

Central Business Districts: are they still necessary?

Alain Bertaud

Urbanization project brown bag

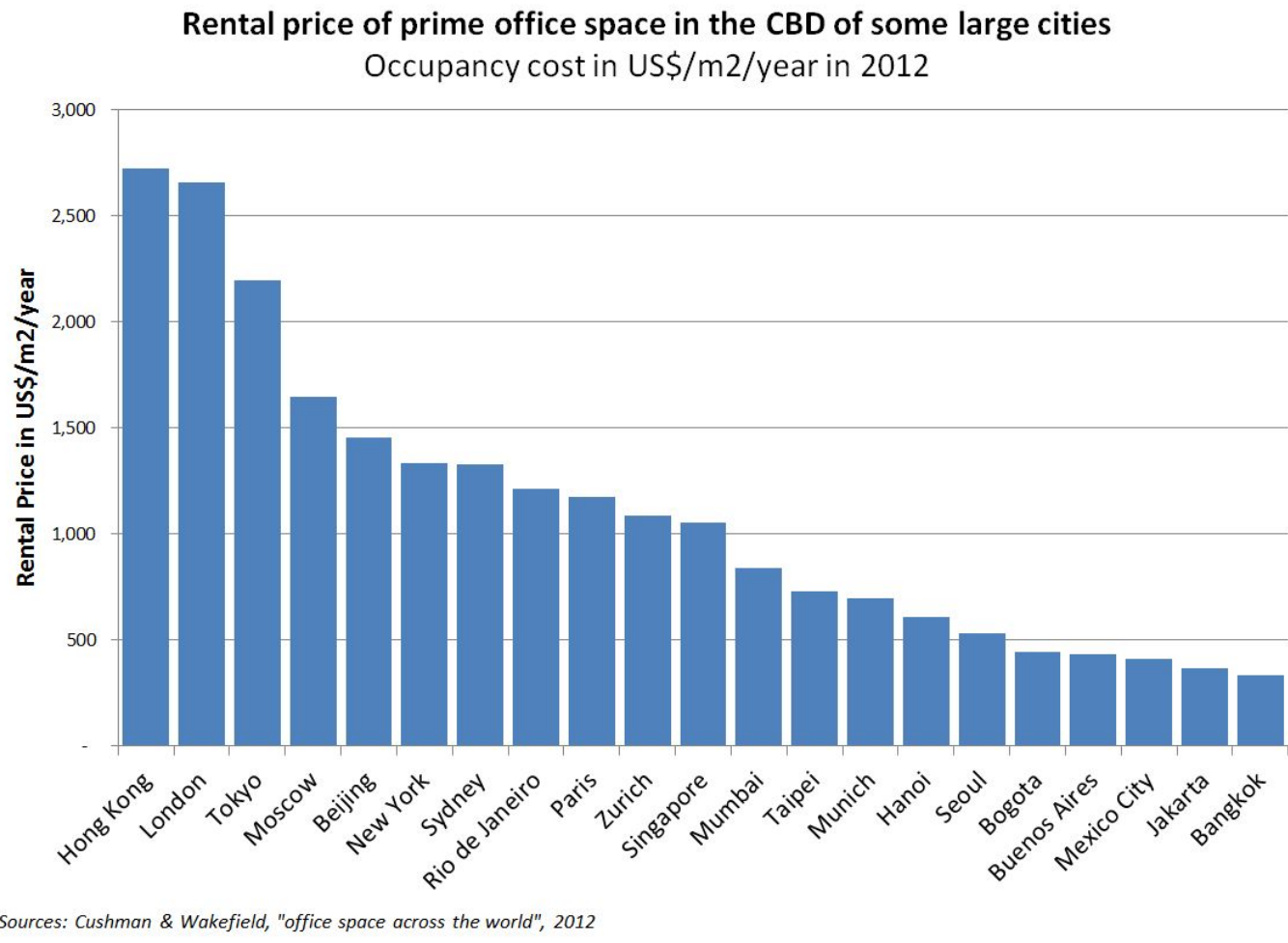
April 17, 2014

abertaud@stern.nyu.edu

<http://alainbertaud.com>

1. CBD spatial features

a. High rents



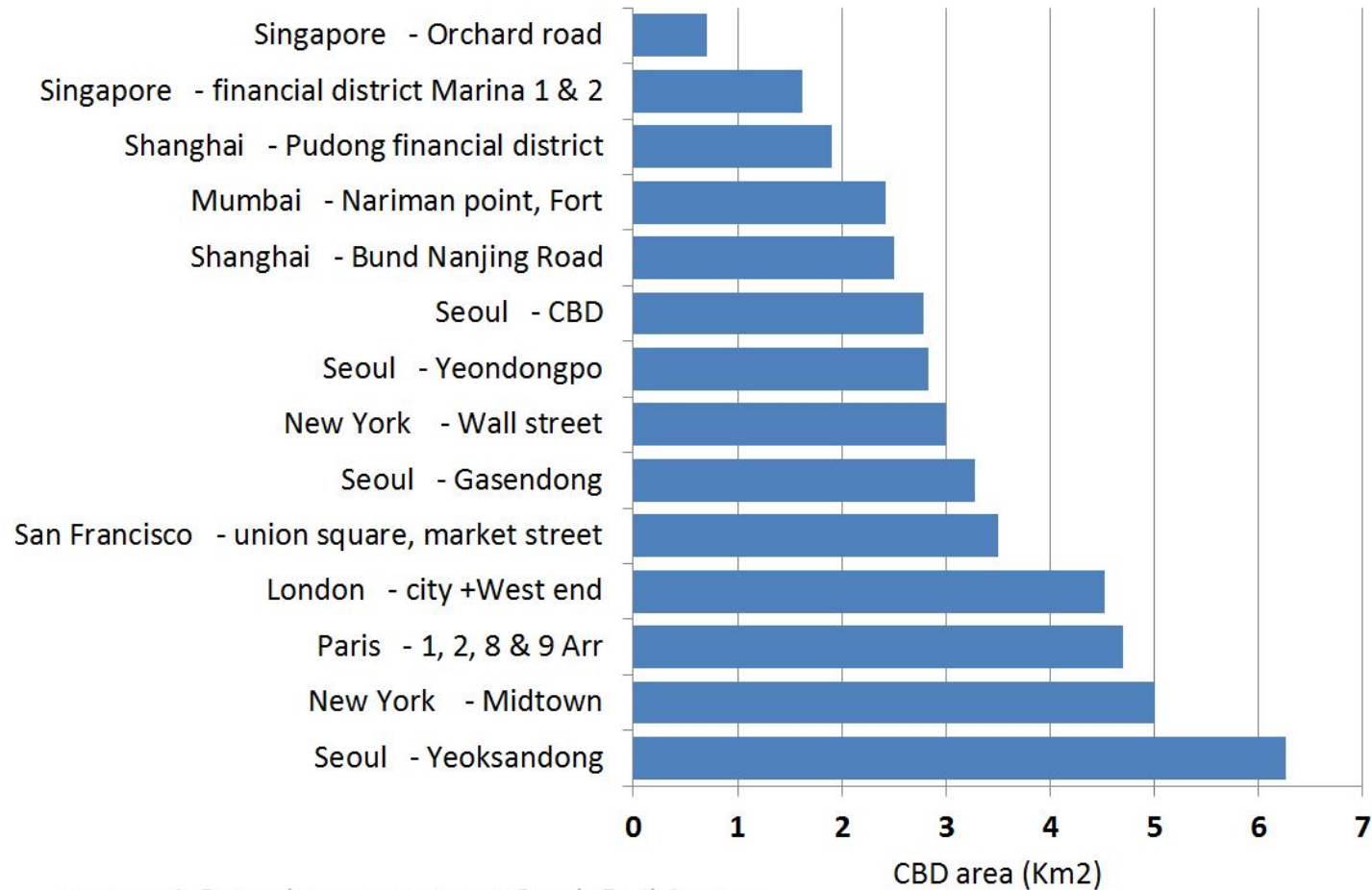
Chicago loop: high Land prices

FIGURE 3
Land Value Surfaces in 1913, 1990, and 2005



