



KING OF
PRUSSIA
DISTRICT

KING OF PRUSSIA DISTRICT ANNUAL REPORT TO THE COMMUNITY LUNCHEON

March 23, 2017

SHERATON VALLEY FORGE

#OurEdge2017



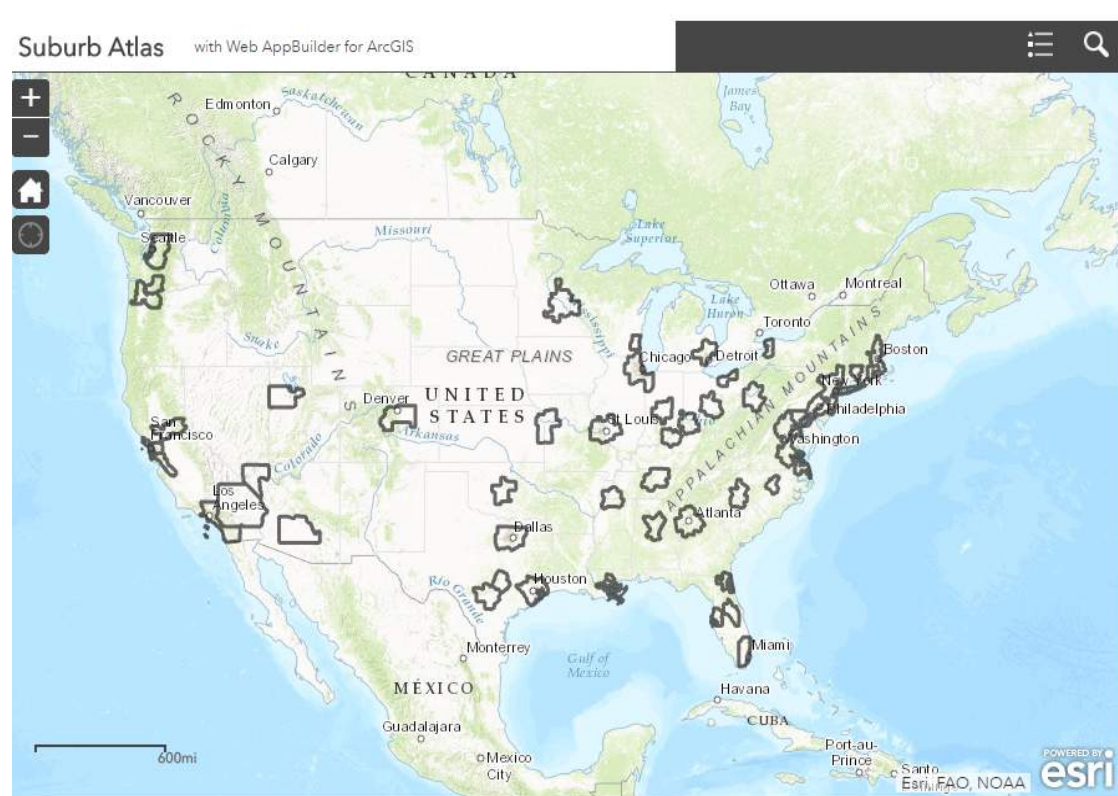
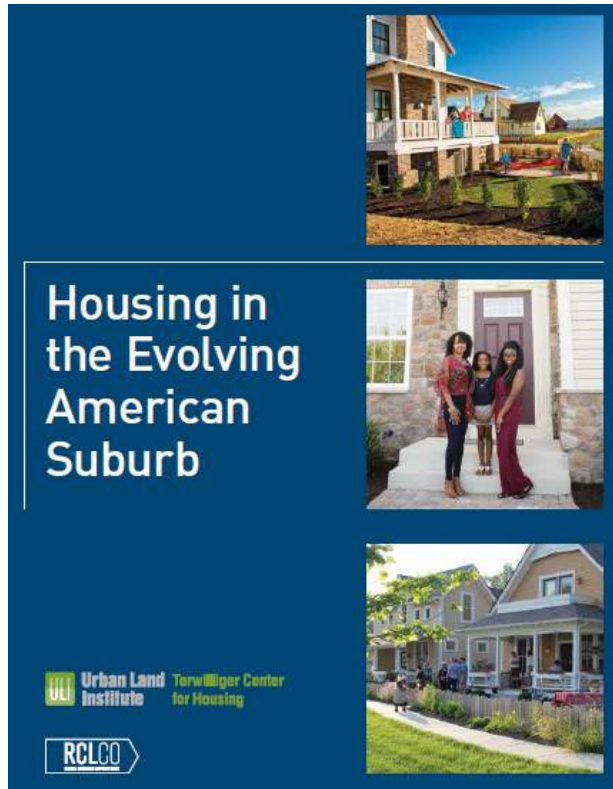
ADAM DUCKER

RCLCO

Managing Director
Urban Real Estate

KEYNOTE PRESENTATION

America's Suburbs – Not Dead Yet. . .



Produced national report aggregating data, issues, and best practices from top 50 metros.

Created searchable on-line map showing the different types of suburbs in each of the top 50 metros.

The National Story. . . Suburban Places Still Dominate American Life

America remains a largely suburban nation

79% of the population, 78% of households and 32% of the land area in 50 top metros

Suburban growth has driven recent metropolitan growth

2000 to 2015, suburbs were 91% of population and 84% of household growth

A large majority (67.5%) of Americans work in suburbs

2005 and 2010 – no suburban growth; 8% urban growth

2010 and 2014 – 9% suburban growth; 6% urban growth


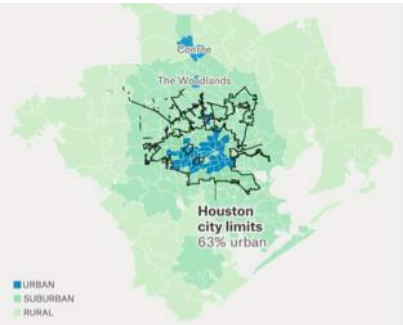
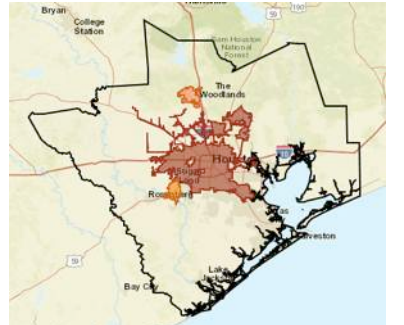
The suburbs are “young” compared with their regions overall

