

THERE GOES THE NEIGHBORHOOD

# DEBUNKING THE GENTRIFICATION MYTH

RENTS ARE SKY-HIGH IN AMERICA'S MOST POPULAR CITIES, BUT NATIONWIDE, MASS DISPLACEMENT IS AN URBAN LEGEND.

BY CHRIS MATTHEWS

FOR RESIDENTS of economically vibrant cities like New York and San Francisco, there are few facts of life more salient than ever-rising real estate values.

And with that comes pain among working-class families who increasingly can't afford to live in cities they have called home for years.

But in big swaths of the country, the real estate scene looks quite different. Gentrification, as it relates to high-income residents' displacing large numbers of lower-income ones, is actually fairly rare in most of the U.S., says Redfin economist Nela Richardson, and "mostly concentrated in a handful of cities along the East and West Coast." Many econo-

## WHERE 2016 SUBURBAN PRICE GROWTH IS OUTSTRIPPING URBAN GROWTH YEAR OVER YEAR



DETROIT → URBAN 35.8% SUBURBAN 73.4%



LAS VEGAS → URBAN 6.9% SUBURBAN 25.5%



HONOLULU → URBAN 13.1% SUBURBAN 32.7



SAN JOSE → URBAN -21.6% SUBURBAN 2.1%

TRULIA LABELS ZIP CODES AS SUBURBAN WHERE MORE THAN 50% OF THE HOMES ARE SINGLE-FAMILY DETACHED DWELLINGS.

mists have shown that an influx of wealthy residents can often be beneficial, leading to income increases for workers of color with high school diplomas. Plenty of mayors spend ample energy trying to attract high-earning, educated residents to pad their tax bases. And Redfin points to several highly gentrified cities where residents with varying incomes co-exist without yuppies taking over the neighborhood (Boston and Seattle are particularly successful examples).

Another reason not to fret

too much about the rush to city centers? In lots of urban areas, housing prices aren't climbing that fast. Real estate data firm Trulia looked at the pace of price increases in the largest 100 metropolitan areas in the U.S., comparing values within urban limits with those in suburban environs. This past June, suburban prices rose faster than urban ones for the first time in more than a year—and the trend has continued thus far in July, with suburban asking prices rising 9.7% year over year, vs.

6.8% in urban areas.

These data underscore the fact that not every American city is experiencing a one-sided urban renaissance paired with suburban decay. Cities like Chicago, Honolulu, and even San Jose are seeing prices rise far faster in surrounding suburban counties than in the urban core. That will be cold comfort to the San Francisco residents whose rents continue to climb past the stratosphere, but Americans who crave city living may do well to look a little farther inland.

## ELECTIONS INC. POLITICIANS ARE WARMING TO FACEBOOK ADS

As the race for president kicks into overdrive, ad dollars will rain down on TV stations—and, for the first time, on digital platforms too. At the high end of estimates, Borrell Associates expects politicians to spend over \$1 billion

online, compared with next to nothing in 2012. That would be about 10% of overall campaign spending, a number poised to grow in coming years, which has tech companies salivating.

Borrell predicts almost half the digital pie will go to social. Facebook will likely be the big winner, along with Google. Other players, like Snapchat

and Twitter, are angling for campaign cash too, says Steve Passwaite of CMAG, but he predicts few candidates will spend seriously there.

At many top-level campaigns, including the presidential, more than 20% of budgets could go to highly targeted digital ads. Swing-state voters, brace yourselves.

—JEFF JOHN ROBERTS

## 2016 POLITICAL AD SPENDING ESTIMATE

BROADCAST TV		\$5.9 BILLION	
CABLE	NEWSPAPERS AND PRINT	TELE-MARKETING	
\$1.2	\$1.1	\$0.8	
ONLINE/DIGITAL	RADIO	OTHER	
\$1.2 BILLION	\$0.9	\$0.8	

SOURCE: BORRELL ASSOCIATES

# AN ICON JUST GOT LARGER



THE NAVITIMER 46 mm

## BREITLING BOUTIQUE

575 MADISON AVENUE • NEW YORK  
AVENTURA MALL • MIAMI

THE FORUM SHOPS AT CAESARS • LAS VEGAS  
THE MALL AT MILLENIA • ORLANDO

# THE NEW FACILITY MANAGEMENT

## Leveraging Technologies + Managing Costs = A Winning Corporate Strategy

**FACILITY MANAGERS HAVE LONG BEEN** unsung business heroes, adept at handling employee complaints about parking spaces, office temperatures, and broken equipment. But today's facility management must be ready to meet corporate needs on a broad scale—from heightened security to increased employee engagement to energy efficiency—and to drive cost savings, too.