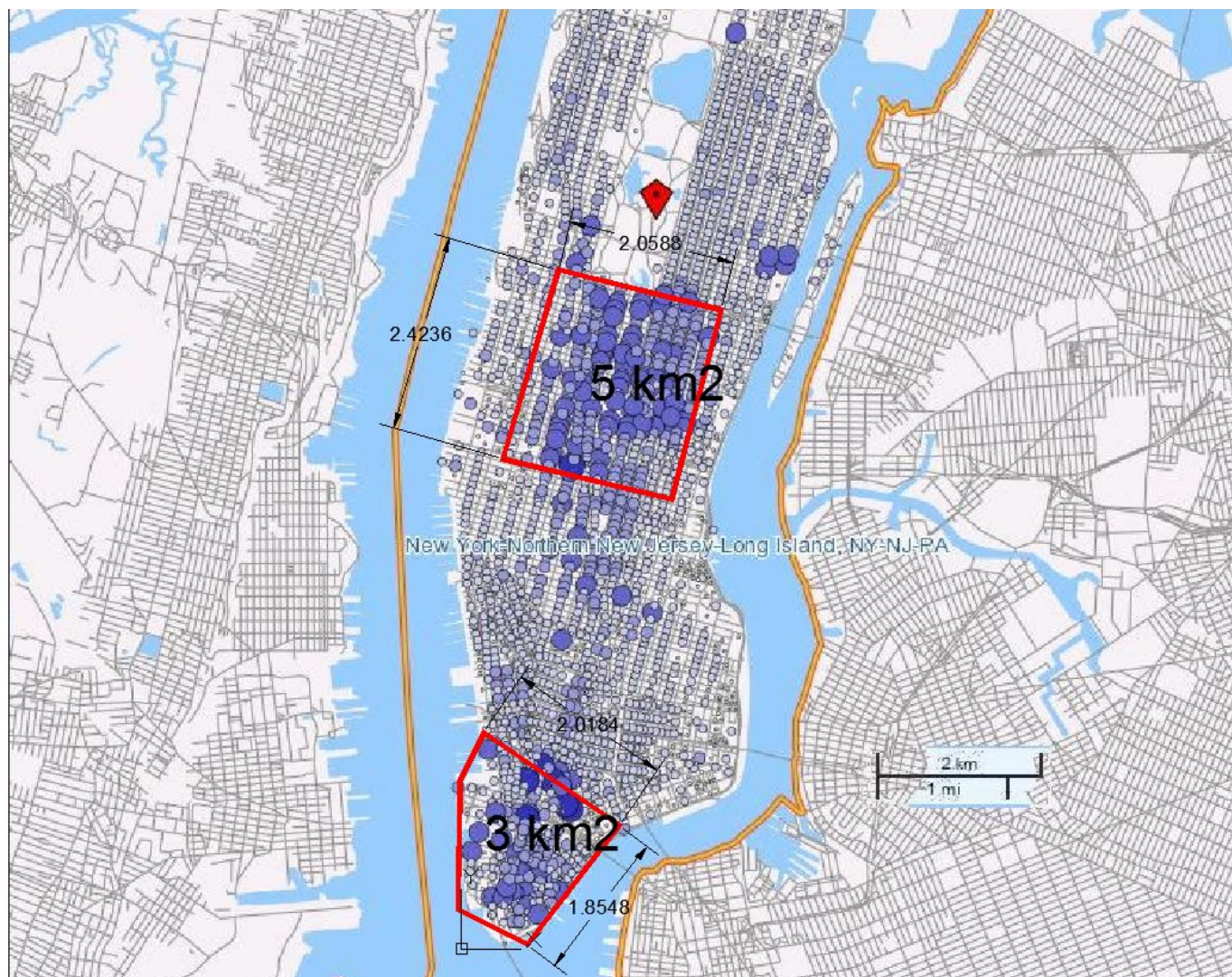
CBDs occupy a small area

CBD area of some major cities

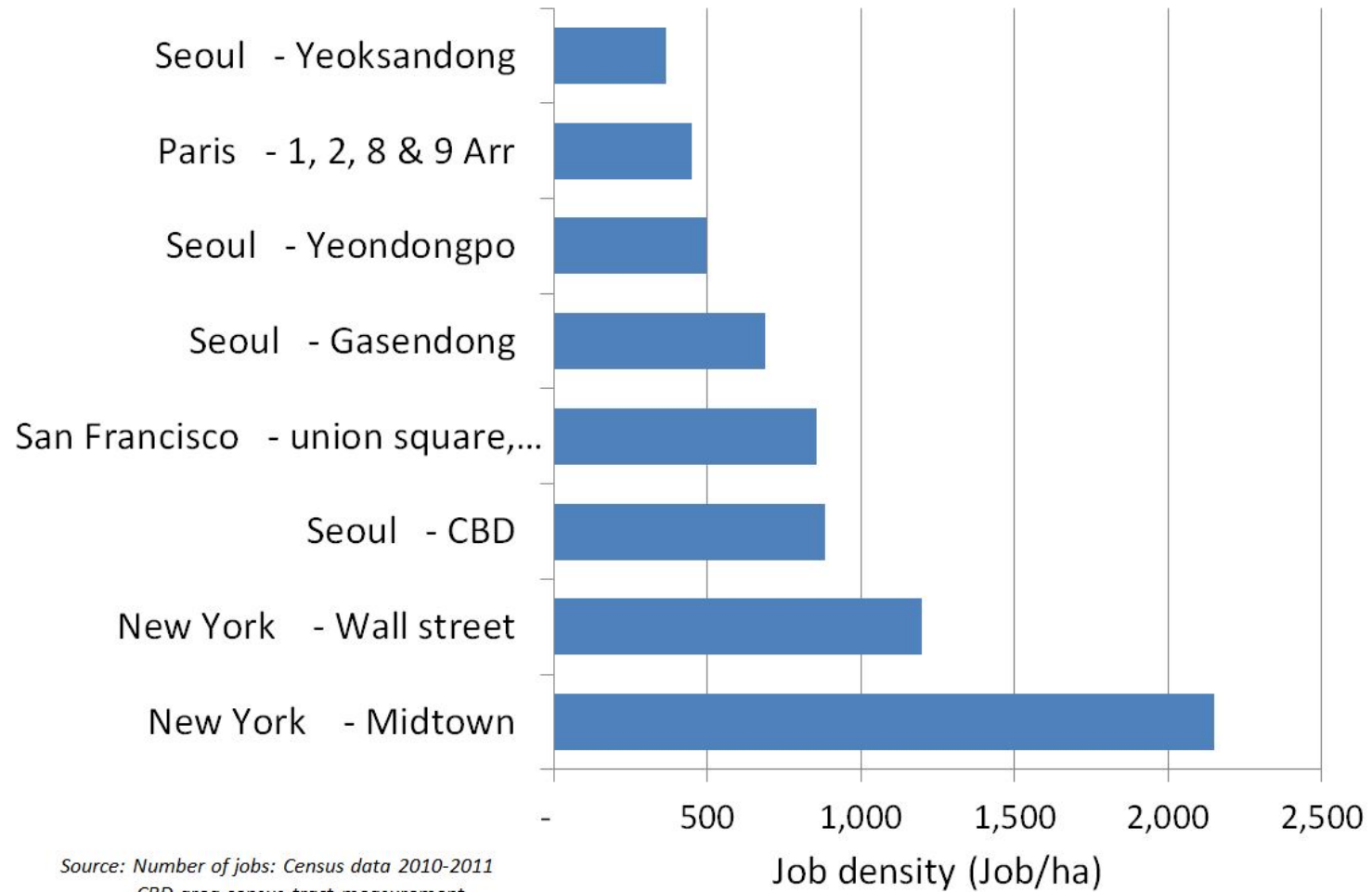


sources: A. Bertaud measurements on Google Earth imagery

Mid Town and Wall street areas

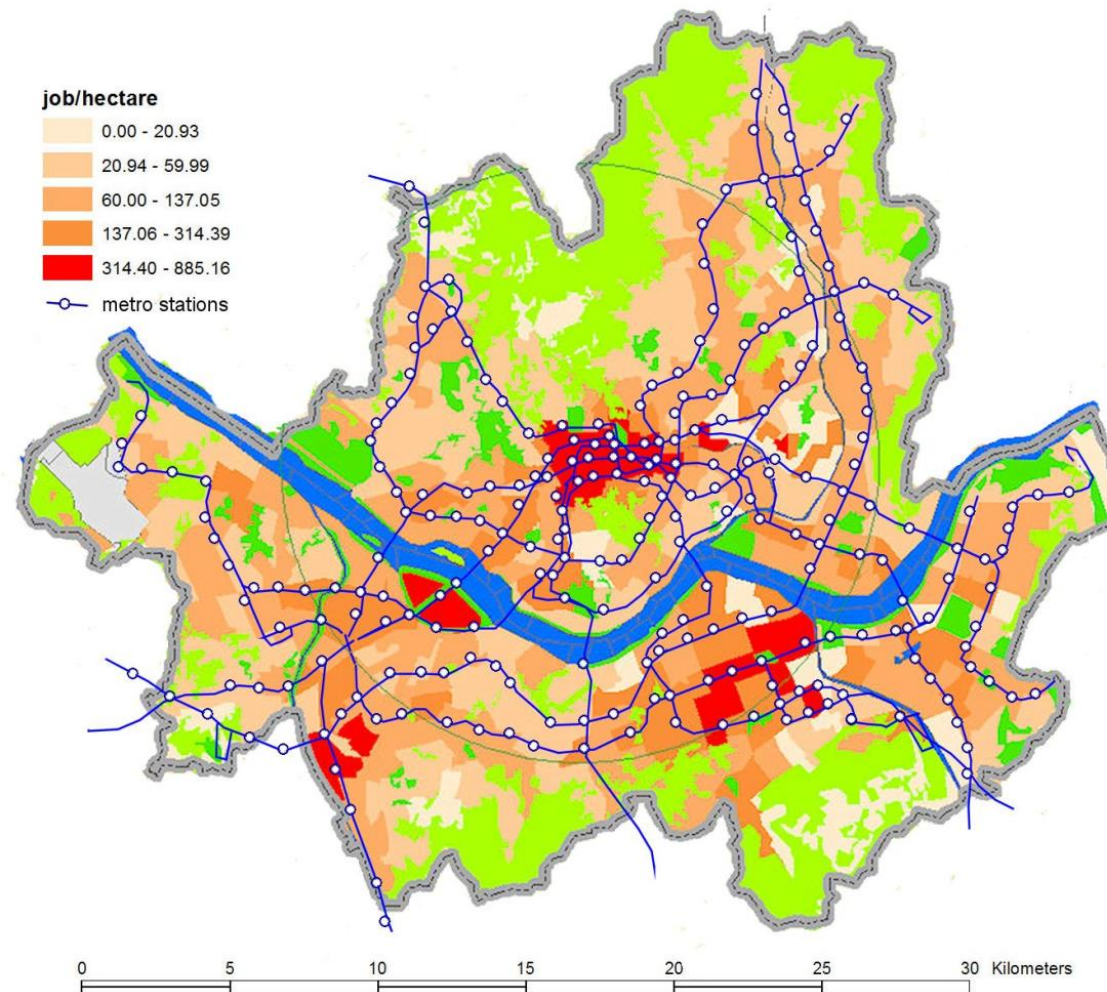


Job densities in selected CBDs

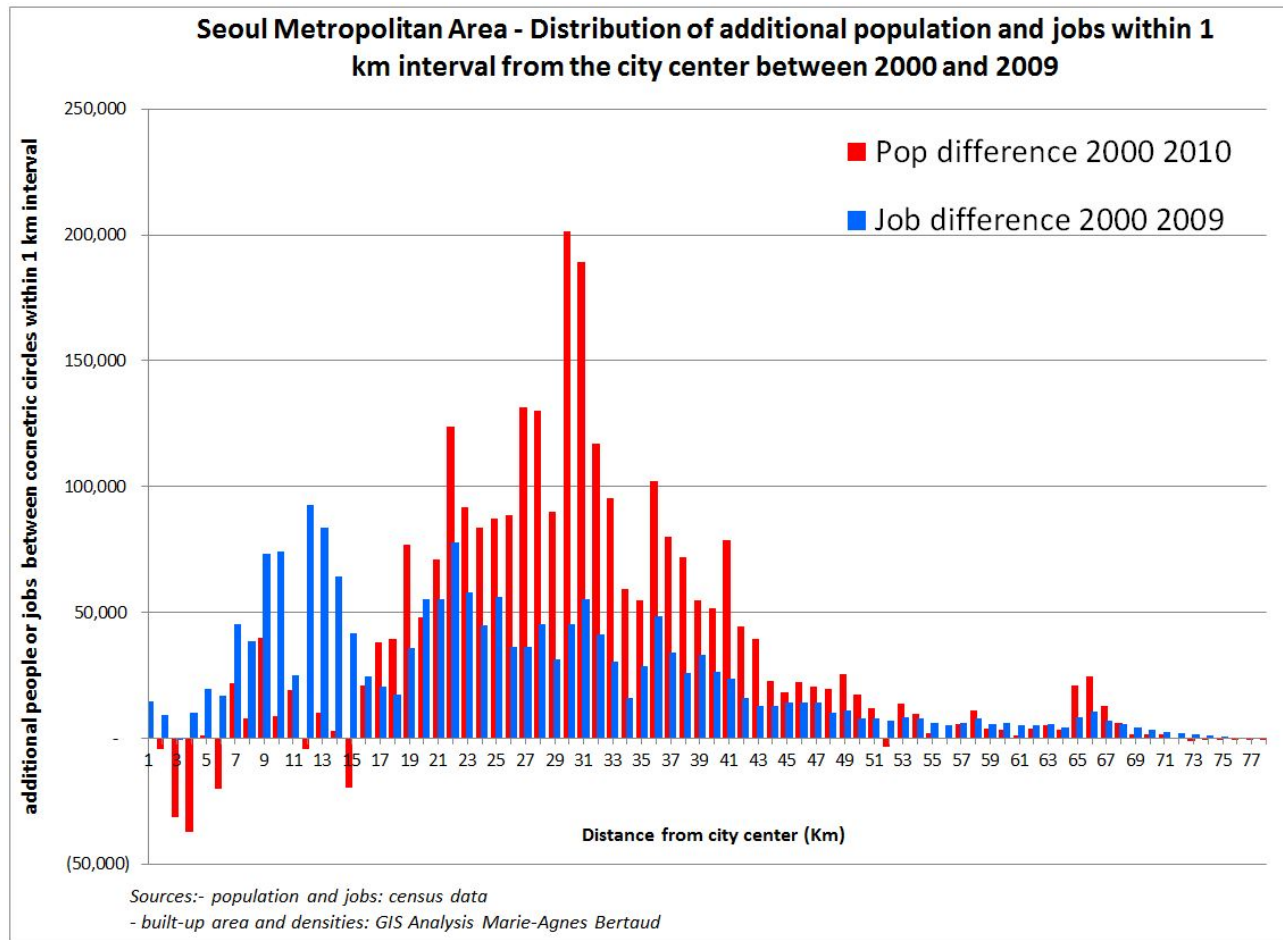


Seoul 4 CBDs

