

September 9, 2021

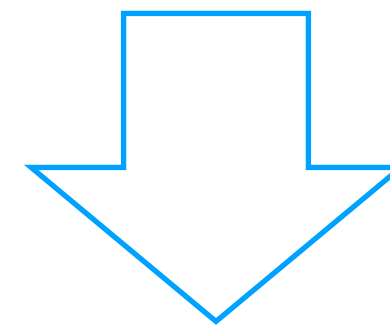
Toward a Post-Pandemic Future

Richard Florida
Sun Corridor Inc.



The Post-Pandemic Future

Outline the Contours of Post-Pandemic Cities ... Suburbs and Rural Areas



I am not a futurist & have no crystal ball. But...

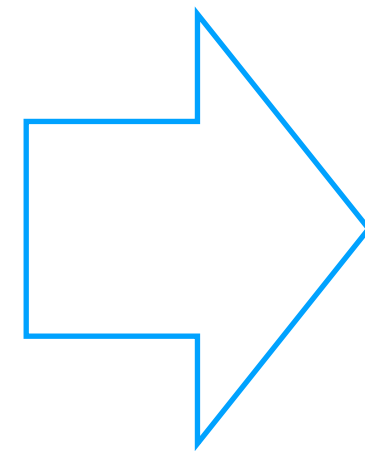
- Looking at history, past pandemics and emerging trends
- We can begin to see the contours of ***Post-Pandemic Geography***

Great Urban Reset

More than COVID-19

Series of Overlapping Crises:

- Pandemic
- Economic and Fiscal Fallout
- Movements for Economic & Racial Equity



Great Reset
of how we work,
live, shop & go
about our
everyday lives.

Not the End of Cities

Cities are surviving – Coming back even thriving.

Previous Pandemics Have Not Altered the Arc of Urbanization.

- Plagues in Europe
- Cholera Epidemics
- Spanish Flu

Urbanization > *Force* than Infectious Disease.

But pandemic is accelerating subtle & nuanced changes in cities, suburbs & rural areas.



Crisis as Accelerator

COVID crisis is
a period of
**accelerated
change.**

Not a
disruption or
break with
the past.

But significant
acceleration of
trend, with lasting
implications.

Once in a Century Opportunity

To reimagine and build better communities & workplaces.

Factors That Are Reshaping Places

Two key factors that are reshaping how and where we live:

- **Pull Factors**
- **Push Factors**

Balance of these two forces will reshape our cities & metro regions.

Pull Factors: *Out Towards Suburbs and Rural Areas*

Families to
suburbs

Accelerated
family formation
moves

College students
& young adults
back with mom
& dad

Accelerated
retirement
moves

Push Factors: *In Towards Cities and Urban Cores*

Young People Back to Cities.

- Out of mom and dad's basement.
- Thick labor markets and mating markets.
- Young people (25-34) accounted for 50% of population increase in close-in urban areas since 2010.
- Young back to cities has followed previous pandemics.
- **Clusters** like high-tech, finance, media and entertainment **require proximity.**
- Cities are urban neighborhoods already rebounding.
- **Urbanites** are **most optimistic** about the future compared to suburbanites & rural residents.

Balance of Push & Pull Forces

More Continuity Than Change

75% of all moves have been **local moves** within the **same county**.

85% within **the same metro**.

Places that gained and lost people in 2020 were **mostly the same as in 2019**.

Moves decline dramatically **with distance**.

Biggest Gainers

Inner-Region and Temporary Moves Led the Way

Suburbs, Sun Belt towns, and vacation spots of big city metros esp. NYC and San Francisco.

Places like the **Hudson Valley**, Hamptons, Westchester or NJ suburbs ... and **Tucson**.

20K Manhattanites **moved to Brooklyn**.

19,000 moved to Florida but nearly **half, 9,000, were temporary moves**.

