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2015

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# *The Place Report*

TOP TEN GLOBAL TRENDS  
REDEFINING HOW WE SHOP,  
LIVE, WORK AND PLAY

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# Place Associates is a property consultancy which researches and creates strategies that position, market and activate places.

This approach in managing and developing places increases customer visitation, spend and loyalty. Working with the owners, operators and occupants of places, we provide the insight through research which ensures that places develop a competitive advantage, allowing them to command a price premium and achieve financial returns above the market.

Place Associates offers a range of services covering four broad capabilities: user research, market strategy, customer experience and design activation. We provide custom strategy solutions as well as standard research and strategic tools.

## Note

Dynamic links have been placed throughout this document to help you navigate to the relevant sections. The top right of each page returns you to the section headings. Alternatively you can navigate the trends using the numbers on the right. Or you can read from start to finish, just like a book. Enjoy the read.

### Market Strategy

Positioning your place in the market through a distinct and valued proposition, which will support a long-term competitive advantage.

### User Research

Understanding the behaviours and aspirations of your customers, visitors or residents to better respond to their needs, thereby increasing conversion, spend and the ability to charge a premium.

### Customer Experience

Providing an experience that aligns the market perception with the actual delivery, leading to increased rates of satisfaction, dwell times and repeat visitation.

### Design and Activation

Staging the types of on-site interactions with customers, visitors and residents that support the social vitality, which in turn ensure the long-term financial viability of your place.

# About this Publication

We have gathered the most progressive property examples from the past 12 months and used them to determine the most influential trends defining how we are changing the way we live, work, eat, shop, stay and play.

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## We Create Places

The Place Trends Report is published annually in the first quarter. More information on each of the case studies can be found on our trends website: [wecreateplaces.com](http://wecreateplaces.com)

### In-house Presentations of the 2015 Report

If you do not have time to read this report, or want to find out more about a specific trend, we can present the 2015 report in person to your project team, department or organisation.

Get in touch

### Custom Trend Reports and Presentations

If you are interested in a particular trend, area or location, we offer custom reports or presentations which respond to your exact needs. As a cost-effective alternative to study tours, this provides all the same information in significantly less time. Please get in touch to brief us with your requirements:

Get in touch

### Project Trend Workshops

If you have a specific project which you would like us to address, we offer project trend workshops. These three-hour sessions are held with the project team and equip everyone with the knowledge to respond to your unique set of challenges. Please get in touch to brief us with your requirements:

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## Micro-Living



According to the United Nations 2014 report 'World Urbanization Prospects', by 2050, the global population expected to live in cities will rise to 6.33 billion, or 66 per cent of the world's total forecast population of 9.6 billion.

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However, this rate of urbanised population is already considerably higher within individual countries, such as the United States, with roughly 82 per cent of the population living in urban areas.



Demographic changes are also occurring at a rapid rate, specifically the ever-increasing rise in single-person households (in cities such as New York, 34 per cent, or San Francisco, 39 per cent) and an ageing population. Combine this with economic factors, such as increasing fossil-fuel energy costs and scarcity of natural resources, and the case for smaller-scale living is strong.

