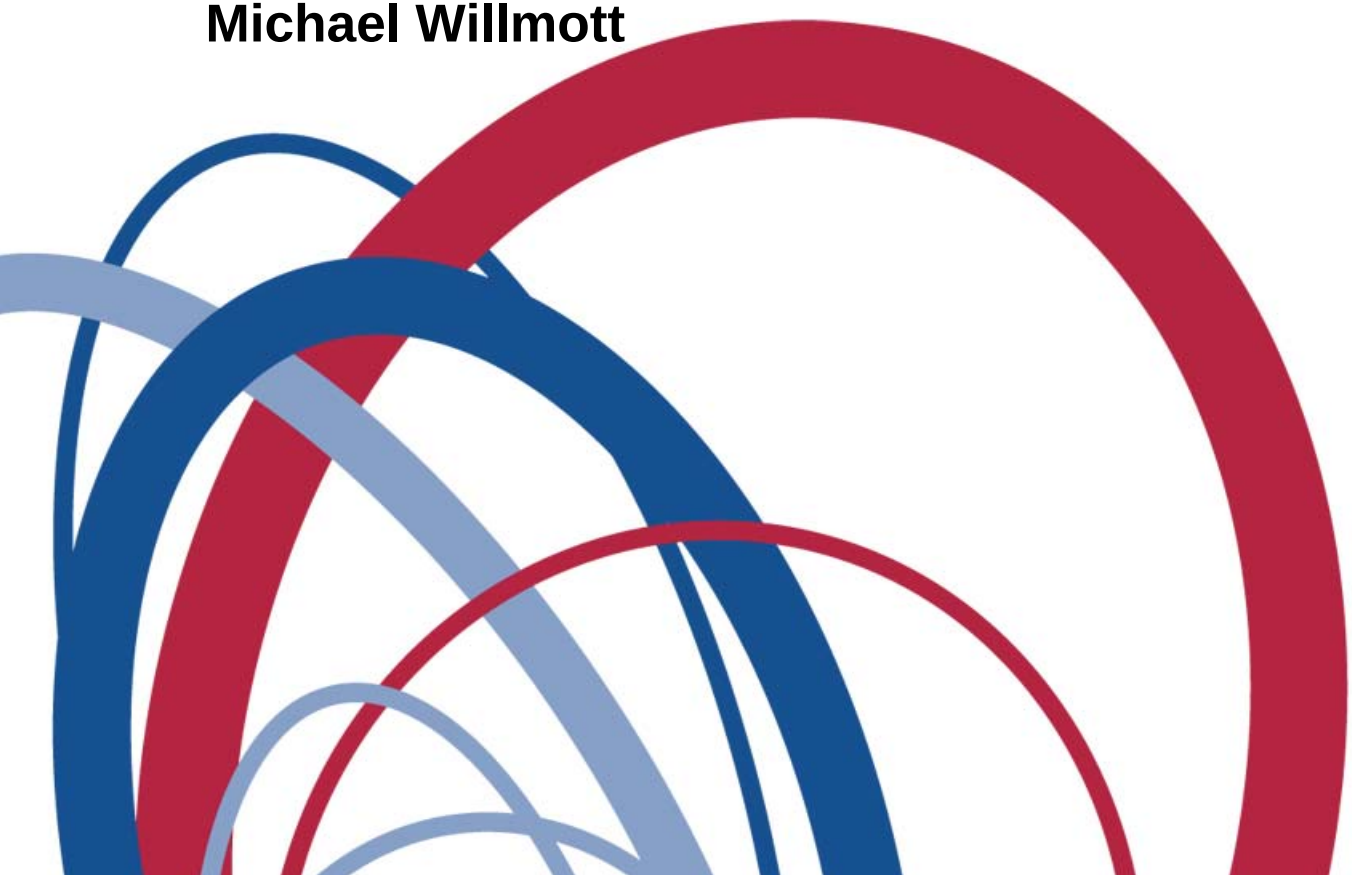
Complicated Lives

Social and demographic changes impacting on the property business

The Estates Gazette Economic Summit 11 October 2005

Michael Willmott



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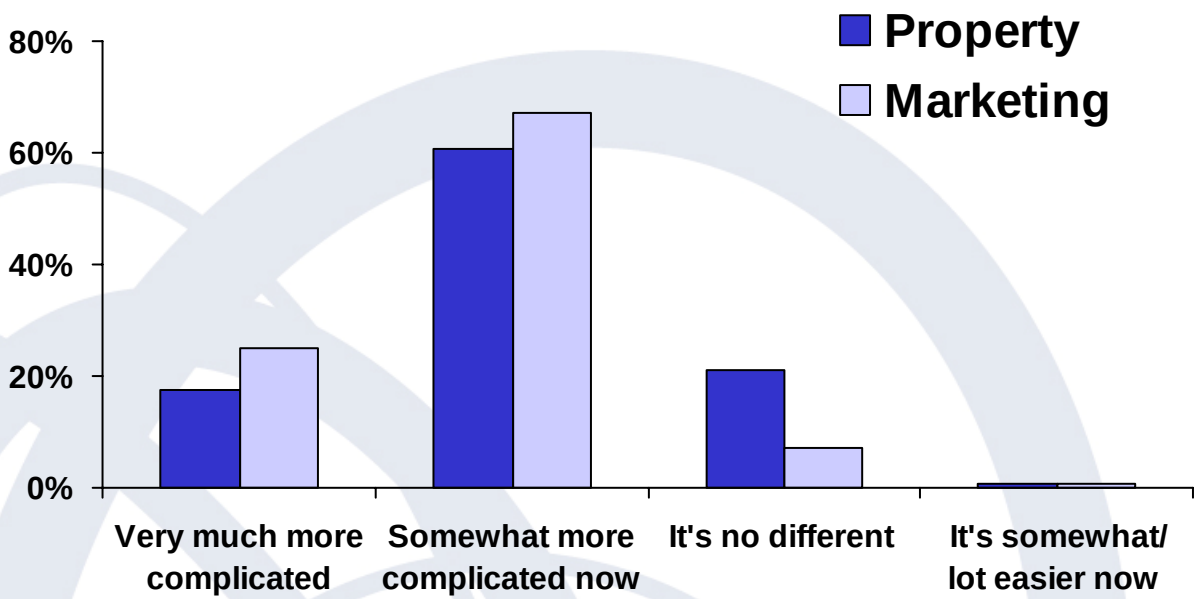
Is your life more complicated?

In many areas of work there is a perception that jobs are becoming more difficult and complex. Do you think your work is more complicated than in the past?



Source: Estates Gazette survey/Future Foundation, Richmond Events

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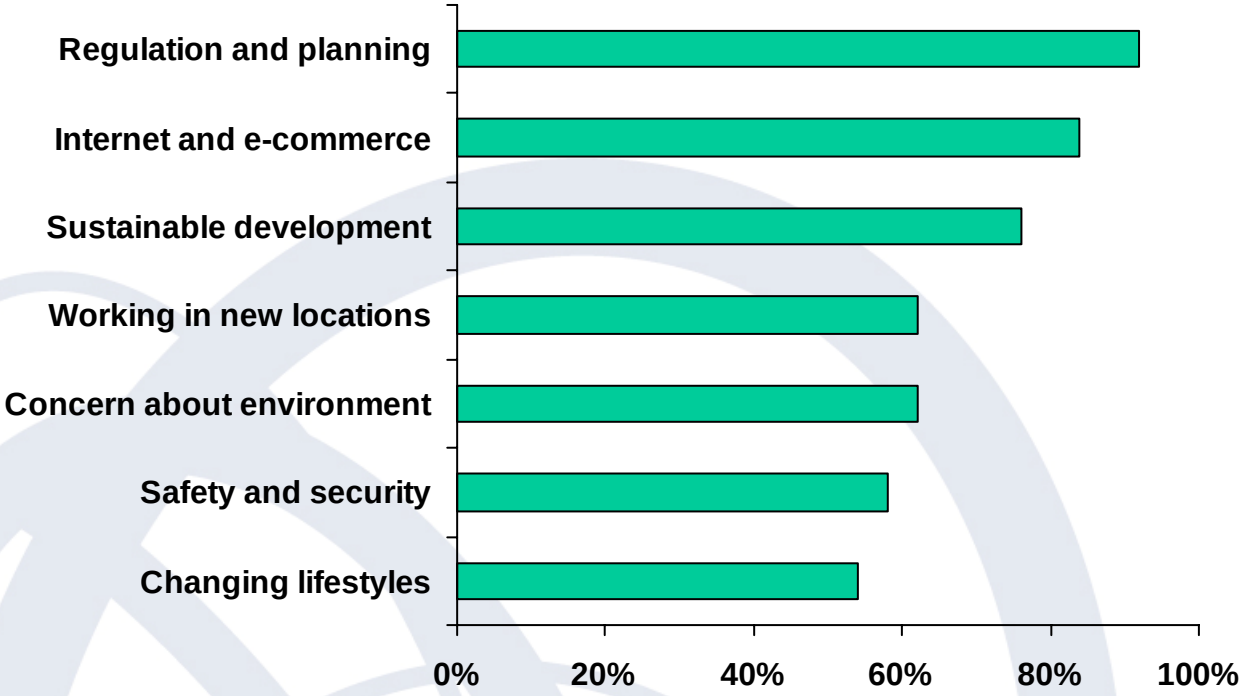
What are the big issues?

Those rating each factor as extremely or very important over the next 5-10 years



Source: Estates Gazette survey of property professionals/Future Foundation

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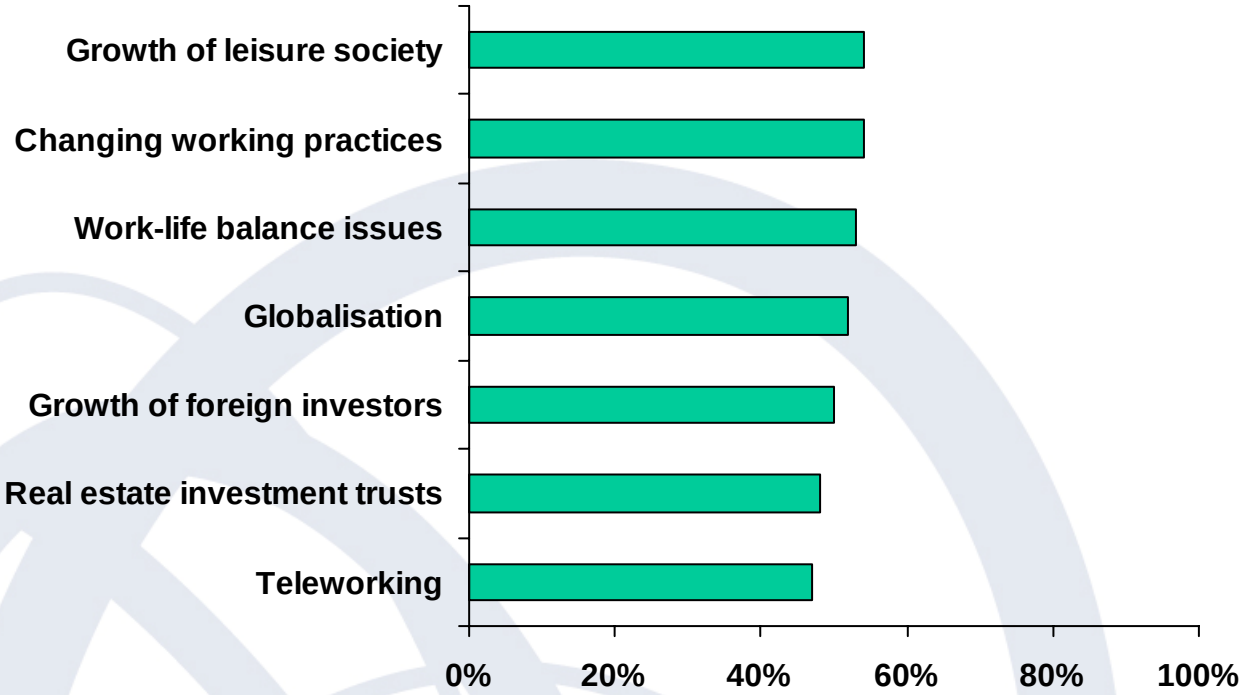

