

RCLCO

# Corporations Moving to Urbanism

TOD and Urban Real Estate Conference  
**May 3, 2016**

Adam Ducker, Managing Director

## THE LAST ONES TO GET IT. . . CORPORATE AMERICA MOVES DOWNTOWN



- To attract and retain the best talent
- To build brand identity and company culture
- To support creative collaboration
- To be closer to customers/ partners
- To centralize operations
- To support triple bottom line business outcomes

### Core Values

Why American Companies are Moving Downtown



# GE GOES TO BEANTOWN



*Old HQ; Fairfield, CT*

*Construction in Boston's Seaport Neighborhood*

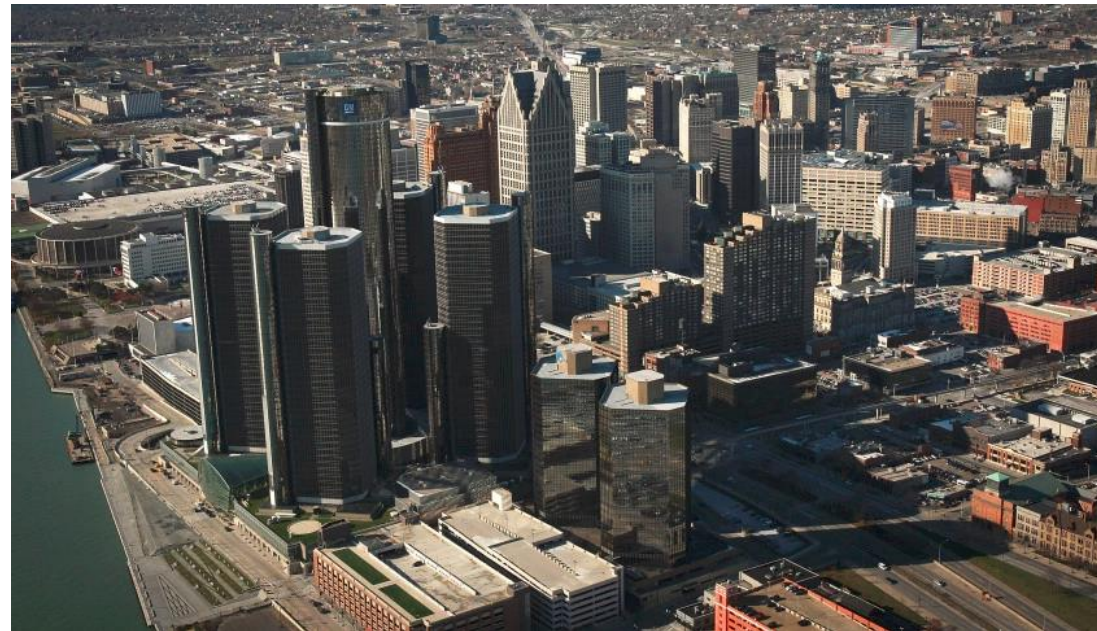


We want to be at the center of an ecosystem that shares our aspirations,” CEO Jeffrey Immelt



*Old HQ; Fairfield, CT*

*Hello Downtown*

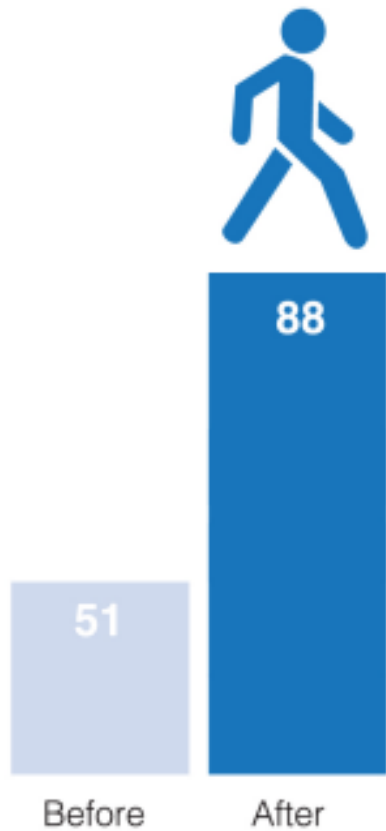


“ . . . But we found we weren’t getting the kind of young, tech-savvy people we wanted to hire. They just didn’t want to work in that type of setting. To be able to compete, we needed to be where they wanted to be.”