Seoul Metropolitan Area - Job Densities 2009



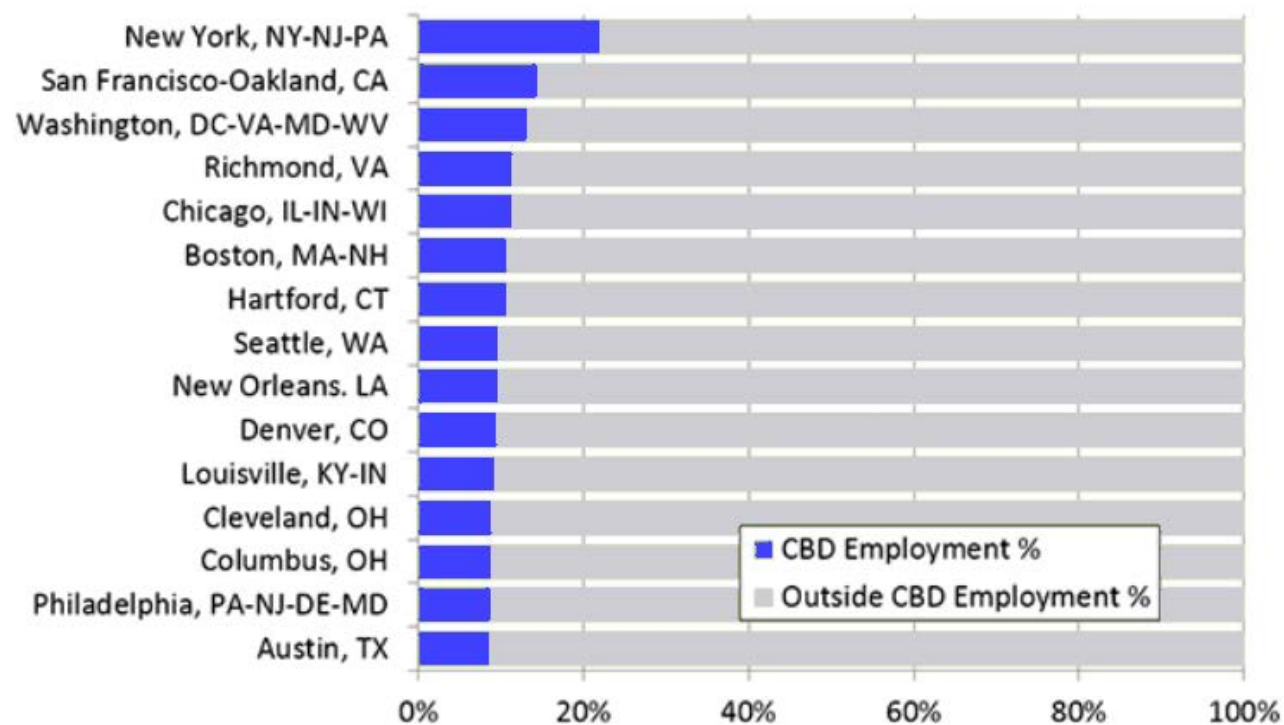
The number of jobs in CBD decrease in proportion of total metropolitan jobs



High job density but low proportion of total metropolitan jobs

Largest CBD % of MSA Employment

US MAJOR METROPOLITAN AREAS: 2006-2010



source: [Demographia Central Business Districts](#),