75% of 25- to 34-year-olds live in the suburbs of 50 top metros

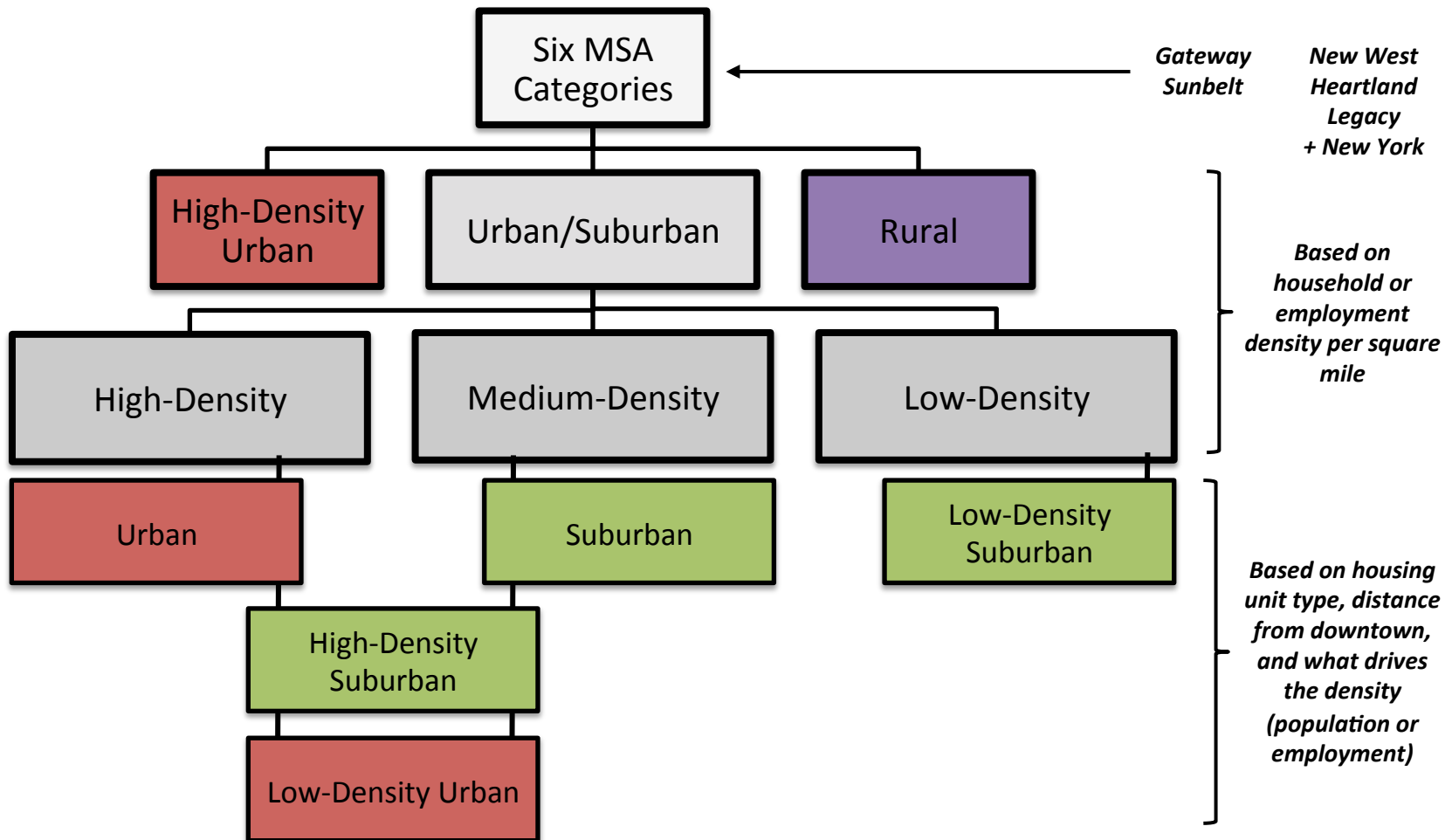
American suburbs as a whole are racially and ethnically diverse

76% of the minority population lives in the suburbs

The First Complication – Nobody Knows What “Suburban” Really Means and the Existing Definitions Don’t Work

Existing Urban/Suburban Classification Methods:			
	 <p>Houston, TX</p> <p>CITY SECTOR CATEGORIES</p> <ul style="list-style-type: none"> Urban Core Auto-Suburban, Exuber Auto-Suburban, Laker Auto-Exuber <p>20</p>	 <p>The Woodlands</p> <p>Houston city limits 63% urban</p> <ul style="list-style-type: none"> URBAN SUBURBAN RURAL 	 <p>The Woodlands</p> <p>Houston</p> <p>The Woodlands</p> <p>Houston</p> <p>The Woodlands</p>
Name	Wendell Cox’s City Sector Model	Jed Kolko’s Methodology	Other Studies
Factors Used	Transportation, housing types, employment, zip code boundaries	Household density, survey asking how Americans describe where they live	Jurisdictional boundaries
Shortcomings	Produces very small urban cores, does not include rural areas within MSA boundaries	Applied same methodology to 50+ MSAs even though densities mean different things by different metro; too much urban in some, too much rural in others	In areas like Nashville, the principal city comprises a large portion of MSA, resulting in a lot more “urban” than there is; vice versa in areas like Boston

So We Developed a New Framework – And It Does a Better Job of Describing the Setting in Which People Live



Suburbs Now More About Diversity than Uniformity – and so a Framework for Thinking About these Places Emerges

CLASSIFICATION OF SUBURB TYPE				
	Less Than 5 Miles From Downtown	5-10 Miles From Downtown	10-15 Miles From Downtown	More Than 15 Miles From Downtown
High Density Urban				
High Value	Urban			
Middle Value				
Low Value				
Urban				
High Value	Urban			
Middle Value				
Low Value				
Low Density Urban				
High Value	Urban			
Middle Value				
Low Value				
High Density Suburban				
High Value	Established High-End	Established High-End	Established High-End	Established High-End
Middle Value	Stable Middle-Income	Stable Middle-Income	Stable Middle-Income	Stable Middle-Income
Low Value	Economically Challenged	Economically Challenged	Economically Challenged	Economically Challenged
Suburban				
High Value	Established High-End	Established High-End	Established High-End	Established High-End
Middle Value	Stable Middle-Income	Stable Middle-Income	Stable Middle-Income	Stable Middle-Income
Low Value	Economically Challenged	Economically Challenged	Economically Challenged	Economically Challenged
Low Density Suburban				
High Value	Established High-End	Established High-End	Established High-End	Greenfield Lifestyle
Middle Value	Stable Middle-Income	Stable Middle-Income	Stable Middle-Income	Greenfield Value
Low Value	Economically Challenged	Economically Challenged	Greenfield Value	Greenfield Value

Urban
Established High-End
Stable Middle-Income
Economically Challenged
Greenfield Lifestyle
Greenfield Value

Established High-End:

High home values and established development patterns

Stable Middle-Income:

Wide variety of home values that are attainable to a range of households

Economically Challenged:

Lower home values and have seen little to no population growth in recent years

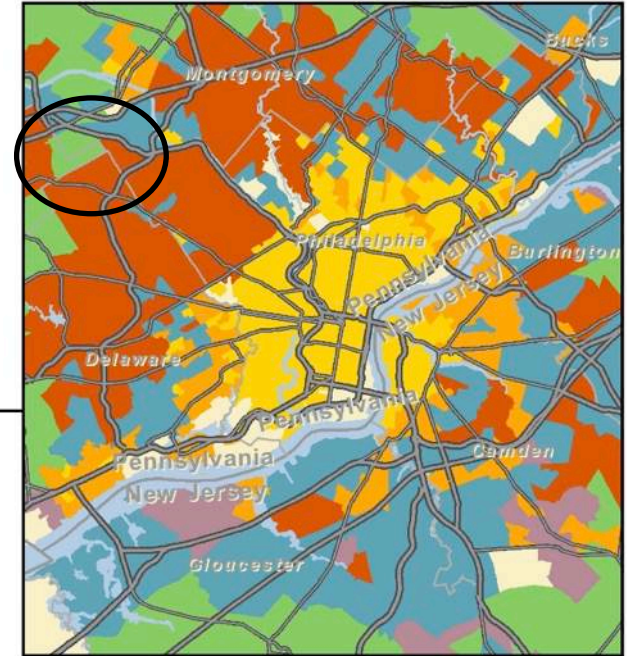
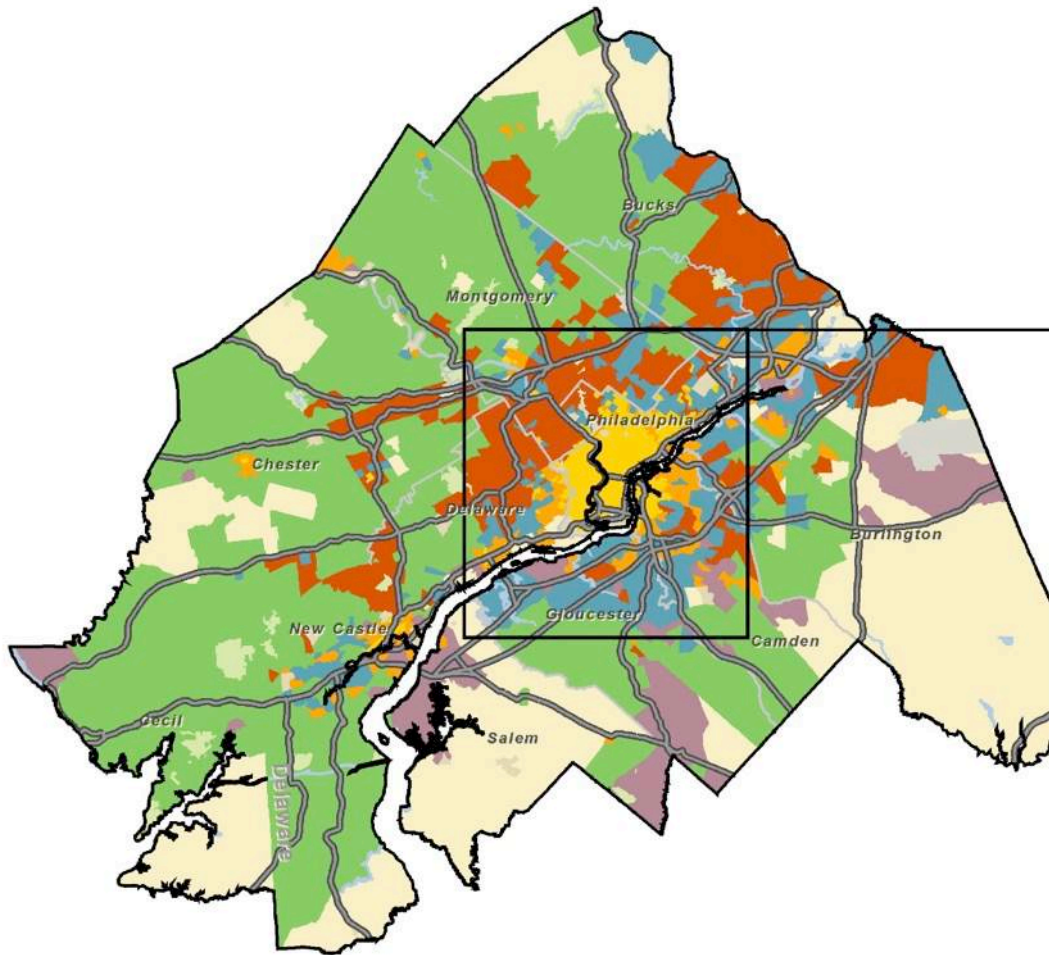
Greenfield Lifestyle:

Bulk of new community development at or close to suburban fringe, typically adjacent to established high-end suburbs

Greenfield Value:

At suburban fringe, often adjacent to stable or economically challenged areas or near low-wage job concentrations