Source: Estates Gazette survey of property professionals/Future Foundation

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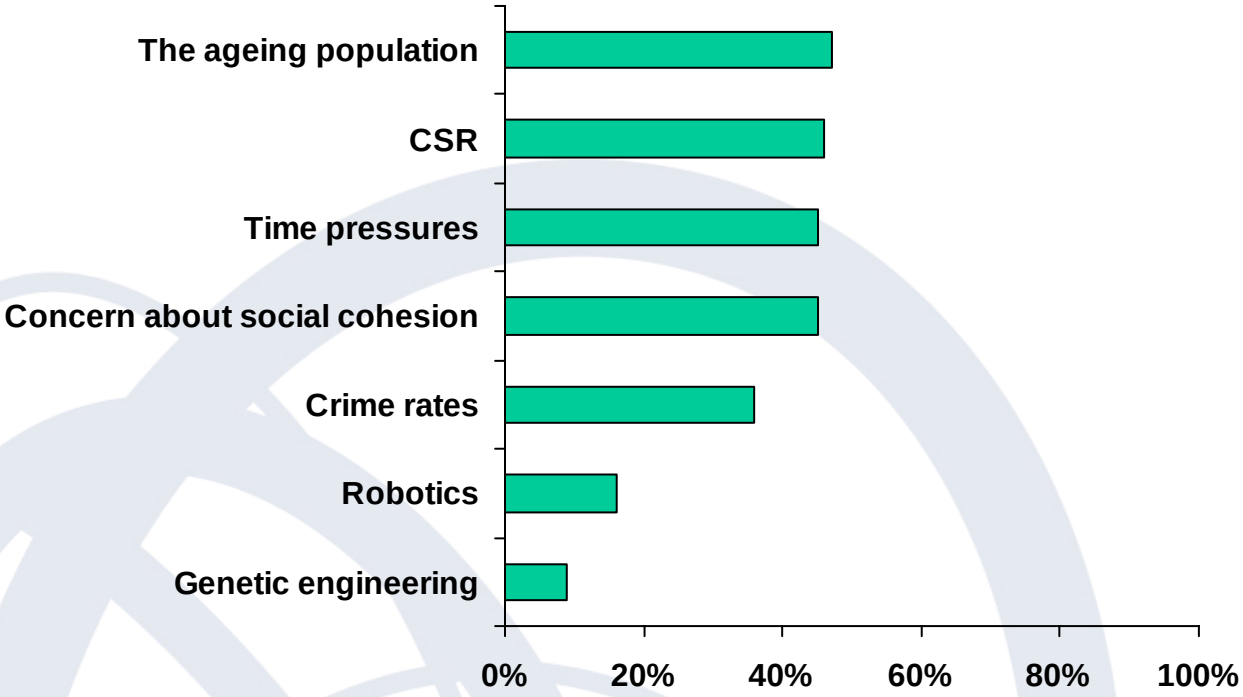

Source: Estates Gazette survey of property professionals/Future Foundation

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Structure

1. The consumer drivers of regulation – the politics of selfishness
2. Anxiety society
3. Demographics
4. The world of work
5. Consumers in a digital world
6. Lifestyles, experiences and the leisure society

The politics of selfishness?

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The consumers instinct to conspire with the regulator : how far does it go?

- Alcohol should not be allowed at places of work. **81%**
- The Government should ban chocolate vending machines in schools and hospitals. **45%**
- Jeeps and 4-wheel drive cars should not be allowed in city centres. **39%**

Source : *The Assault on Pleasure.* Future Foundation. March 2005

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The consumers instinct to conspire with the regulator : how far does it go?

- Pregnant women found smoking in a public place should be given a caution by a police officer.



- Only a limited number of people should be allowed to visit areas of natural beauty in the UK.

- We should think twice before giving sweets and chocolates as gifts to family and friends.

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Source : *The Assault on Pleasure.* Future Foundation. March. 2005

The assault on pleasure

- The trend towards the restriction and regulation of individual indulgences and pleasures that used to be tolerated
- An increased desire to restrict or outlaw **other people's** indulgences – both lobby groups and consumers feature
- A by-product of other trends
  - Culture of Fear
  - Victim Culture
  - The end of fatalism
- No evidence of a libertarian backlash

Implications

- Because of the institutional interests of lobby groups this will be an on-going problem faced by businesses – new products and markets will come under pressure in future
- Its not just about regulation: this phenomenon is polluting our consumer culture – self-regulation, self-censorship is increasingly important
- Property development, planning applications and marketing and communications now need to be designed with these objections in mind
- This presents organisational challenges – and particularly the relationship between corporate affairs and marketing

Anxiety society

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The Anxiety Society

"How extraordinary! The richest, longest lived, best protected, most resourceful civilisation, with the highest degree of insight into its own technology, is on its way to becoming the most frightened."

Aaron Wildavsky, 'Perceptions of risk', Science

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An increase in irrational behaviour?

"Why are so many fears in the air, and so many of them unfounded? Why, as crime rates plunged throughout the 1990s, did two-thirds of Americans think they were soaring? How did it come about that by mid-decade 62 per cent of us described ourselves as 'truly desperate' about crime – almost twice as many as in the late 1980s, when crime rates were higher? …..

Give us a happy ending and we write a new disaster story."

Barry Glassner, The Culture of Fear, Basic Books, 1999

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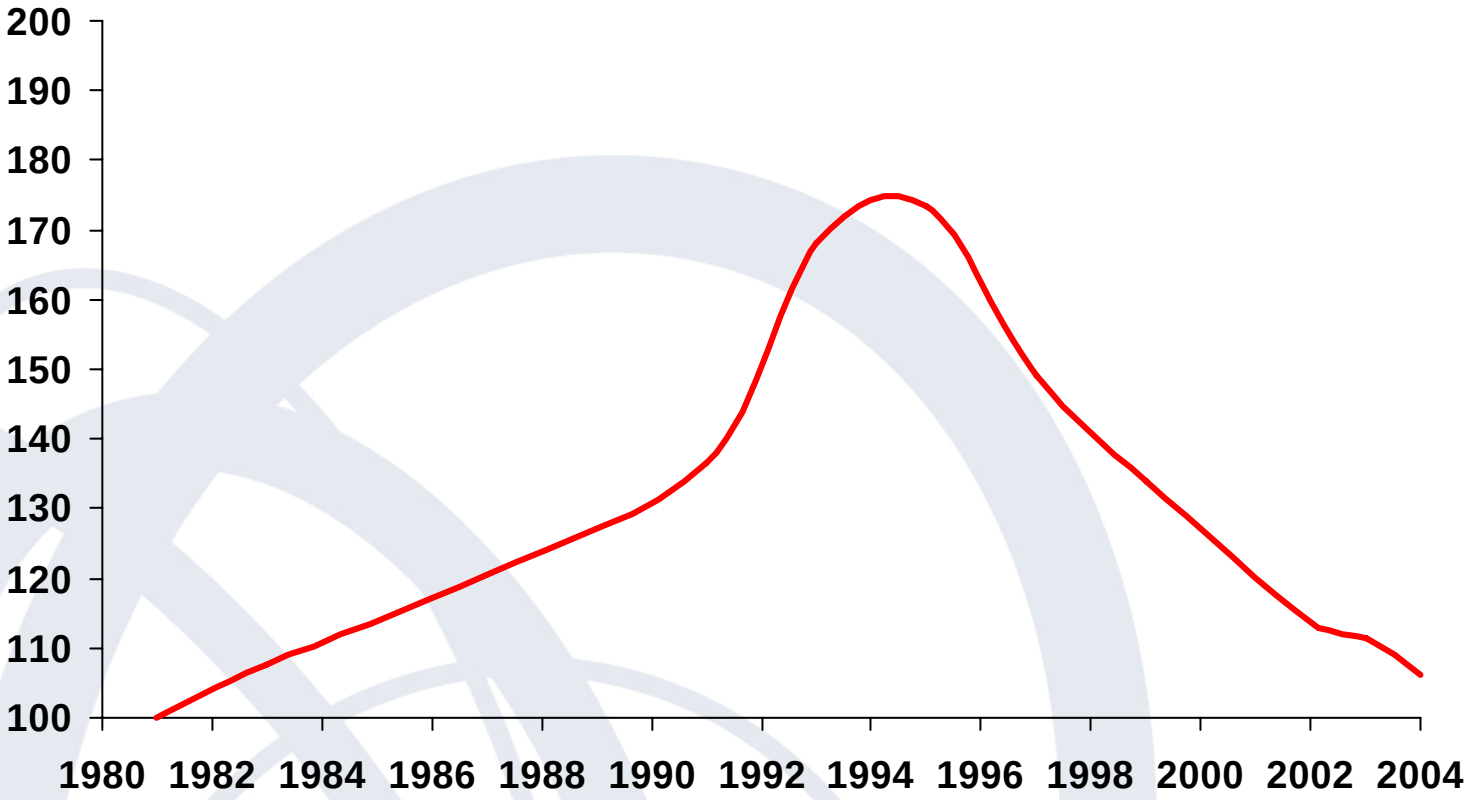
British Crime Trends

Reported crime from British Crime Survey, 1981 = 1000



Source: British Crime Survey, Home Office/The Future Foundation

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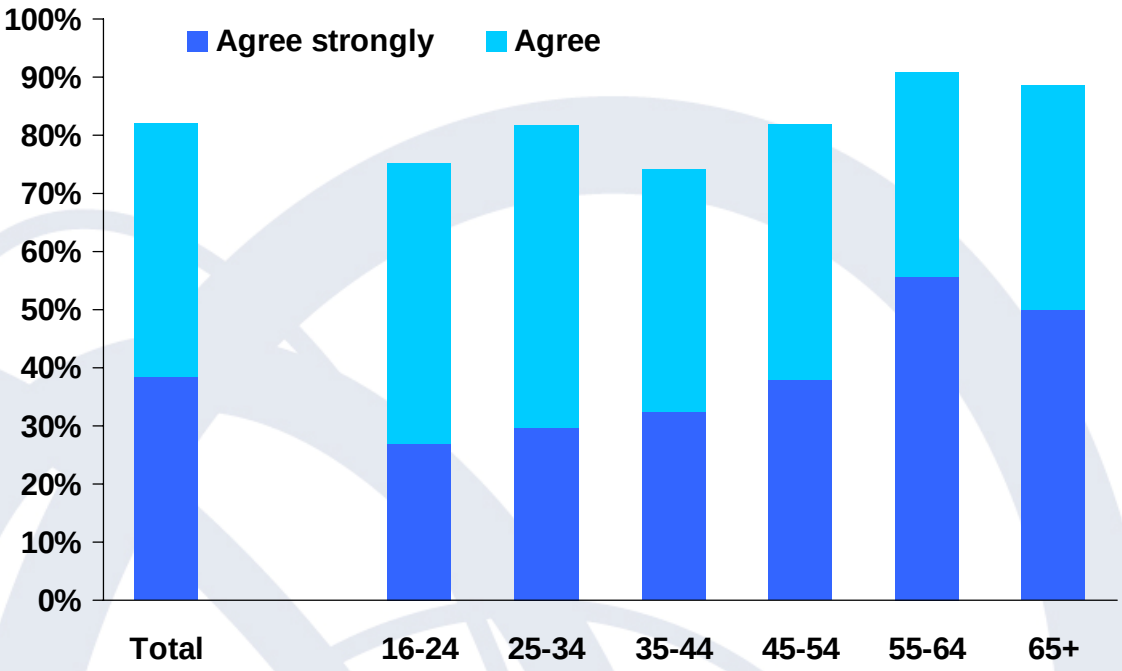
But we still worry…

Proportion who agree that Britain has become a more dangerous place to live in the past 10 years



Source: 'Changing Lives', nVision
Base: 1000 adults aged 16+

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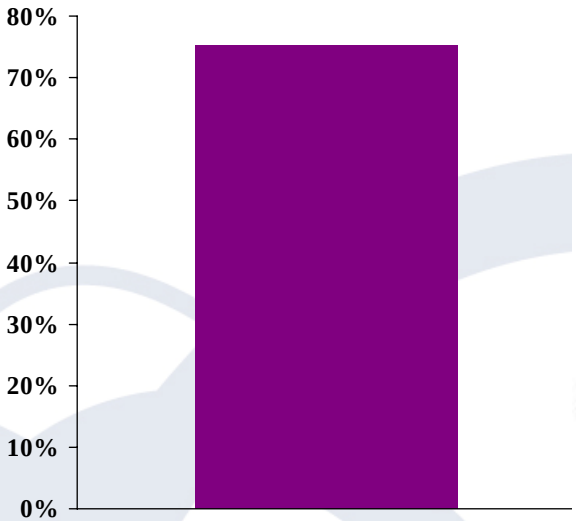
Parents' interest in owning child surveillance technologies



