

2018

**New Jersey and the Region
Structural Changes and Disruptions**

James W. Hughes Ph.D.

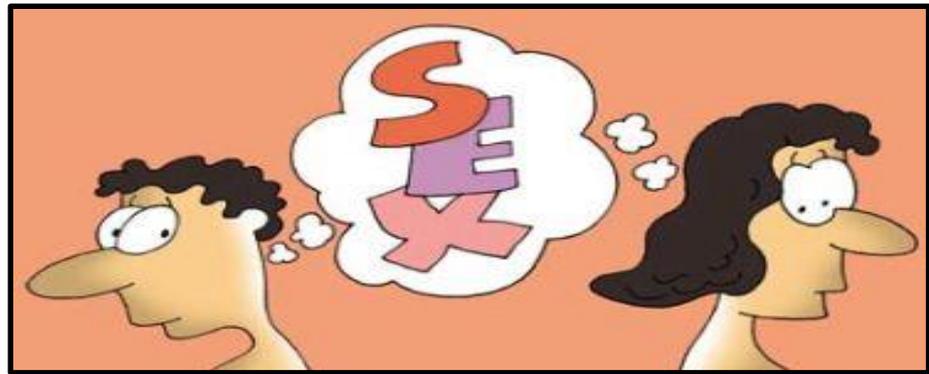
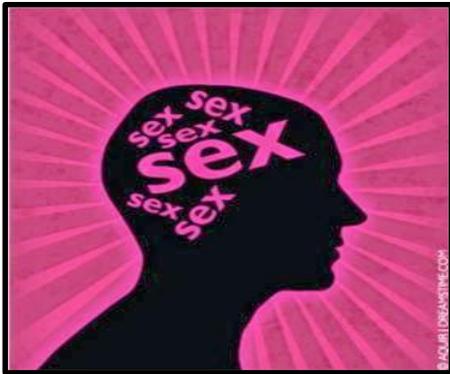
1st 10 Minutes



2nd 10 Minutes



3rd 10 Minutes

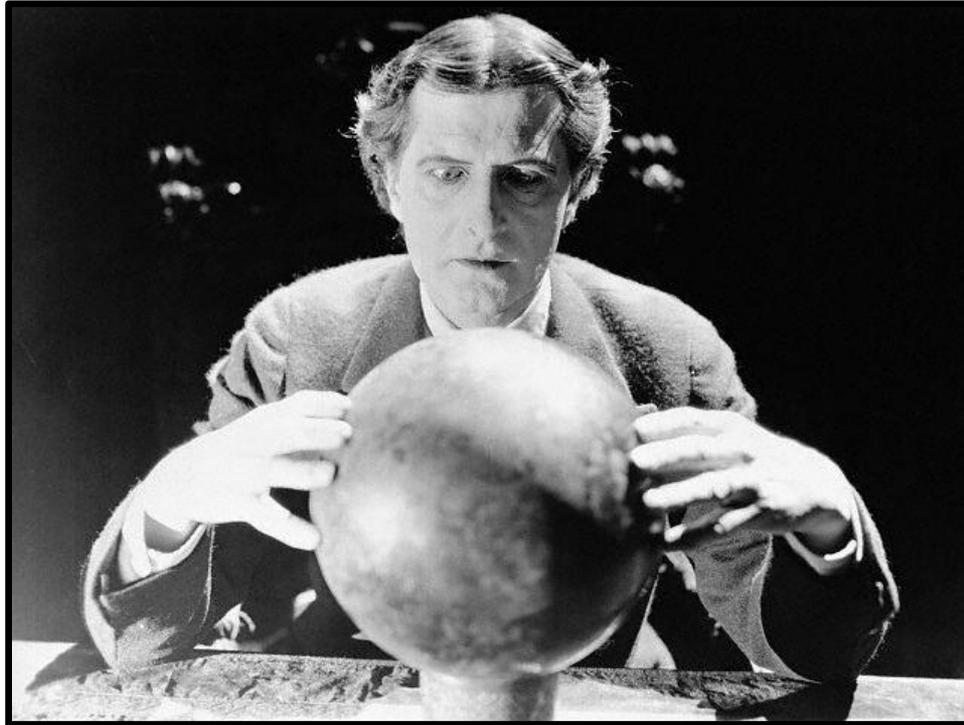




Dr. Kevorkian



Forecast 9 of Our Last 5 Recessions



A Reordered World



Fundamental Disruptions

- 1. Demographics: Changing of the Guard**
- 2. Advances in Digital Information Technology**
- 3. Attenuation of the Forces of Suburbanization**
- 4. Office Ecosystem Transformation**
- 5. Post-Recession Housing Realities**
- 6. E-Commerce and the Retail Revolution**