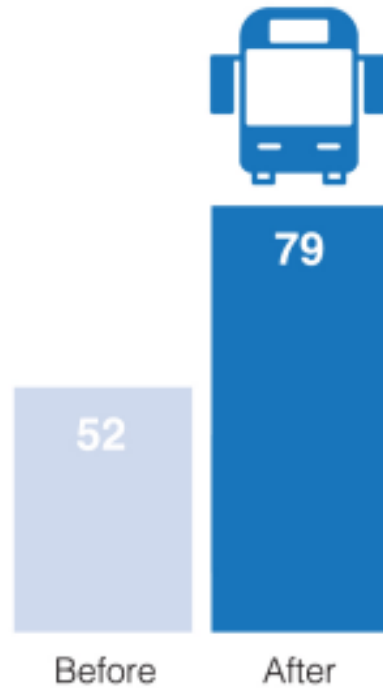
-- CEO Matt Cullen

**WHAT THE WORKERS GET?**  
 (ANALYSIS OF 500 COMPANIES THAT MADE SUBURBAN TO URBAN MOVES)

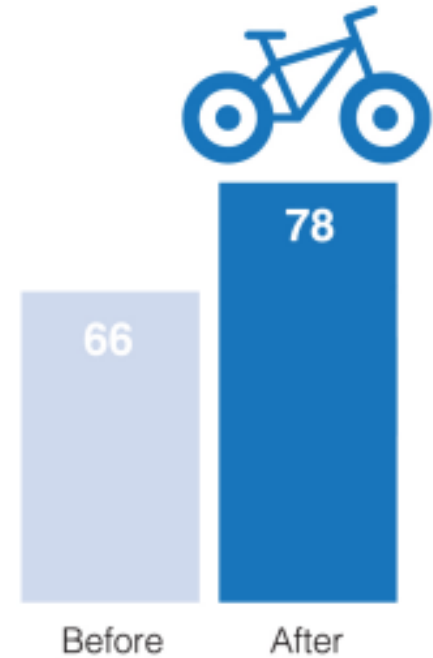
**WALK SCORE**



**TRANSIT SCORE**



**BIKE SCORE**



# TRANSIT REVOLUTION IS REAL, BUT MILLENNIALS REALLY ARE DRIVING IT. .

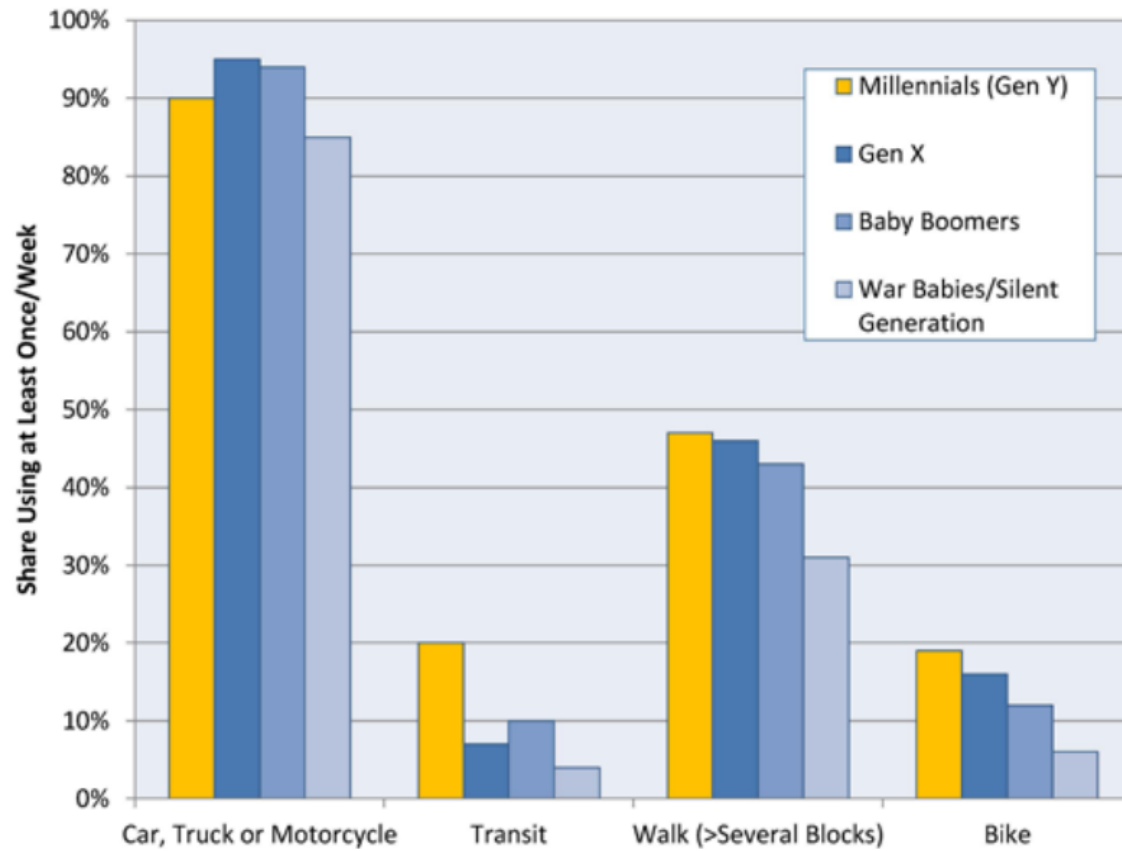


**Millennials in Motion**  
 Changing Travel Habits of Young Americans  
 and the Implications for Public Policy

**U.S. PIRG**  
 Education Fund

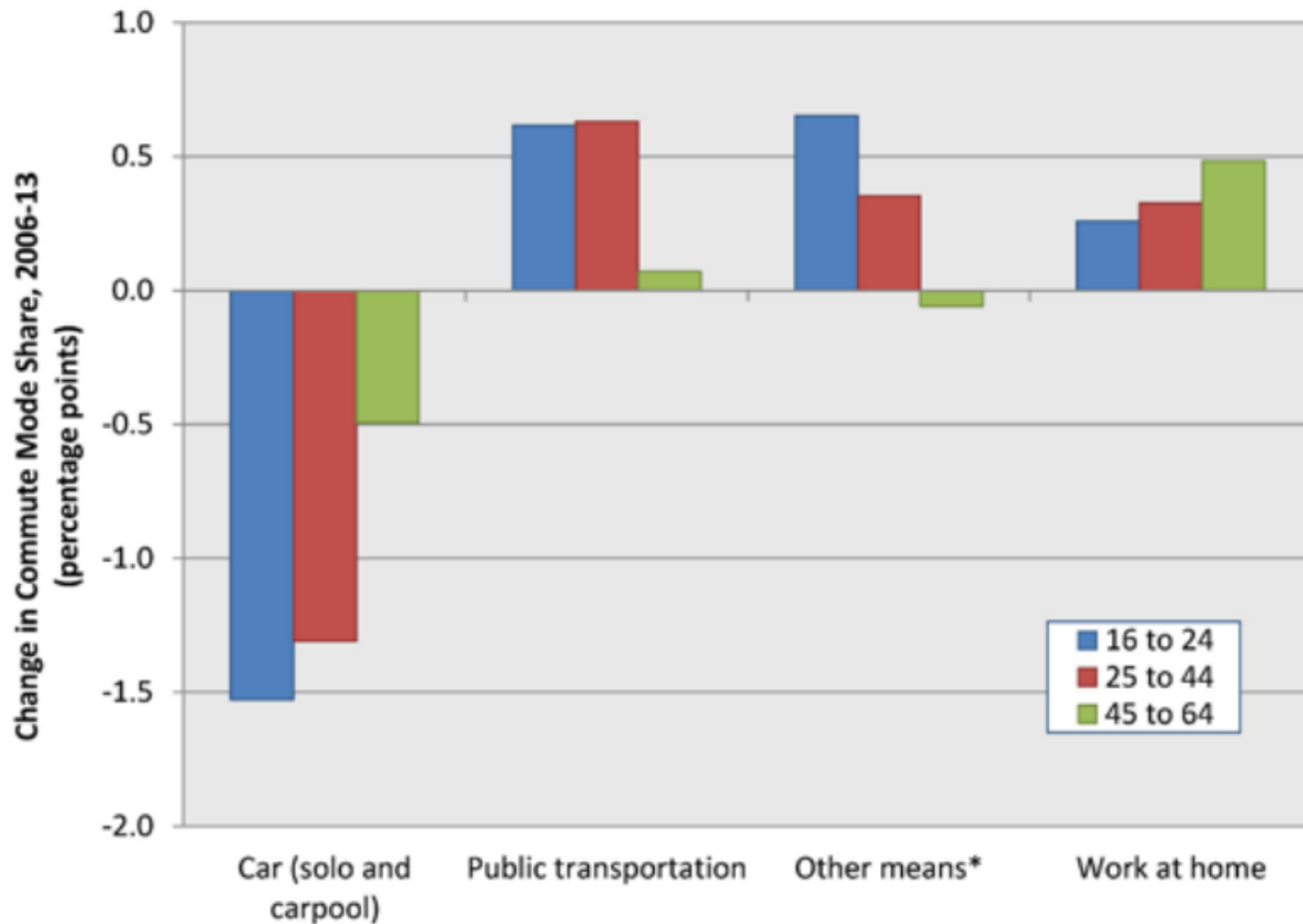
FRONTIER GROUP

Figure 1. Millennials' Day-to-Day Transportation Experience Differs from Other Generations<sup>7</sup>



