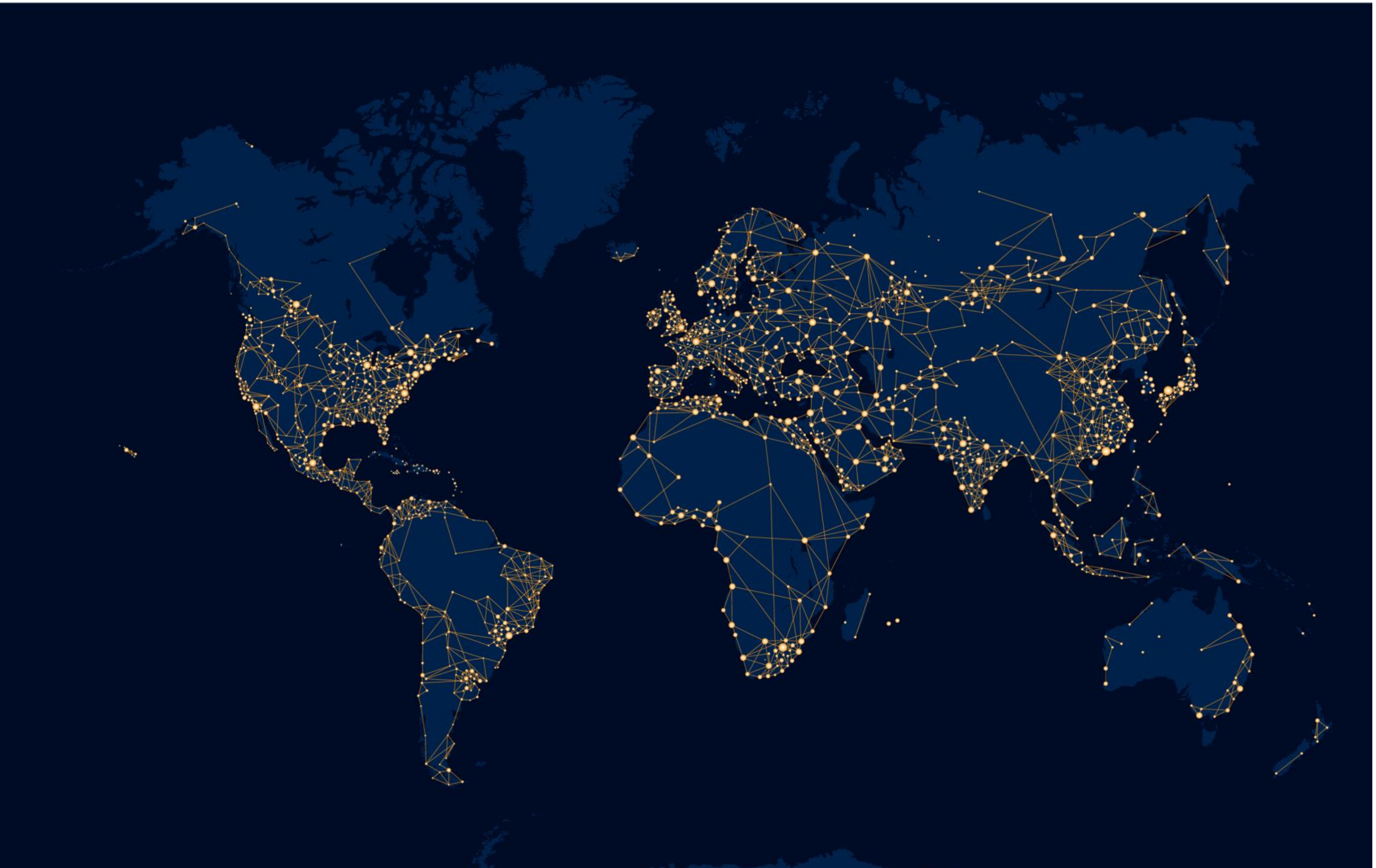
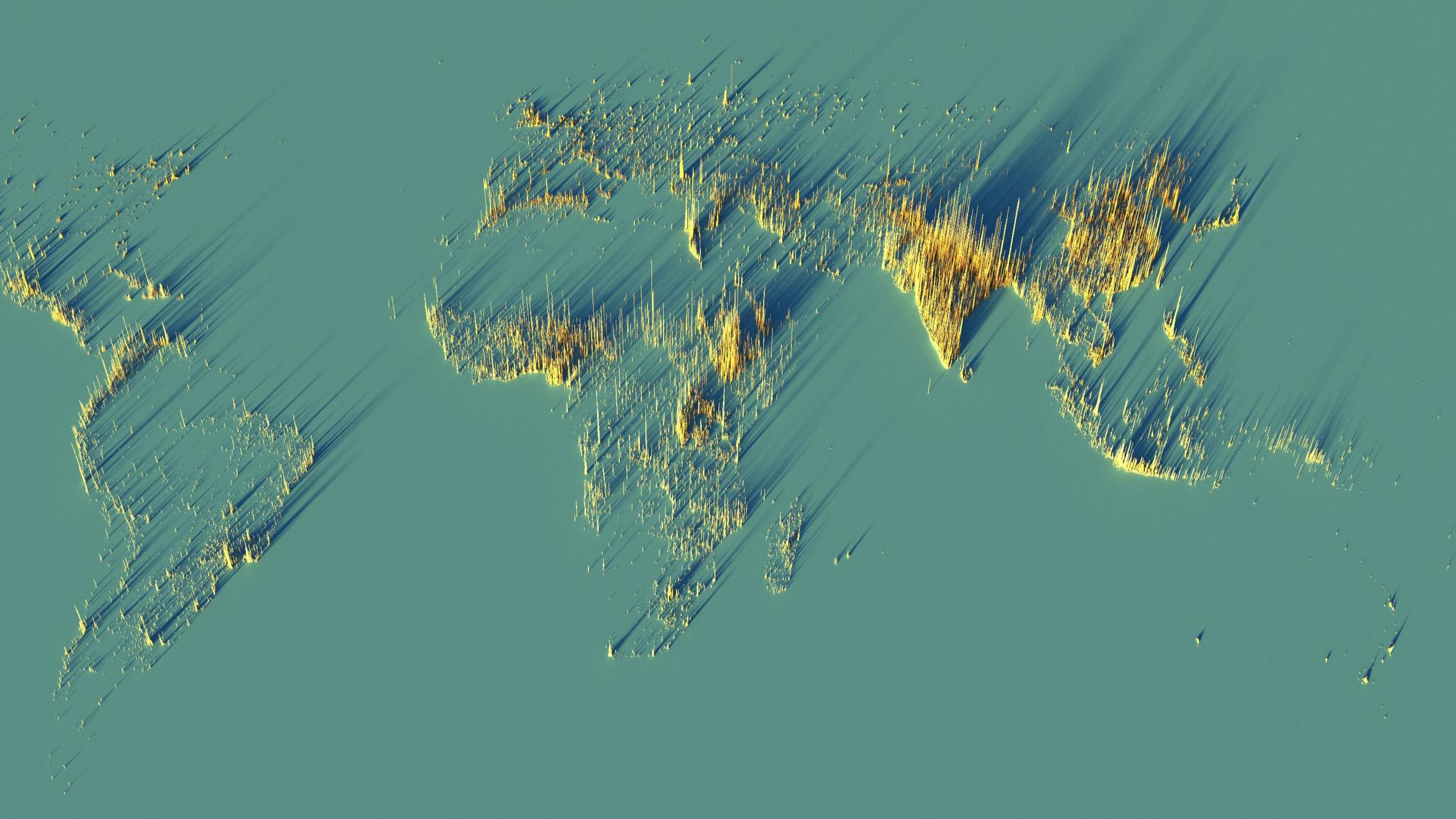