Second Half of 20th Century

Demographic



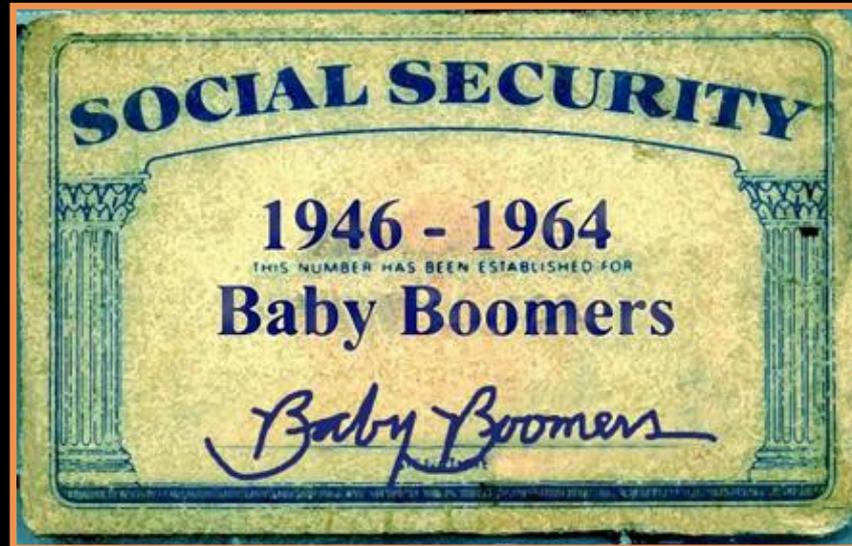
Paradigm Shift

First Half of 21st Century

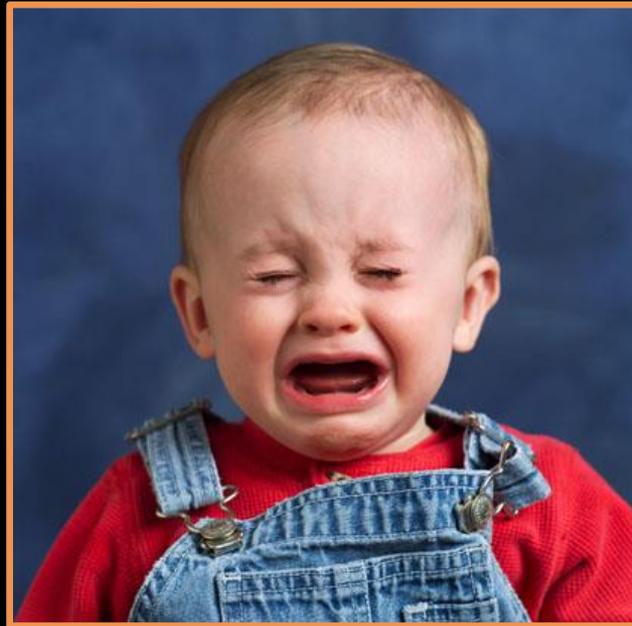
Disruption 1: The Changing of the Demographic Guard



The Largest & Most Suburban-Centric Generation in U.S. History:



Housing Immediately Shaped by Requirements of Child Rearing



Tract-House Suburban New Jersey



Tidal Wave of Metropolitan Expansion



Empty-Nesters Resizing in the Housing Market



Rock Around the Clock



Limp Around the Block



Now a Back-Seat Passenger



Academics!