2006-2010 Census Transportation Planning Package

Paris CBD: center of transit network

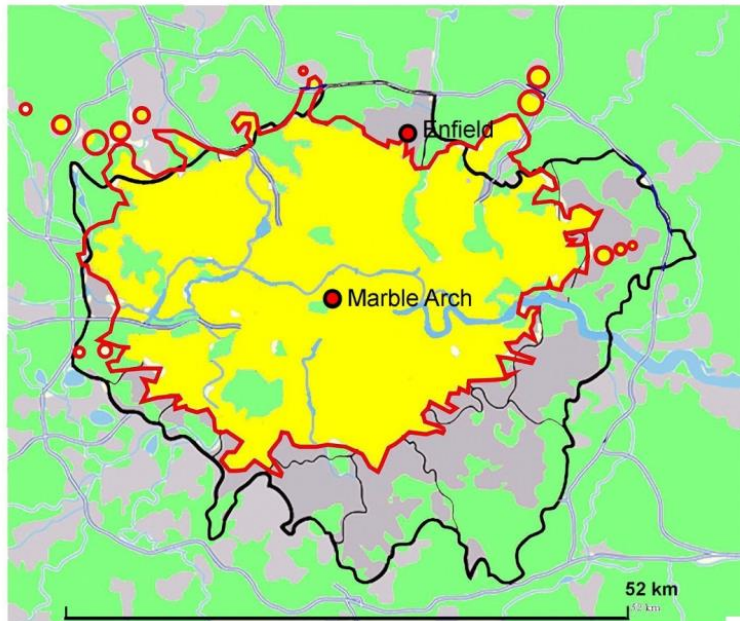
Ile de France Region - Built-up area 2008



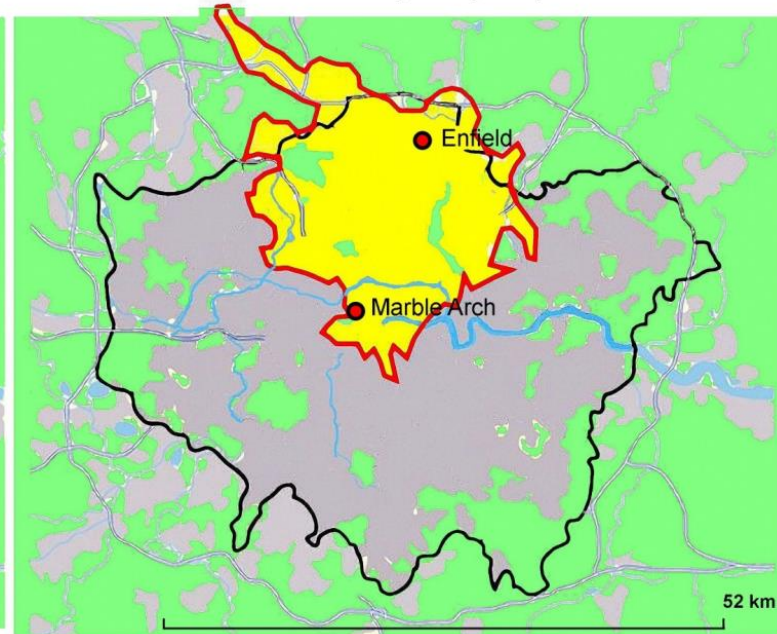
Source: Google Earth Image digitized by Marie-Agnes Bertaud

London CBD: center of transit network

Area within 60 minute travel from Marble Arch by subway and up to 15 minutes walk

