



The Future of 'The Creative City'

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The NYUSPS Schack Institute of Real Estate Urban Lab develops new understandings of the economic and real estate trends that are shaping our cities.

Key Takeaways:

- The recipe for great cities does not lie in top-down government programs, but in access to urban amenities like museums, libraries, restaurants, and cafes.
- The biggest problem facing large, dense cities is how to sustain themselves when the people who perform critical functions like teaching our kids, protecting our safety, and building our buildings can't afford to live there.
- Although it's unfair to characterize our inner cities as "imploding," there is a dark side to the back-to-the-city movement—namely, that the same forces that power our growth are dividing us.
- Mayors can help their cities to thrive by building on strengths and addressing weaknesses rather than striving to become the next "Silicon Somewhere."
- Since cities like New York have run out of physical frontier, the new frontier must be re-urbanization (i.e. remedying the inefficient use of space within offices and residential housing).
- The future agenda of urban policy "makes the New Deal look small." It requires a national strategy that recognizes the vital role of cities in our economy.

The turn of the millennium marked a change in fortune for cities as young, affluent residents flooded back to urban centers. By the early 2000s, the outlook had never looked brighter for "The Creative City," whose economy blossomed under a wealth of knowledge workers and creative industries.

But what exactly does the future hold for The Creative City?

Recently, the NYUSPS Schack Institute of Real Estate hosted renowned urbanist Richard Florida for a conversation about the future state of creative cities—a subject explored in Florida's latest book, *The New Urban Crisis*. Florida offered solutions for cities to become more sustainable and inclusive, while highlighting the important role of real estate and the built environment in reshaping our urban centers. Nearly two decades after the back-to-the-city movement, these experts argue, creative cities continue to reap the benefits of creativity, while also experiencing the inevitable downsides.

The Recipe for Successful Cities

The recipe for building great cities is not always easy to define. While certain creative cities have catapulted to superstar status, others have fallen behind or remained stagnant. Even Pittsburgh, with its successful businesses, competitive educational offerings, short commutes, and proximity to good jobs that first attracted a wave of affluent, educated Americans in the 80s and 90s, has failed to compete on a national and international scale.

The key to a successful city starts with creative placemaking, or building cities where people want to work and live. A city's real estate is fundamental to capturing the kind of "creative energy" that makes for a happy, healthy, and prosperous urban environment. The problem with cities like New York, Florida finds, is that they've run out of frontiers. As a result, the new frontier for cities must be re-urbanization, or remedying the inefficient use of space within office buildings, residential housing, or even along a city's streets. As Jane Jacobs once said, "New

ideas require old buildings.” But the future of America’s creative cities doesn’t stop there. Many cities would also benefit from expanded transit and high-speed rail, which help to make urban centers more affordable.

Although the influx of wealthy residents has helped to power urban economies, it has also generated what Florida refers to as “winner take all” urbanism, in which wealth and accessibility are unevenly distributed within cities. New York City’s low home ownership rates are a fitting example of how many residents struggle to afford real estate in their own city. While it is unlikely that New York, or even the United States, will eventually reach a “no owner society,” there is still a dark side to urban clustering.

One of the biggest problems facing superstar cities is how to sustain themselves when the people who perform critical functions like teaching our kids, protecting us from crime, and building our buildings can’t afford to live there. As Florida puts it, “Inequality is a function and a feature—not a bug—of large, dense, prosperous metros.”

The Major Challenges of Creative Cities

The issue of urban inequality is dire enough to give rise to political narratives that paint America’s inner cities as “imploding” and in need of serious intervention. But many urbanists like Florida view cities with a cautious optimism. “Are the same forces that power our growth dividing us? Of course,” Florida says. But cities at their core, he argues, are “economic generators.”

So how do mayors and urban policymakers grapple with the downsides of economic growth? Florida’s answer is simple: mayors can help their cities to thrive by building on their strengths and addressing their weaknesses. Too many cities endeavor to become the next “Silicon Somewhere” to little avail. Instead, cities should harness the characteristics that make them unique, while addressing those aspects that may drive out residents or prevent new ones from coming.

While certainly attainable, the process of re-urbanization is far too large for local mayors or city governments to handle on their own. According to Florida, it’s “an agenda that makes the New Deal look small.” Despite some economists who argue that issues of urban development can be solved by keeping interest rates low or getting rid of land use restrictions, the future of urban policy requires a sweeping agenda that prioritizes housing affordability. Until then, The Creative City will continue to suffer from the unfortunate side effects of its own success.