In short, the role of facility management is becoming larger, more complex, and far more integral to C-suite priorities than it once was.

“Studies show that the initial cost of development accounts for only 15% to 20% of the life-cycle cost of a facility,” says Tony Keane, president and CEO of the International Facility Management Association (IFMA). “The biggest chunk comes from continuing asset management. Effective facility managers can produce dramatic improvements in productivity that drive profitability.”

“Facility management is an offshoot of business management—they're joined at the hip,” says David Timber, an FM veteran with more than 20 years in the field who teaches facility and project management at the University of California San Diego Extension. “Corporate America is realizing the value that their real property assets have on their balance sheets. The return on their investment in a building is just as critical as that from a stock portfolio or workforce.”

Recognizing how crucial FM is to their success, innovative companies and forward-thinking CEOs are integrating it into their corporate strategies.

Several factors are driving the shift: Organizations increasingly see their facilities as central brand expressions; the growing demand for employee-centric workplaces requires creative FM solutions for healthy office environments and workstations, with cost-benefit implications; and facility managers can now capture real-time data and metrics that clearly measure both traditional FM performance as well as broader strategic functions. As a result, executives “are structuring relationships more around outcomes and achiev-

Modern facility management (FM) requires fluency in the Internet of Things, big data, sustainability, and mobile technology, along with branding, strategic partnerships, and soft skills. Top FM teams not only mitigate risk, ensure governmental compliance, and find operational cost savings—they also create value by leveraging new technologies and workplace models, creating dynamic benchmarks, and leading initiatives that inform and support the company's goals.



ing the client's company goals and less around prescribing how to perform the work," says Chris Browne, president, client service delivery, global occupier solutions of Cushman & Wakefield, one of the largest and most successful companies providing outsourced FM.

Two trends in particular highlight FM's expanded portfolio and required skill sets, says Timber. "With the evolution of BAS—building automation systems—over the last 10 to 15 years, smart buildings are becoming the norm," he says. "The lighting, the HVAC—each system has its own platform, but they're all integrated with each other and have to communicate."

The second trend is the push for environmentally friendly buildings, which bring cost savings based on energy efficiency, and, Timber notes, "promote corporate good will." It's a quest that requires sophisticated knowledge of energy conservation measures—ranging from window treatments and low-flush toilets to solar systems and full retrofits—and how they affect return on investment, productivity, and workplace comfort.

In the next decade, predicts the 2015 IFMA white paper "Redefining the Executive View of Facility Management (FM)," the title of facility manager may even "morph into new-economy renditions such as Net-Zero Facilitator."

Responding to the growing relevance and responsibilities of facility management, IFMA, which identifies 11 core FM competencies and offers three credential programs, has been working with other organizations to establish global standards for the industry, says Keane, "and develop a unified vocabulary, as well as a unified career path."

Cushman & Wakefield, which supports occupants in commercial, industrial, governmental, and institutional buildings in more than 250 cities, is embracing the future of FM. "We are redefining the role of our facility manager with an emphasis on the customer experience, expertise in wellness and sustainability, as well as the importance of managing the reliability and cost of the physical footprint, all while enabling the productivity of its occupants," says Browne. ●

**“CORPORATE AMERICA IS REALIZING THE VALUE THAT THEIR REAL PROPERTY ASSETS HAVE ON THEIR BALANCE SHEETS. THE RETURN ON THEIR INVESTMENT IN A BUILDING IS JUST AS CRITICAL AS THAT FROM A STOCK PORTFOLIO OR WORKFORCE.”**

**DAVID TIMBER**

Instructor, Facility and Project Management, University of California San Diego Extension

## THE BEST TALENT. THE BEST CLIENTS. THE BEST RESULTS.

Globalization is placing pressure on commercial real estate service providers to be at the forefront of business trends related to cost reduction, talent retention and workplace productivity.

Cushman & Wakefield's new Integrated Facilities Management platform does that, and more. Not only are we a full-service firm that also self-performs facilities services, our focus on centralization of business processes, business intelligence and the intellect of our consulting services provides Cushman & Wakefield's clients with a competitive advantage and continued success.



**Colette Temmink**  
Executive Managing Director  
Integrated Facilities Management  
Cushman & Wakefield

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