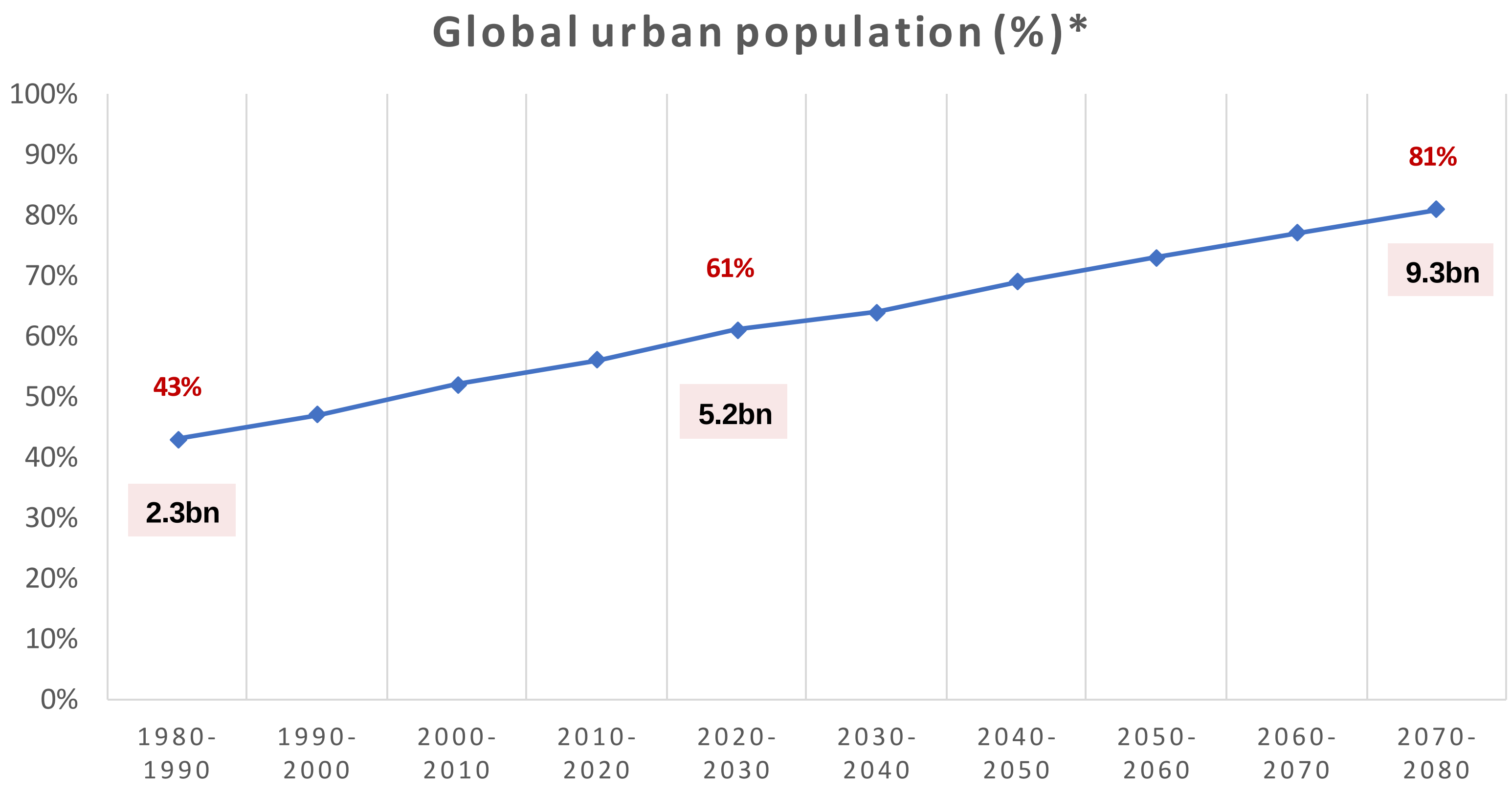
Oslo IAB
Current Trends