Post-Pandemic Geography

Global Geography Will Remain Spiky

4 metros =
90%+ of U.S.
innovation job
growth, 2005-2017
*Bay Area, Boston,
Seattle, San Diego*

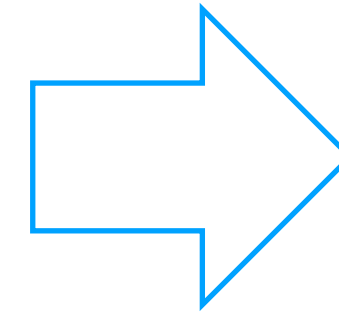
41 counties =
account for
50% of all
innovation
jobs

6 global cities >
half of all global
venture capital
investment
*Bay Area, New York, Boston,
London, Shanghai, Beijing*

Rise of the Rest is Occurring... But Involves a Select Group of Places

Amazon **H2Q Shortlist** and a few others:

- Austin, Miami, Denver, Dallas, Houston, Atlanta, Nashville, Pittsburgh, Columbus, Indianapolis
- Mid-size metros: Kansas City, Bentonville, **Tucson**
- College towns like Madison and Ann Arbor
- Intentional Metros: Tulsa - Tulsa Remote
- Rural Areas with high amenities like Bozeman, Jackson Hole, Park City, Hudson Valley



**Winner-Take-All
Geography:
Across every
type of place.**

From 2019-2020, Tucson saw nearly 90,000 moves. (CBRE)

Remote Work: The Big Accelerator

Changes in the geography of work will be larger and more longer-lasting than changes in the geography of where we live.

Pre-Pandemic

- **Less than 5%** full-time remote

Acceleration of Trend

- Up from less than **1%** in 1980
- **2.4%** in 2000
- **5%** in 2018

Post-Pandemic

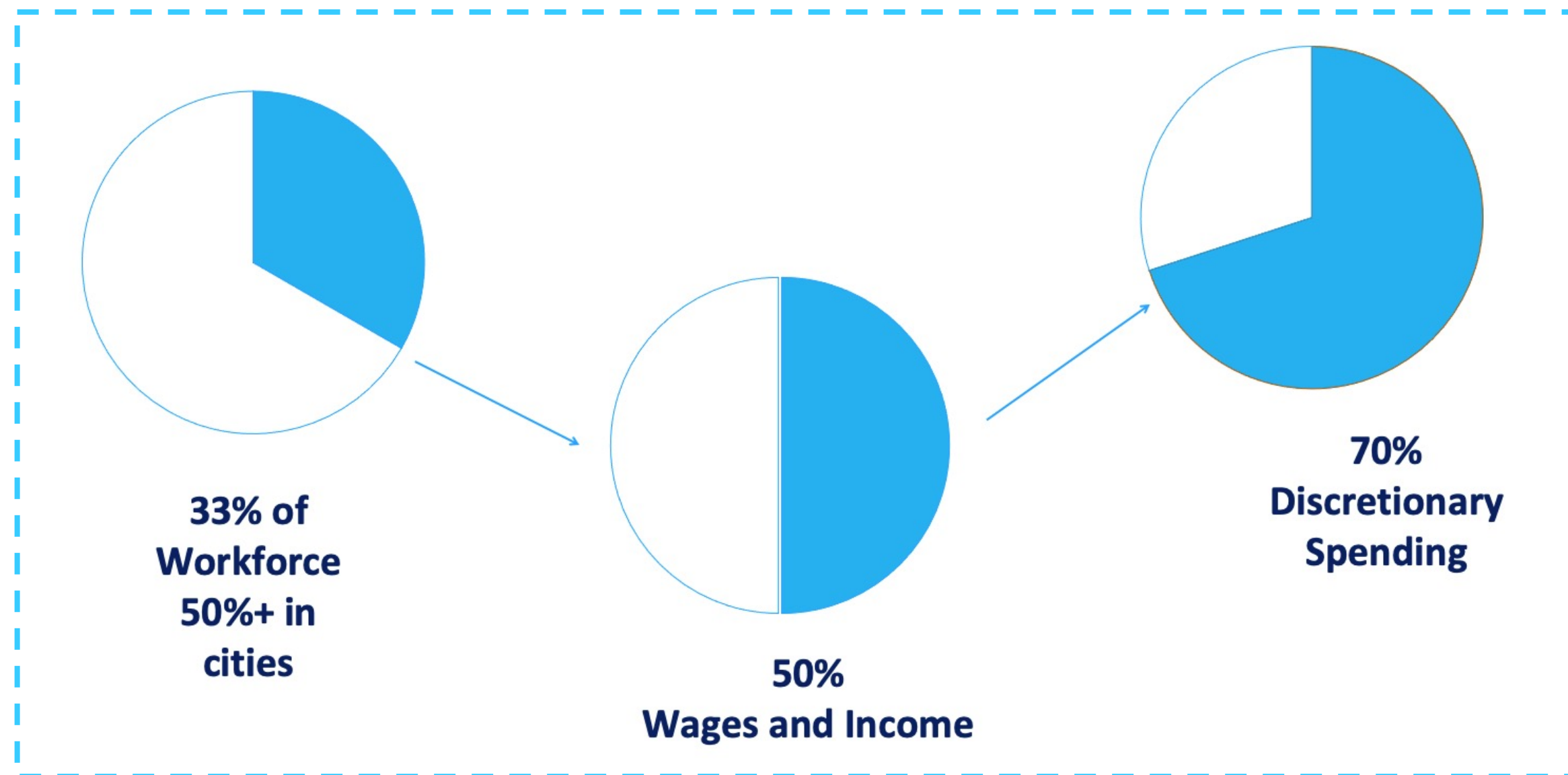
- **20+%** full time remote
- Another **20% hybrid remote** 1-3 days a week