An electronic bracelet for children that allows you to find out where they are at all times



Source: 'Changing Lives', nVision Base: 416 parents aged 16+, 2002

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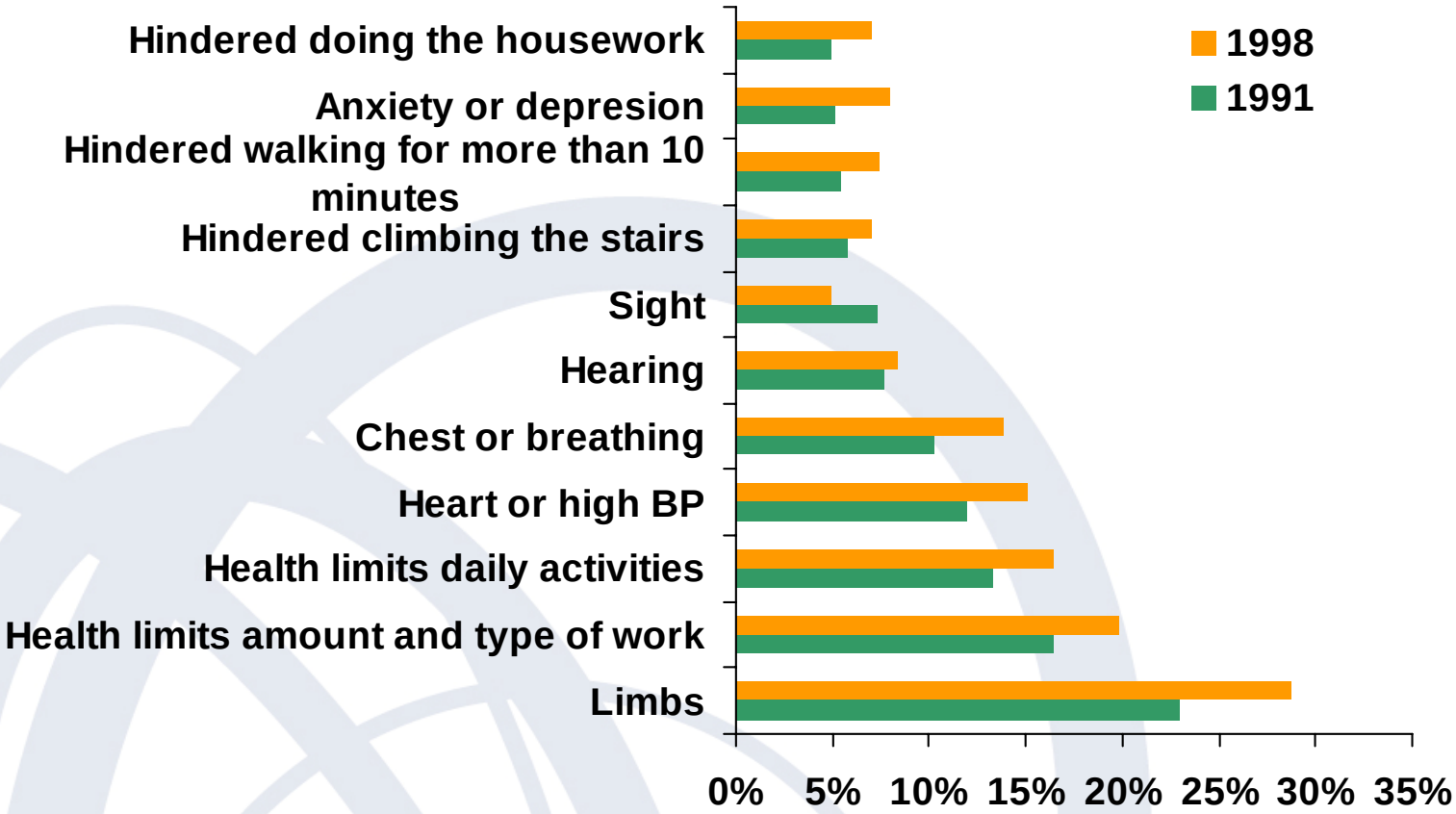
Self reported health problems



Source:British Household Panel Survey, Institute of Social and Economic Research/The Future Foundation

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Health: an unhealthy obsession?

- Three reasons why health is of growing concern:
  - Medicalisation of health
  - Illness as the norm
  - Illness as identity

  = politicisation of health

Source: Frank Furedi

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What's driving the 'culture of fear'?

- Politicians
- The media

Source: Barry Glassner, A Culture of Fear/Future Foundation

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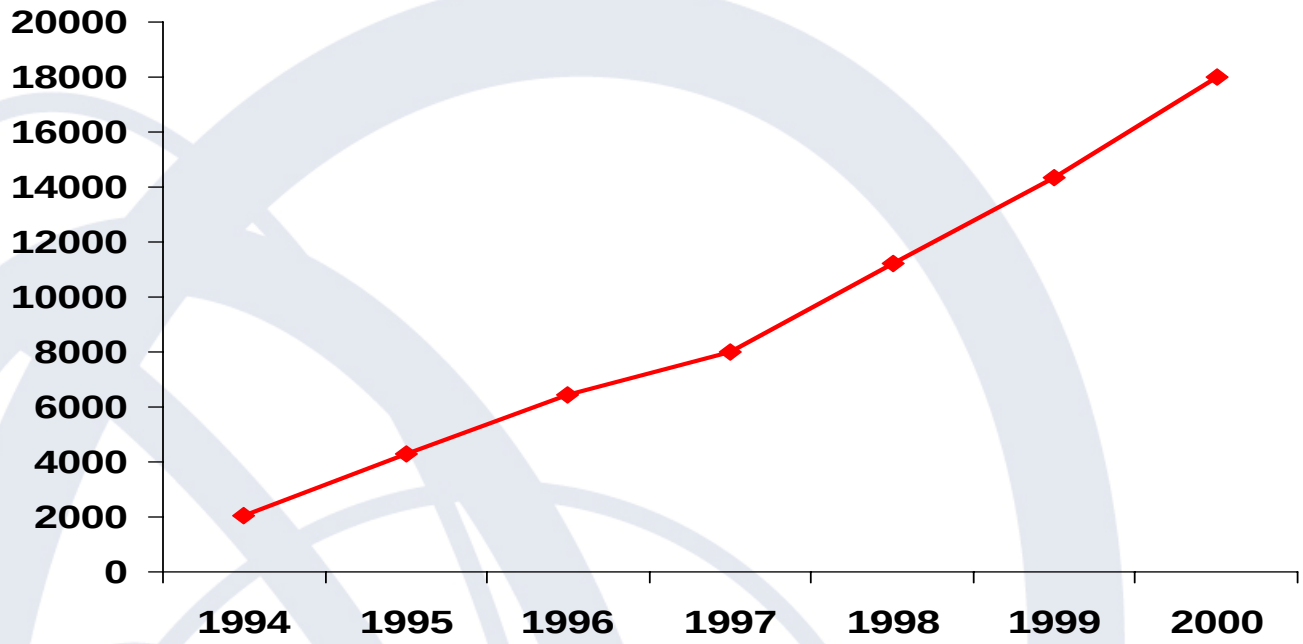
Better health, lower crime rates but apparently more ‘at risk’

Number of mentions of the term ‘at risk’ in UK newspapers (based on a search of Reuters database)



Source: *Culture of Fear*, Frank Furedi, Continuum books, 2002

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What's driving the 'culture of fear'?

- Politicians
- The media
- Advocacy groups

Source: Barry Glassner, A Culture of Fear/Future Foundation

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Advocacy groups

‘Thus as the industry and farming organisations have an obvious interest in portraying the environment as just-fine and no-need-to-do-anything, the environmental organisations also have a clear interest in telling us that the environment is in a bad state, and that we need to act now. And the worse they can make this state appear, the easier it is for them to convince us we need to spend more money on the environment rather than hospitals, kindergartens, etc.’

The Skeptical Environmentalist, Bjorn Lomborg

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What's driving the 'culture of fear'?

- Politicians
- The media
- Advocacy groups
- Business

Source: Barry Glassner, A Culture of Fear/Future Foundation

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Raising health fears?



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What's driving the 'culture of fear'?

- Politicians
- The media
- Advocacy groups
- Business
- Scientists?

Source: Barry Glassner, A Culture of Fear/Future Foundation

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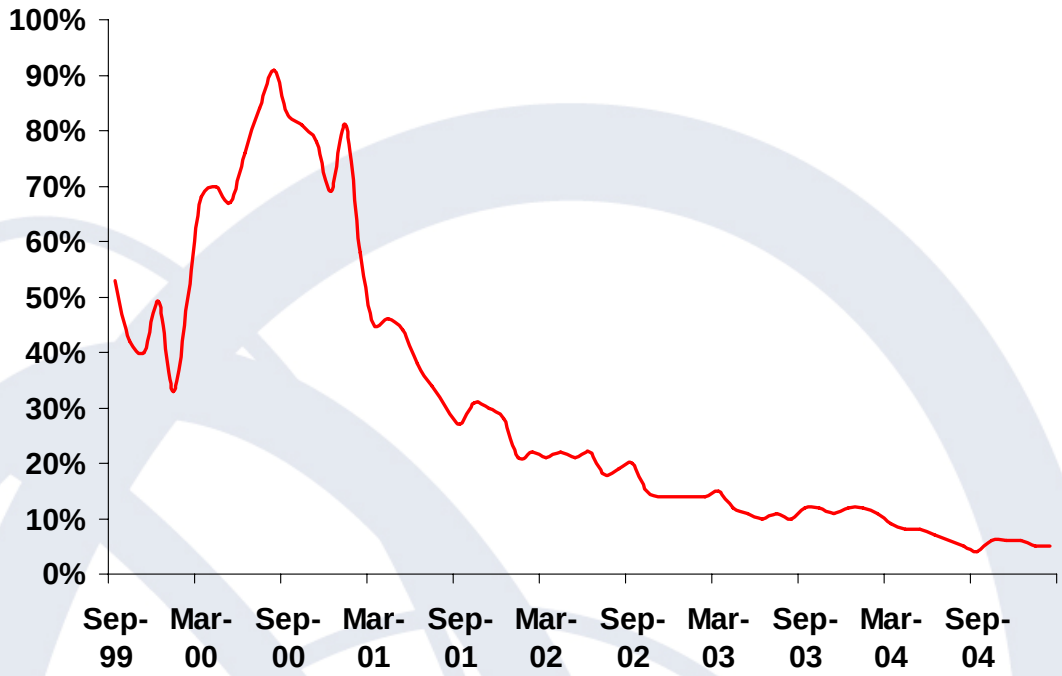
Growth in vCJD

‘Scientists have reported a sharp increase in the number of cases of vCJD’ - BBC 6 September 2001



Source: Department of Health/Future Foundation

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Can scientists be truly objective?

"… some of us must avoid generating anxiety in order to increase our chance of getting our next grant."