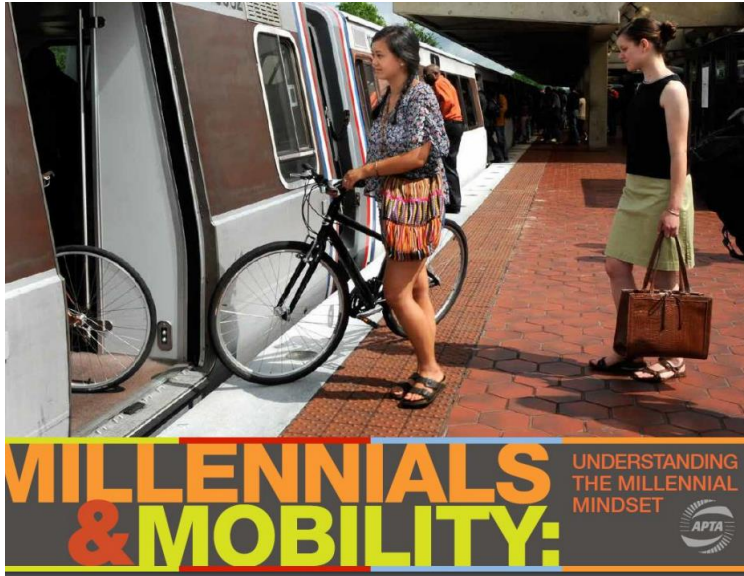
# REALLY A STRUCTURAL CHANGE... NOT JUST ABOUT LIFESTAGE

Figure 3. Change in Commute Mode Share, 2006 to 2013, by Age Group<sup>19</sup>



\* "Other means" includes walking, taxicab, motorcycle, bicycle or other unspecified means.

# AND WHY DOES TOD WORK SO WELL? MODE SHARE AND LIFESTYLE OPTIONALITY!



## Overview of Transportation Modes: Top 5 Most Preferred Modes of Transportation



Mean Preference Rank (Where 1 is Most Preferred):  
*(note: survey participant ranking of options was a list of those they used 'a few times a year or more often')*