Source: Bloom et al, Why Working from Home Will Stick 2021.

Remote Work as Perk & Privilege

Creative Class:

Remote work as **perk** to lure top talent.



Top 1% is the **most mobile group** of all

- With serious repercussions for city finances.
- If just 5% of top earners move, NYC could lose \$1billion in revenue.

Remote work is estimated to **improve U.S. productivity by up to 5%.**

Tucson's Creative Class tops 118,500 – 33% of workforce.



What Remote Workers Want in a Place to Live

- **Remote Workers twice** as likely to move as average Americans during the pandemic (20% v. < 10%).
- More than half (57%) same city, 20% different metro, 12% different state.
- **25%** to buy a **new home**, **30%** more **space**, **22%** to **reduce** housing costs, **21%** closer to **family**, **22%** natural amenities, **18%** urban amenities.
- **14-23 million** workers say remote work allows them to consider a move.

Source: JLL Survey of 2,000 workers, Bloom et al Why Working from Home Will Stick, 2021, Apartment List Remote Worker Survey May 2021



Accelerated Rise of the Talent Economy

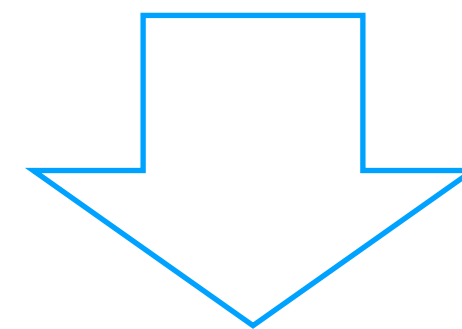
*Ongoing shift from business recruitment
to talent attraction.*

Pandemic
accelerates
the **shift to
talent.**

Capital will
**increasingly
follow talent.**

Places that
**attract and retain
talent win.**

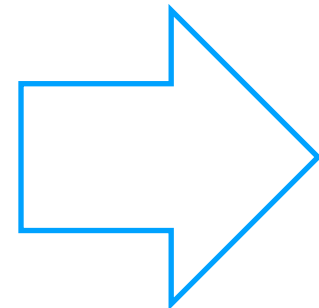
Remote work
**empowers the
Creative Class** -
gives them more
choices.



No return to old ways of living and working.

The Post-Pandemic Retail

Accelerates ongoing retail shift

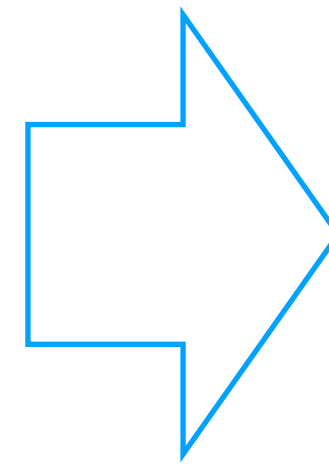
- “Commodity retail” goes on-line
 - Accelerates shift to **shopping as experience**
- 
- Unique food, coffee, shopping experiences:
 - 92% of mayors created new space for outdoor dining.
 - More than a third expect those to become permanent.
 - Emphasis on health and wellness
 - Arena for **social interaction**

Unique experiential places

Post-Pandemic Office

The office as we know it – a space to work – is dead.