First Digital Generation at Birth

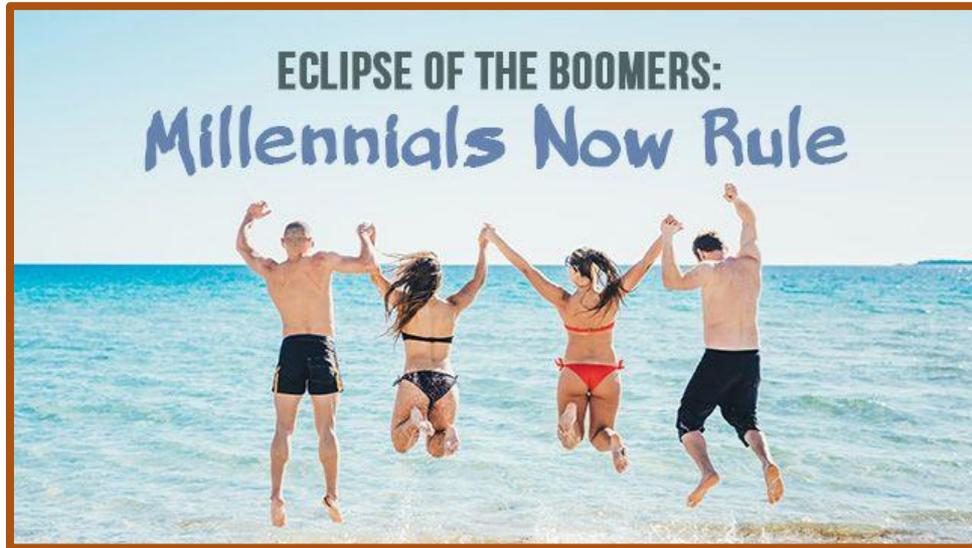


Today (2018): 18 to 38 Years of Age



MILLENNIALS:
SHAPING A NEW ECONOMY OF
EXPERIENCE

ECLIPSE OF THE BOOMERS: Millennials Now Rule



Departing the Deeply Feathered Parental Nest



John S. Dykes, *The*

2018: The Era of Family-Raising Millennials is Commencing

Can We Forecast Their Shelter and Locational Choices?



Sharp Suburban Market Differentiation



Disruptive Change 2: Innovations in Information Technology

The Digital Foundation of a Restructured Millennial-Driven Economy

3 Key 20th Century Information Technology Benchmarks

1981: IBM PC – Desktop
Computer Revolution

1985: 80386 Microprocessor and
Spreadsheets

1995: Pentium Microprocessor
and Fiber Optic

Cabling

Advancing Information Technology



But Wait...
**THERE'S
MORE!**



2007

Mobile-Internet-Untethered Era

iPhone Introduced

2007: Steve Jobs Unveiling iPhone



Artificial Intelligence: A.I. Everywhere





So the World We Think MAY be Coming

So the World We Think May be Coming

May NOT be the
World that Actually Arrives



So the World We Think May be
Coming

May Not be the World that Actually
Arrives



Because of the Innovations and
Disruptions by Things NOT YET
Invented

Disruption 3

Diminished Suburbanization

**Is this Disruptions being
Disrupted?**





Rutgers Regional Report

Issue Paper 39 | August 2018

The “Burbs” Bounce Back

“TRENDLET” OR “DEAD CAT BOUNCE”?

