



ULI Global Trustees and Key Leaders **Midwinter Meeting**

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Survey Results

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Summary of Responses

Statement	% Yes
In advanced economies the aging of the population will have dramatic impacts on the design of cities, the cost burden of social services, and the profile of per-capita demand for retail, entertainment, housing, and workplaces.	91%
Cities and regions will compete for skilled workers, rather than companies. Quality of life attributes will be at the center of economic development strategy.	88%
Changing transportation technologies, including smart infrastructure and autonomous vehicles, will profoundly change urban land supply, land values, and urban design approaches.	76%
The link between the built environment and health outcomes will be clear, and resources will shift from treating disease to creating healthy environments.	51%
Cities facing significant risk from climate change and rising sea levels will only maintain their competitive position through massive public infrastructure investments, and only the largest and richest will be able to afford to do so.	71%
Social unrest, fueled by non-traditional media, will become more common in developed economies, and become increasingly important as a global investment risk factor.	64%
Ubiquitous, super-high-speed internet access will be deemed a public good, and provided and regulated accordingly.	76%
The lifestyle choices of baby boomers and millennials will offset one another, and both central cities and close-in suburbs will see opportunities to thrive. Outer suburbs will suffer absent the presence of a major demand driver, such as a major airport.	68%
New delivery technologies, including drones, will alter the competitive landscape for distribution centers, logistics hubs, and commodity retailers, rendering traditional location criteria obsolete.	38%
Conventional, middle market resort development will be increasingly difficult due to environmental regulation, uncertain demand, and high costs. The high end traveler will gravitate to a handful of premier international destinations, pricing them out for all but the most well heeled.	36%

Survey Results

1. In advanced economies, the aging of the population will have dramatic impacts on the design of cities, the cost burden of social services, and the profile of per-capita demand for retail, entertainment, housing, and workplaces.

Summary response: 91% agreed

Comments:

- Ever increasing number of active seniors not needing assisted living, but who find themselves isolated in suburbs. They need community with easily accessible services and activities.
- Older generation is wealthy generation seeking entertainment in the city.
- Having a structural impact on the housing sector.
- Cities are ill equipped to handle this onslaught. It will create a shift in how public budgets will need to be allocated, change in workforce benefits, and alter planning considerations.
- The actual demographic is ill-informed when it comes to what it will take to fund their retirement and health care needs.
- Impacts will need to be integrated with the requirements of the younger generations living in cities—with and without children.
- Size and wealth of the aging population will mean that services are directed towards them.

2. Cities and regions will compete for skilled workers, rather than companies. Quality of life attributes will be at the center of economic development strategy.

Summary response: 88% agreed

Comments:

- Companies will be in places where skilled workers will gravitate towards, so cities and regions must understand the linkages.
- Cities and regions will also compete for companies.
- Having quality of life attributes that attract skilled workers will by default attract companies.
- Quality of life is a major factor in employment decisions, especially among millennials. Companies thrive where talented people want to live.
- Talent is more mobile and more selective than ever. Companies will locate where they can attract talented people.
- How do we assess cities/regions and help implement changes to help them be competitive?
- Price of success will be higher costs which will offset talent migration.
- Jobs and career opportunities are the drivers. Secondary factors are housing and education. The economic strategy needs to focus on the main drivers. Quality of life can influence, if the fundamentals are in place.
- Affordable housing will be essential for the workers providing the services required by the "skilled workers" living in the urban area.
- Higher Education and Tax Structure will dominate the characteristics for regional success.
- Job seekers will continue to follow job providers. Companies will be more proactive in selecting locations where they can impact quality of life, influence decision making and encourage the work force to relocate.

3. Changing transportation technologies, including smart infrastructure and autonomous vehicles, will profoundly change urban land supply, land values, and urban design approaches.