- But **need for social interaction** and context is **not**.
- Need to **entice** knowledge workers to work.
- Office space is especially **important for young talent**.
- **Signature** co-working spaces.



Office as brand statement

Rise of the office as experience

"Casualness" ... health, wellness

Opening-up the office to the outside

What Workers Want at the Office

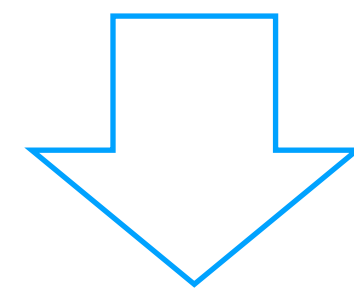
- Collaboration **70%**
- Problem-Solving **69%**
- Socialization **60%**
- **Flexibility to work in multiple locations**
- **A third** want greater well-being services, health services & advance food service

Source: JLL Survey of 2,000 workers,.



City/Neighborhood as Office

*Ongoing shift in social interaction from office per se to
surrounding neighborhoods or districts.*



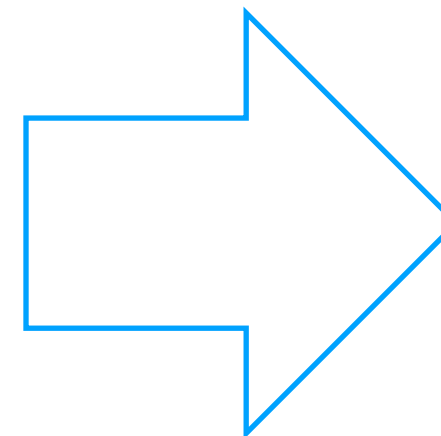
A day at the office becomes more like a local “**business trip**”.

Death and Life of the CBD

Relic of the Industrial Age:

Office workers packed and stacked into vertical, 9-to-5 skyscraper canyons.

- **Forecasted 20% reduction** in demand for central office.
- **Estimated 5-10% reduction** in spending in CBD economies, particularly large centers (Bloom et al, 2021).
- But most remote work jobs **are in urban centers**, and many will stay there.



Ongoing shift of activity from CBD to **Central Recreational Districts.**

Reimagine CBDs as more integrated live-work neighborhoods.

Shift from individual office buildings to **actively curated districts.**

Remote Work Ecosystem

Remote Work is more than an office at home.

**More than fifth
(22%) of remote
workers will work
outside the home.**

Of these, **26%** plan
to work in a **co-
working space.**

Another 24%
plan to work in a
**coffee shop,
restaurant, or
café.**

*Need for more vibrant remote work ecosystems in
suburbs and rural areas as well as cities.*



Remaking Suburbs and Rural Areas

Transformation of traditional **bedroom communities**

- **Movement of work** to suburbs and even some rural areas.
- Increased demand for office, **co-working** facilities and for office districts.

Rise of the **Neighborhood Business District**

- **Repurpose old suburban office parks** and abandoned malls.
- **Advantage pre-war walkable suburbs**, and disadvantage post-war car-oriented suburbs.

Hub-and-satellite system from urban spikes to suburbs and satellite metros.

New Life into Dead Spaces

Take back streets from moving and storing cars to active uses:

Bike lanes, dining, fitness, even work and learning.

Transform parking lots and garages into **neighborhood hubs.**

REEF Technology



Rise of the Complete Community

15-Minute Neighborhoods

All aspects of work and life within a short walk or bike of home.

Post-Pandemic City ->

Federation of Distributed Complete Communities.

The Roaring 2020s?

Spanish Flu followed by the Roaring 20s:

- Vibrant economic recovery
- Stock market boom
- Surge in arts and culture:
Jazz Age, flappers,
speakeasies

Rapid Comeback of Cities:

- NYC added 2 million people
- Greenwich Village as artistic
& cultural center

Plus ... Onset of Modern Suburbanization

But most unequal decade in modern memory.

Seizing the Opportunity

- Will history **repeat itself**?
- Or will we take the opportunity to **build back better**?
- The choice **is ours**.

Together We Can Create a Better Future

Discussion



florida@creativeclass.com

@Richard_Florida

www.creativeclass.com