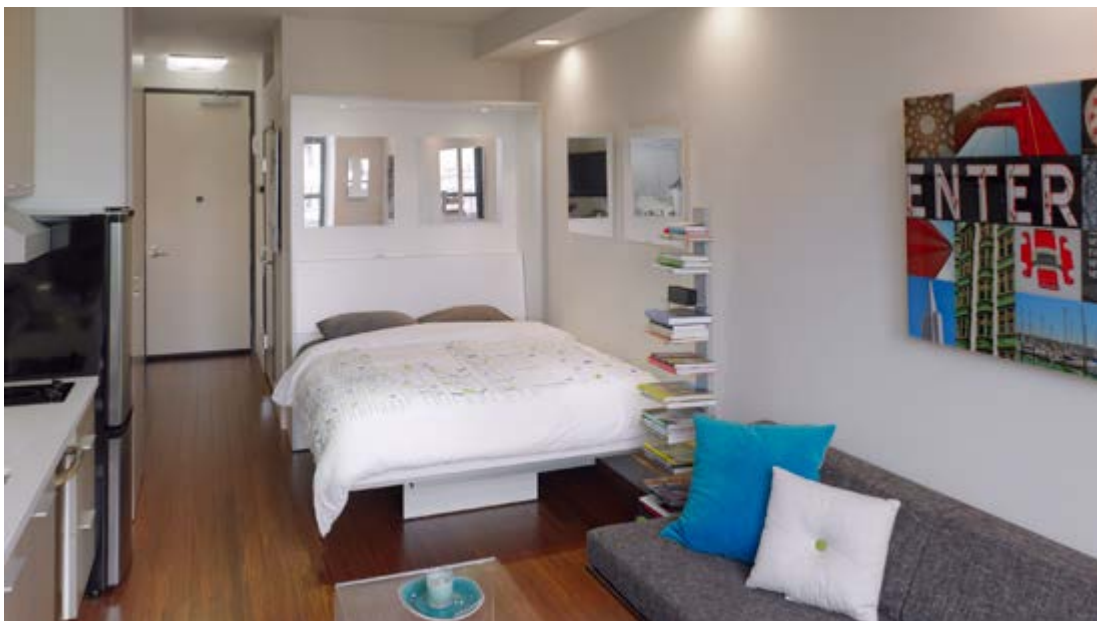
The trend of 'living small' is certainly not new. Originating in Japan and practised due to a shortage of land, families historically lived in row houses with around ten square metres of core living space and large communal areas. By the late 1980s even the Japanese had discovered the world's appetite for larger homes, with a ten-fold

increase in the average size of residential dwellings compared to the historically compact living quarters.

However, in recent years the global trend is undoubtedly moving back towards smaller living environments, with larger communal spaces traded for more central locations, access and amenities.

The latest 'small-living' trend can be divided into two main categories: societal – which is driving supply – and on the demand side, livability.





Societal changes, such as population growth and the rise of single-person households, increasing costs of purchasing residential property and relaxed legislation incentivising the conversion of existing property, have all driven supply.



## SmartSpace

— San Francisco, US

For example, several municipalities in the United States are waving existing zoning regulations to allow the construction or re-purposing of smaller dwellings. As San Francisco Supervisor [Scott Wiener](#)<sup>1</sup> remarked in 2013 on the passing of his legislative act, 'we need to think outside the box in providing housing for our population'. Wiener sponsored the legislation to allow 375 'micro-apartments' under the development name of SmartSpace to proceed.

Panoramic Interests<sup>2</sup> (US), which has been a leader of this trend and built the first 120 SmartSpace micro-apartments in San Francisco's SoMa precinct, developed SmartSpace in San Francisco's SoMa precinct as a demonstration project used to evaluate 'the potential of high performance, net zero energy, factory built dwellings in dense urban environments'. The project consisted of 23 units which were fully assembled in a factory outside San Francisco (including all cabinets, finishes, fixtures and lighting) and delivered to the tight laneway site in central San Francisco. The four-storey building was erected over the course of just four days.

1 [Scott Wiener](#)  
SAN FRANCISCO  
BOARD OF  
SUPERVISORS

2 [Panoramic Interests](#)  
DEVELOPERS

[SmartSpace](#)  
SAN FRANCISCO, US

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## Texas Micro

— San Antonio, US

Across the United States, other boutique developers are specialising in small-living projects, such as [AREA Real Estate](#)<sup>1</sup> which has repurposed a former indoor shopping mall located in Providence, Rhode Island, into 48 efficiently designed micro-loft living spaces. This and another project to be completed later this year in San Antonio – 100 units termed ‘Texas Micro’, with each small apartment ranging between 15 and 25 square metres – indicate that the trend is not only found in the largest global cities.

Combined with the increasingly accepting governance and legislative environment, the financial attractiveness of this type of development is also encouraging supply. The relative cost of dwellings may be more affordable; however, the comparative square metre price often carries a premium. As noted by [Bloomberg Businessweek](#) in ‘Micro-Apartments in the Big City’: ‘Quarters may be small, but rents are not’.