## MORE ABOUT LIFESTYLE THAN ABOUT CONVENIENCE (OR COST!)

### Transportation Options: Perceived Benefits

| Q113 - Please check the items that describe the benefits or value of these transportation options.<br><br>(n varies, among randomized subset of those use this transportation option more than 'never') | Owner Operated: |               |                        |         |   | Public Transit:                            |                |     | For Hire: |      | Share-Based:                |             |              |
|---|-----------------|---------------|------------------------|---------|---|--|----------------|-----|-----------|------|-----------------------------|-------------|--------------|
|   | Walking         | Driving a car | Motor scooter or moped | Bicycle | Skate-board, long-board, or roller-blades | Subway, Light Rail, Street car, or Trolley | Commu-ter Rail | Bus | Ferry     | Taxi | Car-pooling or ride-sharing | Car-sharing | Bike-sharing |
| n=  | 467             | 397           | 68                     | 233     | 79  | 382  | 280            | 384 | 89        | 180  | 201                         | 130         | 86           |
| Is an affordable option for me  | 70%             | 34%           | 29%                    | 58%     | 40%                                       | 48%  | 45%            | 55% | 25%       | 13%  | 38%                         | 30%         | 25%          |
| Is better for the environment   | 73%             | 8%            | 24%                    | 64%     | 49%                                       | 50%  | 40%            | 41% | 27%       | 8%   | 38%                         | 26%         | 31%          |
| Is reliable & generally on-time   | 36%             | 60%           | 25%                    | 29%     | 26%                                       | 47%  | 47%            | 40% | 26%       | 30%  | 29%                         | 39%         | 27%          |
| Allows me to be spontaneous & flexible  | 53%             | 69%           | 29%                    | 44%     | 44%                                       | 28%  | 23%            | 24% | 24%       | 35%  | 19%                         | 30%         | 26%          |
| Is clean & has a good environment   | 56%             | 42%           | 22%                    | 46%     | 27%                                       | 34%  | 32%            | 22% | 29%       | 19%  | 37%                         | 30%         | 27%          |
| Helps me feel more connected to my community & the area I reside in   | 58%             | 16%           | 34%                    | 40%     | 32%                                       | 44%  | 33%            | 36% | 30%       | 13%  | 28%                         | 27%         | 29%          |
| Allows me to pay-per-use (rather than a monthly fee)  | 10%             | 20%           | 14%                    | 14%     | 24%                                       | 55%  | 49%            | 58% | 34%       | 47%  | 20%                         | 36%         | 22%          |
| Feels like a good "community" of commuters or people like me  | 34%             | 16%           | 21%                    | 36%     | 25%                                       | 41%  | 44%            | 37% | 36%       | 10%  | 43%                         | 28%         | 25%          |
| I get more time to socialize (online, or via mobile)  | 27%             | 19%           | 11%                    | 17%     | 27%                                       | 44%  | 43%            | 46% | 39%       | 26%  | 34%                         | 28%         | 23%          |
| Offers the most personal space  | 46%             | 71%           | 21%                    | 31%     | 26%                                       | 15%  | 14%            | 12% | 28%       | 32%  | 20%                         | 31%         | 23%          |
| I can continue working easily   | 23%             | 36%           | 24%                    | 24%     | 18%                                       | 45%  | 35%            | 37% | 26%       | 22%  | 26%                         | 21%         | 26%          |
| Offers a subscription or monthly payment option   | 9%              | 14%           | 18%                    | 8%      | 19%                                       | 43%  | 43%            | 45% | 29%       | 10%  | 24%                         | 29%         | 15%          |
| Has great amenities (e.g. bike racks, Wi-Fi, outlets, etc.)   | 11%             | 19%           | 11%                    | 21%     | 25%                                       | 32%  | 36%            | 31% | 25%       | 16%  | 19%                         | 24%         | 16%          |

# AND SO THE MILLENNIALS IN PARTICULAR (ALTHOUGH NOT EXCLUSIVELY) ARE GOING TOD

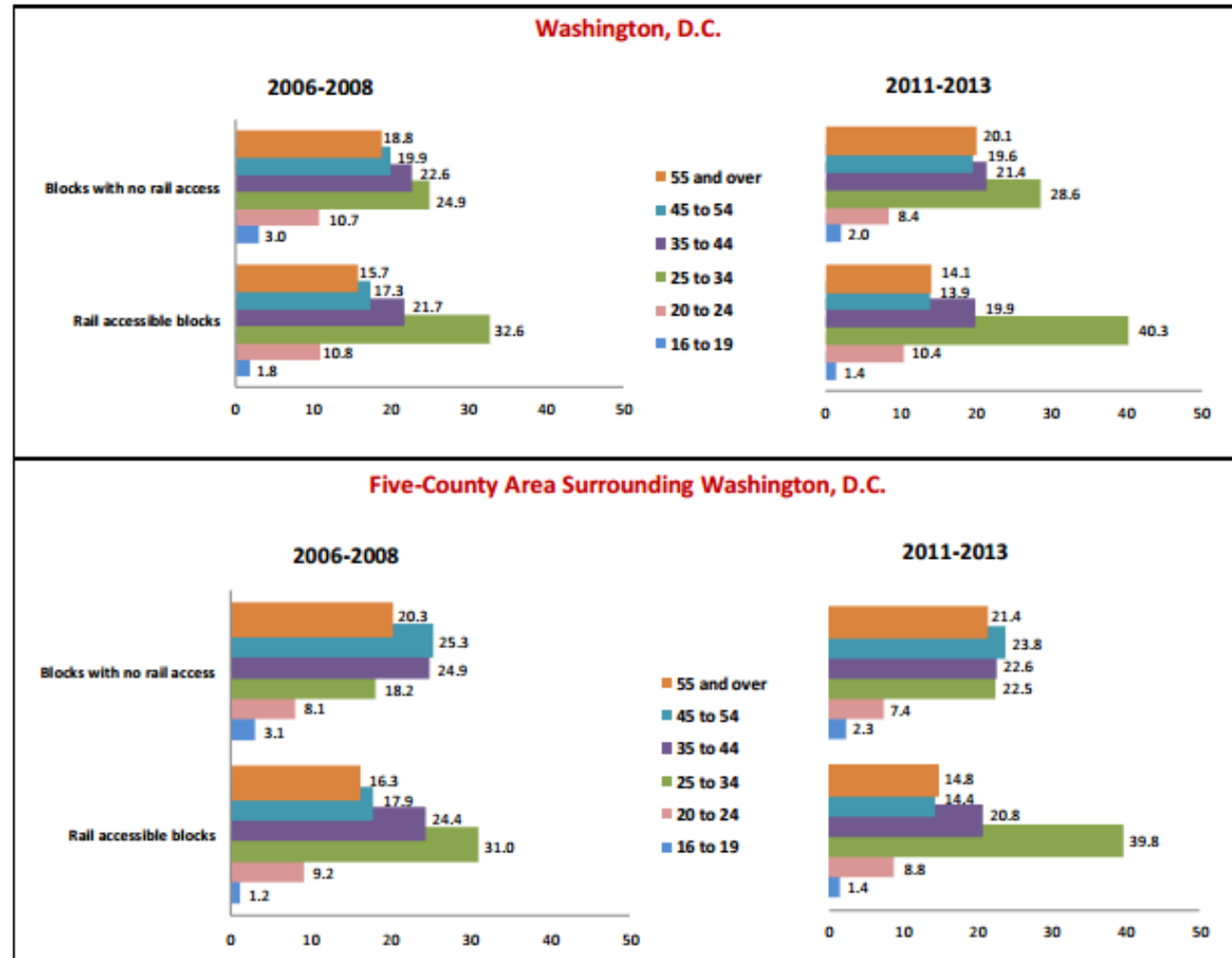
Transit Access and Population Change:  
The Demographic Profiles of Rail-Accessible  
Neighborhoods in the Washington, DC Area

BRIAN MCKENZIE  
U.S. CENSUS BUREAU  
SOCIAL, ECONOMIC, AND HOUSING STATISTICS DIVISION

SEHSD WORKING PAPER NO. 2015-023  
DECEMBER, 2015

Figure 3.