Prof Greg Clark CBE,
February 2023



The Century of the City in 10 Decades



	1980-1990	2020-2030	2070-2080
Global urban population (total)*	2.3 bn	5.2bn	9.3bn
Number of cities >1m people**	275	700	1,600

*At end of decade. Based on UN World Urbanisation Prospects. Data from 2050 onwards extrapolated from 1980-2035 trend.
**At end of decade. Conservative estimate. Based on UN World Urbanisation Prospects. Data from 2020 onwards extrapolated from 1980-2018 trend.
†Based on quotient of urbanisation rate, movement towards larger cities and change of trend vs. previous decades

Decade	Fastest urbanising regions†
1980-1990	Latin America
1990-2000	ASEAN/MENAT
2000-2010	China, East Asia
2010-2020	East Asia, Oceania
2020-2030	India/South Asia, MENAT
2030-2040	Sub-Saharan Africa
2040-2050	Sub-Saharan Africa, Central Asia
2050-2060	Southern Africa, Central & North Asia
2060-2070	Northern Europe, Canada
2070-2080	Arctic Regions

Decade	Global Population % **Urbanised**	Global Urban Population Total	Number of cities >1m people	Fastest Urbanising Regions†	Key Urban Industries and City Systems	New Spatial Forms and Real Estate Formats and Models
1980-1990	43%	2.3bn	275	Latin America	Financial services Professional services Media & Information	Densifying Cities & Mixed Use Fast-growing megacities City centre regeneration
1990-2000	47%	2.9bn	375	ASEAN MENAT	Creative industries Media Science	Metropolitan areas Knowledge clusters Student accommodation
2000-2010	52%	3.6bn	450	China East Asia	Tourism Higher education Retail & Sport	Multi-city regions Growth corridors Special zones
2010-2020	56%	4.4bn	575	East Asia Oceania	Innovation economy Sharing economy Advanced manufacturing Micro-mobility	Mega-region clusters Innovation districts New cities Airport cities
2020-2030	61%	5.2bn	700	India/South Asia MENAT	Circular economy Experience economy Urban logistics Green energy & transit	Regional networks Polycentric cities Experience zones 15-minute cities
2030-2040	64%	5.9bn	850	Sub-Saharan Africa	Hydrogen Batteries Robotics	Blended/Hybrid Cities NetZero Cities IoT and Automated Cities
2040-2050	69%	6.7bn	1,000	Sub-Saharan Africa Central Asia	Cyber management Delivery drones Genetic modification	Self-sufficient districts Resilient Cities Wooden Cities
2050-2060	73%	7.6bn	1,200	Southern Africa Central and North Asia	Aerial transport and safety Personal mobility Hydroponics	Underground settlements Automated homes Urban enclaves
2060-2070	77%	8.4bn	1,400	Northern Europe Canada	Urban satellites and space Micro-fusion Urban materials	Floating Cities Semi-urbanised regions Secure urban corridors
2070-2080	81%	9.3bn	1,600	Arctic regions	Augmented humanity Neural industries Disaster Management tech	Super-vertical Cities Self-regenerating cities City-to-space networks