On the demand side, shifting livability preferences, both ‘hard’ and ‘soft’, have encouraged the adoption of small living. These factors include proximity to infrastructure, workplaces, retail hubs and existing social networks. Added to this is the belief among buyers that more densely



populated precincts offer an enriched cultural and social experience.

Living and working in close proximity provides many benefits. It produces not only the market demand for a range of services presented in small footprints – micro or niche businesses that would seldom thrive in a less densely populated precincts – but also provides an ever-present social attraction and activity, satisfying our basic need for interaction.

Additionally, for those who embrace small living there is a ‘feel-good’ factor that their lifestyle contributes to a reduction in environmental impact and conserves natural resources.

1 [AREA Real Estate](#)  
BOUTIQUE  
DEVELOPER

2 [Panoramic Interests](#)  
DEVELOPER

[Texas Micro](#)  
SAN ANTONIO, US

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The application for the trend is not solely focused on interior spaces. It is the associated implications for city planning, with a much greater dependence on communal, typically outdoor, facilities, amenities and infrastructure, which will deliver the most noticeable changes for inner-urban residents. This requirement is what Michael Gamble, associate professor at Georgia Tech School of Architecture<sup>1</sup>, describes as a 'very healthy balance between what we call the public and private realm'. If this balance is not achieved, Gamble warns that 'there is a tipping point related to general health [associated with] small apartments'.

### Paradisiet 19-21

— Stockholm, Sweden

In response to this need for a 'balanced' public and private realm, prototype projects

such as 'Paradisiet 19-21', located in central Stockholm, are on the rise. According to the Swedish architects, Kjellander + Sjöberg, the project promotes 'green space and social-ecological resilience. Given the dense inner city location, every available space is secured and used to provide recreation and positive experiences for the residents.' To support the residents' experience, the development includes a series of expansive green roof terraces containing both communal and private spaces for spending time outdoors, cultivation, playing and socialising.



1 Georgia Tech School  
of Architecture  
COLLEGE

Paradisiet 19-21  
STOCKHOLM, SWEDEN

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Other examples of smart thinking are being practised by architects, interior and industrial designers who are attracted to the interrelated challenges of resolving multiple uses in compact spaces.

#### Muji Vertical Apartment

— Tokyo, Japan

Across the world, these types of one-off individual dwelling prototypes can range from the brand-led (Muji's vertical Tokyo apartment – three-storey pre-fabricated unit), to social housing concepts (Bamboo Micro Homes – utilising spaces within Hong Kong's abandoned factory buildings), to construction company initiatives (Dutch Heijmans ONE pre-fab moveable home) and the iconic (New Zealand's Crosson Clarke Carnachan's 40 square metre double-storey movable beach residence).

On the fringes of the movement proponents are practising 'upcycling' or re-use of either spaces or materials. One of the more noteworthy projects was undertaken by Savannah College of Art and Design<sup>1</sup>, based in Atlanta, Georgia. The prototype project asked students to develop solutions to the growing urban housing changes in cities worldwide by designing temporary living solutions all within a repurposed parking structure situated on its Atlanta campus. Students have the added benefit of living in the spaces once complete.



1 Savannah College of Art and Design  
DESIGN SCHOOL

Muji Vertical Apartment  
TOKYO, JAPAN

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## The final 'smart' aspect of this trend relates to the creation of small-living objects found within these spaces.

As many of these projects are unable to use standard furniture and fittings, developments often commission designers to customise bespoke transformable furniture, even going to the length of individualising each dwelling through the use of 3D-printed technology.

Additionally, architectural hardware companies, such as bathroom products brand **TOTO**<sup>1</sup> (Japan), have designed fittings specifically for small living. The Aquia toilet can be accommodated in a bathroom as small as 0.84 square metres, its innovation being a ultra-thin high-efficiency water tank hidden within the backing wall. The product not only saves on water expenses, but also better utilises the limited available space. With technological advancement supporting a greater degree of mass customisation, smart density will only continue to enhance how we live, inside and out.



1 **TOTO**  
SANITARY WARE  
PRODUCER

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