James W. Hughes

University Professor

Dean Emeritus

Joseph J. Seneca

University Professor

Emeritus

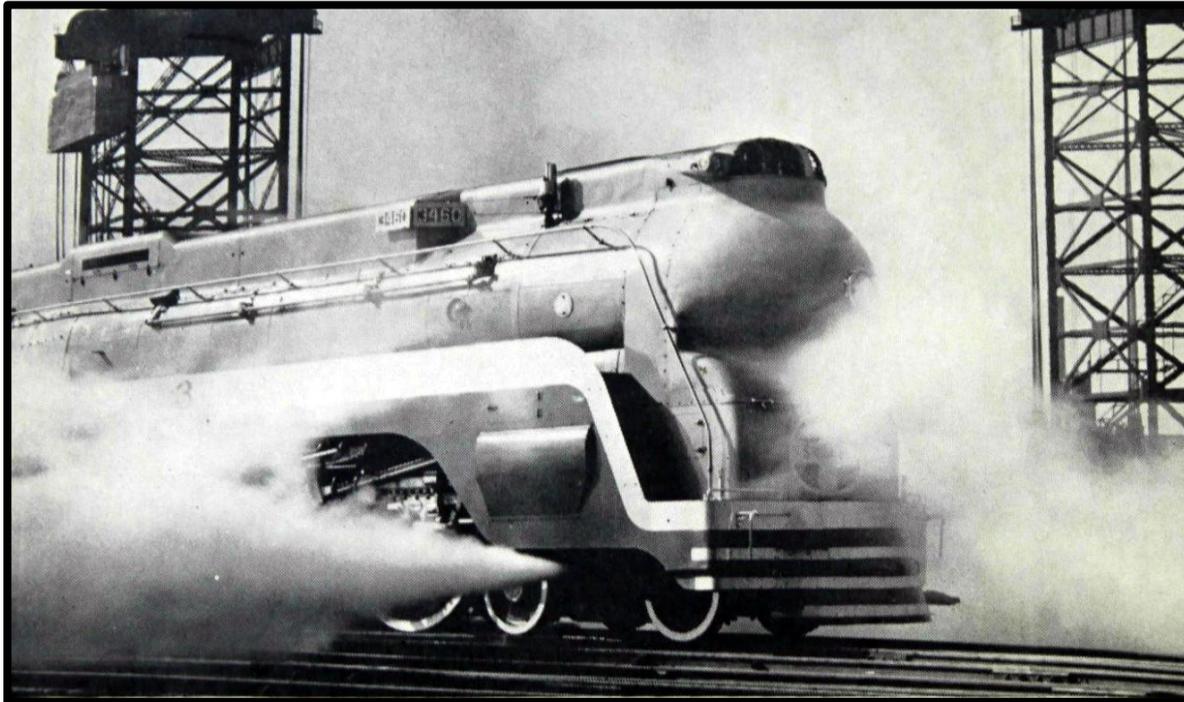
Will Irving

Research Associate

New Jersey and New York City: Employment Change

<u>1950-2004</u>	<u>Job Change</u>
New Jersey	+2,342,300
New York City	+81,800

New Jersey: Suburban Regional Economic Locomotive



New Jersey and New York City: Employment Change Job Change

1950-2004

New Jersey +2,342,300

New York City +81,800

2004-2016

New Jersey +76,100

New York City +775,700



New Jersey: Caboose on the Regional Economic Train



Disruption 4

The Structural Transformation of the Office Ecosystem









Continental Insurance – Cranbury, NJ



Repurposing Underway



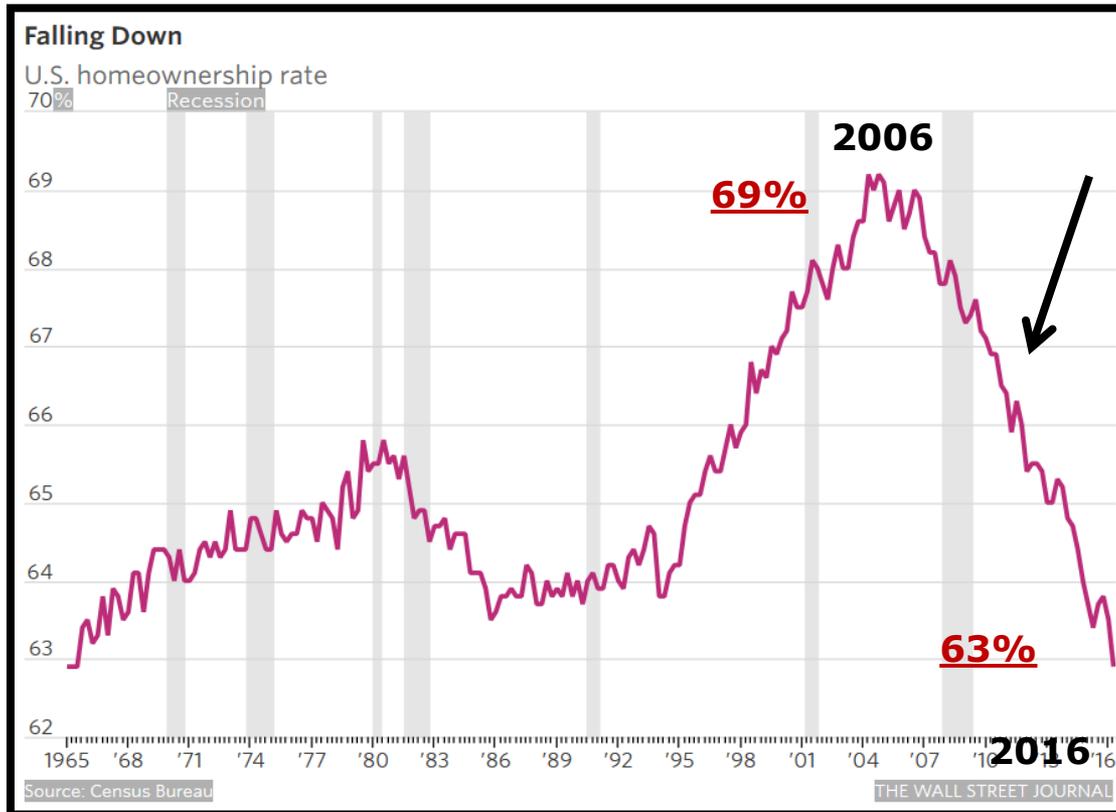
Urban Transformation: Prudential Complex in Newark