Urbanisation Rates Globally over the 1980 – 2080 Century

Region	Urban population in 1980	Urban Population in 2080
Greater China	20%	90%*
ASEAN	25%	85%
Middle East	49%	97%*
Greater India	22%	62%
Latin America	65%	92%
Europe	67%	89%
North-East Asia	70%	92%
North America	74%	95%
Oceania	71%	76%*

FASTEST PACE OF CHANGE

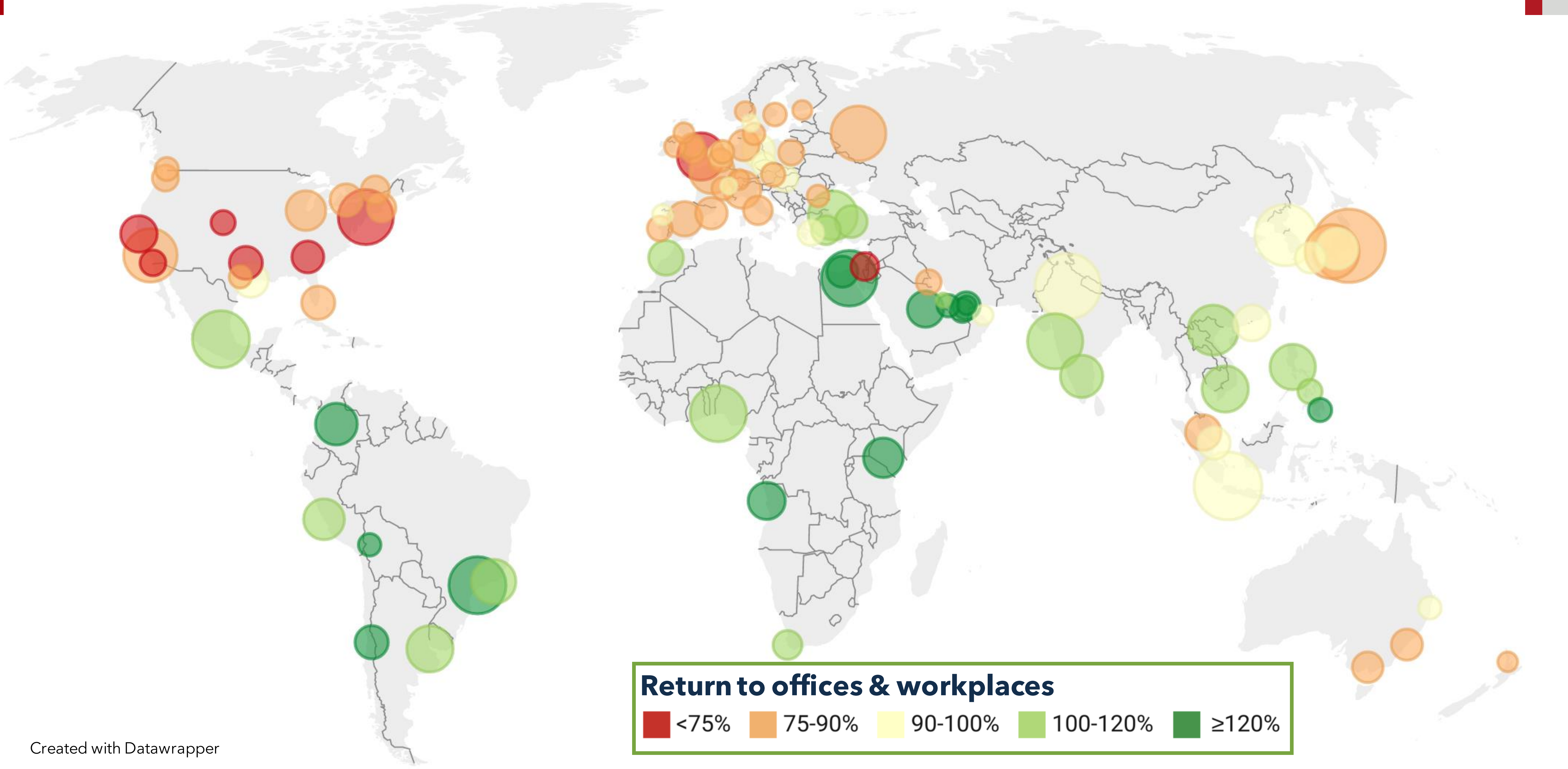
In faster urbanising countries real estate expands rapidly

In more stable countries real estate has to be reconfigured towards changing needs