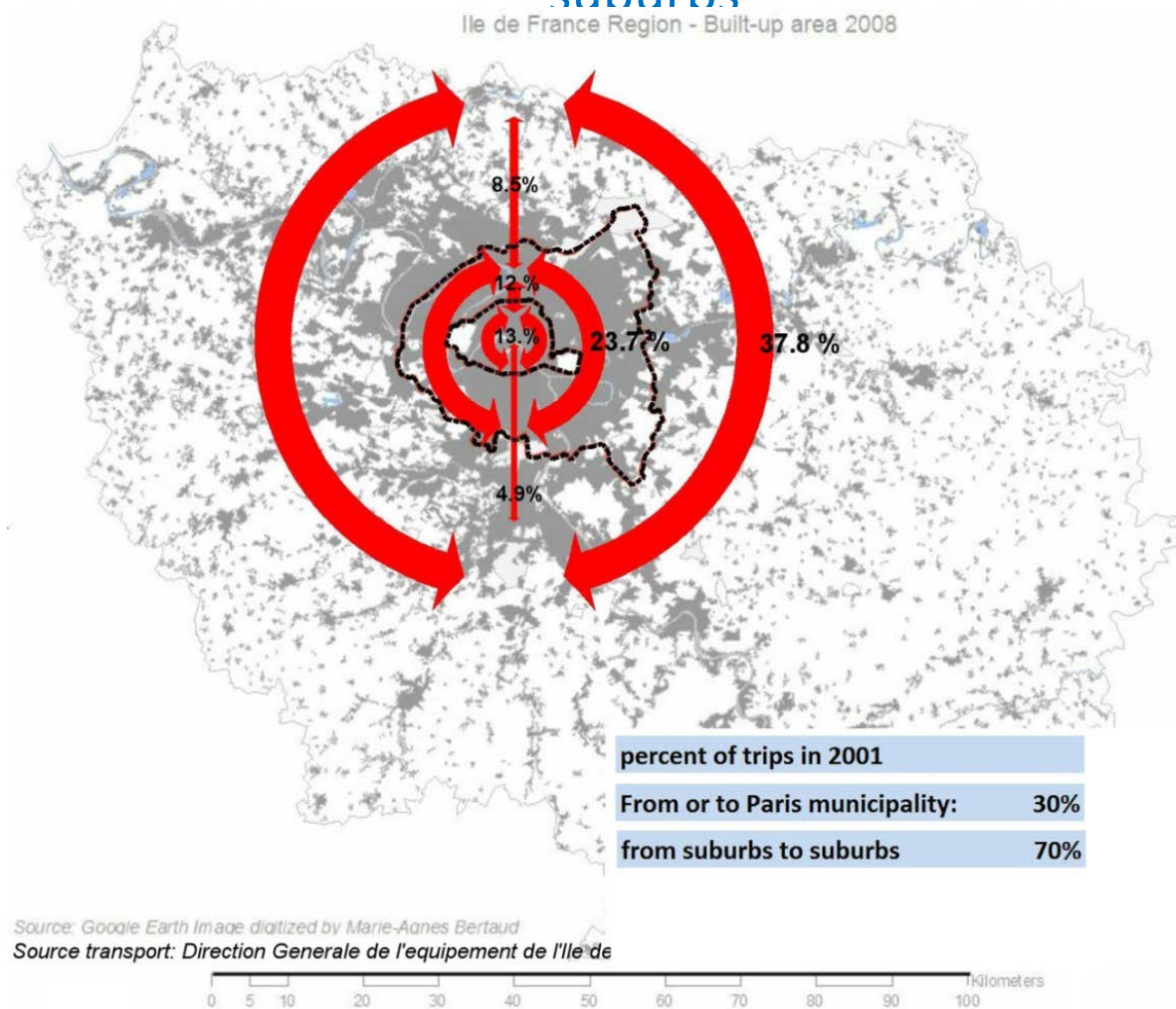


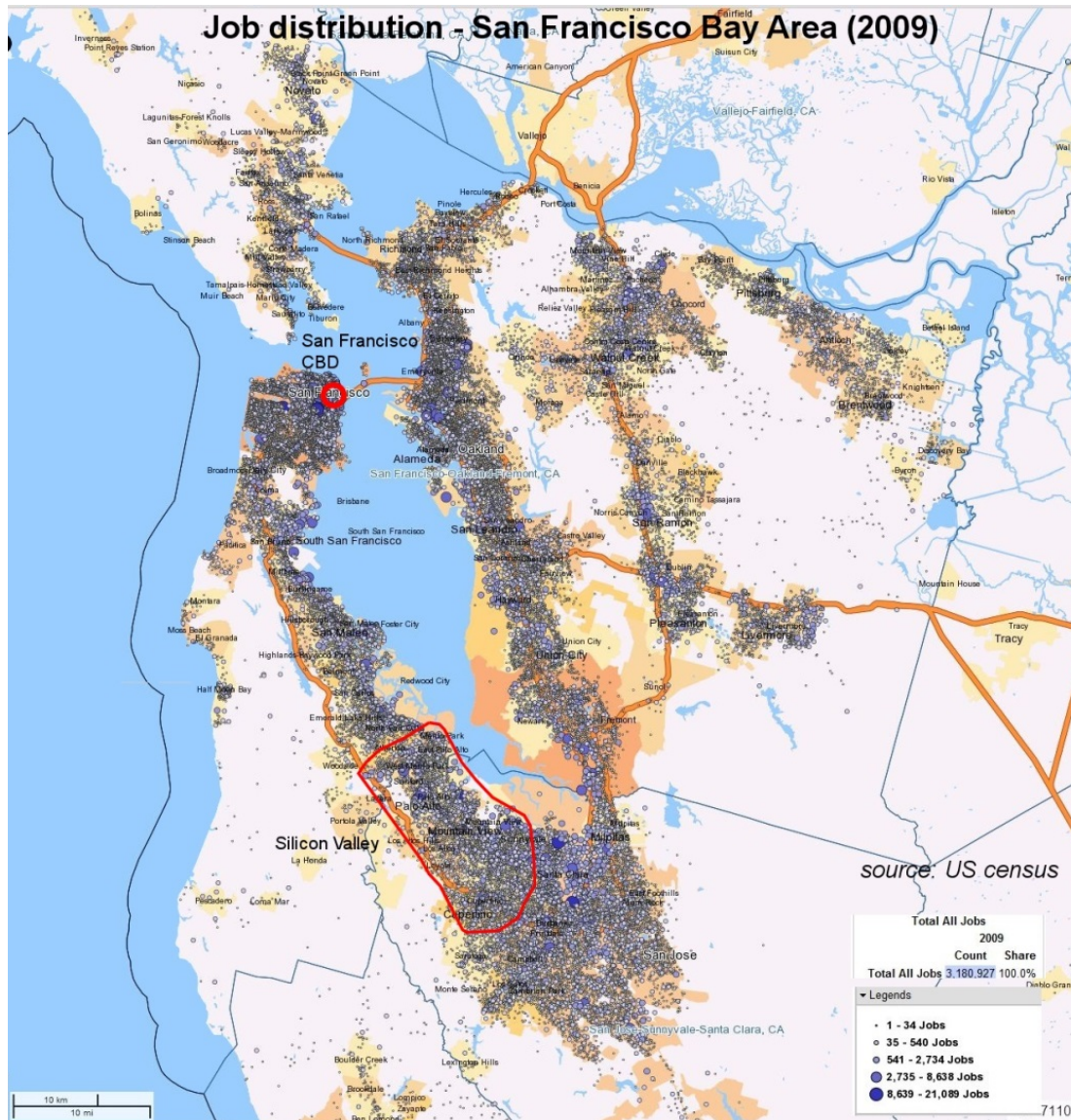
Area within 60 minute travel from Enfield by subway and up to 15 minutes walk