Philadelphia Region Suburbs Characterized

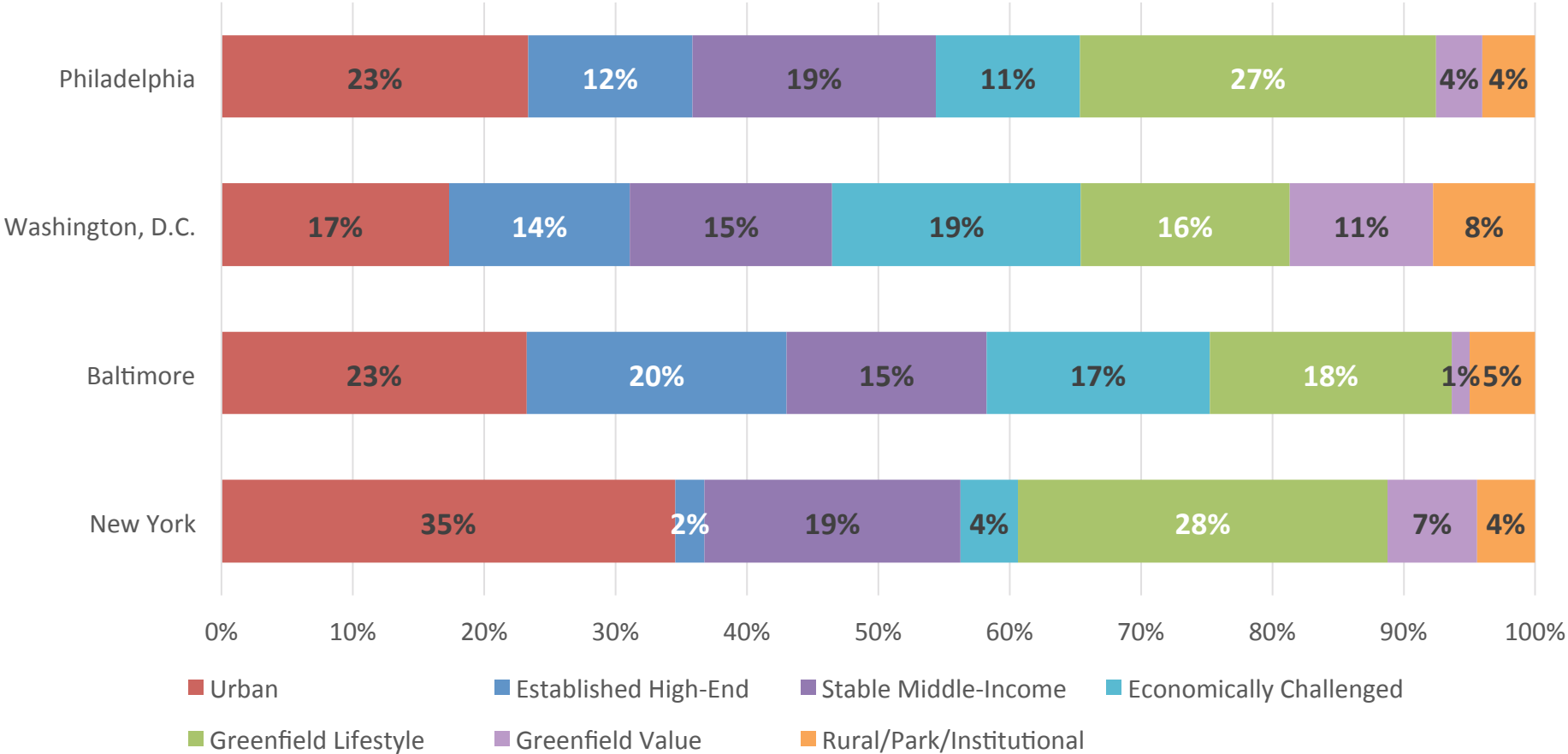


Map Key

Place Classification

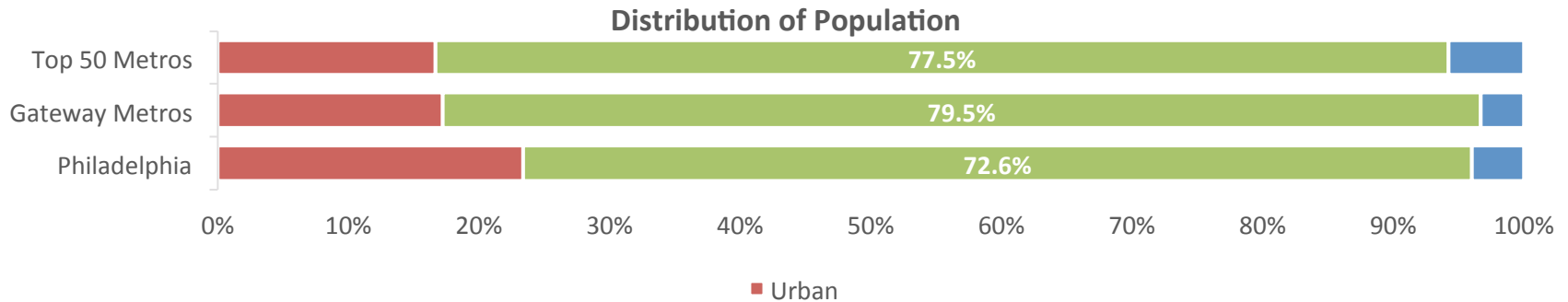
- Urban
- Established High-End Suburb
- Stable Middle-Income Suburb
- Economically Challenged Suburb
- Greenfield Lifestyle Suburb
- Greenfield Value Suburb

Distribution of Philadelphia Population



NOTE: "New York" includes both the New York-Newark-Jersey City, NY-NJ-PA MSA and the Bridgeport-Stamford-Norwalk, CT MSA. Source: RCLCO; ESRI Business Analyst

Despite Urban Growth, Philadelphia is Still Very Suburban

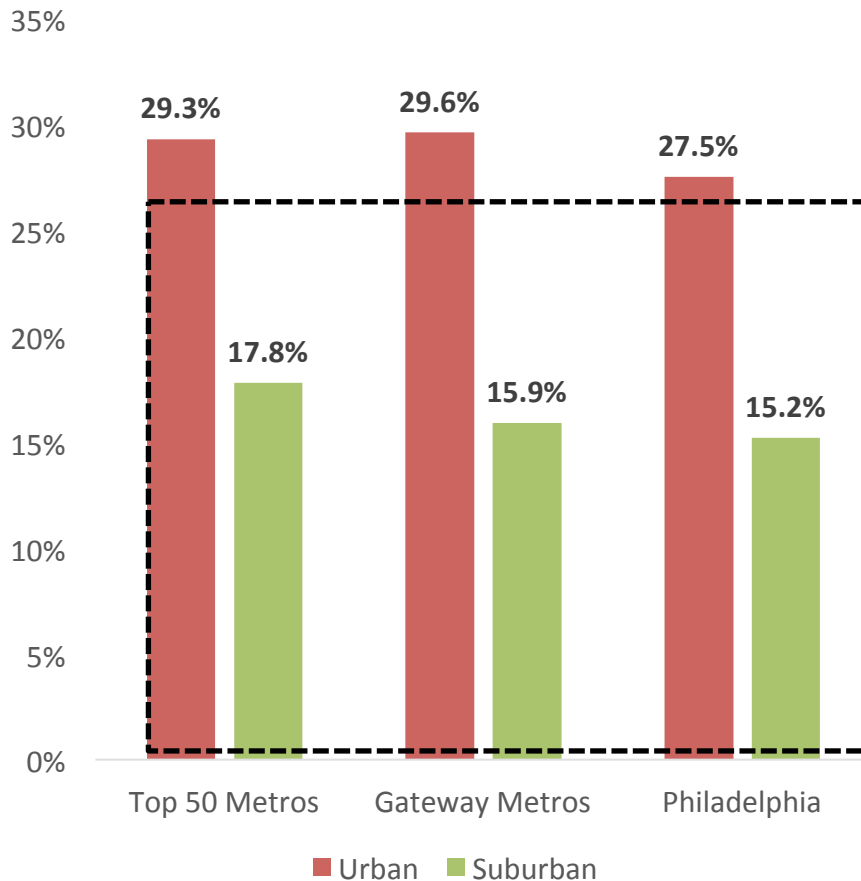


	DISTRIBUTION OF POPULATION		POPULATION GROWTH (2000-2015)		POPULATION GROWTH (2010-2015)	
	URBAN	SUBURBAN	URBAN	SUBURBAN	URBAN	SUBURBAN
NATIONAL						
Top 50 Metros	16.7%	77.5%	1.4%	13.1%	3.4%	3.7%
REGIONAL						
Gateway Metros	17.2%	79.5%	3.1%	6.9%	3.4%	2.4%
PEER CITIES						
Washington, D.C.	17.3%	74.9%	11.9%	17.2%	6.0%	5.3%
Baltimore	23.2%	71.8%	-2.7%	10.1%	0.3%	3.3%
New York	34.6%	61.0%	2.5%	3.8%	3.5%	1.5%
Philadelphia	23.4%	72.6%	0.4%	6.3%	1.9%	1.3%