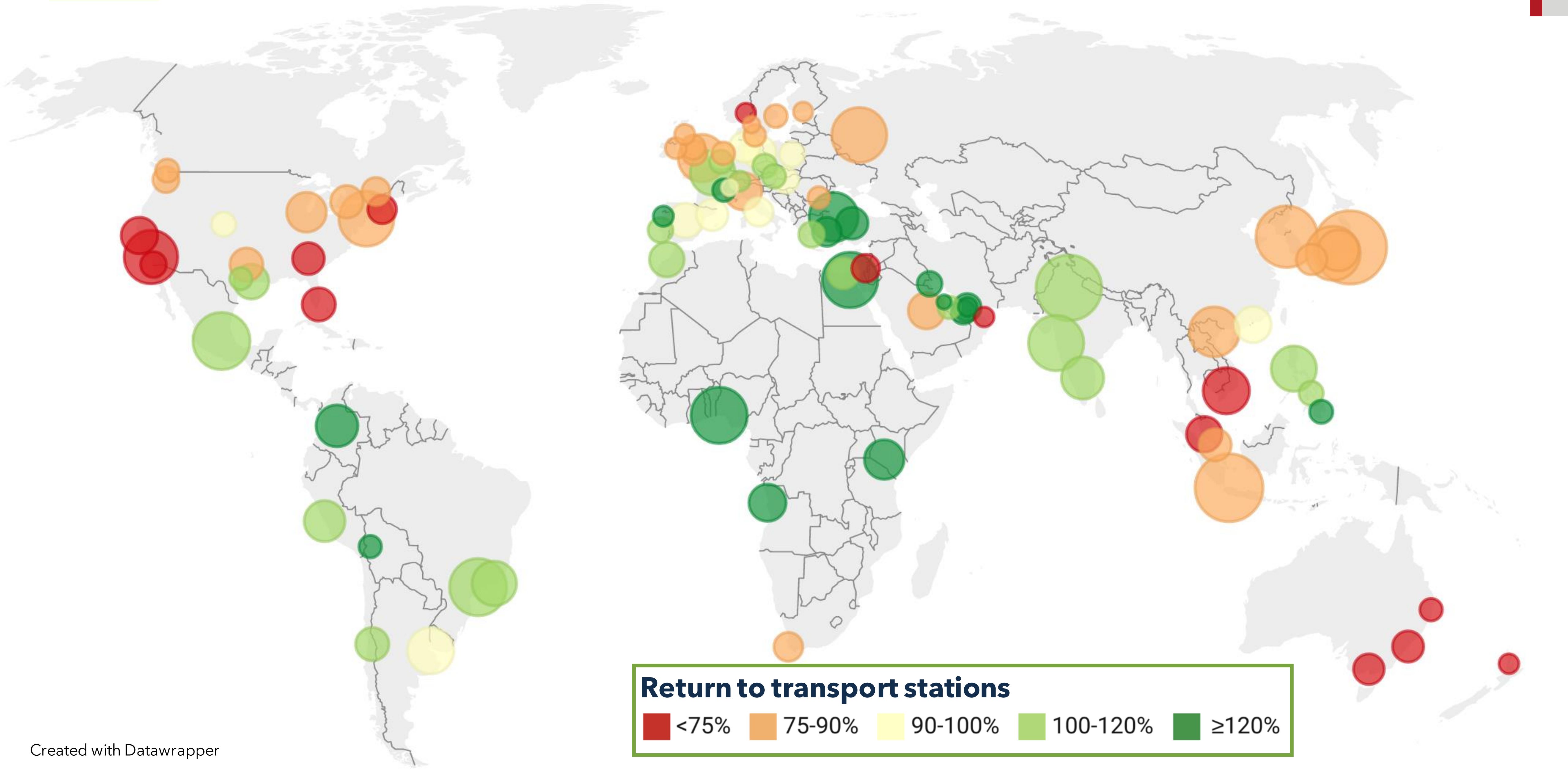
MORE STABLE

Sources: UN World Urbanisation Prospects, World Bank. Data for 2080 based on extrapolation from rate of change 1980-2050
*Data for 2080 for Oceania, Greater China and Middle East based on rate of change 2020-2050 due to more strongly changing urbanisation dynamics from 1980-2020

Post-Pandemic Adjustment: Work



Post-Pandemic Adjustment: Travel



COVID effects in the longer term?