## Age of Workers: Rail-Accessible Neighborhoods vs. Other Neighborhoods

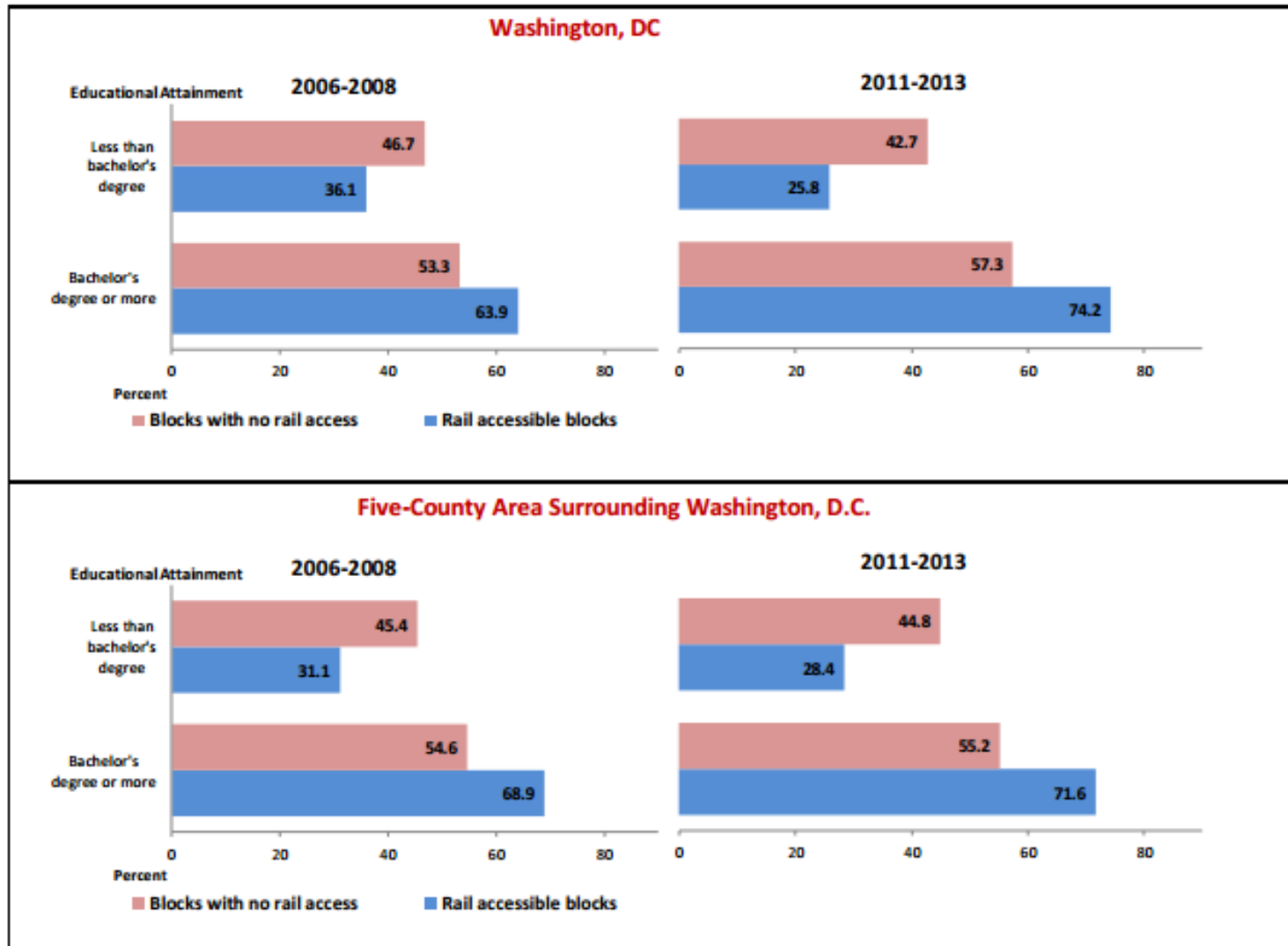


Source: U.S. Census Bureau, American Community Survey 2006-2008 and 2011-2013.

# WHY DO THE CORPORATIONS CARE? BECAUSE IT'S THE EDUCATED WORKERS MOST OF ALL

Figure 6.

## Educational Attainment: Workers Living in Rail Accessible Blocks vs. Workers Living in Other Blocks



Source: U.S. Census Bureau, American Community Survey 2006-2008 and 2011-2013.