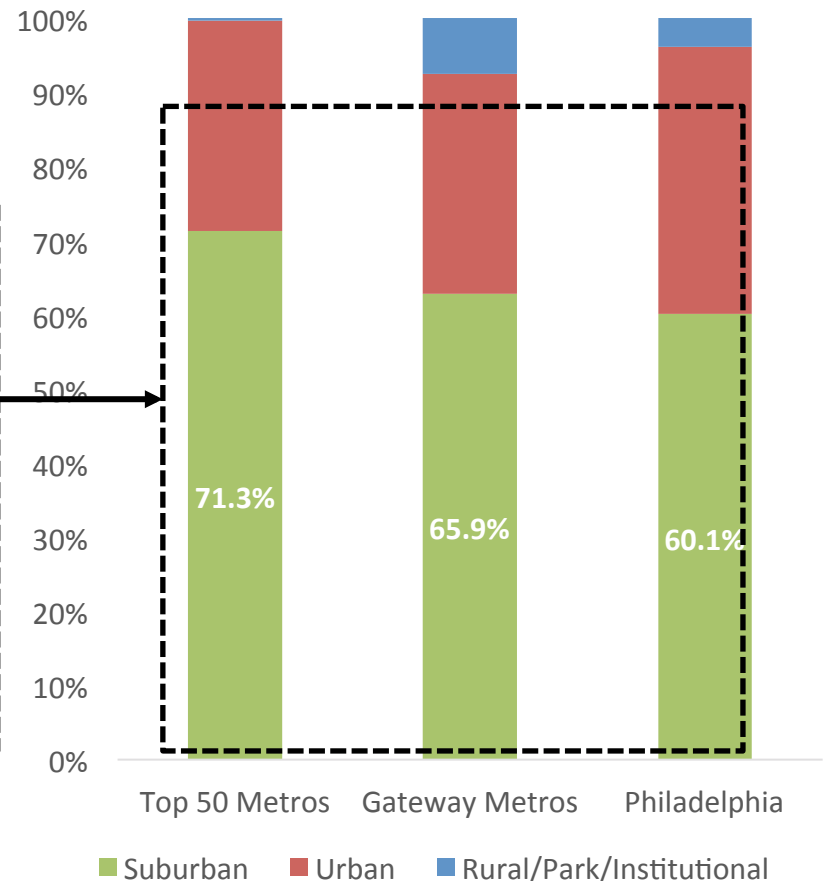
NOTE: "New York" includes both the New York-Newark-Jersey City, NY-NJ-PA MSA and the Bridgeport-Stamford-Norwalk, CT MSA. Source: RCLCO; ESRI Business Analyst

Millennials – Surprisingly Suburban

What Percentage of All Households are Under the Age of 35?



Where Do All Households that Are Under the Age of 35 Live?



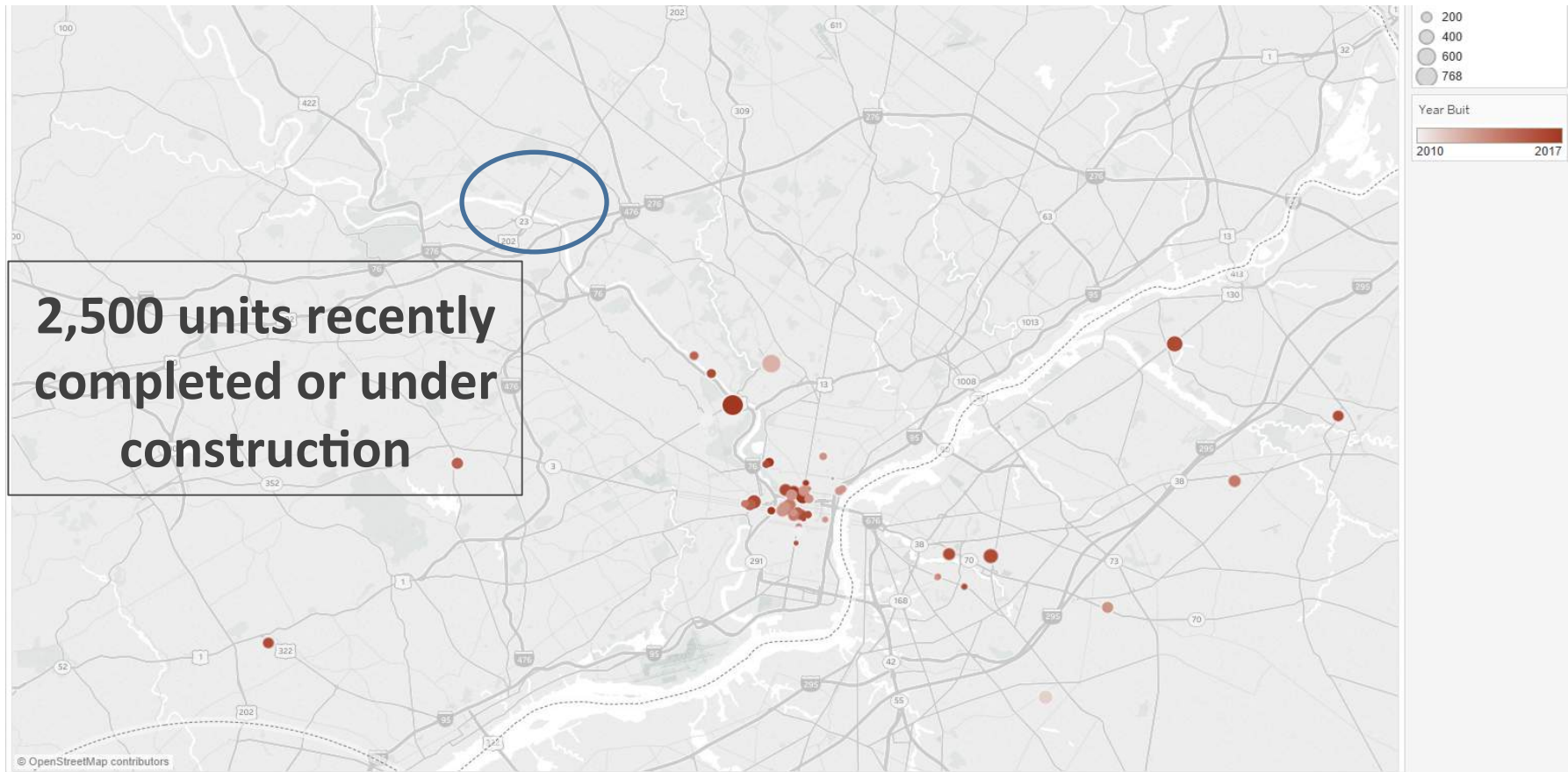
Millennials – But King of Prussia is Losing Millennials (Younger Households) to Closer In Suburbs



Source: Esri

The Old Chicken or the Egg Dilemma: Lack of Demand or Lack of Supply?