Sir Colin Berry, professor of morbid anatomy and histopathology, Queen Mary College, London in a speech to the Royal Institution, January 2002

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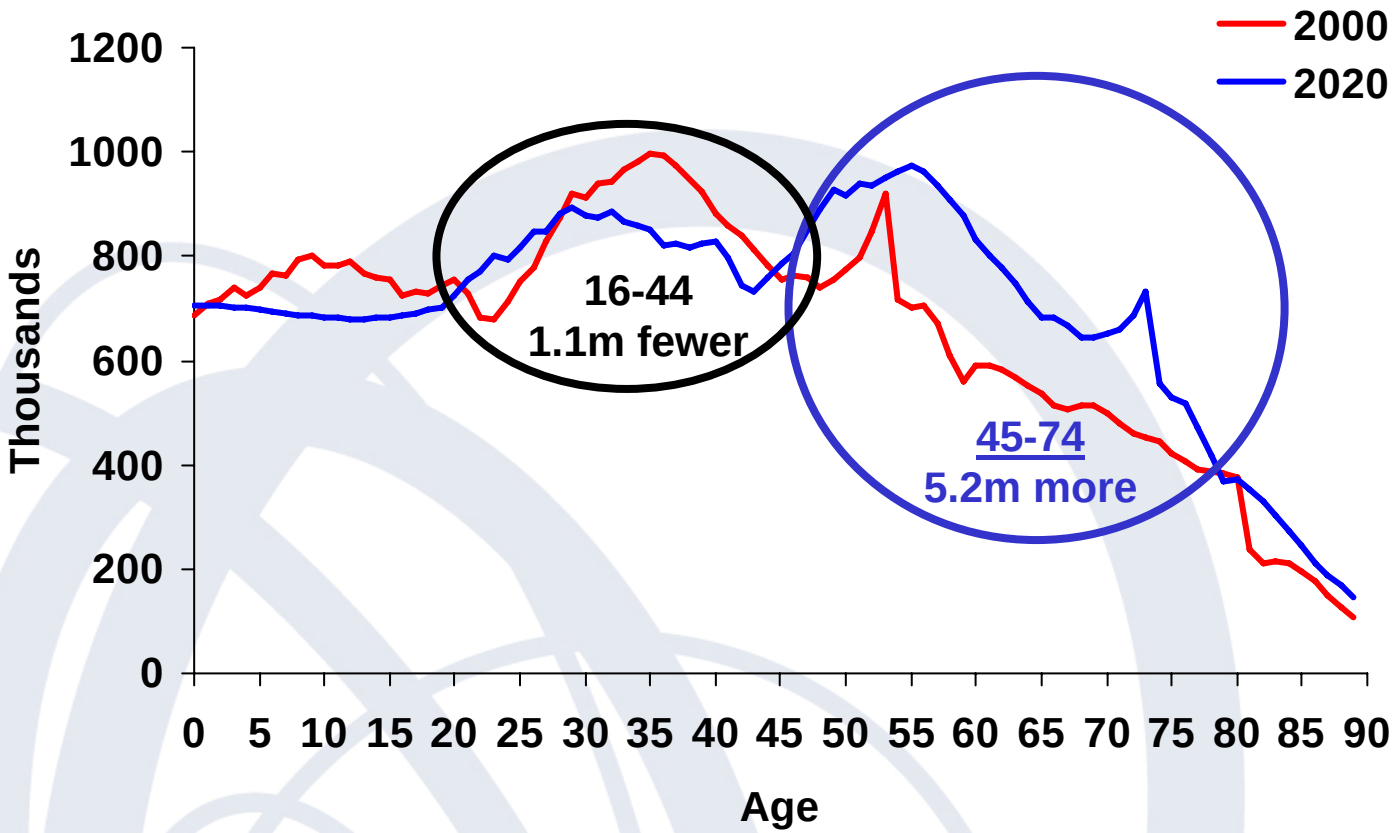
Age structure of the UK population

Number of people in each one year age band



Source: ONS/nVision

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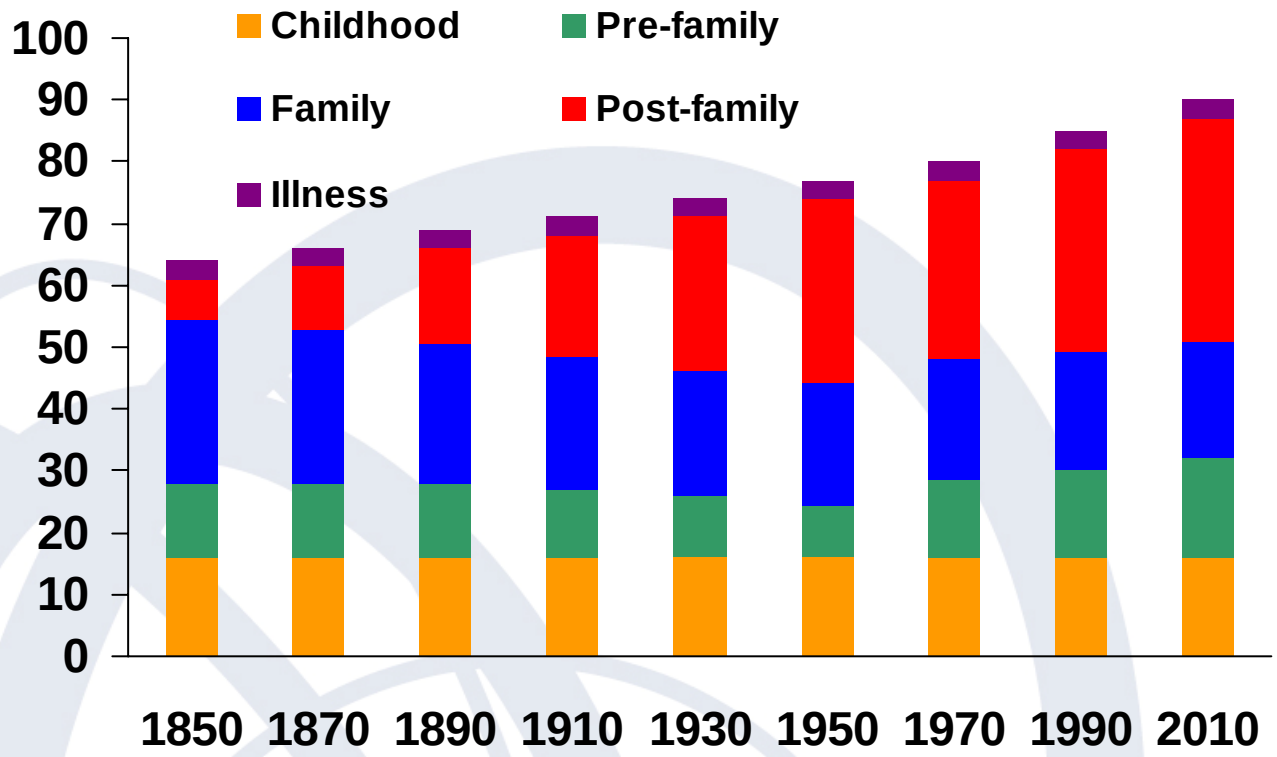
Three stages of life for women born in…



Source: Registrar General/'The Symmetrical Family'/The Future Foundation
Base: England & Wales

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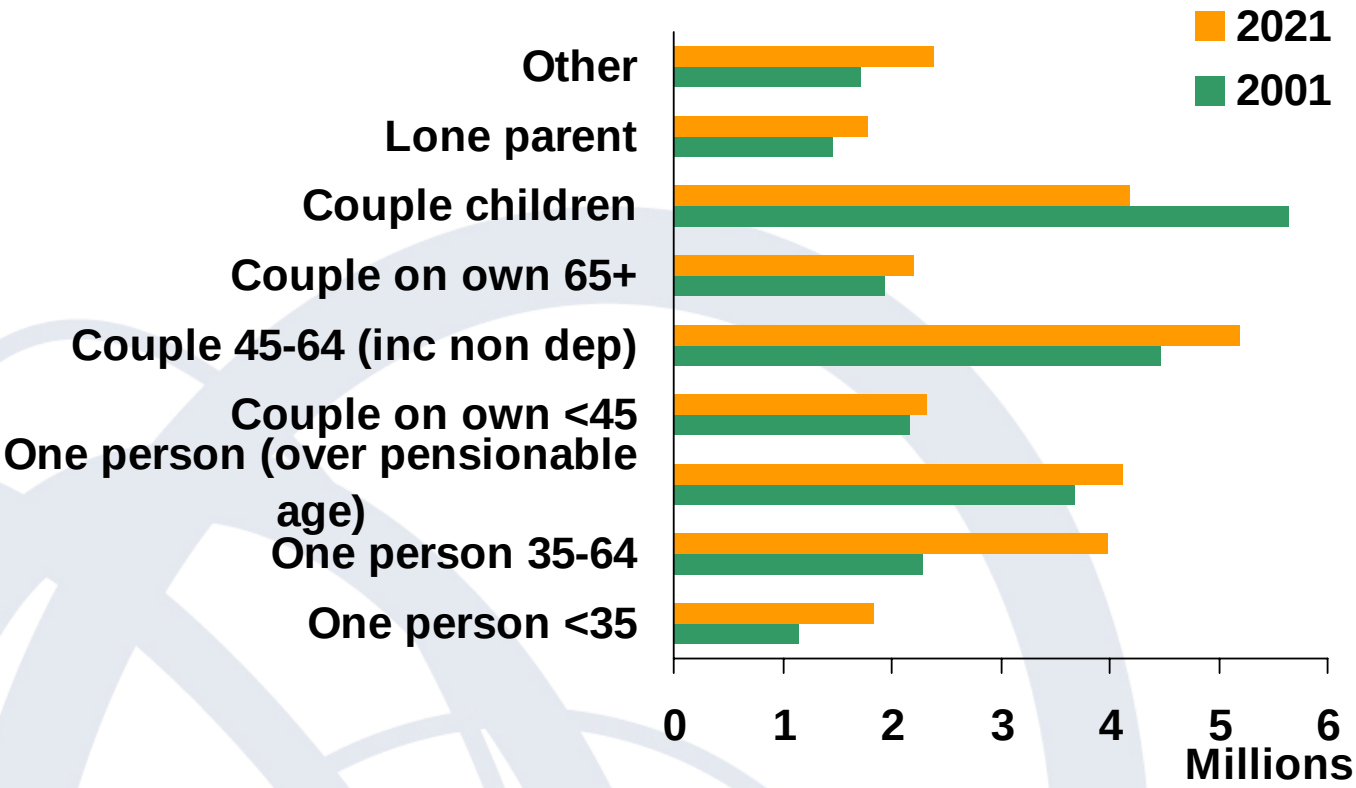
Changing household types



Source: Future Foundation/ONS

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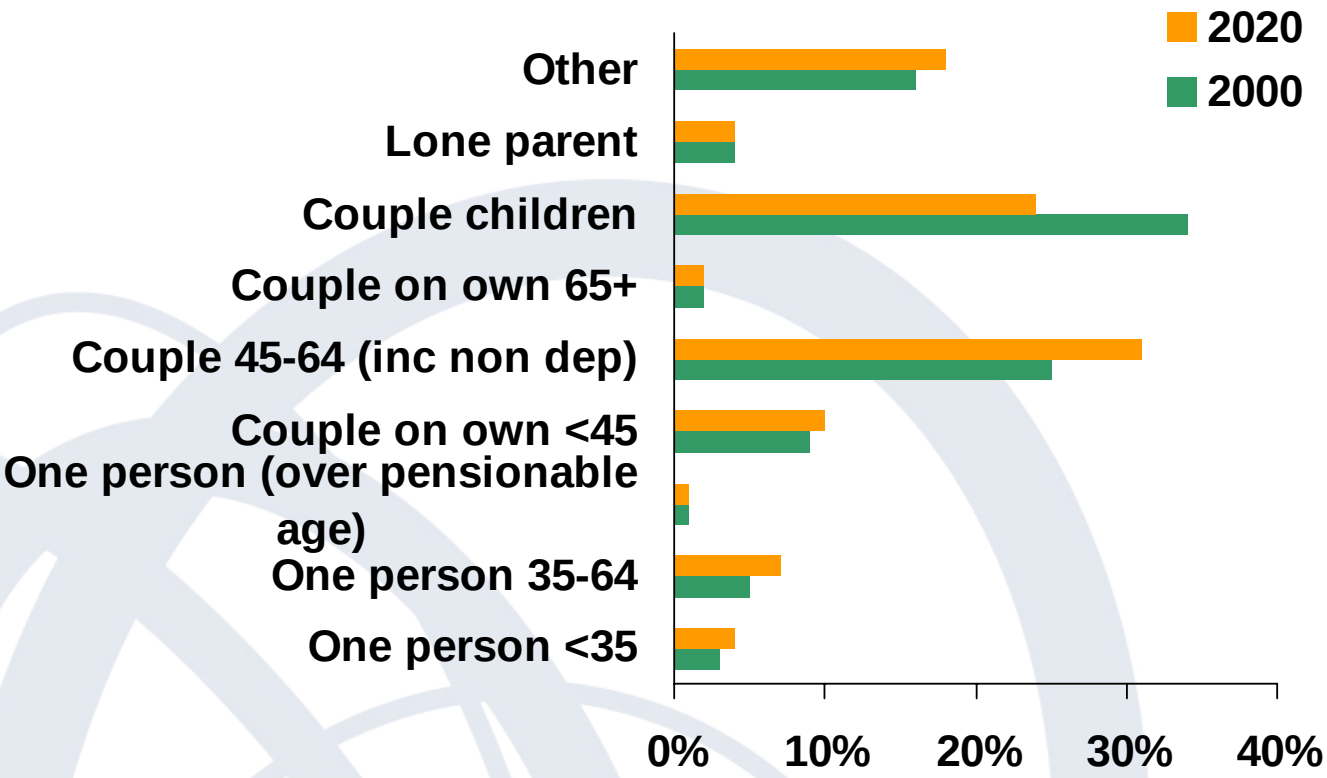
Proportion of spending in Shopping Centres