Choices: citizens

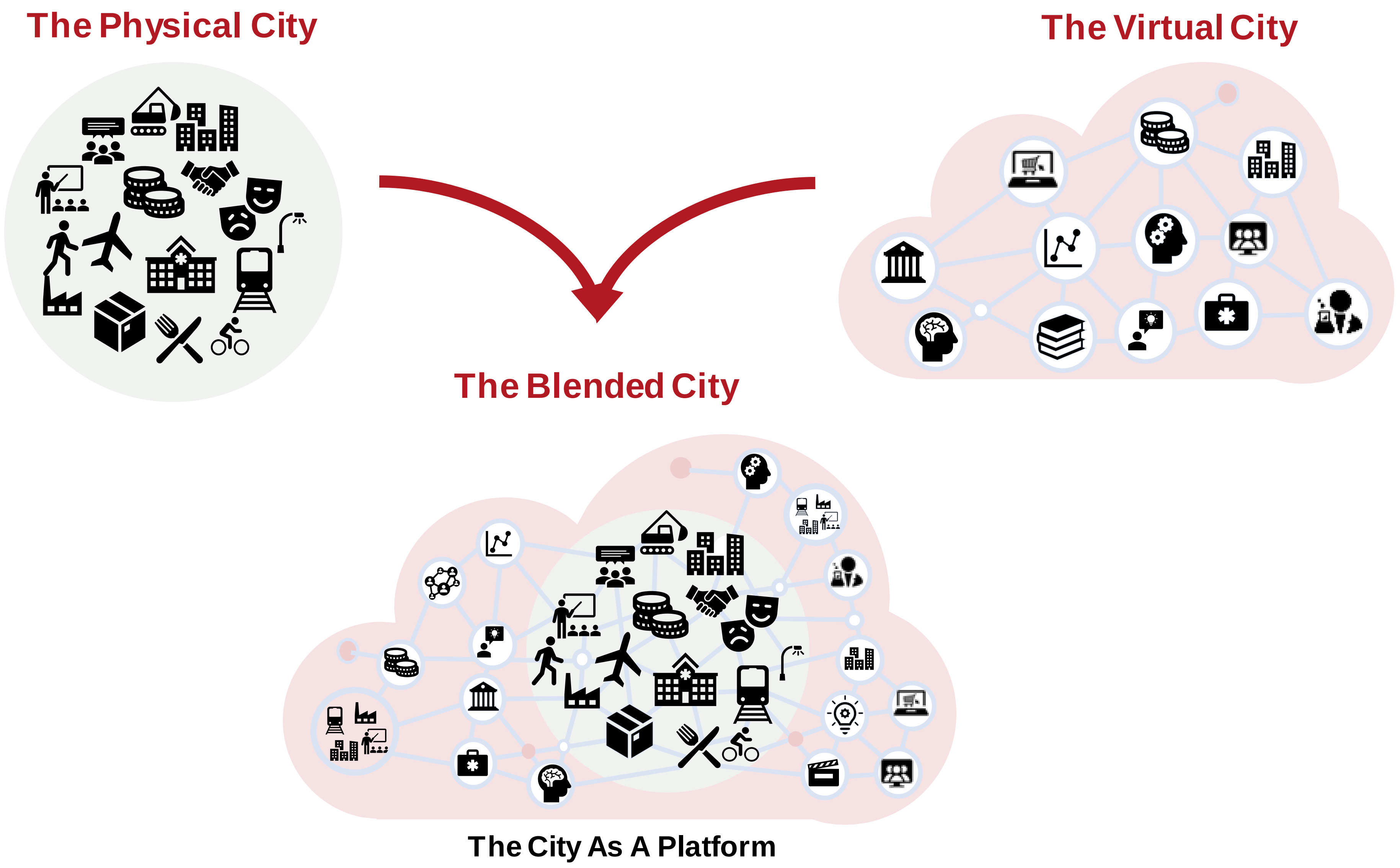
1. Where we live
2. How we work and consume
3. When/how we travel