Source of isochrone: <http://www.mapnificent.net/london/>

Paris: 70% of metropolitan trips are from suburbs to suburbs

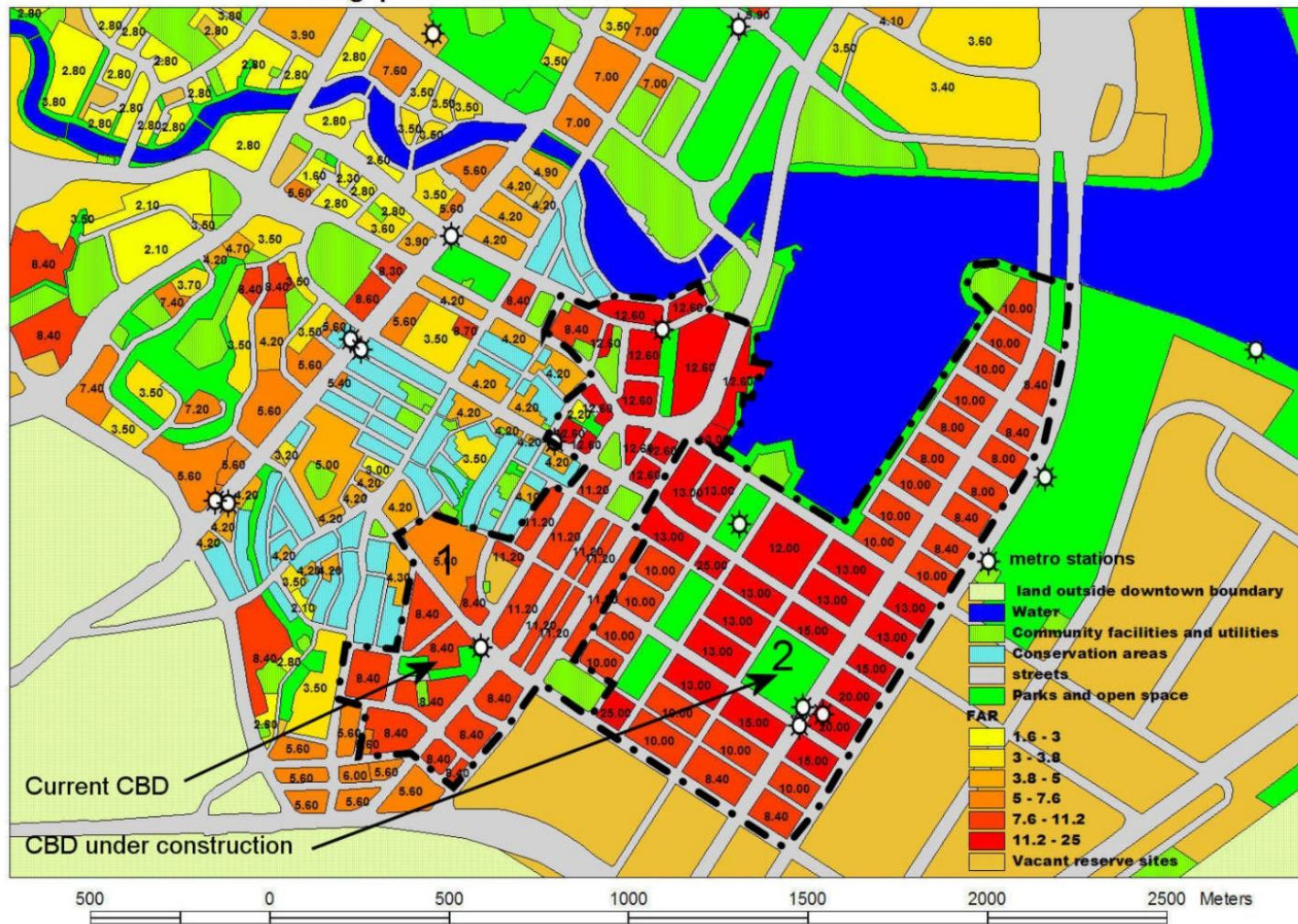




1. San Francisco CBD and Silicon valley

Singapore CBD

Singapore - FAR values in Downtown Area



Singapore Marina CBD



Shanghai - Pudong



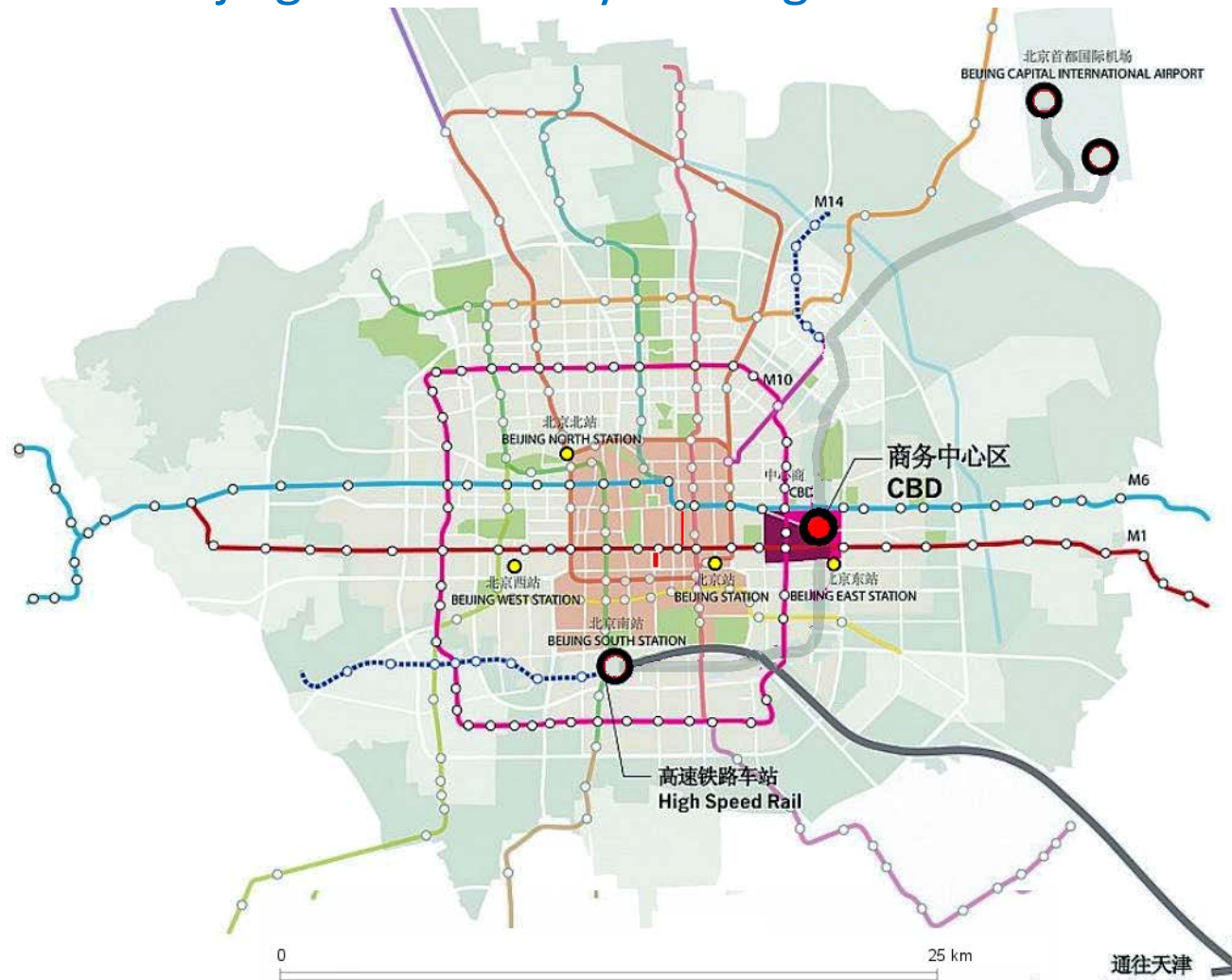
Zhengzhou new CBD



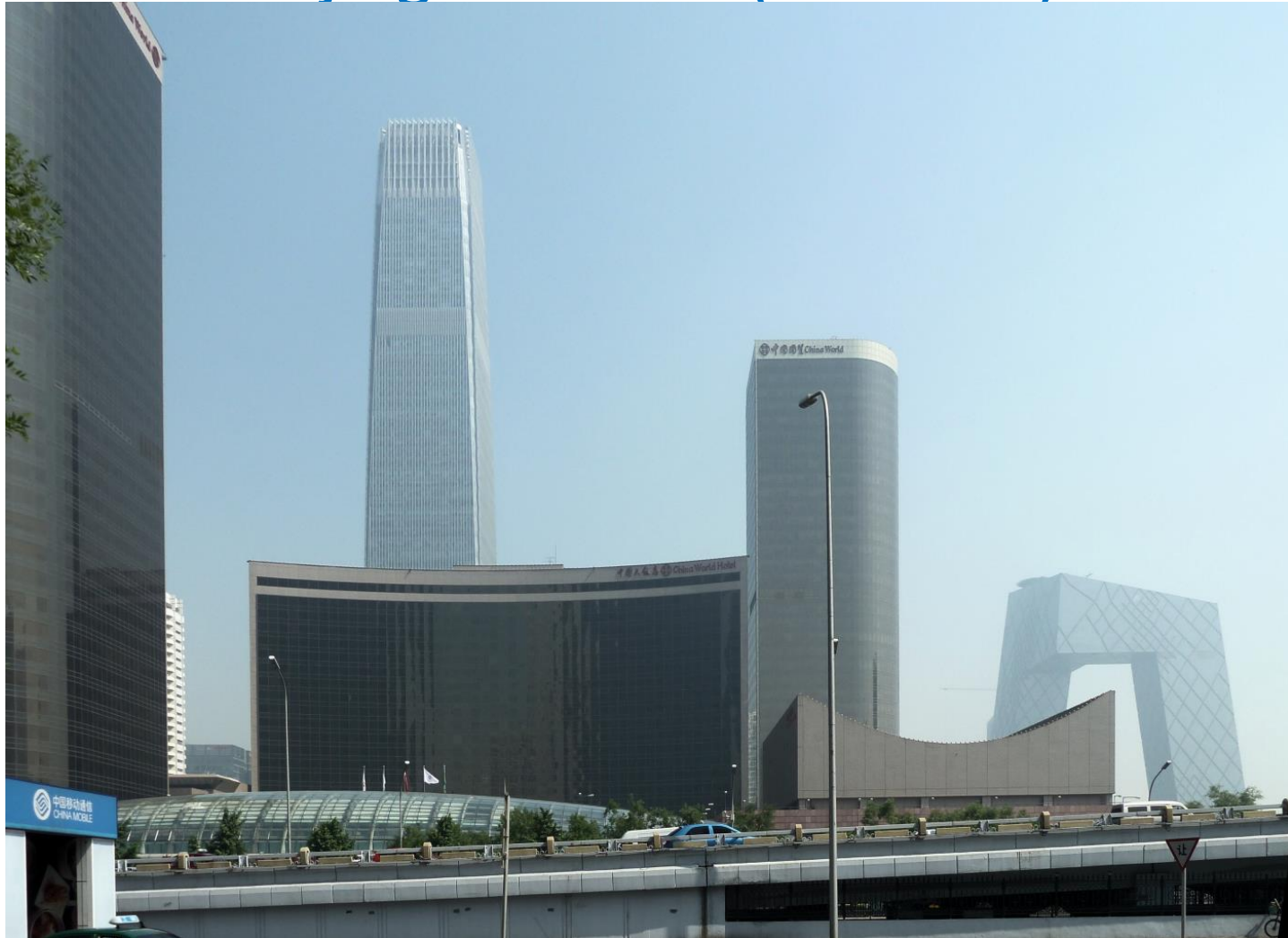
Zhengzhou



Beijing: Deliberately moving the CBD



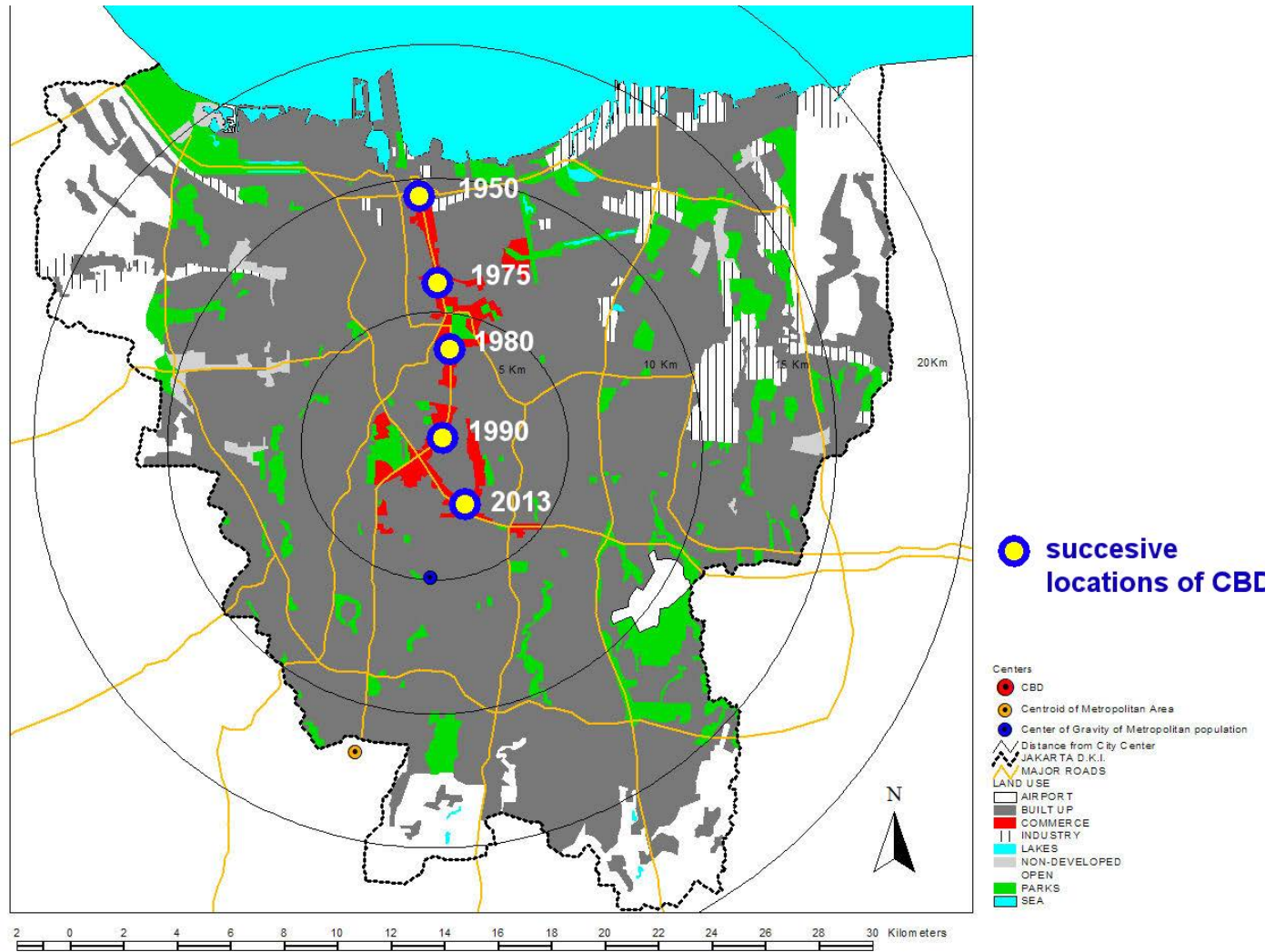
Beijing new CBD (Guomao)



中心区



Jakarta moving CBD





Jakarta Moving CBD

Moscow new CBD



2. What is the function of a CBD?

- Corporate headquarters?
- Extremely specialized firms who complement each others?
- Need to give access to many employees in a short time? (advantage of transit node location)