Source: *Shopping Centre Futures*, BCSC/Grosvenor/Future Foundation

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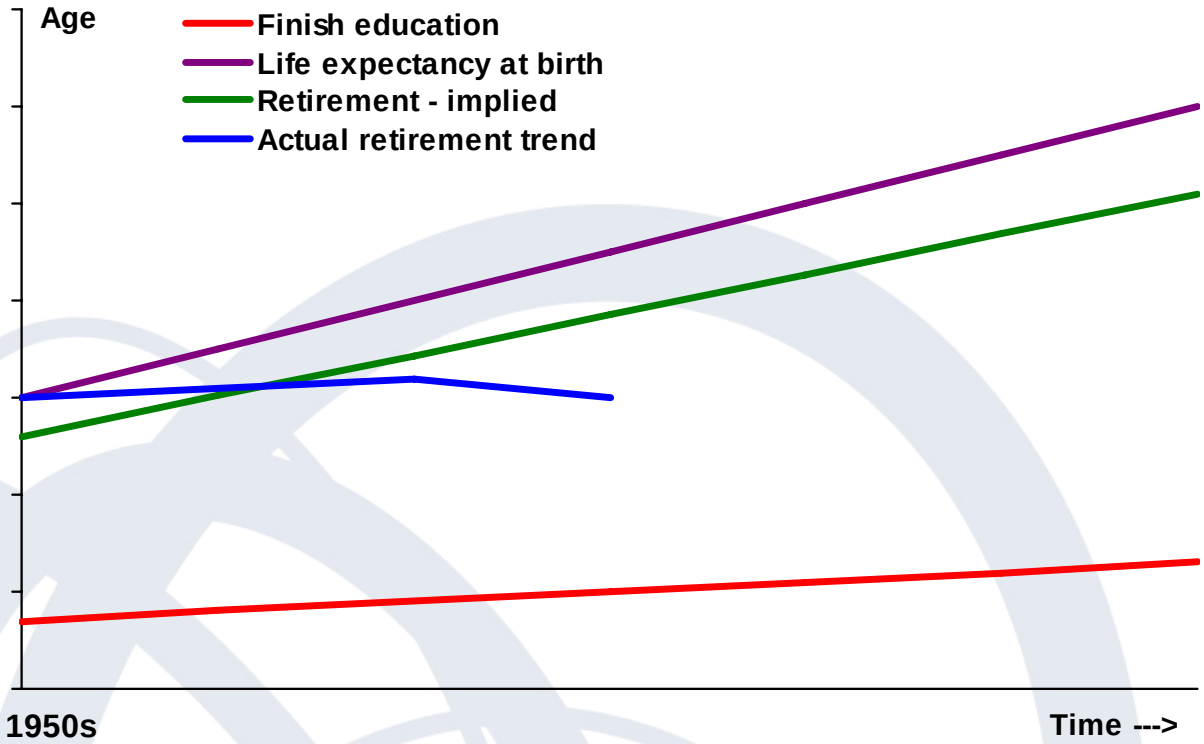
Implied working lives



Source: The Future Foundation nVision

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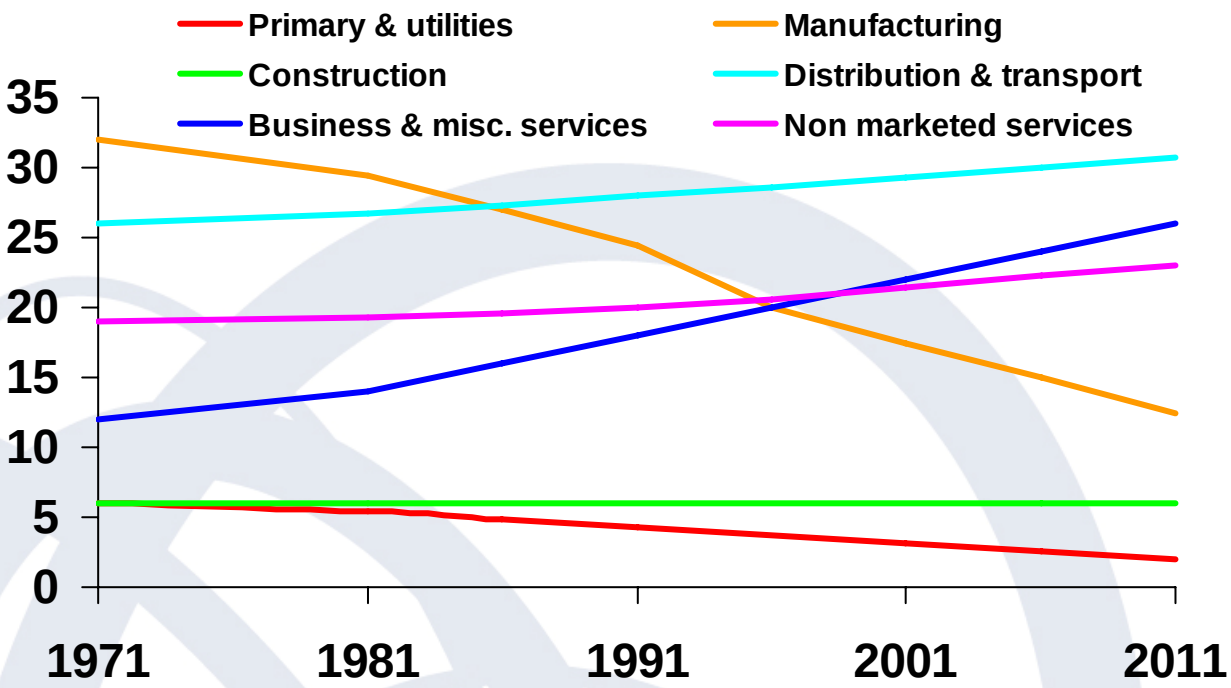
Economic base shifting to services

% total employment



Source: www.localknowledge.co.uk, DfEE

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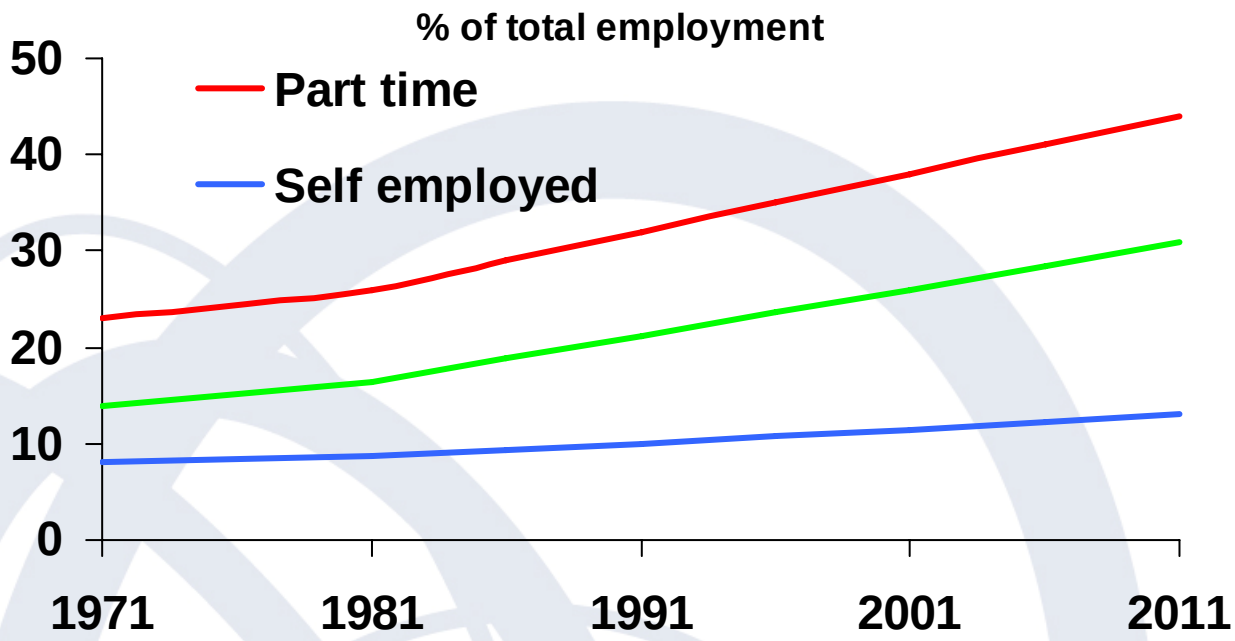
Traditional employment becoming less common



Source: DfEE

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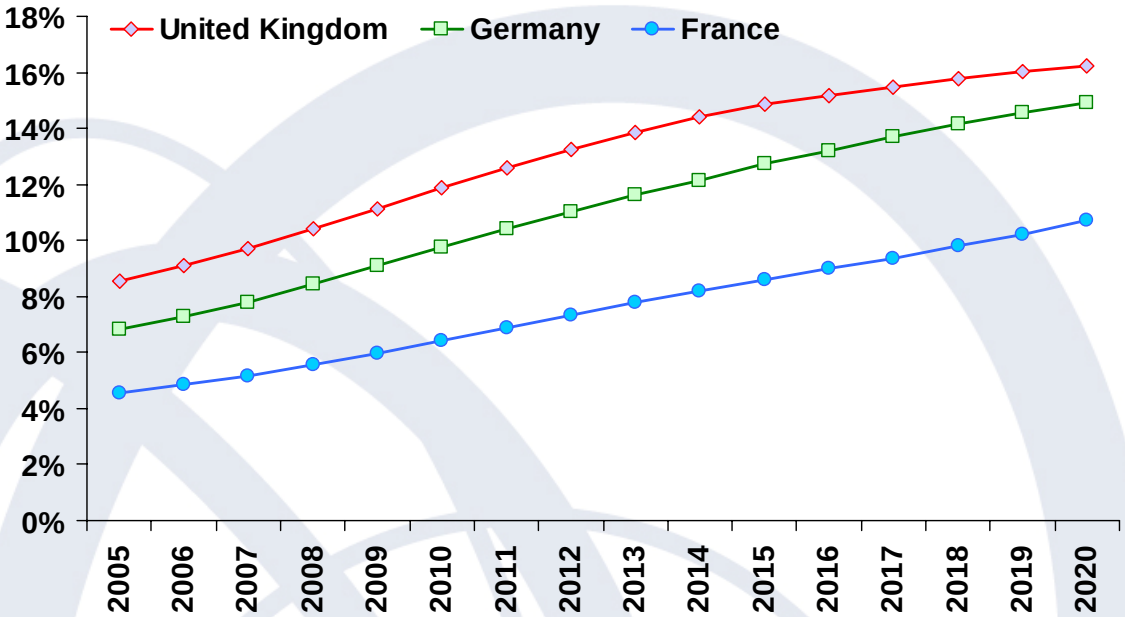
Teleworking