# TODAY'S ELITE EMPLOYEES – MORE BALANCED OBJECTIVES REGARDING INCOME AND MEANING

**Deloitte.**

Mind the gaps  
The 2015 Deloitte  
Millennial survey

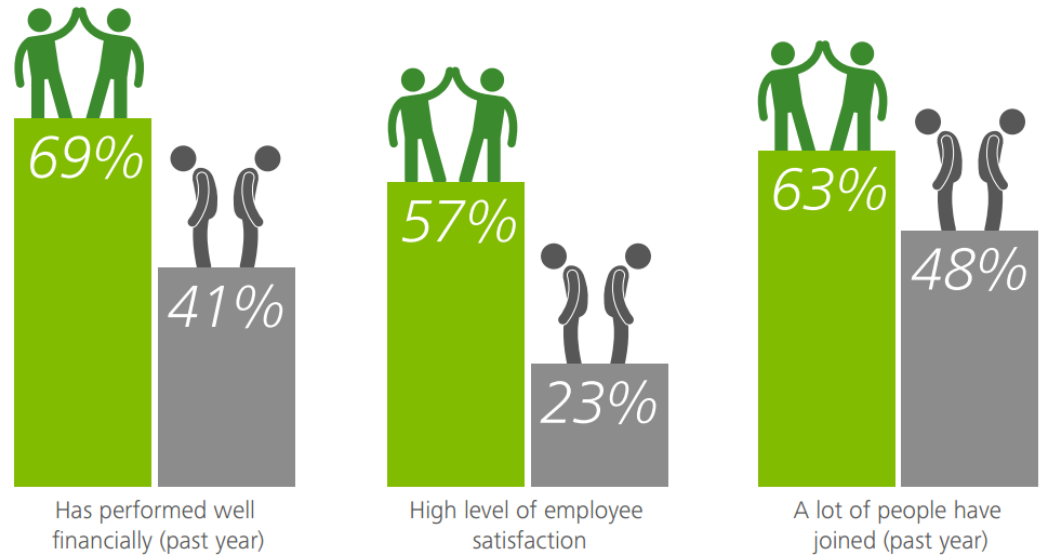
Executive summary

The **Deloitte.**  
MILLENNIAL  
SURVEY  
7800 MILLENNIALS  
FROM 29 COUNTRIES

**#IMPACT  
that  
MATTERS**

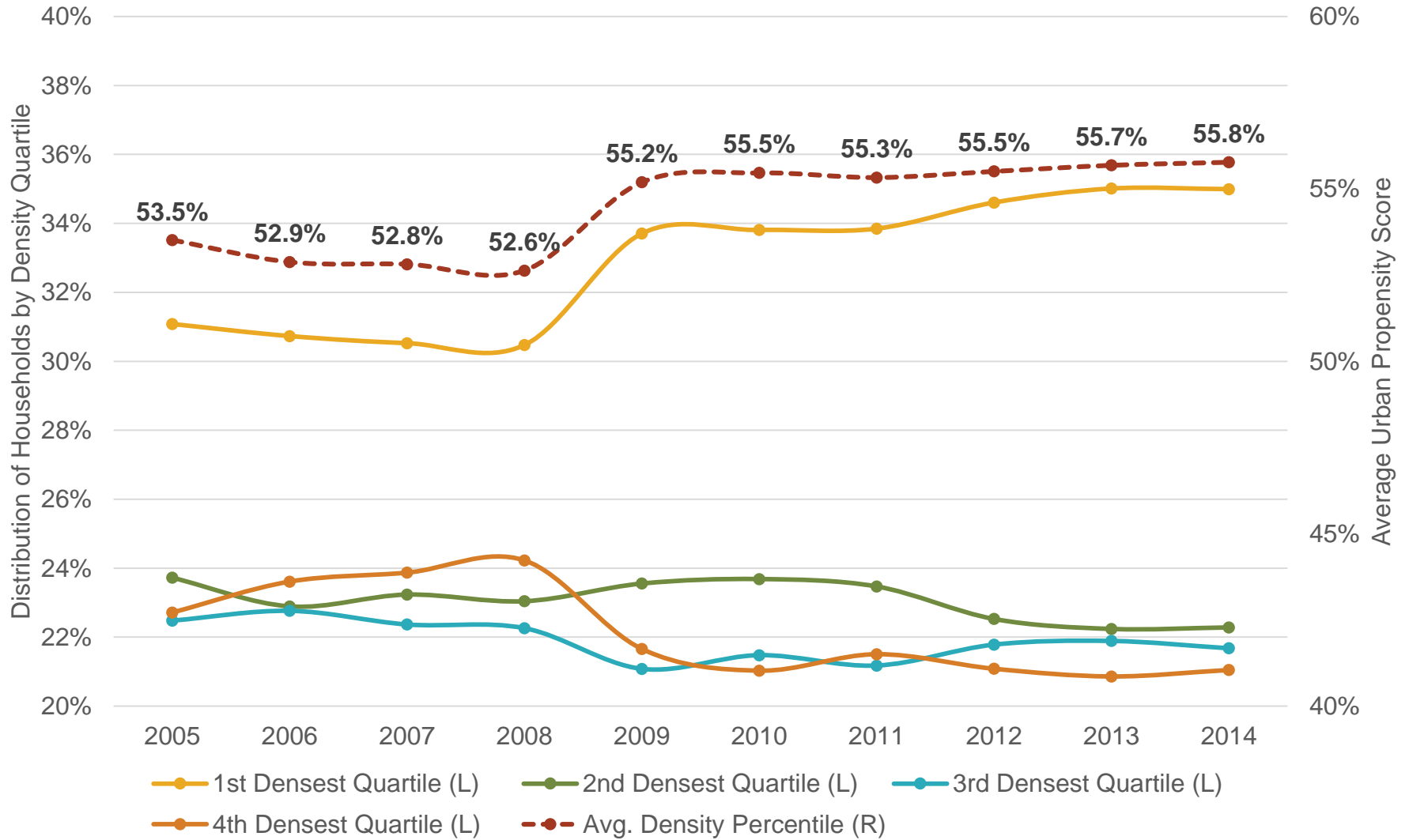
Figure 2: Purpose strongly linked to business performance and employee satisfaction

