

Successful CBDs Need Cheap Housing and Food

By Michael Hart

I was recently leading a walking tour through the heart of a Tianjin CBD (Central Business District) and we left the major street and headed through a warren of alleys, built nearly a century ago. The purpose of the detour was to show my guests a neighborhood that had been built during Tianjin's European colonial period, but also introduce them to an interesting, busy and functioning neighborhood full of small restaurants. Many of the members of my group had been through the CBD before, but few had been down these alleys and into the heart of this residential neighborhood. In fact, city planners have done much to hide the community behind modern shop fronts because it looks a bit neglected. The fact that this neighborhood exists and is thriving illustrates that although we may be familiar with a general area, we may be unfamiliar with some of the key elements that make a specific district successful. And as Tianjin becomes denser and more modern buildings are built, neighborhoods like this one will become more important to its continued success at the same time they face financial pressure to be redeveloped. There are numerous examples of international and Chinese cities who have experienced great success and then accidentally eliminated important but inconspicuous elements of their prosperous city.

Where to eat?

I spent well over a decade working with companies who were looking for space in modern office buildings and it surprises some people that the cost of the office space isn't usually the most important factor for choosing a location. Rather, the leaders of these businesses wanted to know how their people would get to work and where they would be able to get an affordable lunch. Transportation and food options are clearly two factors that make one location more attractive than another. And remember that neighborhood I mentioned above, many of the staff who work in the modern office buildings and department stores nearby certainly know this neighborhood exists and rely on it for their regular meals. The same is true in other CBDs in Tianjin. When I arrived in Tianjin well over a decade ago, my team also ventured daily a couple blocks from our office back into more residential neighborhoods with small restaurants that provided a wide variety of dining options. Over time, these restaurants have started to disappear and office workers now more regularly choose to eat at restaurants in nearby shopping malls, but complain about higher prices and more limited options.

Mixed use vs Single Use

For at least the last fifty years, a trend emerged in western countries related to urban planning. Car ownership increased, new roads were constructed, CBDs were built with dense single use office and retail buildings and middle-income workers moved to suburban neighborhoods, reducing the population in urban centers. What followed next was traffic jams as workers commuted downtown, CBDs were busy in the day and deserted at night and there was a rise in crime or at least the perception that city

centers weren't safe at night. In the process of dividing real estate into single uses, interesting neighborhoods and restaurants disappeared and CBDs lost much of their character. Many of these cities have now started to learn how important centrally located mixed-use neighborhoods are and how they actually improve cities and that single use real estate has significant shortcomings. But it isn't easy to rebuild neighborhoods downtown.

New York victim of its own success

New York is often held up as one of the centers of capitalism and an exciting and diverse city with a wide variety of business drivers and one that has interesting neighborhoods, but it is also highlighted as a city that struggles to provide enough affordable housing. Common complaints are that people who are critical to the city's operations function including firemen, policeman, teachers and service sector workers can't afford to live there.

One morning when I passed through the hidden central Tianjin residential neighborhood, I noticed plenty of motorcycles with logos from delivery companies reminding me that the people who live there include workers critical to the delivery services we rely on for our daily conveniences. Tianjin needs to ensure that as the city continues to urbanize that it carves out locations for critical workers to live.

Long Commutes

Beijing has done much in recent years to build a large network of subway lines that connect nearly all parts of that great metropolis. And a cluster of buildings in the Guo Mao area is just one example of a cluster of office towers that have replaced whole blocks of previous factories and residential neighborhoods with modern office towers. The problem is that with so little affordable housing in its CBDs, office workers, even those with good jobs, often commute an hour each way to work. They do so in order to benefit from both high salaries in business districts and affordable housing far from downtown. Beijing workers now find themselves either packed into a subway car or stuck in a daily traffic jam on the capital's abundant roads. Tianjin has not yet suffered from such an extreme fate, but we should be on guard against urban planning trends that push us in that direction. In both cities though as neighborhoods have gotten more expensive, residents with lower incomes, often those in service-sector jobs such as restaurant workers, security guards and sanitation workers have been increasingly pushed out.

Conclusion

When we think of successful CBDs, we often focus on the tall buildings that house companies and the busy intersections and streets crowded with shoppers and business people. When governments think of CBDs, they focus on high property prices and abundant tax revenues. But we need to remember that what makes a CBD attractive to companies is adequate places to eat and good transportation links. Interesting neighborhoods are a bonus too and the workers who live in these urban neighborhoods are often the same employees who help power the services that make our cities livable.

New York and Beijing are examples of two cities that have had more commercial success than Tianjin, but that are also suffering from some of the side effects of that success. In both cases, essential workers have been pushed further from the city center and even well-paid white-collar workers often commute long distances. Affordable restaurants have also been squeezed out of some districts which in turn makes the office buildings there just a little less interesting to their tenants. Hopefully as Tianjin continues to grow and modernize, it can find a way to preserve interesting mixed use neighborhoods and, in the process, maintain a broad variety of affordable places to eat as well as places for essential workers to live. These things seem simple, but often they are keys to a thriving CBD and city overall.

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