

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

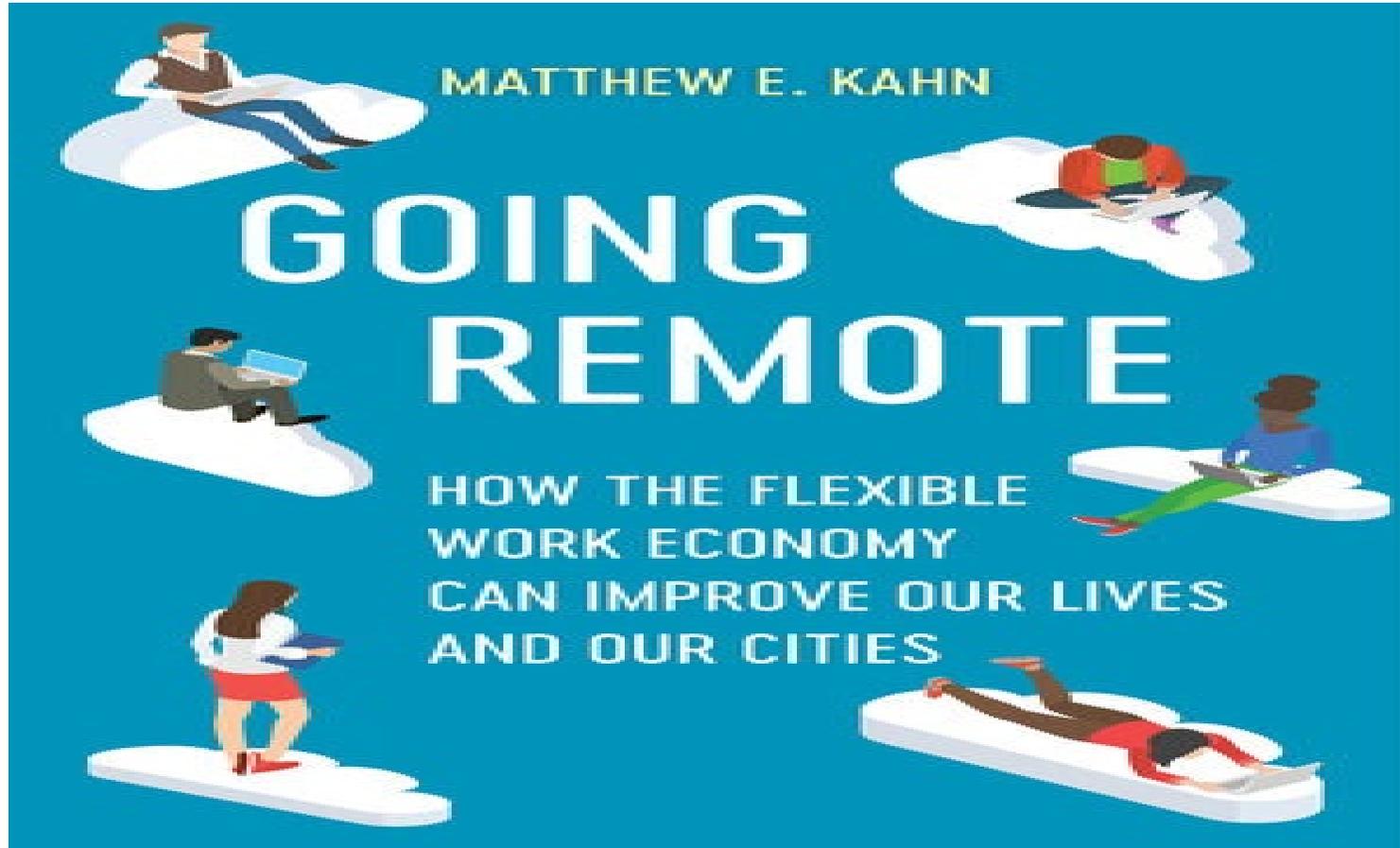
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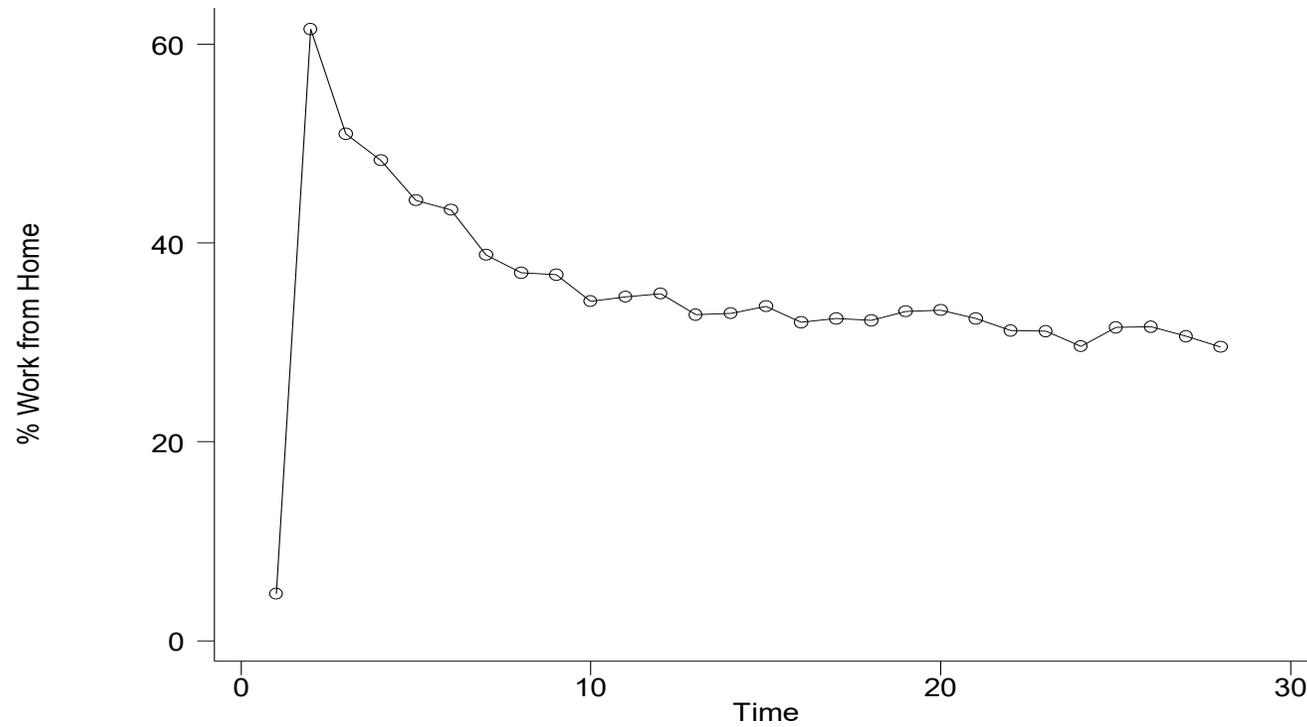
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Stanford Data on WFH Trends Since 2019