■ Strong sense of Purpose  
■ Lacking strong sense of Purpose



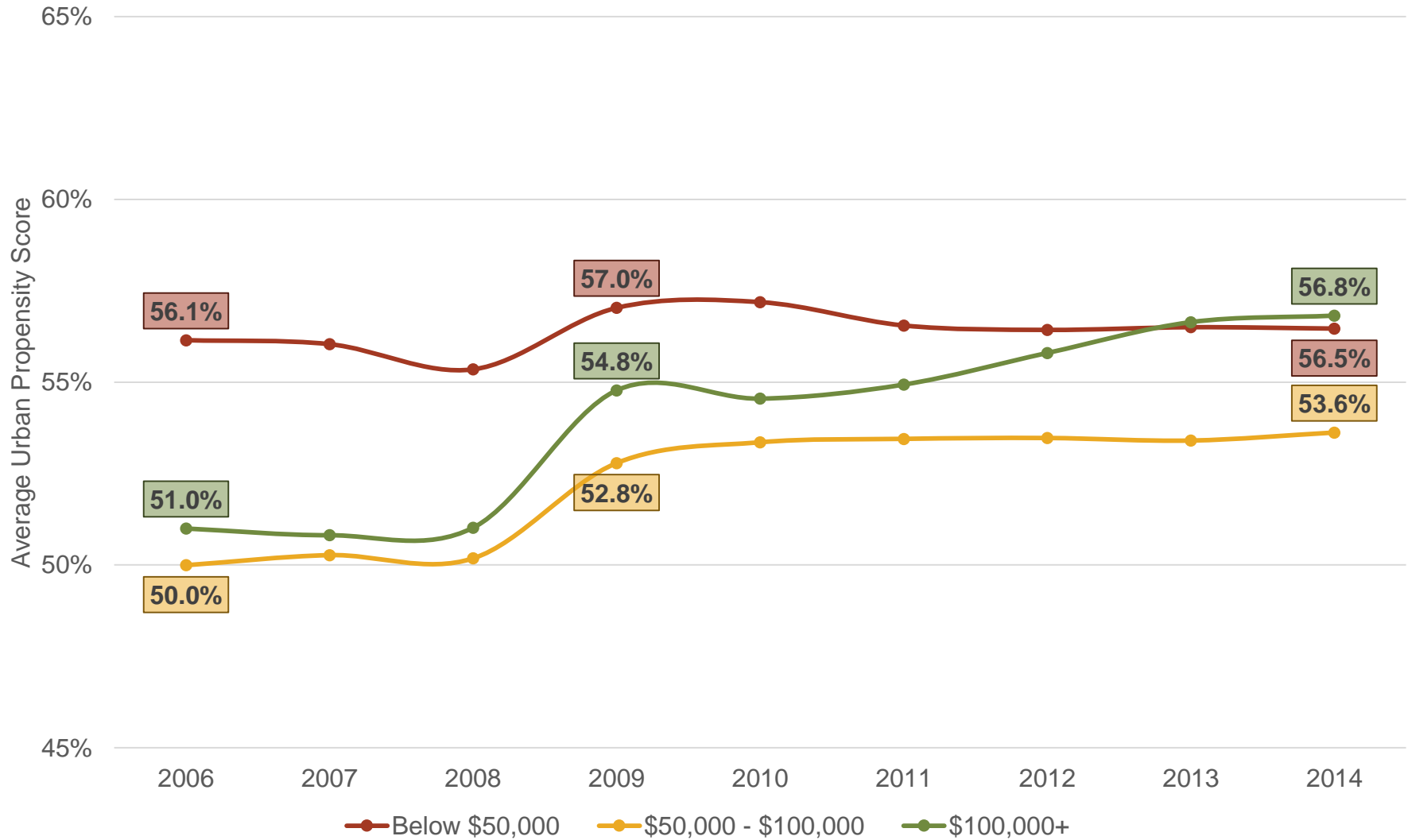
# SO HOW PERVASIVE IS IT, MEANINGFUL, BUT NOT A SEA CHANGE YOU MIGHT SAY...

Age 22-34 Household Residential Locations



# EXCEPT AMONG THE BEST EDUCATED, HIGHEST EARNERS... MOST VALUED EMPLOYEES

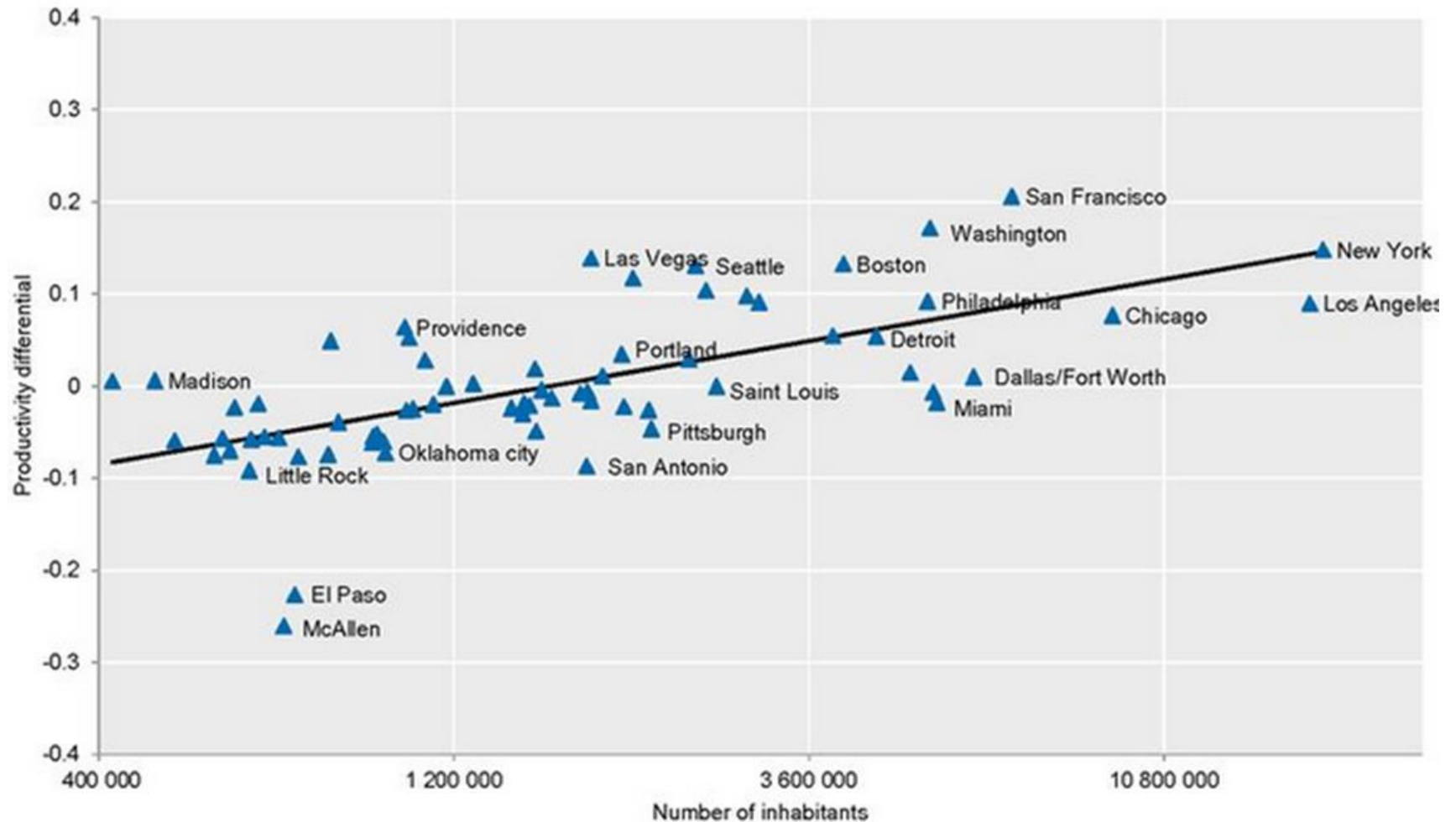
Age 22-34 Household Residential Locations by Adjusted Income Level