Disruption 5

New 21st Century Housing Realities

The Great 2006-2016 Homeownership Rate Plunge



Growth in US Households: 2006-2016

Total Household Growth +7.6 million

Owner Households -1.1 million

Renter Households +8.7 million

Housing: Super Piggy Bank





Disruption 6: The Revolution in Retailing and Distribution





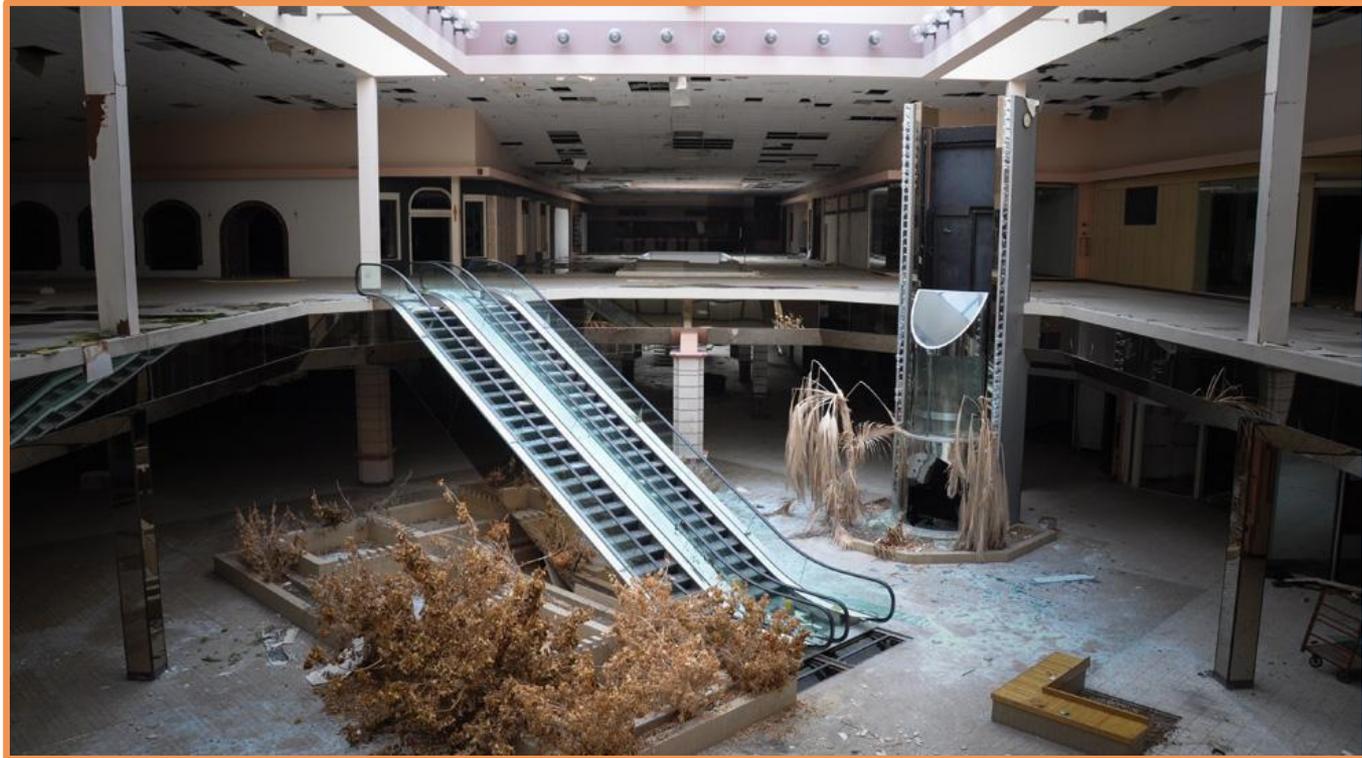
Cathedrals of Consumption



The Great Retail Apocalypse



Right-Sizing of Regional Mall Ecosystem



Fulfillment Center







21st Century Fundamental Changes

The Greatest Age-Structure Transformation in History

Ascending Millennial-Driven Demographic & Economic Protocols

Descending 20th Century Baby-Boom Certainties

Advances in Digital Technology

The Attenuation of the Great Era of Suburbanization and Office Ecosystem Transformations.

New Housing Realities.

The Retail and Distribution Revolution