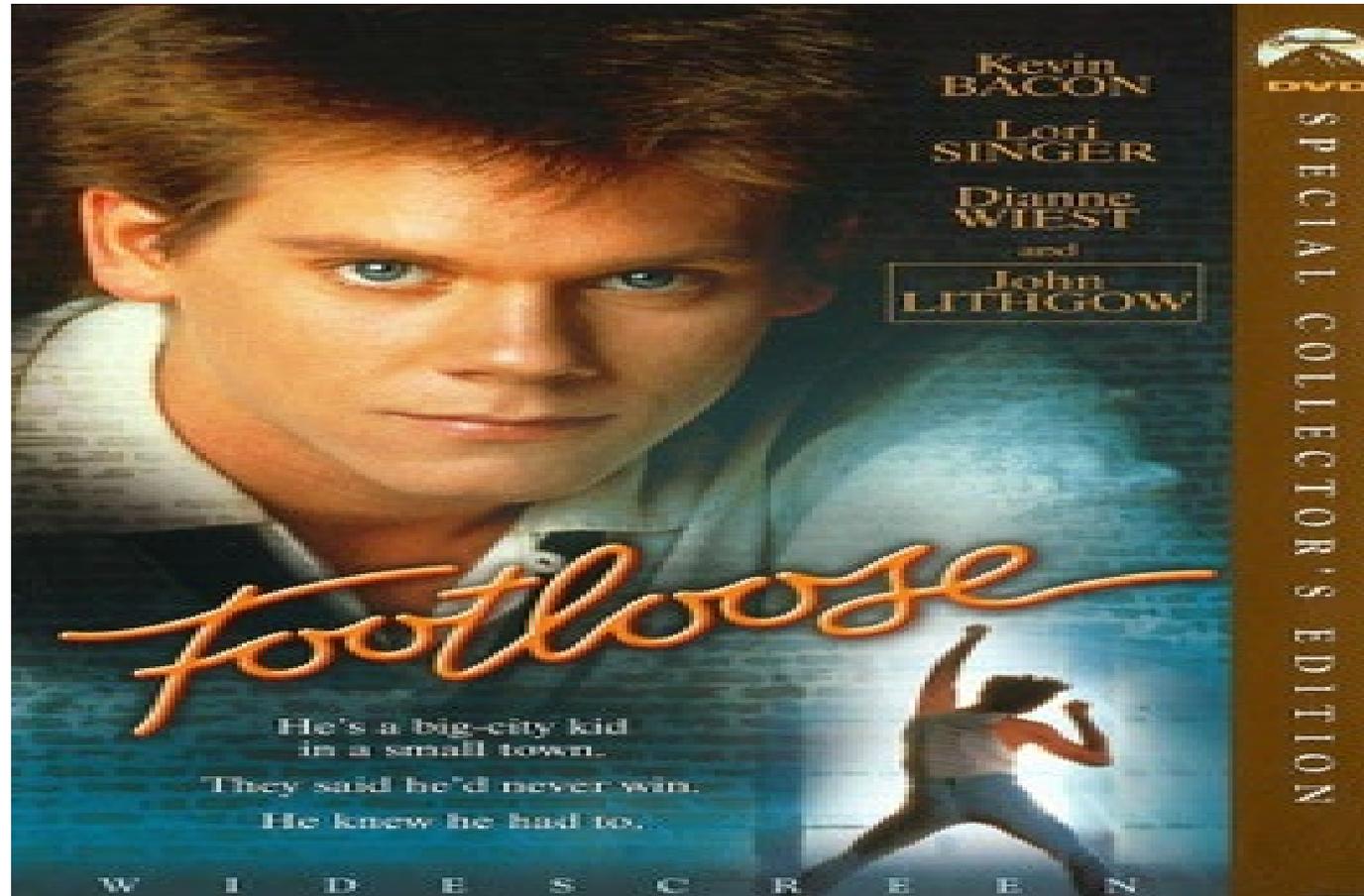
A Flashback to 2019 in Southern California

