

What Is A Knowledge City?

What is a knowledge city? What are the attributes or characteristics of a knowledge city that other municipalities lack? Why is capital for real estate acquisitions and development attracted to a knowledge city? Are they unique, or can every city aspire to become a knowledge city?

When sifting through the volumes of studies, research reports and white papers, it is clear a knowledge city is a place or an intersection where people, ideas, education, unexpected entrepreneurial collisions, culture, community infrastructure and companies become aligned around a shared purpose. For some, it is a collage of knowledge moments from which high-value exports are created through technology, leadership, research and an encouraged freedom to innovate and extend beyond today's possibilities. Knowledge cities have a symbolic agreement among all stakeholders to create "something special" and a "place where one is proud to be a resident."

CEL & Associates, Inc.'s extensive study of where and why to invest in knowledge cities involved a filter of 25 different evaluative criteria. Using this ongoing research, we have developed the chart below to highlight existing, emerging and potential cities. As the Greek philosopher Heraclitus stated, "There is nothing permanent except change." So, too, with the growing list of knowledge cities listed below.

Knowledge Cities

Knowledge Cities		Emerging Knowledge Cities	
Atlanta, GA	Nashville, TN	Ann Arbor, MI	Madison County, AL
Austin, TX	New York City, NY	Bethesda, MD	Madison, WI
Baltimore, MD*	Northern Virginia	Boulder, CO	Milwaukee, WI
Bellevue, WA	Philadelphia, PA	Charleston, SC	Norfolk, VA
Boston, MA	Portland, OR	Cincinnati, OH	Oakland, CA
Chapel Hill, NC	Raleigh-Durham, NC	Colorado Springs, CO	Oklahoma City, OK
Charlotte, NC	Redmond, WA	Ft. Collins, CO	Provo, UT
Chicago, IL*	Salt Lake City, UT	Hartford, CT	Pittsburgh, PA
Dallas-Ft. Worth, TX	San Diego, CA	Huntsville, AL	Richmond, VA
Denver, CO	San Francisco, CA	Kansas City, MO	Tampa, FL
Houston, TX	Seattle, WA	Potential Knowledge Cities	
Los Angeles, CA	Silicon Valley, CA	Boise, ID	Virginia Beach, VA
Miami, FL	Tulsa, OK	Detroit, MI*	Warren, MI
Minneapolis, MN	Washington, D.C.	Trenton, NJ*	Wilmington, DE

Source: CEL & Associates, Inc.

* Long-term status: Fiscal and/or political challenges may alter a Knowledge City's status in the future.

Too often real estate investors and developers look at quantitative data and make decisions that lack a greater understanding of place. It is this sense of place or purpose that causes one city to outperform another. Cities have a competitive advantage when they can produce "knowledge" as a product, encourage continuous innovation and support civic responsibility. Cities which foster

knowledge creation attract the best and the brightest. As they attract brainpower, wages rise and the economic multiplier increases. Rents rise, demand exceeds supply and (re)development opportunities abound.

Key Questions To Discuss With Your Leadership Team

1. What is your company's investment strategy, and does it encompass the many qualitative and intrinsic factors that can assure success?
2. Is your company an asset-centric, geo-centric, product-centric or capital-centric organization? Is that the best focus for the future?
3. When was the last time you truly examined the "behind the screen" variables that underwrite a market?
4. What are the primary drivers of the markets in which you own and/or manage properties? Are those drivers sustainable?
5. Is there a future for cities that lack most, if not all, of the criteria that constitute a knowledge city?

Prediction

"Over the next decade, cities which fully embrace the qualities and characteristics of a knowledge city will outperform, from an economic and real estate perspective, municipalities lacking those traits."

Closing Comments

We hope you enjoyed this article and will be able to utilize the "Key Questions" at a future leadership meeting within your firm.

We welcome your comments, feedback, insights and perspectives

Regards,



Christopher Lee

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