Proportion of the total workforce who are regular home-working teleworkers

% working at home at least one day per week, using ICTs to facilitate work



Source: Brother/The Future Foundation

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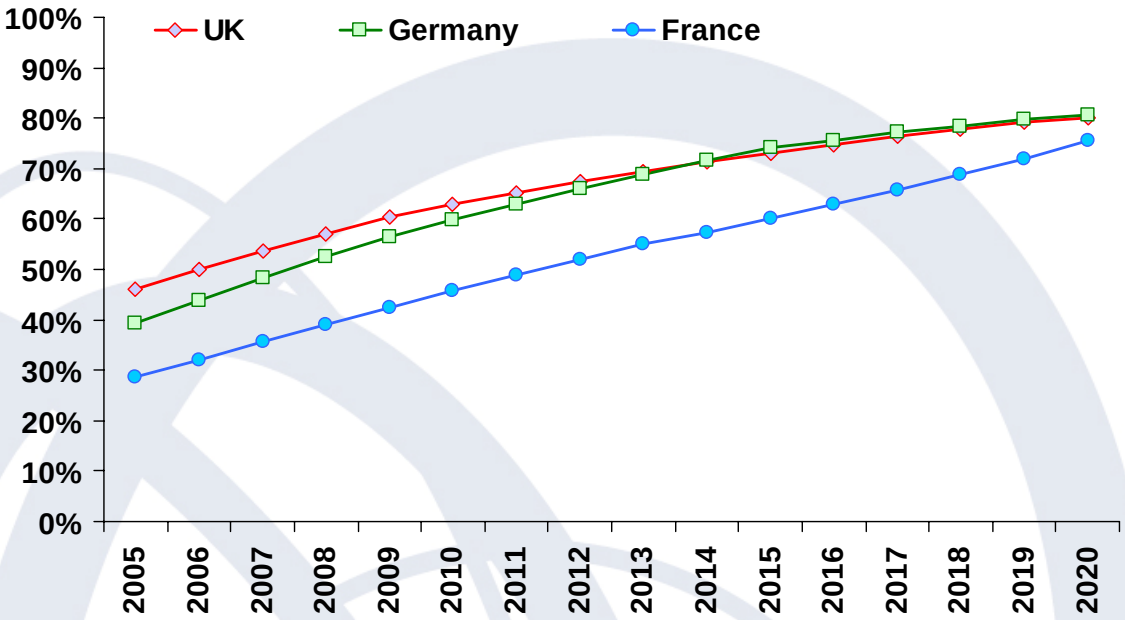
‘FreE-workers’

% who at least occasionally make use of information and communications technology for work-related purposes while not in a central work location



Source: Brother/The Future Foundation

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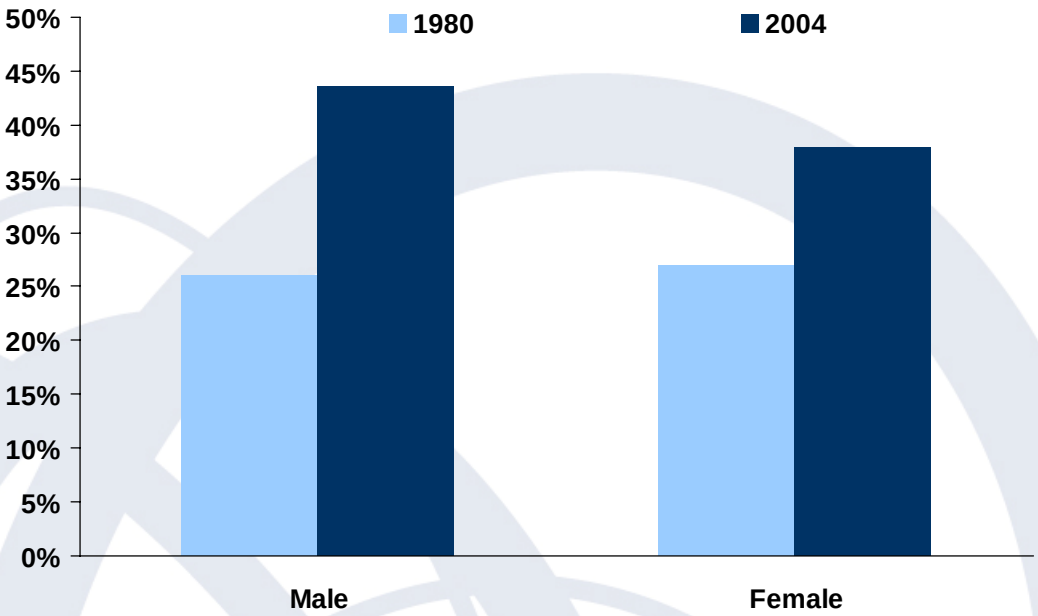
Work-life balance

Proportion saying they get EQUAL satisfaction from family and away-from-home activities



Source: 'Changing Lives', nVision/Taylor Nelson Sofres
Base: 1000-2000 adults 16+, UK

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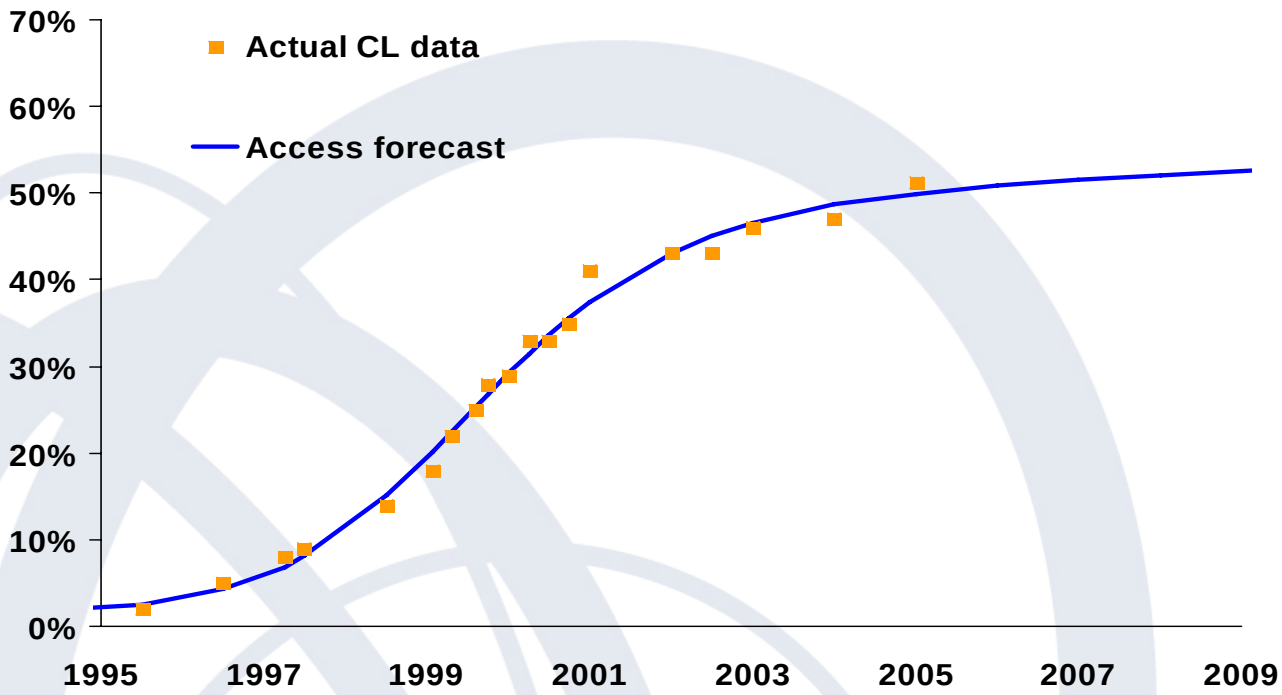
Internet access via a PC at home in the UK

Proportion of people aged 16+ with internet access via a PC at home - nVision forecast

Jan 2005 based forecast



Source: 'Changing Lives'/nVision
Base: 1000 adults aged 16+

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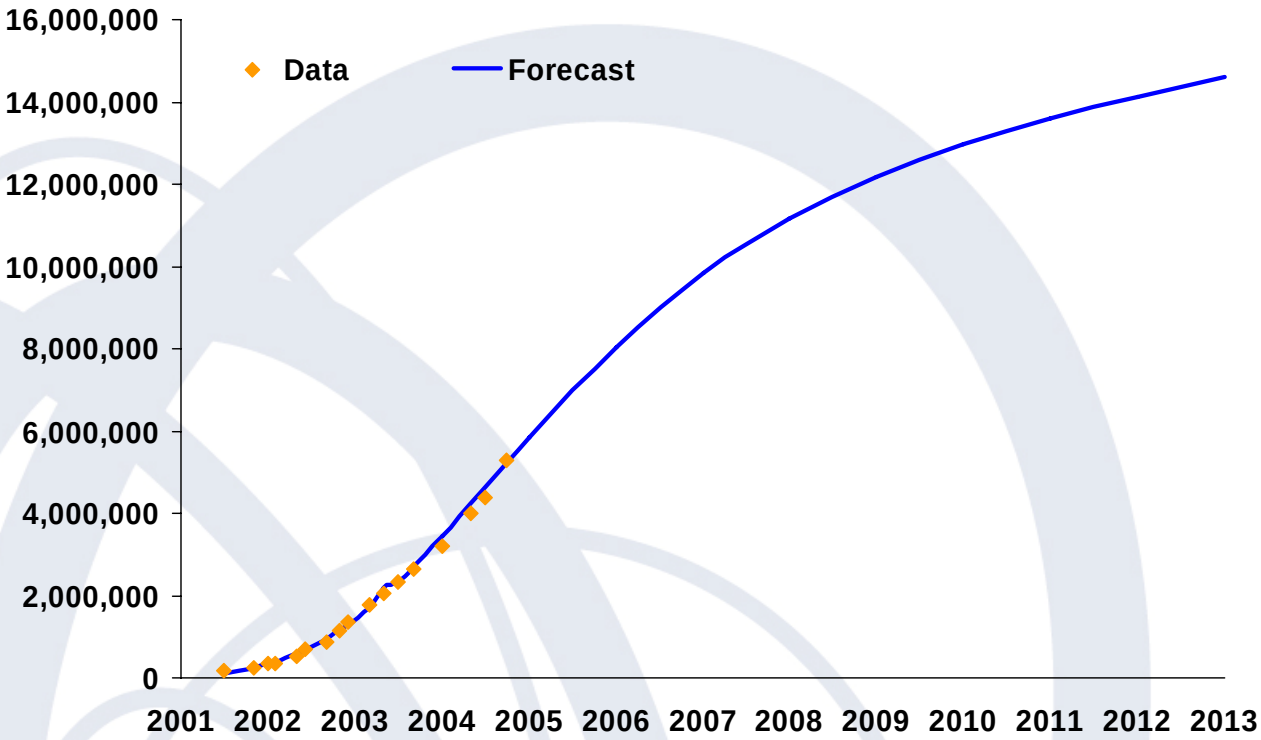
The future of broadband access in the UK