Summary response: 76% agreed

Comments:

- Although new technologies can profoundly affect urban planning and development, the industry tends to lag behind these innovations. The bigger issue is how lessening obstacles so technology can play a bigger role.
- The autonomous vehicle concept will happen quickly, but its impact will likely lag behind as human habits are changed. But it will be dramatic to our industry and there will be winners and losers.
- Transit-oriented development becomes even more of a focus. Affordable housing issues also become more important as urban centers are squeezed.
- Imagine what you could build instead of underground parking in a residential building.
- Concentrated urban cores need transportation technology to survive the impacts of "gridlock".
- Affordable transportation options will also have great impact.
- The US will be woefully behind in developing the necessary smart infrastructure.
- Transformation will be primarily in first world countries. Developing countries do not have the infrastructure to maintain newer technological devices.

4. The link between the built environment and health outcomes will be clear, and resources will shift from treating disease to creating healthy environments.

Summary response: 51% agreed

Comments:

- The preference for healthy places is a cultural shift already in play. It's the swing of the pendulum from the last 50 yrs.
- More resources will go into creating healthy environments but it will not be a shift from treating health issues. There will be more emphasis on healthy environments and healthy individual behaviors, but treating disease always gets priority because it is immediate rather than long-term planning.
- Healthy environments will be more people-driven than developer/designer-driven. Exercise and healthy choices are virtually free commodities and will happen by people choice not by designer choice, especially in the US.
- Successful healthy places may well lower the necessary capacity to treat disease, but don't expect this effect to be as significant as the impact of genetic modifications to prevent disease.
- Treating disease is increasingly less about infectious diseases and more about disorders such as obesity.
- With longer lives, other social implications will come into play that have little to do with creating healthy environments.
- Income disparity will continue to hinder access to health care for some.
- The US healthcare system will stand firmly in the way. Treating disease is reimbursed by health plans, creating healthy environments isn't.

5. Cities facing significant risk from climate change and rising sea levels will only maintain their competitive position through massive public infrastructure investments, and only the largest and richest will be able to afford to do so.

Summary response: 71% agreed

Comments:

- It is true that large and rich cities may be able to do more than others, but all affected cities will have to find ways to deal with this.
- Most cities will justify the expenditure required based on the total private and public value at risk. It is unlikely to be tackled as quickly as it should.
- Investments to integrate resiliency require strategic thinking, leadership, and vision. The immediate challenges will outweigh investments in longer-term, higher-capital thinking, except where innovation is allowed to flourish.
- In the short term, cities will ignore the problem until it is reality & there are examples like Hurricane Sandy in New York.
- There are plenty of micro solutions that can help smaller cities improve their resilience.
- Availability of water is as critical as rising water. Many places will face challenges that money may not resolve.
- Massive investments will require federal funding sources and will experience significant political limitations. The available funds may be insufficient to address scope of the problem.
- The developed countries will have the potential to deal with this, but not the underdeveloped countries.
- Not convinced that the probability of a severe event is changing where people live and work. Until there is a more permanent impact on a land area, don't think the above statement will play out.

6. Social unrest, fueled by non-traditional media, will become more common in developed economies, and become increasingly important as a global investment risk factor.

Summary response: 64% agreed

Comments:

- This is one of the biggest risks, could completely change the shift to urban lifestyle if enough of it happens.
- Developed countries are struggling with large migration of cultures that do not want to assimilate with the host country. Globally we are seeing discourse in political parties manipulating the issues. Traditional media with social media are focusing on the problems and not addressing solutions.
- As the world becomes closer and migration from place to place increases it is inevitable that there will be social disruption, further fueled by absolute real time dissemination of actions related to ideologies.
- The driving factor will be economic growth.
- The traditional media is bigger driver of misanthropy than social media. Witness the coup in Thailand and the protests in Hong Kong. Traditional media played a role in both.
- As the gap between the rich and poor widens there will be increased tensions & activities will be arranged and organized via social media.
- This will impact developed countries as the income gap widens and resources are more limited. The U.S. will become more used to domestic terrorism in the future, just as England, Northern Ireland, Israel and others have been in the past.