- Not where innovation is taking place, Rent too high for start-up and for uncertainty.

3. Are CBDs as we know them going to disappear or just change?

- Would the convergence of the transit system toward CBDs undermine them or protect them?
- Jobs spread over large areas Manhattan, Paris, London; Shanghai, Beijing, Seoul the entire municipal area become the CBD
- More high end retails, more amenities in CBDs
- Some successful cities have no CBDs (Atlanta)

Jan Brueckner insights on the importance of amenities in explaining the attraction of cities' centers

“Why is central Paris rich and downtown Detroit poor? An amenity-based theory”

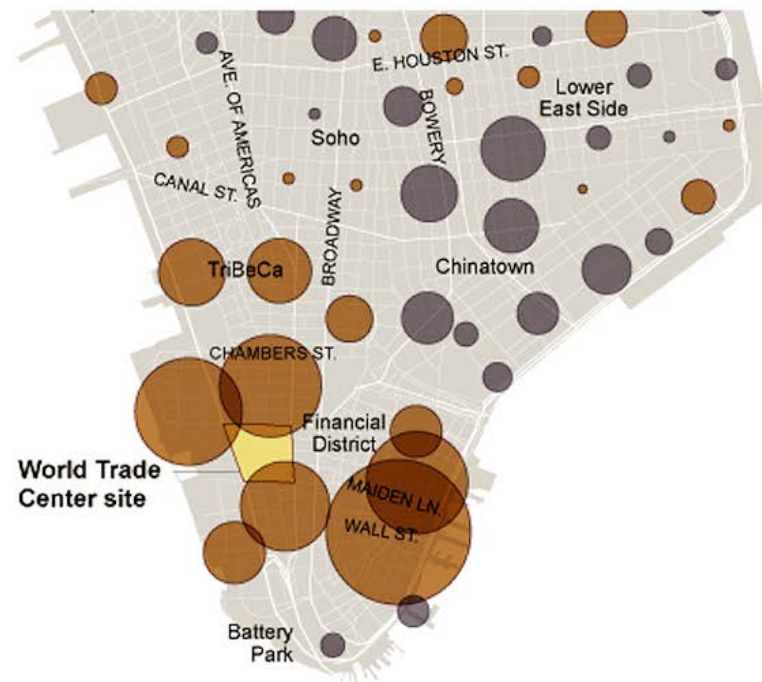
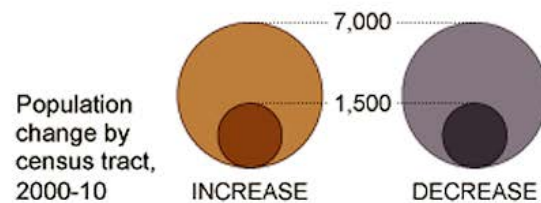
Jan K. Brueckner, Jacques-Francois Thisse,& Yves Zenou", European Economic Review 43 (1999) 91-107

