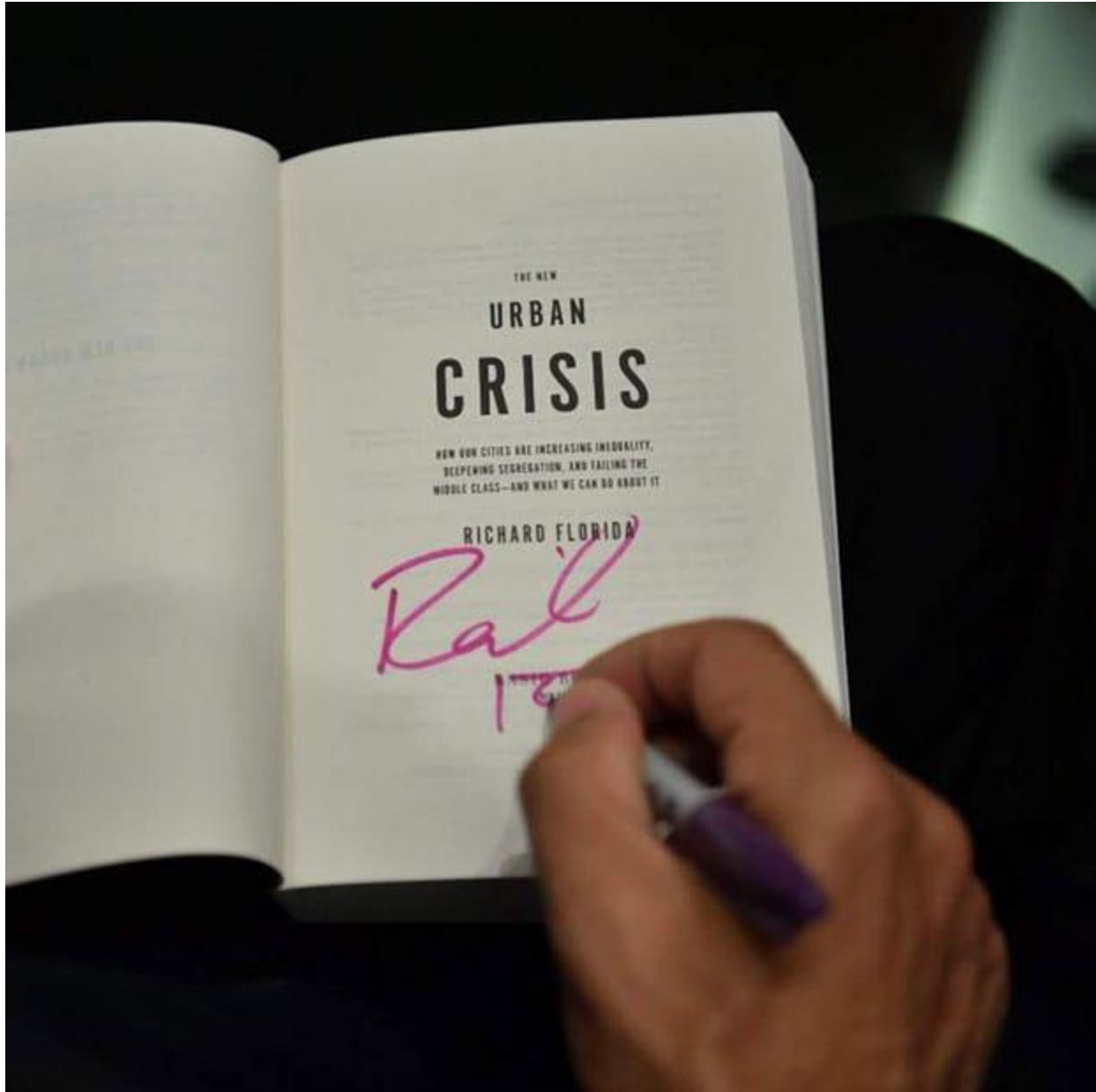
Florida characterized those who opposed densification and verticalization as “the new urban Luddites.”

He also warned that the expansion of Asia’s middle class, which has been the region’s major driver of GDP growth, ought not be taken for granted, since the U.S. example shows how the middle class could shrink if it is neglected.

However, Florida was generally positive, saying, “There’s never been a better time to live in cities, or to be involved in real estate in cities,” and that “this is not a crisis of dysfunction, but of success.”

In a conversation with Ame Engelhart, director of Skidmore, Owings & Merrill Hong Kong, Florida explained that planning and urban development should be at the heart of the education curriculum to develop the skills needed for the cities of the future.

“We need to have courses in city building and urban development,” he said.



Author Richard Florida signs one of his paperback books for attendees at the 2018 ULI Asia Pacific Summit in Hong Kong.