Choices: cities

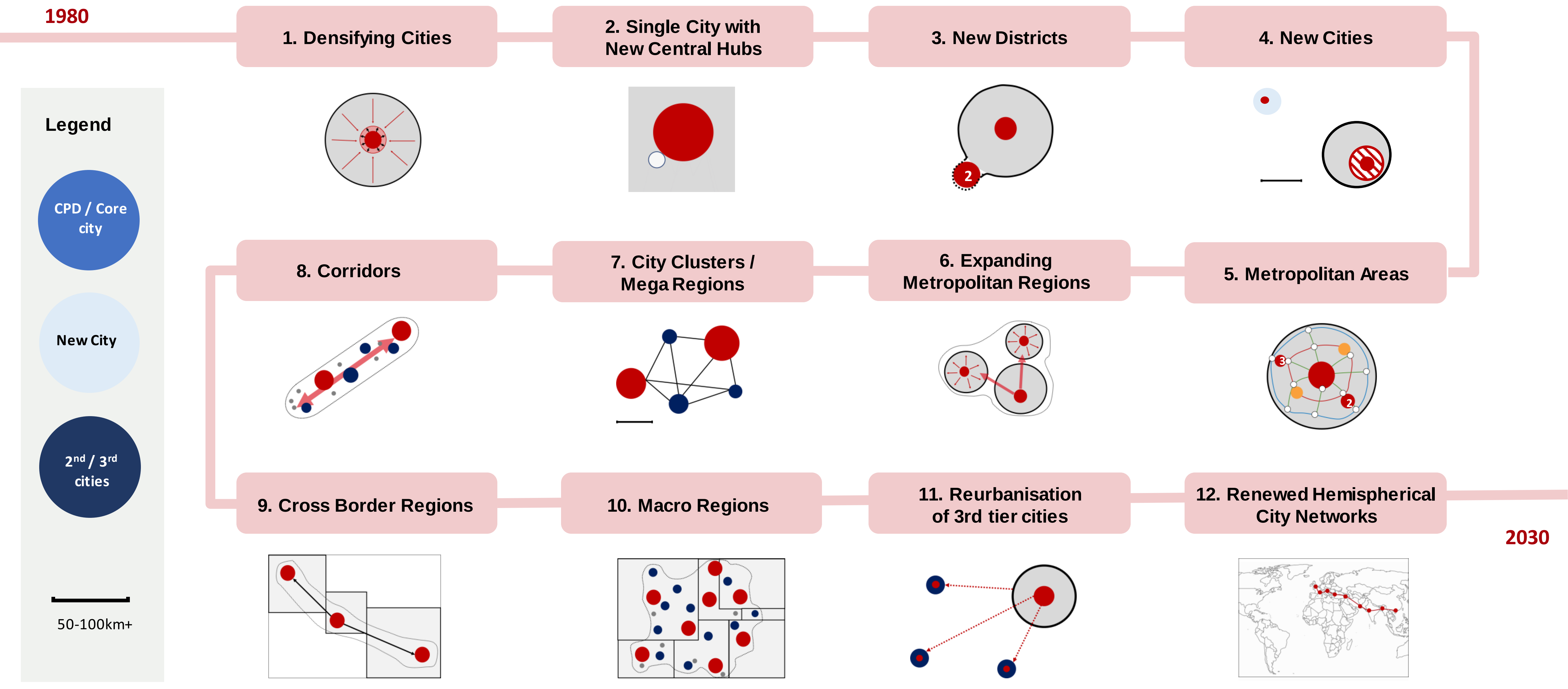
1. How to adjust services, systems, and shared spaces.
2. How to generate revenues.
3. What economic sectors to pursue and how?

Leads to

1. Changes in effective shapes and sizes of city
2. Accelerated Hybridity, Agility, Fragility.
3. Risks of fragmentation and segregation.
4. Opportunities for more affordable, resilient, and sustainable cities



COVID effects in the longer term?



New tools and resources for Cities in the 2020s

Established tools of public governance, land use planning, infrastructure investment and public services all need to be reformed and enhanced.

- Local Government Powers
- Metropolitan Governance

- Value Capture Finance
- City Deals

- Place branding partnerships
- Public Private Venture and alliances

3 new tools are being added

1

Enabling Technologies

and new applications that can enhance city functioning and drive urban economies.

2

Intentional Capital

Private investment and finance that has woken up to the opportunity of good urbanisation.

3

We support PLACE ALLIANCE campaigning for place quality

Place Leadership:

the new art of combined leadership across sectors and institutions with place as the driver.

Recovery or Reinvention of Cities/Regions?

Recovery

- ✓ Back to Leisure
- ✓ Back to Office
- ✓ Back to Public Transport
- ✓ Students Return
- ✓ Tourists Return
- ✓ FDI returns
- ✓ Migrants Return

Reinvention

- Sorting and connections between Physical, Digital and Hybrid.
- Public space, road space, shared space, private space.
- New economy acceleration.
- Influence of mega drivers (climate, inclusion, demographics, uncertainty)
- Flexibility, agility, customisation.
- New imperatives (digital infrastructure, small business investment, retrofit and repurposing of buildings (eg Office, Retail, Transit).
- New urban logistics.
- New social contract?

Post pandemic agenda is not

RECOVERY but **REINVENTION**

2 main dimensions:

1. COVID has a sorting effect on cities and especially on city centres

- Things that can only be done in cities v things that can be done online or remotely
- Cities and districts are taking advantage of these sorting effects

2. COVID has accelerated shifts that were already underway in cities
    - Concern about climate change
    - Digital modes and technologies
    - Shift to mixed-use experience

Cities are recognising that they have to more deliberately accommodate these shifts, and host activities that are done best in **places**

So there is more of a need for a deep understanding about how to manage the blended city, its formats and

City Centres post pandemic.