4. New trend in CBD transformation?

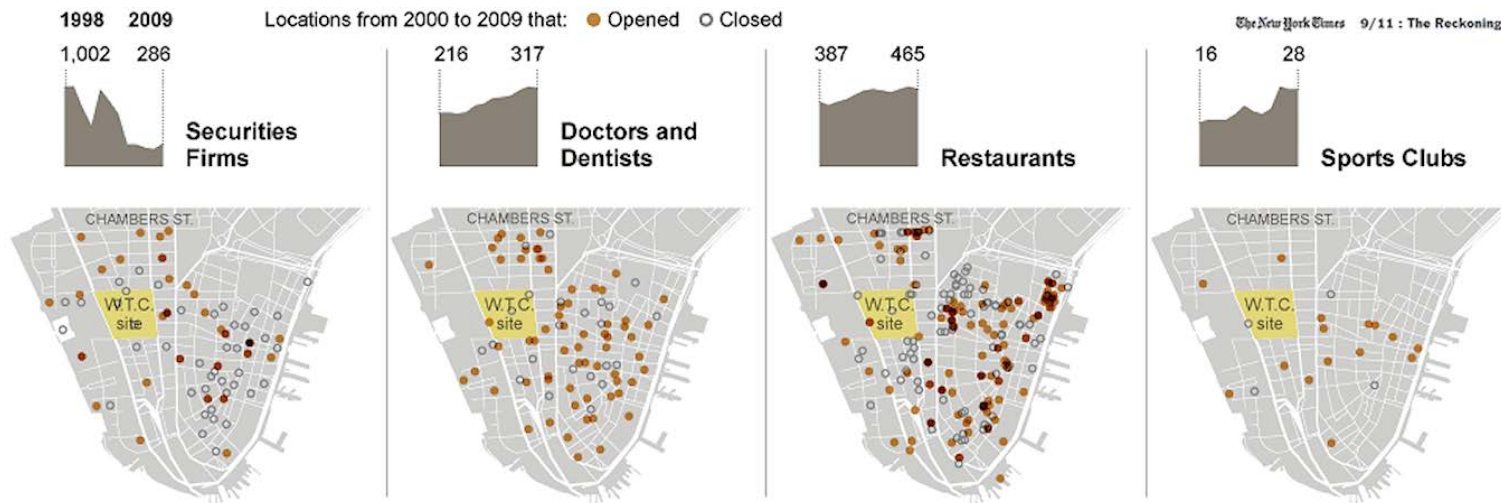
- Less office space,
- More prestige than functional
- More up-market high rise housing
- More amenities, theaters, museums
- Attraction is not because of job intensity but leisure, high end shopping , entertainment, and a few prestigious corporate headquarters?

New York Wall street area transformations 2011

The New York Times 9/11 : The Reckoning



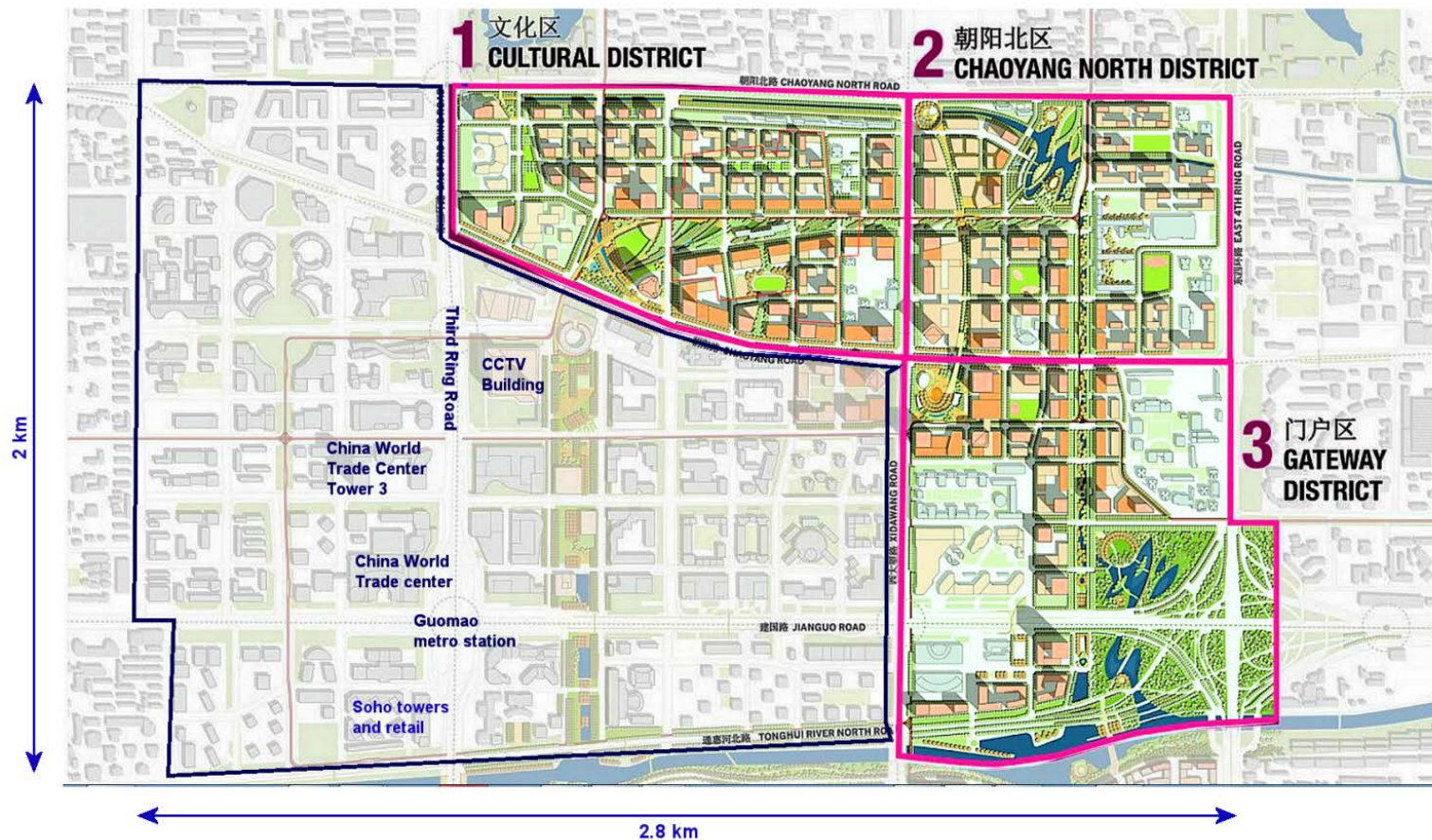
New York Wall street area transformations 2011



www.nytimes.com/interactive/2011/09/10/us/sept-11-reckoning/downtown-graphic.html

Beijing – the extension of the CBD includes a cultural district

Beijing - Projected extension of the CBD (SOM)



Why I think Chinese cities will succeed in mixing cultural amenities, housing and business in their new CBDs



Poster explaining cultural policy at the National Center for Performing Arts in Beijing (Opera House)