Number of households that subscribe to a Broadband Internet service at home

nVision forecast



Source: Ofcom/nVision

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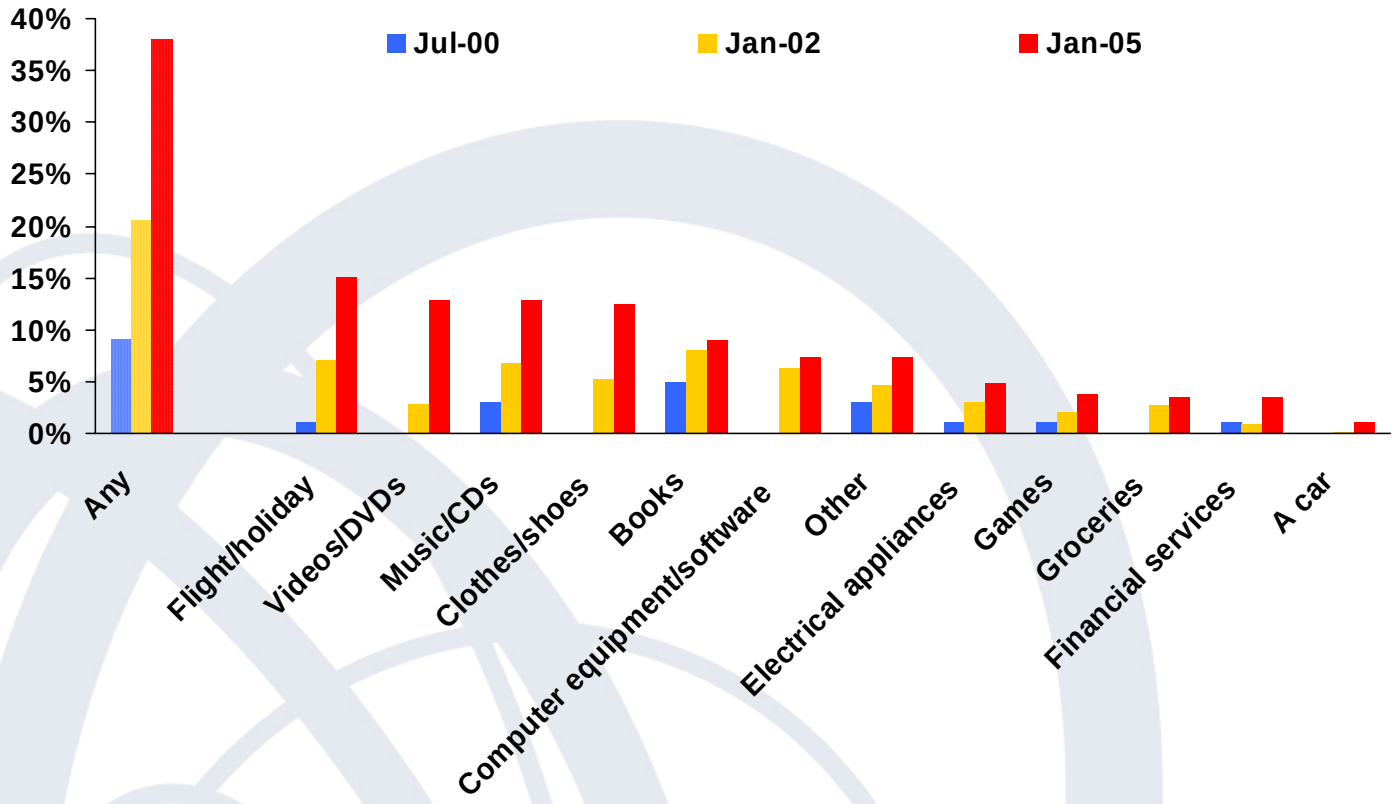
Internet shopping in the UK

Proportion of adults who have purchased various products via the internet in the last six months



Source: 'Changing Lives', nVision
Base: 1000 adults 16+, UK

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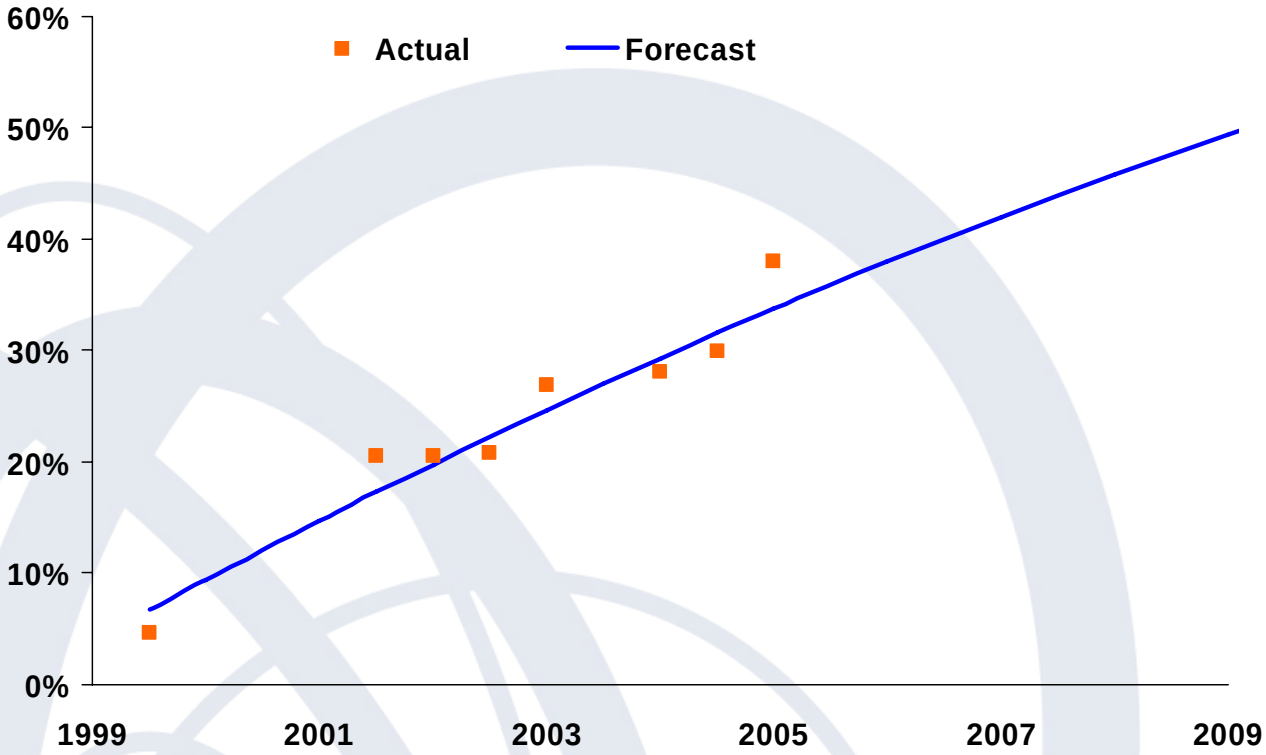
Online purchase forecast

Proportion of adults who do at least some online purchasing - nVision forecast

January 2005 -based projection
"Have you bought anything online in the last 6 months?"



Source: 'Changing Lives', nVision
Base: 1000 adults 16+, UK

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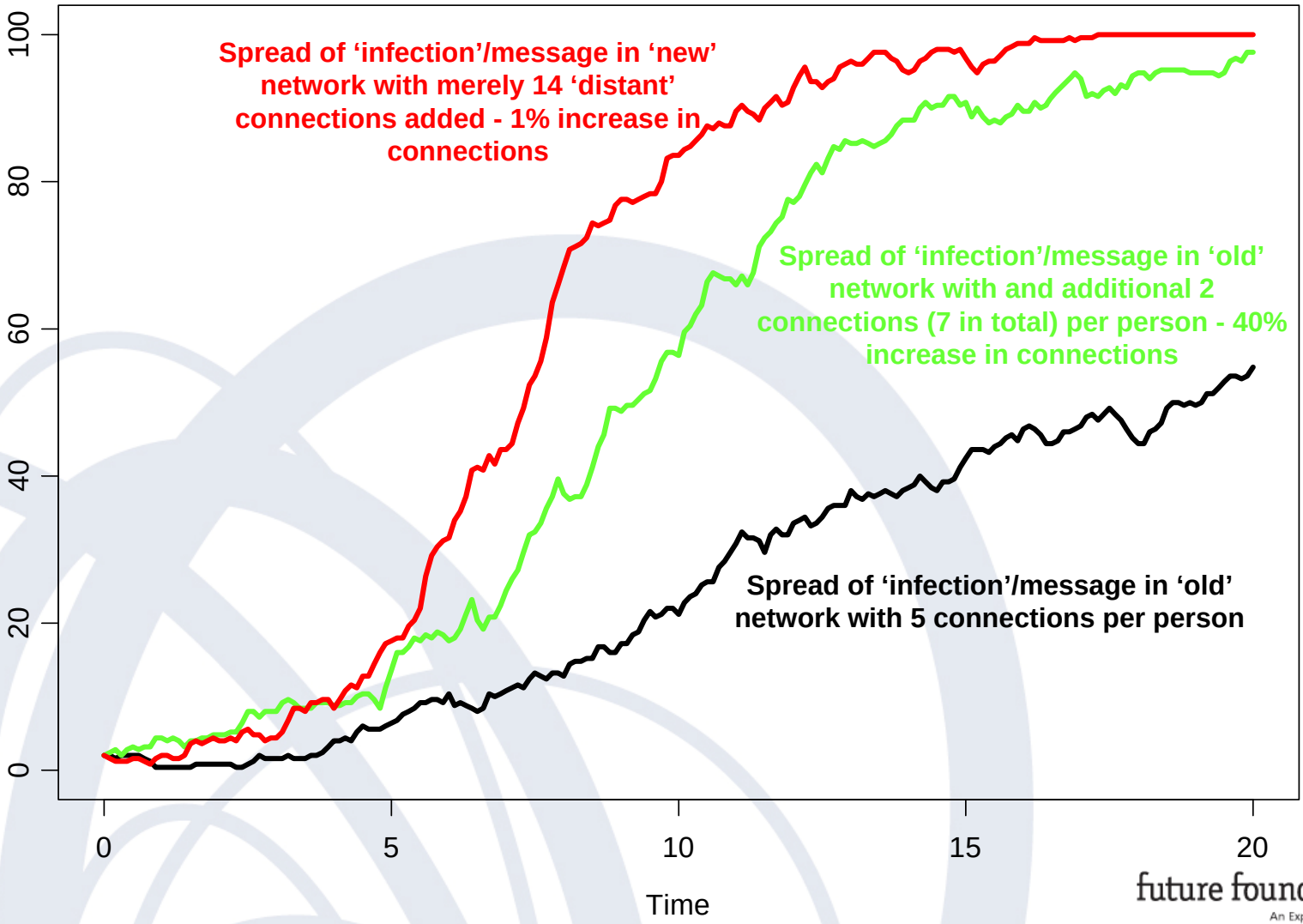
Small world - faster and less predictable



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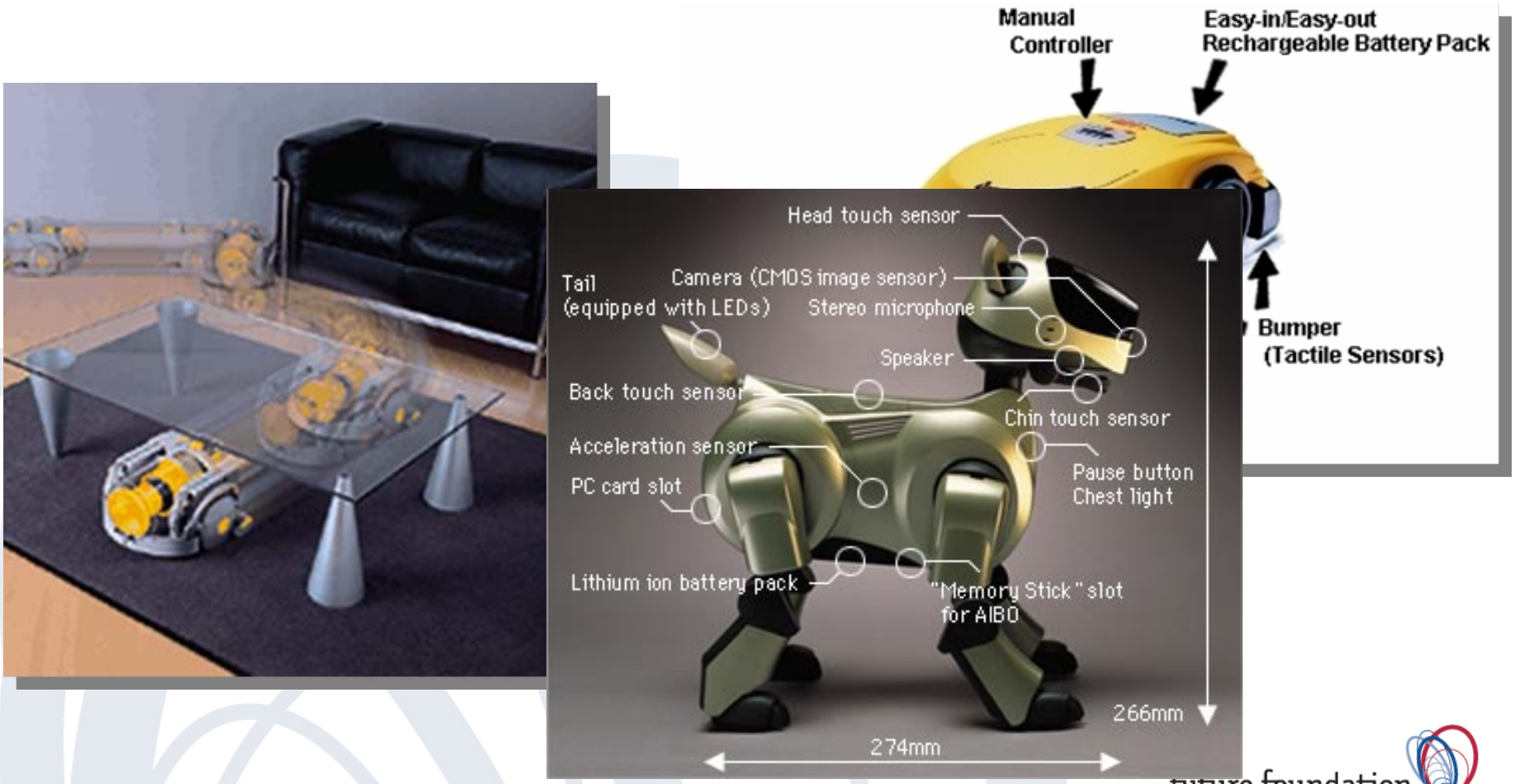
The robots are coming