New Rental Apartment Deliveries Metropolitan Philadelphia 2000-2016

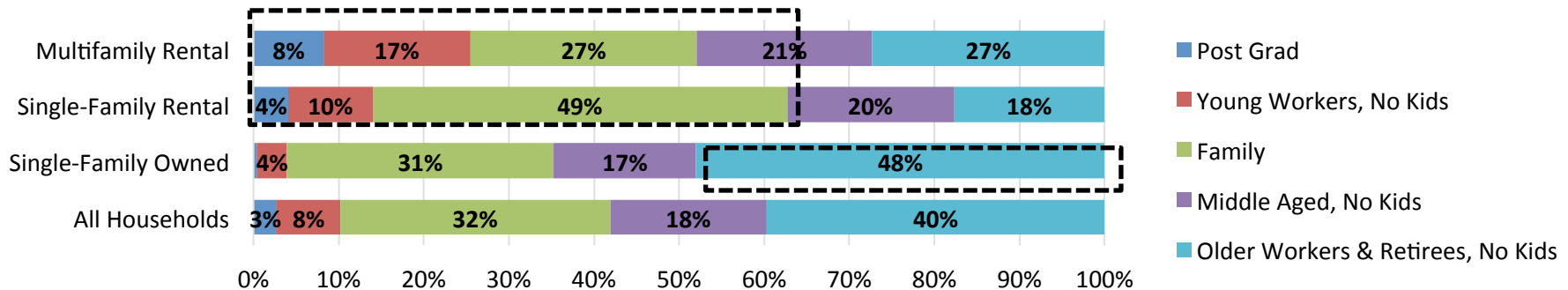


Source: Axiometrics

Addressing the Aging Population and Potential Housing Misalignment

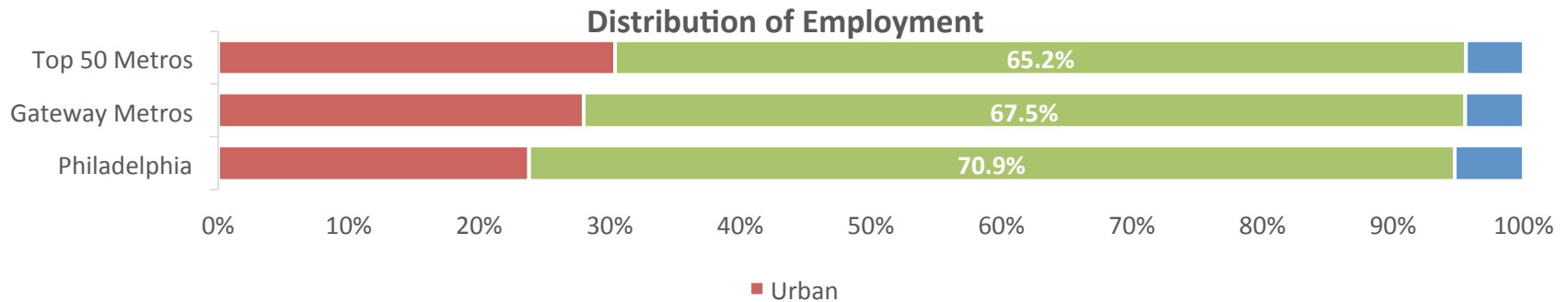
Year	Student Housing	Rental Housing	Rent as Couple / Buy Condo	Young Family Own	Mature Family Own	Empty Nester Downsize Own	Buy/Rent Retirement Home
2015	Millennials	Millennials	Millennials	Gen X	Baby Boomers	Baby Boomers	Eisenhowers
				Millennials	Gen X		Baby Boomers
2020	Gen Z	Millennials	Millennials	Millennials	Gen X	Baby Boomers	Eisenhowers
						Gen X	Baby Boomers
2025	Gen Z	Millennials	Millennials	Millennials	Gen X	Gen X	Baby Boomers
		Gen Z	Gen Z		Millennials	Baby Boomers	
2030	Gen Z	Gen Z	Gen Z	Millennials	Gen X	Gen X	Baby Boomers
					Millennials	Baby Boomers	

Life Stage Distribution Comparisons by Housing Type (National)



SOURCE: RCLCO; ESRI Business Analyst; U.S. Census Bureau

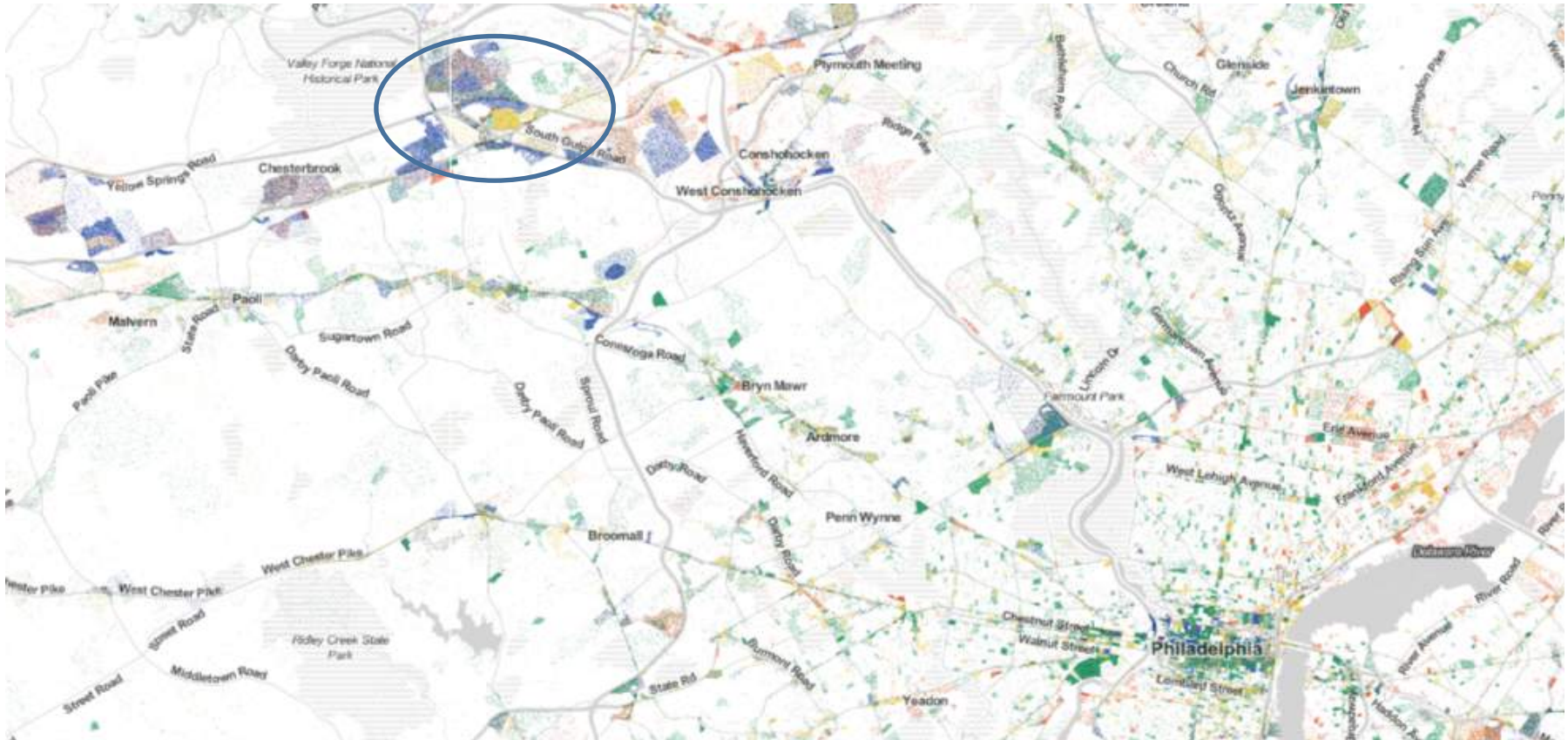
The Jobs Remain in the Suburbs



	DISTRIBUTION OF EMPLOYMENT		EMPLOYMENT GROWTH (2005-2010)		EMPLOYMENT GROWTH (2010-2014)	
	URBAN	SUBURBAN	URBAN	SUBURBAN	URBAN	SUBURBAN
NATIONAL						
Top 50 Metros	30.4%	65.2%	7.5%	-0.3%	6.4%	9.6%
REGIONAL						
Gateway Metros	28.0%	67.5%	17.0%	-2.2%	8.3%	8.8%
PEER CITIES						
Washington, D.C.	39.5%	53.8%	131.0%	4.0%	5.0%	3.7%
Baltimore	31.4%	65.4%	4.6%	1.5%	1.4%	7.9%
New York	42.6%	53.6%	14.5%	1.1%	8.7%	3.6%
Philadelphia	23.8%	70.9%	1.9%	-0.1%	4.4%	4.4%