## “AGGLOMERATION EXTERNALITY”

“Sprawl probably reduces productivity. When people cluster more tightly together, they become more productive -- this is known in economics as an agglomeration externality”

--Bloomberg



Federal Reserve Bank of New York  
Staff Reports

Productivity and the Density of Human Capital

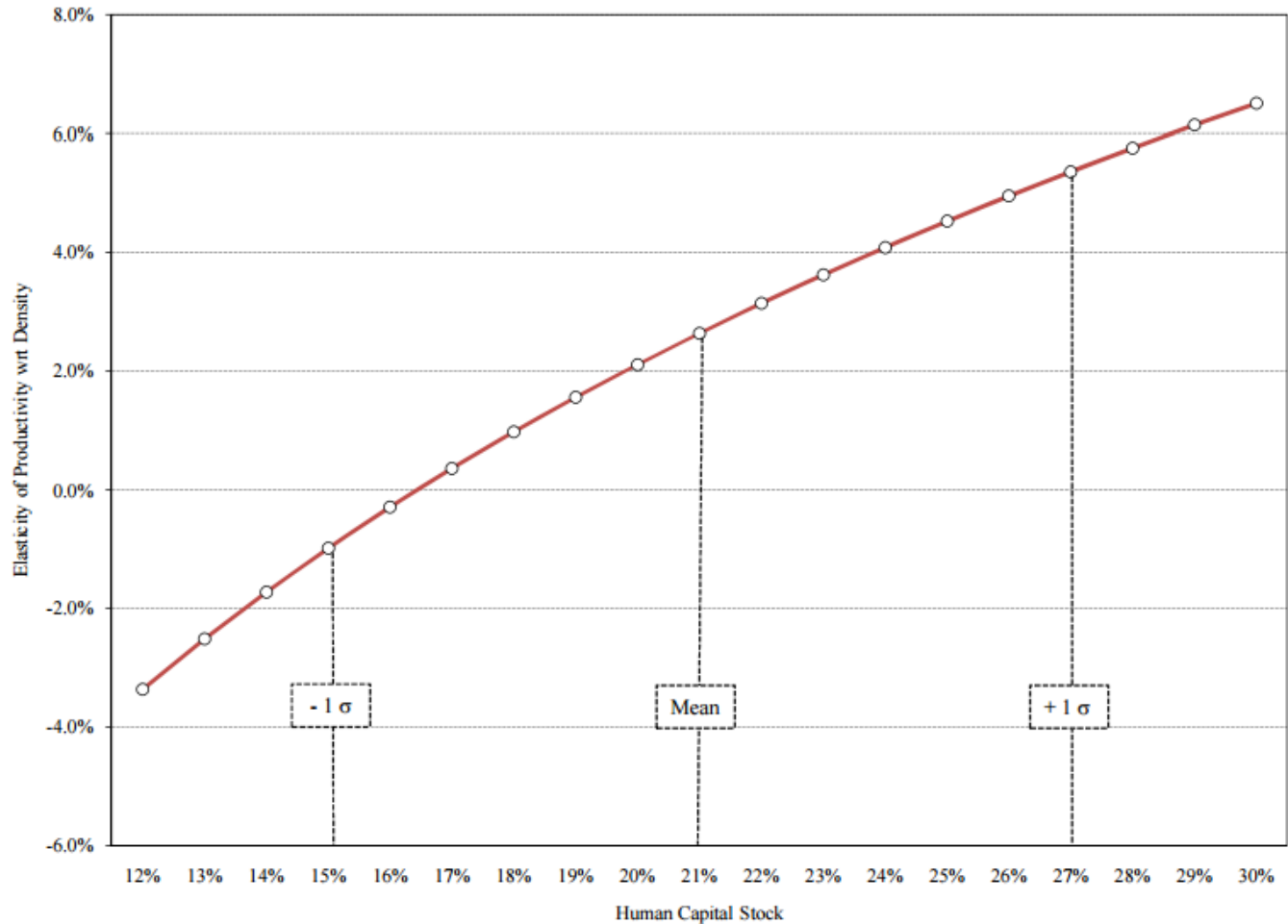
Jaison R. Abel  
Ishita Dey  
Todd M. Gabe

Staff Report no. 440  
March 2010  
Revised September 2011

This paper presents preliminary findings and is being distributed to economists

Figure 3: Productivity Effect of Doubling Population Density at Different Human Capital Stock Levels

(a) Based on OLS estimates reported in Column (4) of Table 4





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