Central Business Districts

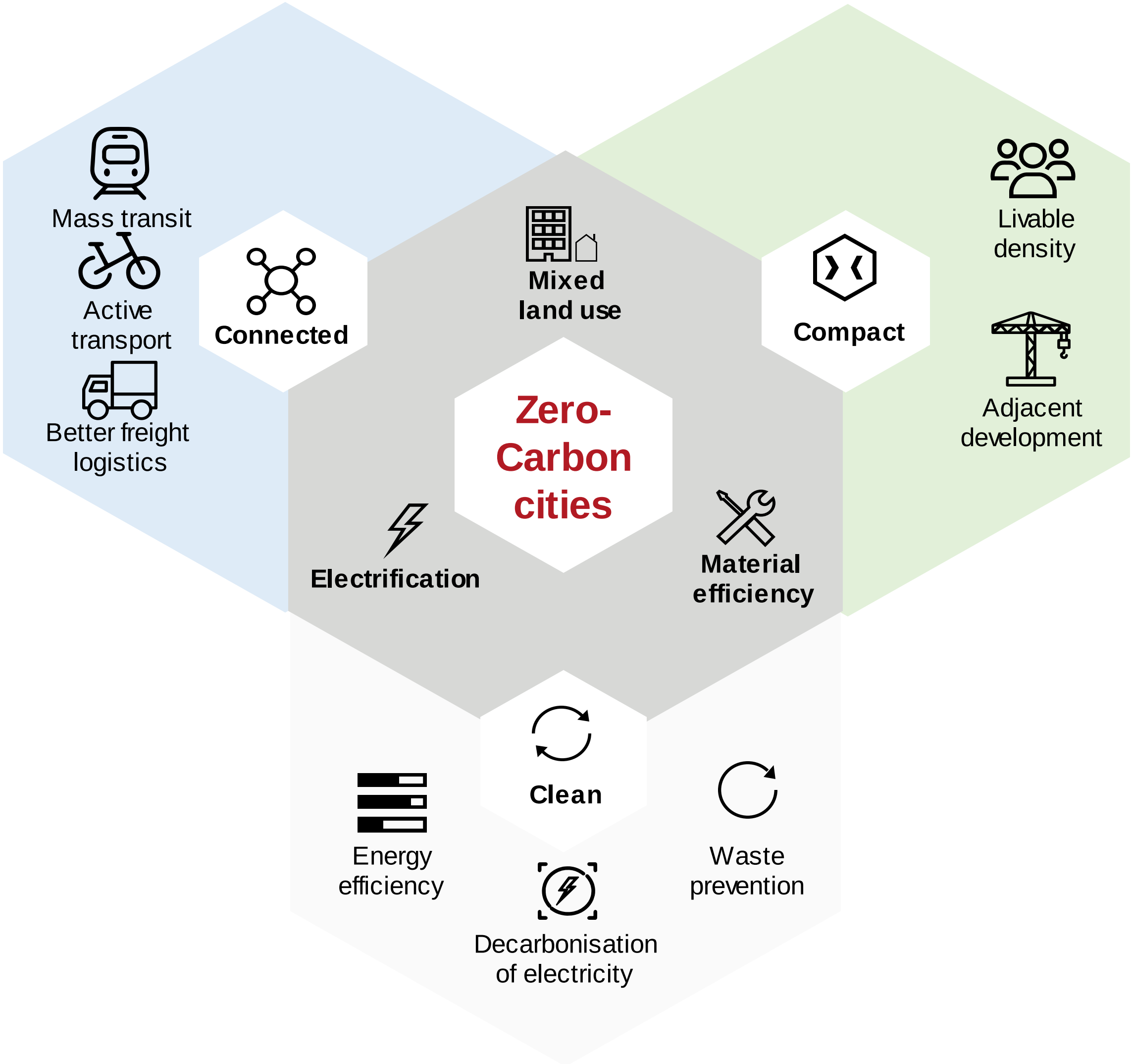
- 9 till 6, five days a week
- Commercial office accompanied by retail
- Narrow range of layouts
- Long-term leases, inflexible arrangements
- Limited attention to between-buildings
- Department and in-firm siloes

Central Experienced Districts

- 7 days a week – 18-24 hours a day
- Highly mixed use
- Wide range of lay outs
- Flexible leases for different companies in different circumstances
- Fine-tuned focus on placemaking, proximity and permeability
- Collaboration environments
- Community builders and ecosystem connectors

Net Zero Path = Energy Switch + Urban Transition

- ✓ Shift towards renewable energy
- ✓ In cities the focus on utilities, vehicles, and buildings
- ✓ Behaviour change-based using incentives, nudges, and charges
- ✓ City Govt. take the lead, hope to set example
- ✓ Partnership approach, working with key firms and orgs
- ✓ Radically improved monitoring and accountability
- ✓ Circular Economy as catalyst and accelerator



Key abatement options to achieve zero-carbon cities

Source: Coalition for Urban Transitions (2019) Climate Emergency, Urban Opportunity

Implications for City & Regional Place Branding

Hyper Mobility (fuelled by digitisation, virtual work, and housing/quality of life).

- More people moving within and between regions.
- Pick up for HQoL locations.
- Pick up for new growth regions.

More competition

- More competitive places (600 cities/regions) and well resourced.
- Physical place v virtual space.

New Economy

- Massive increase in tech and innovation shifts and specialisations.
- War for talent is <u>now nuclear.</u>
- New growth and mobility of VCs, Incubators,

Transport and Travel Industry

- Price hikes
- Wage inflation and talent supply and challenges.
- Shift to unique offerings and experiences. The reinvention of tourism.

Investment

- Slowing of total globalisations but increased regional integrations. FDI now niches.
- Capital challenge (end of cycle of low interest/low inflation). Cross border capital flows still possible,
- Appetite high for right places and projects.