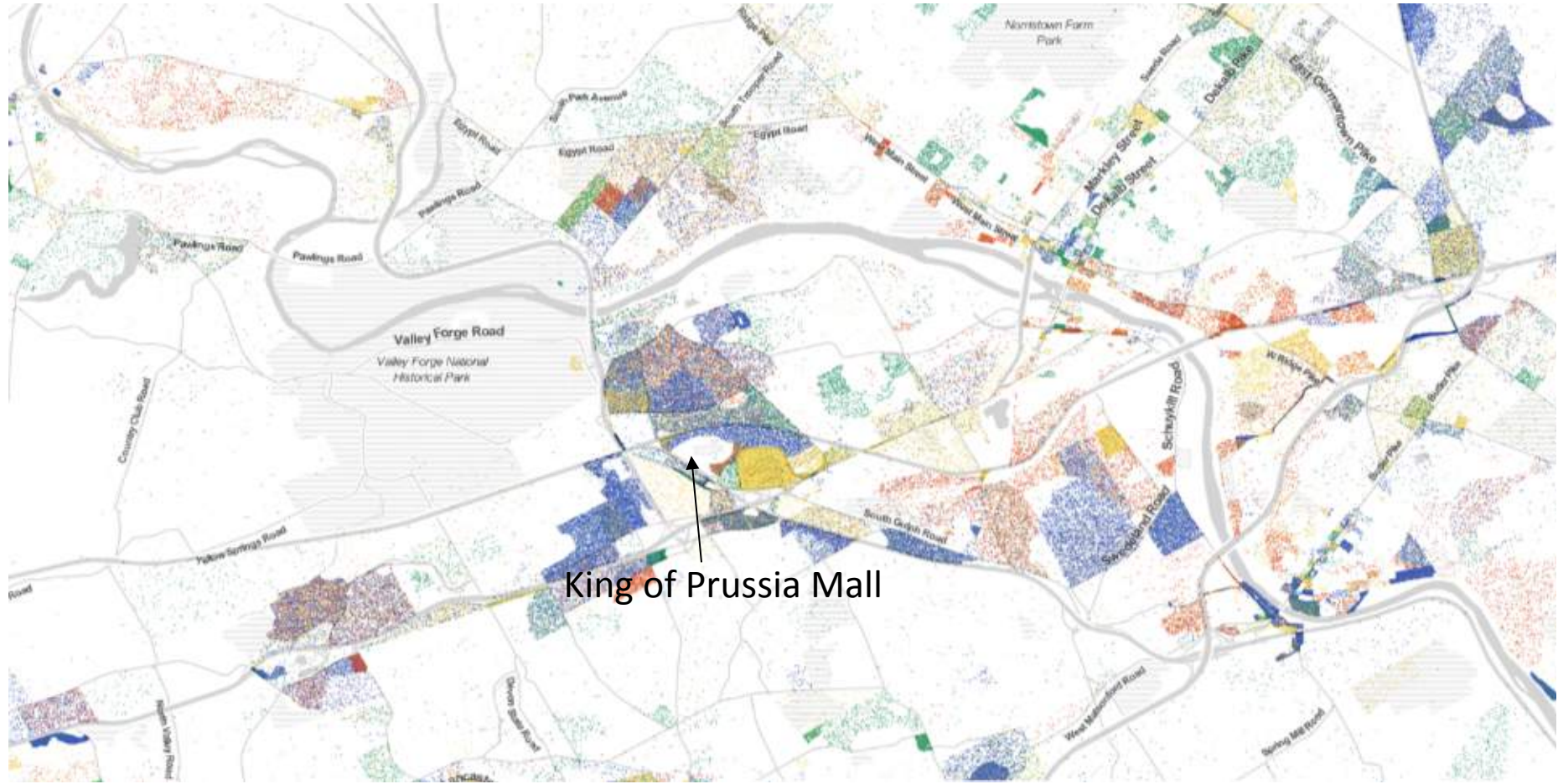
NOTE: “New York” includes both the New York-Newark-Jersey City, NY-NJ-PA MSA and the Bridgeport-Stamford-Norwalk, CT MSA. Source: RCLCO; ESRI Business Analyst