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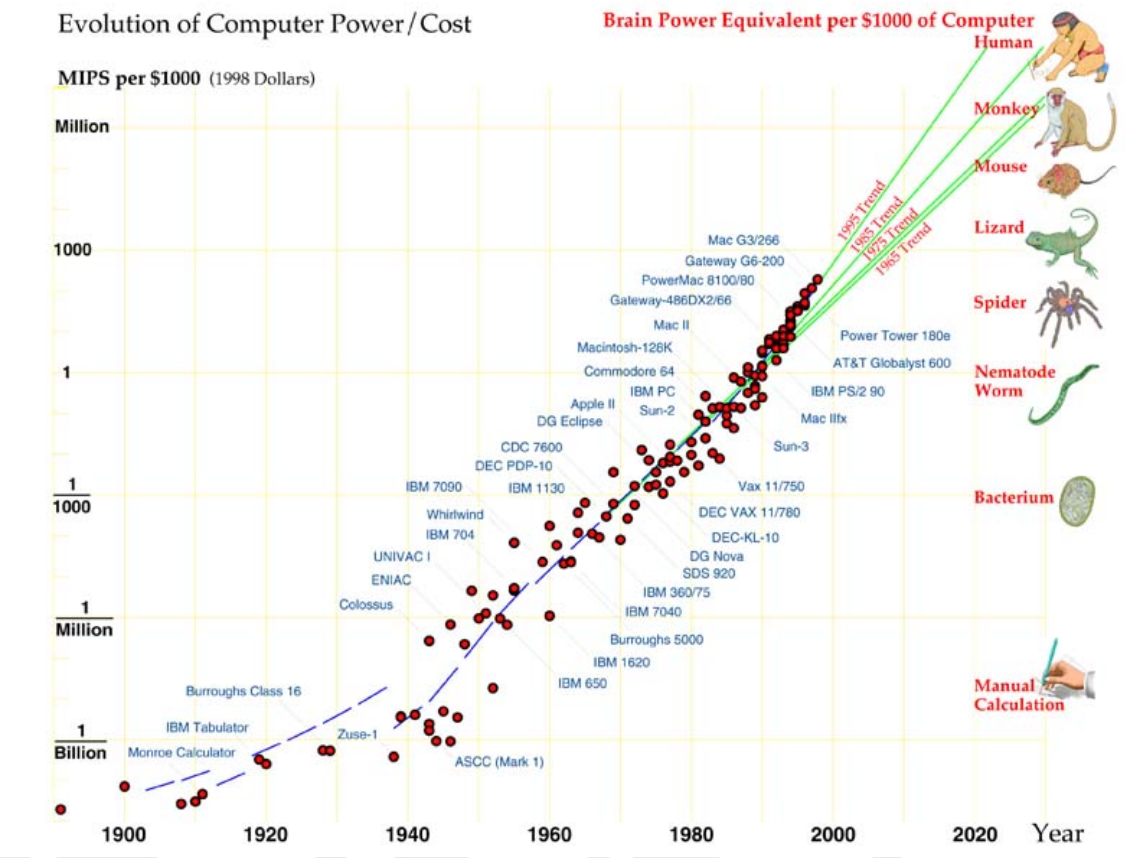
And how …



Source: Hans Morovec, Professor of Robotics, Carnegie Mellon University

2030: Robot Competence Comparable to Larger Mammals

Second generation universal robots may have mammal-like cognitive ability. A conditioned learning mechanism would let past experience guide them among alternative actions in their application programs, gradually adapting to their special circumstances.

A third generation would think like small primates and maintain physical, cultural and psychological models of their world to mentally rehearse and optimize tasks before physically performing them.

A fourth, humanlike, generation would abstract and reason from the world model.

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Ultimately, we just don't have enough time

'The root cause of the phenomenon we describe is that we want, and expect, more from life.'

Complicated Lives, John Wiley & Sons, 2003

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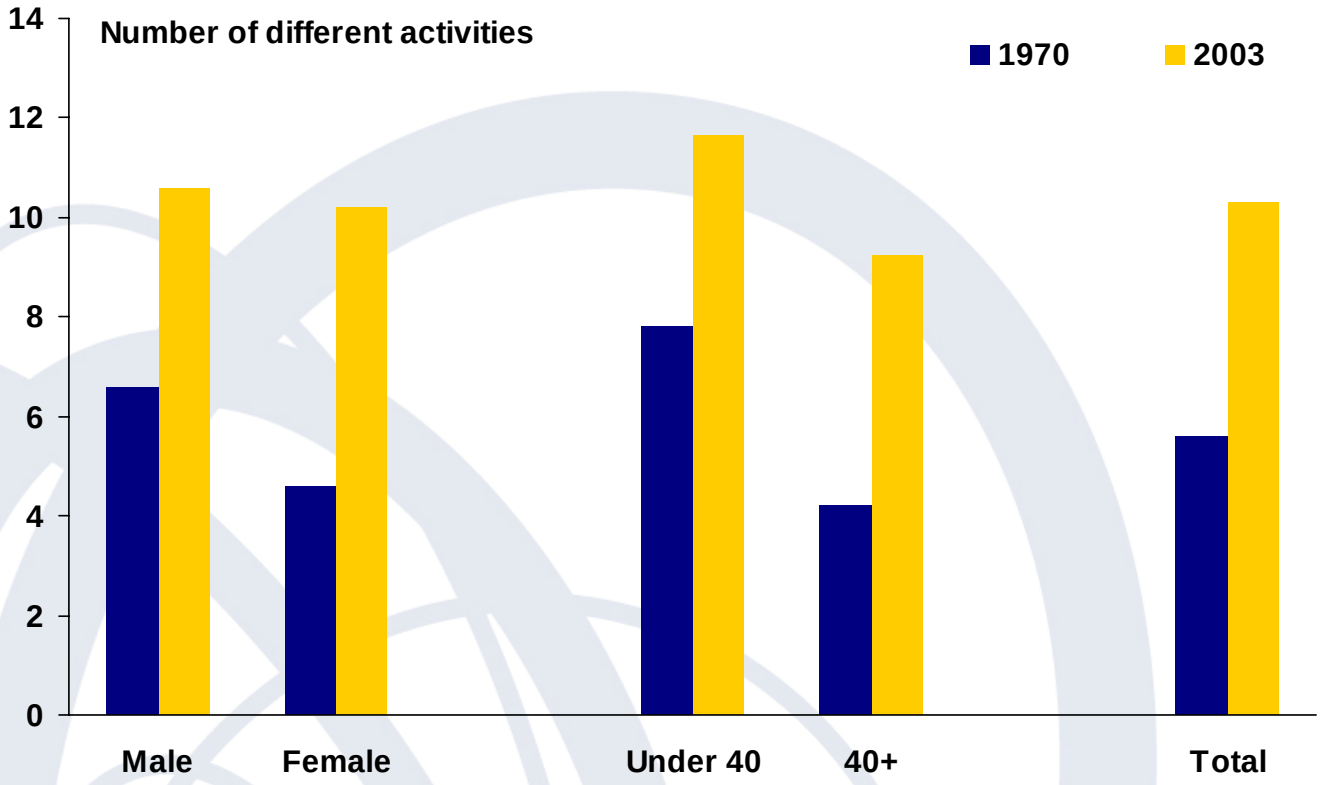
Out of home leisure participation

Number of different leisure activities people engage in during a twelve month period



Source: 'Changing Lives', nVision/'The Symmetrical Family', 1970
Base: 1000 adults 16+ in the South East of England, UK

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The ways people look for fulfilment

Proportion ranking each item first or second out of a list of seven aspects of personal fulfilment by age finished education



Source: *Changing* Lives, nVision, Future Foundation

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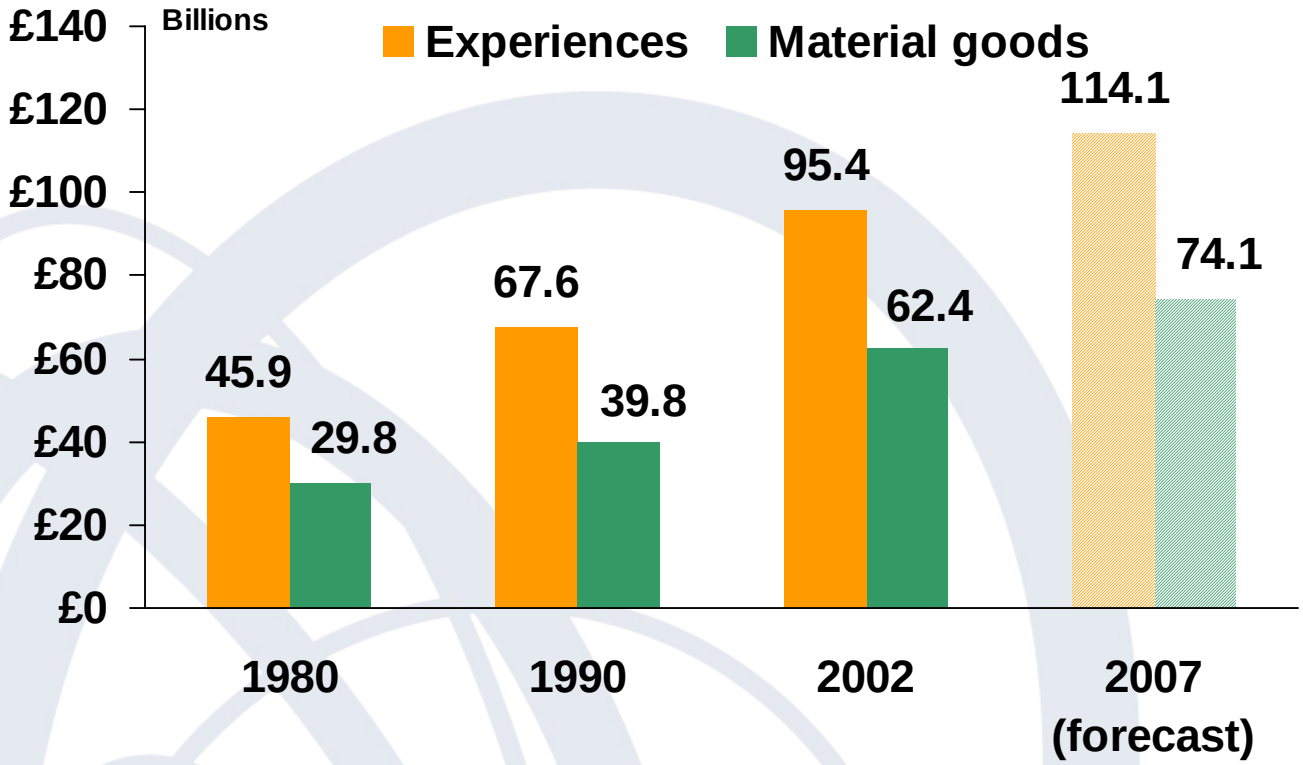
Expenditure on material goods and ‘experiences’

Total annual expenditure (£ billion, at 2002 prices)



Source:Norwich Union Life/The Future Foundation/Family Expenditure Survey, 2003

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What people will pay for is harder to predict…

Airfare to Barcelona … **£1**
(Ryanair 06/11/03)

Price of Venti (Large) Cappuccino in Starbucks at Stansted Airport … **£2.39**
(06/11/03)

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Key challenges for the property sector

- Need to understand and plan for a changing world
- Politicians increasingly driven by short term consumer issues
- Consumers increasingly empowered and agitated
- More febrile, volatile, complicated world
- Planning for and managing complexity is one of the critical issues facing business