The Rise of Work from Home Will Improve Quality of Life in Southern California

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GOING REMOTE
HOW THE FLEXIBLE WORK ECONOMY CAN IMPROVE OUR LIVES AND OUR CITIES
Stanford Data on WFH Trends Since 2019
A Flashback to 2019 in Southern California

- Extremely high home prices in our major cores
- Extremely bad traffic congestion
- Complaints with public services in major center cities
- **Bundling:** Commuters must live close to where they work?
A Preview of 2030 in Southern California

• **unbundling;** workers no longer need to live close to where they work;

  • How does this affect worker locational choice and quality of life?

  • How does this affect physical places?
    • The job cores
    • The suburbs
    • The new exurbs
WFH = Large % of Workers are footloose!
Prediction #1

• Footloose WFH workers are diverse;
• Some will want cheaper, larger housing further from Central Business Districts
• This demand will be even greater if quality of life and local public services are great in these areas
• Which SCAG governments will be excited about competing for these potential entrants?
• Is local population growth and real estate development good? (the NIMBY issue will be amplified!!)
• The service sector will grow in places that attract WFH residents!
Which SCAG Areas Have an Edge in the Face of Rising Climate Change Risk?

- My new Redfin research joint with Sebastian Olascoaga, Daryl Fairweather and Rob Metcalfe
https://floodfactor.com/property/14-elm-street-belmont-massachusetts/252182214_
### Current and projected temperature extremes for Los Angeles

<table>
<thead>
<tr>
<th>Location</th>
<th>Current Days</th>
<th>2041-2060 Days</th>
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<td>Woodland Hills</td>
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Prediction #2

- Farmland in Ventura, Riverside and San Bernardino can be converted into WFH housing!
- Which SCAG governments will allow this to occur?
- This would conserve on water
- This would increase housing affordability in the region
Prediction #3

- Major center cities such as Los Angeles will face more competition to keep upper middle class WFH workers living there

- Implications for public school innovation and experimentation

- Major cities will experience demographic shifts (younger and older)

- The rising importance of the Consumer City! (a fun, safe place to live)
Prediction #4

• Commercial Real Estate owners in cities will have to raise their game!

• Quality of office space demand will rise --- “green buildings” with low PM2.5, places where workers want to go to work

• Quantity of office space demand will decline (especially in low quality of life areas)

• The conversion option of converting commercial real estate into residential real estate

• Does your SCAG government make such conversions easy?
Does Apple Now Regret this HQ Investment?
Prediction #5; Women and the Elderly’s Rising Labor Force Participation

• The fixed cost of commuting and the challenge of part time work
• Internet Platforms and working from home part time
• Household income
• The gender gap and “opting out”
Conclusion: Maximizing SoCal’s Potential in 2030

• John Lennon and Yoko Ono’s Song “Imagine”
• Imagine if SCAG’s district features road pricing, water pricing, dynamic electricity pricing and a menu of schooling strategies
• In a WFH economy where 35% of the workforce is working from home on any give day, the connectivity of our massive region.
• Gains to trade → middle class improvements in quality of life
• A larger menu of life options; “What is the good life?”
• Areas competing against each other for people is good!!