- 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_



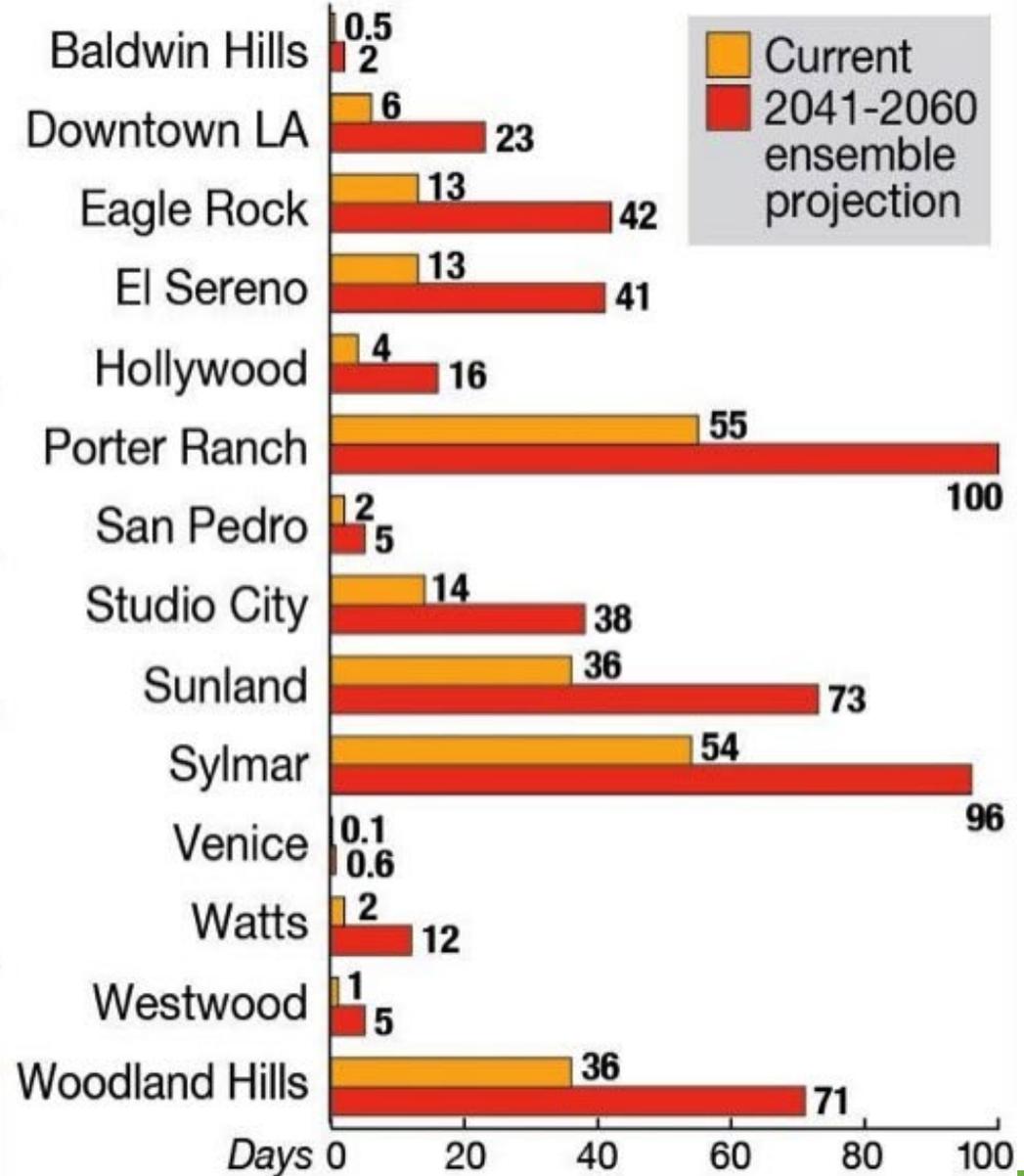
MINIMAL
Flood
Factor™

14 Elm Street, Belmont, Massachusetts

FEMA Zone (est.): X Flood insurance: recommended ⓘ

Current and projected temperature extremes for Los Angeles

Average annual days exceeding 95 degrees F



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!!