7. Ubiquitous, super-high-speed internet access will be deemed a public good, and provided and regulated accordingly.

Summary response: 76% agreed

Comments:

- It will become like a water or electricity supply!
- Internet access, technology, education are a means to many solutions.
- Open internet access continues to have the potential to be a political football, and less open in less democratic societies.
- Consider the role that content providers will have in this. Internet and entertainment will continue to merge into a single content provider.

8. The lifestyle choices of baby boomers and millennials will offset one another, and both central cities and close-in suburbs will see opportunities to thrive. Outer suburbs will suffer absent the presence of a major demand driver, such as a major airport.

Summary response: 68% agreed

Comments:

- In areas of significant growth, suburbs will continue to flourish, but they will look different. Successful suburbs will have large city amenities that will mimic on a smaller scale urban living. City Centers will be found in the successful suburbs along with denser development, more green space and more lifestyle choices in compact suburban setting. Think nodal in density with connective arteries between the nodes that provide less dense development.
- Suburbs will be forced to create urban nodes but once the millennials start birthing the innate nature for the white picket fence will take over.
- Recent demographic trends illustrate that Gen Y is attracted to an active, engaged lifestyle. While much of that is found in the CBD, recent reports illustrate that Gen Y (in the US) still desire the fundamentals for the family: Education and Safety. That will be an important consideration.
- A balanced community-whether high or low density-works. We are missing our core business of community building and place making in the stated issues.
- There could be a movement out of the cities for a more peaceful existence that might alter this outcome.
- This is a somewhat uniquely US perspective; in many parts of the emerging world the outer suburbs are not even a concept widely understood.

9. New delivery technologies, including drones, will alter the competitive landscape for distribution centers, logistics hubs, and commodity retailers, rendering traditional location criteria obsolete.

Summary response: 38% agreed

Comments:

- New technologies will change values, opportunities, and growth. In certain concentrated locations transportation technology is essential to survival. Gridlock does not work.
- The change has been underway for some time but the driver is resource efficiency - technology is part of the solution.
- Traditional location criteria may become obsolete, but location will continue to be the major factor for people to live and work. Traditional location criteria for import and export goods (port, airport and train proximity for massive storage) may not be impacted as much as regional and local logistics hubs.
- Current distribution networks will remain for a long time. Air cargo has not altered ships, rail and trucks as the primary network for example. Reinvestment in traditional distribution networks (vehicular, air, water and rail) in areas of dense population will remain fundamental locational criteria.
- Commodity retailers will all but vanish. However, proximity will always be a key factor as the staple of traditional location criteria.
- This is overblown - the risk to secure delivery and the regulation of the airspace will mitigate against broad adoption and ultimately making better use of road transportation will make distribution more effective and efficient.
- Drones may turn out to be the next Segway to some degree.

10. Conventional, middle market resort development will be increasingly difficult due to environmental regulation, uncertain demand, and high costs. The high-end traveler will gravitate to a handful of premier international destinations, pricing them out for all but the most well heeled.

Summary response: 36% agreed

Comments:

- This may be a US-centric question. The global rise of the middle class isn't stopping. Hospitality and leisure choices will continue to diversify driven by a growing Asian and African middle class.
- Already happening. Ski resorts in Europe a great example of this.
- Unless there is a return to wealth for the middle class, the concept of middle market resorts will be significantly impacted. It's more likely that they will be more bargain type with less amenities.
- The opportunities exist. Many have concentrated on the ultra high end and high end private enterprise.
- There will always be a need for middle market resort development. Will be increasingly hard to produce, but there will be demand.
- Established resorts that lose competitiveness or mainstream appeal and or/have aging infrastructure will become the harbinger of convention and/or middle market development.

11. In the next five years, the three things the real estate industry must do to be prepared for the changing world:

Leadership and communication

- Develop young leaders to fill talent gap as leadership retires. Invest in education of real estate professionals around the world.
- Make voice heard with policy-makers.
- Create a positive vision for what cities can be in response to challenges.
- Engage and educate the public to make them better informed and more supportive of difficult decisions.
- Articulate quality of life better and adopt a holistic view of real estate as place making.