Suburban Employment Largest Suburban Concentration



Source: Robert Manduca

Suburban Employment High Level of Diversification

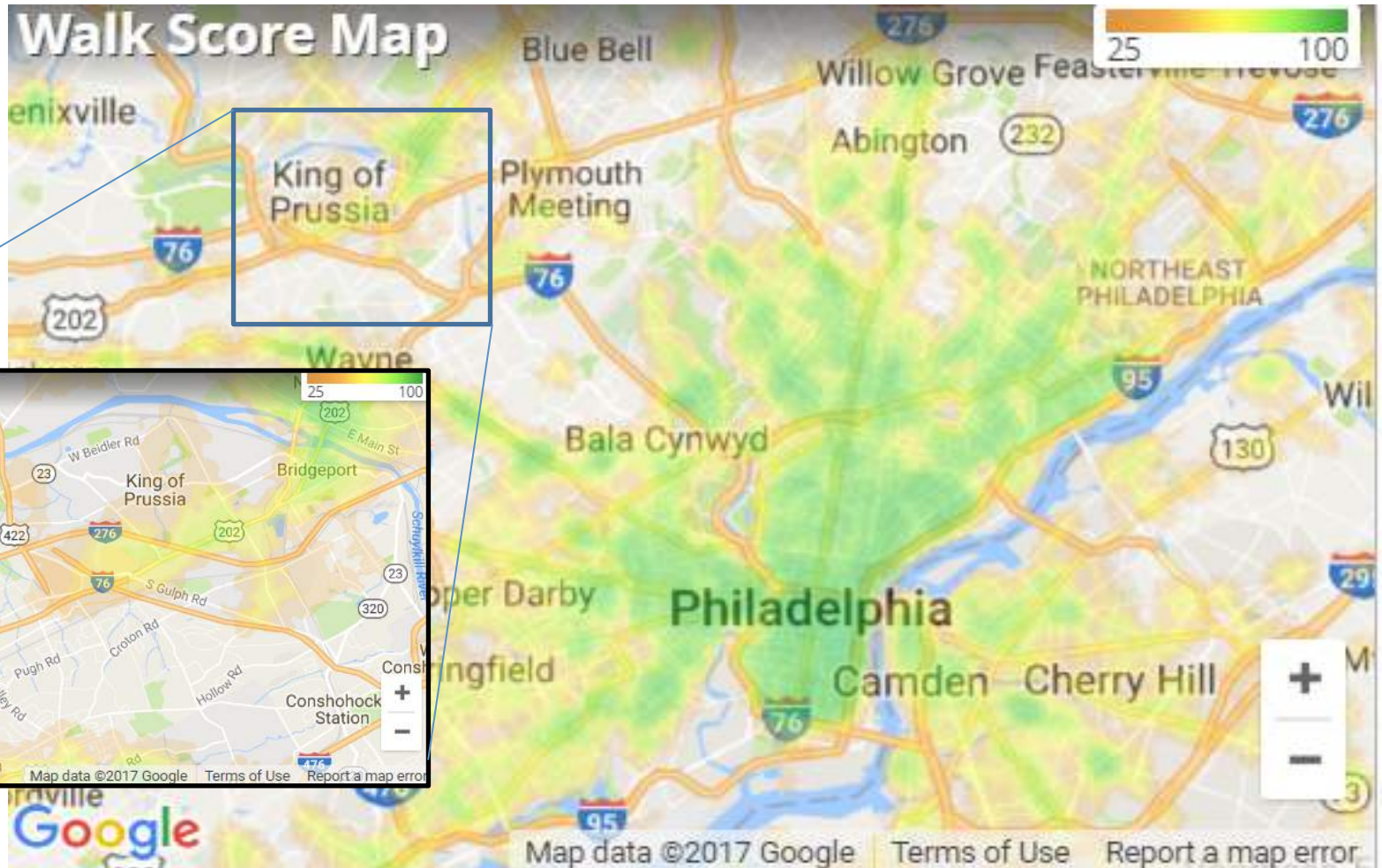


King of Prussia Mall

One Dot = One Job. Manufacturing and Logistics - Professional Services -
Healthcare, Education, and Government - Retail, Hospitality, and Other Services

Source: Robert Manduca

What's Next for King of Prussia? "Recapturing Walkability"



What's Next for King of Prussia? Transit Readiness

NEW

VISUALIZING KOP RAIL

Click here to view new artistic renderings of KOP Rail running along Mall Boulevard and 1st Ave.



Click Here 

Latest News



NEWSLETTER

[View More](#)



KOP RAIL FAQ

[View More](#)

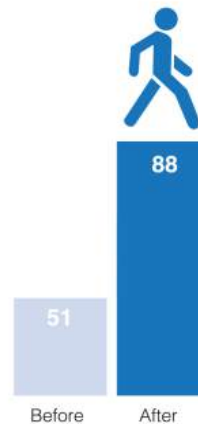


KOP INFOGRAPHIC

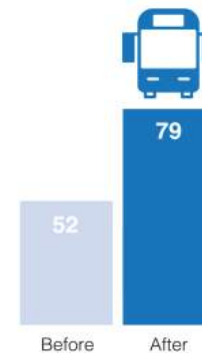
[View More](#)

Employee Satisfaction Survey – Companies that Relocated Suburban to Urban Move

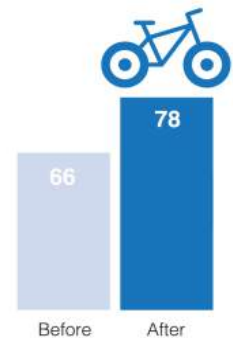
WALK SCORE



TRANSIT SCORE



BIKE SCORE



Source: Deloitte Consulting

What's Next for King of Prussia? Catering to the Missing Middle

Large, exurban
single-family
detached homes



Young families and first-time buyers



Empty Nesters



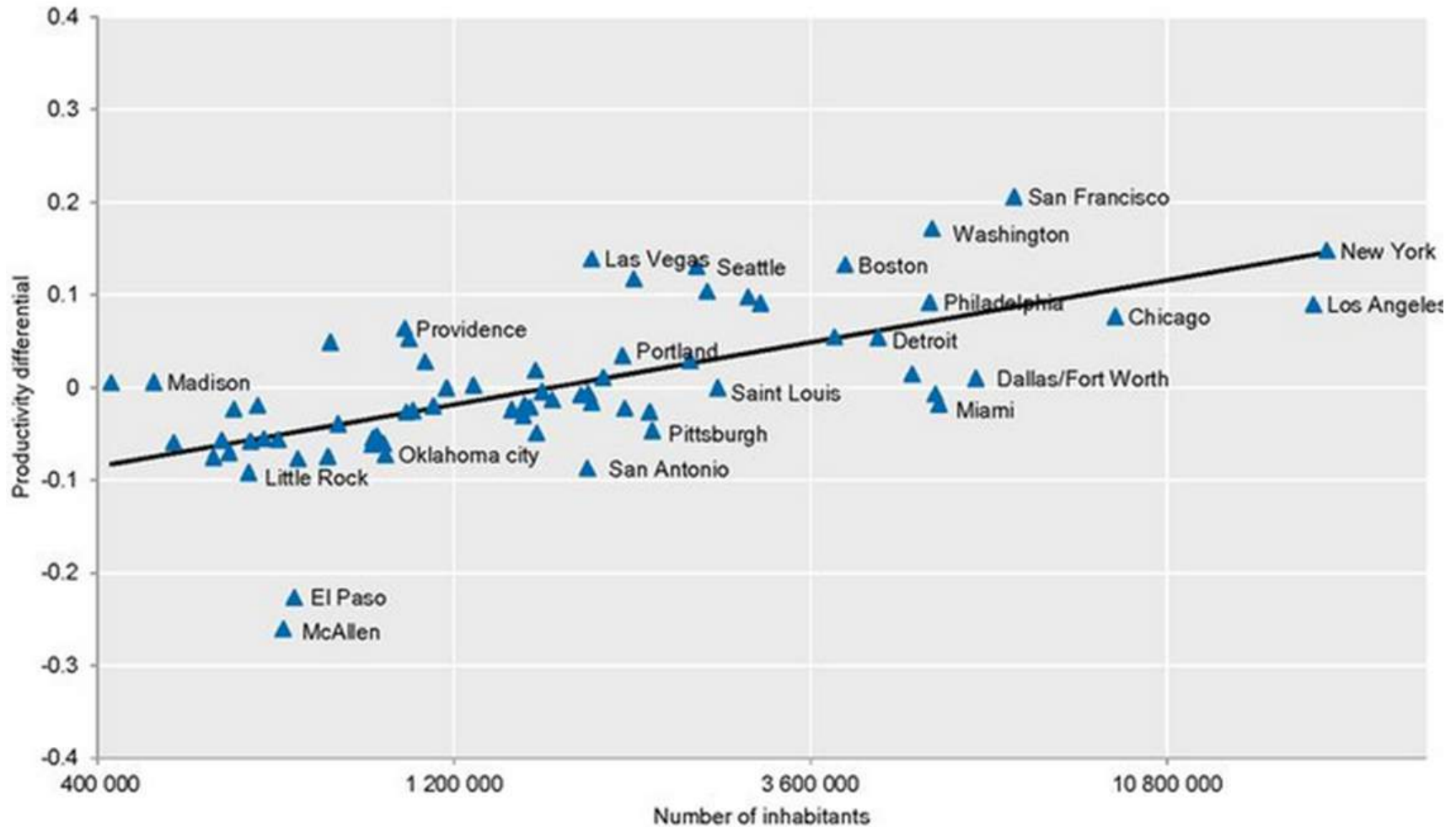
Low and middle-income
renters

Small units in
urban, midrise/
high-rise
multifamily
buildings



Source: *Opticos Design*

What's Next for King of Prussia? Workforce Relevancy



Source: Federal Reserve Bank of New York

What's New for King of Prussia? Ready for the Driverless Car



Autostadt Car Towers, Wolfsburg, Germany



Seattle, Northgate Mall



Columbia, MD, Metropolitan