Sustainability and resilience

- Sustainability is not an option, but a given.
- Think about second & third generation uses of new structures and infrastructures.
- Built environment must do its part to recycle and control emissions.
- Prepare for climate change and work to reverse still avoidable effects.

Housing Affordability

- Invest in programs for shelter for all. Create larger social security blanket providing housing for rent as well as for sale.
- Broaden urban residential options.
- Find ways to deliver affordable housing on a large scale.

Health

- Learn to build healthy places that allow people and the planet to thrive.
- Apply healthy living overlay to at least one project.

Infrastructure

- Invest in impactful infrastructure for climate change and future growth patterns.
- Create more and update what we have. Use new technologies.
- Be part of plans and execution for radically changed transit patterns and experiences.
- Develop infrastructure in emerging economies. Do not neglect mid-size cities.
- Form BIDs to address funding of transportation.

Urbanization

- Develop better comprehensive planning that allows for higher density and large land conservation.
- Continue trend toward smaller, well-located commercial and residential spaces.
- Create places with opportunities for the bottom 20 percent.

Financing

- Be prepared for different capitalization and ownership in which debt capital rates are above 6%.

12. In the next five years, the three things my company must do to be prepared for the changing world:

- Embrace technology and invest more in it.
- Prepare for the consequences of climate change.
- Develop, educate, and mentor new and seasoned employees.
- Look for ways to make ourselves attractive to customers by offering relationship-based service.
- Grow to size that we can appear global while maintaining local expertise.
- Maintain the strongest balance sheet to have maximum flexibility in times of crisis.
- Understand customers' needs.
- Transition to financing programs that are not government supported.
- Adjust the workplace to welcome new work concepts for attracting workers of the future. Provide a healthy and stimulating work environment that leads to loyalty and longevity in employees. Accommodate older professionals to retain their expertise.
- Build a more diverse workforce to make thoughtful decisions in an increasingly diverse world.
- Keep older properties relevant to the changing user.
- Invest in major population centers and locations with high barriers to entry.
- Continue to develop as a leader in sustainability.
- Build healthy places.
- Innovate product offering. Provide lifestyle experience that enhances residents' lives.
- Address needs of middle- and lower-middle markets, which continue to expand while it is increasingly difficult to meet their needs.
- Take the long view.

13. In the next five years, the three things ULI must do to be prepared for the changing world:

Global

- Become truly global. Continue to expand national councils.
- Focus on emerging markets. Develop a presence in non-developed markets such as Africa.
- Enroll more members and provide support to create ULI community in each country.

Membership

- Cultivate the Next 100 and YLG programs to be sustainable long term.
- Encourage environmentalists, public officials and ethnic minorities into ULI membership.
- Help younger people navigate and find suitable career paths.
- Inspire young leaders in preparing them for a climate challenged world.
- Attract much more diverse membership so members can learn from a group that is more representative of the surrounding world.

Topics & Activities

- Be the world's thought leader on issues of climate, land use, energy, and natural resources.
- Transition from a capital markets focus to a human resource/human capital focus in programming and planning.
- Improve capital markets research and the role capital markets will play in forwarding changes to built environment relating to health, environ. Or tech considerations.
- Become a convener and change agent for sustainable, affordable rental housing globally.
- Teach industry to build healthy places. Further connect health into the real estate industry.
- Advocate positive social and financial benefits of infrastructure.

Delivery

- Dramatically improve electronic infrastructure.
- Continue to decentralize, become better at aggregating content from within ULI.
- Find opportunities for collaboration.
- More focus on district councils. Create paths for success for smaller district councils (joint programs, virtual access, enhanced connections).
- Focus on member needs; become less staff-driven.
- Become easier to understand.
- Link and connect District and National Councils around best practices and program content.