AP Human Geography

Services
Services

- The regular distribution (of settlements) observed over North America and over other more developed countries is not seen in less developed countries.
- The regular pattern of settlement in more developed countries reflects where services are provided.
- In more developed countries the majority of the workers are employed in the tertiary sector of the economy, in the provision of goods and services to people in exchange for payment.
- In contrast, less than 10 percent of the labor force in less developed countries provides services.
Chapter 12 Key Issues

1. Where did services originate?
2. Why are consumer services distributed in a regular pattern?
3. Why do business services locate in large settlements?
4. Why do services cluster downtown?
Services Defined

- A service is any activity that fulfills a human want or need and returns money to those who provide it.
- In sorting out where services are distributed in space, geographers see a close link between services and settlements, because services are located in settlements.
- A settlement is a permanent collection of buildings, where people reside, work, and obtain services.
- They occupy a very small percentage of Earth’s surface, substantially less than 1 percent, but settlements are home to nearly all humans, because few people live in isolation.
Services and Location

- The optimal location of industry requires balancing a number of site and situation factors; but the optimal location for a service is simply near its customers.
- On the other hand, locating a service calls for far more precise geographic skills than locating a factory.
- The optimal location for a service may be a very specific place, such as a street corner.
- Within more developed countries, larger cities offer a larger scale of services than do small towns, because more customers reside there.
- As they do for other economic and cultural features, geographers observe trends toward both globalization and local diversity in the distribution of services.
Types and Origins of Services

- Types of services
  - Consumer services
  - Business services
  - Public services
  - Changes in number of employees

- Origin of services

- Services in rural settlements
  - Clustered rural settlements
  - Dispersed rural settlements
Fig. 12-1: Over half of workers are employed in the service sector in most MDCs, while a much smaller percentage are in the service sector in most LDCs.
Types of Services

• The service sector of the economy is subdivided into three types:
  – consumer services,
  – business services,
  – and public services.

• The first two groups are divided into two subgroups.

• This division of the service sector has largely replaced earlier approaches that identified tertiary, quaternary, and quinary sectors in various ways.
Consumer & Retail Services

- Retail services and personal services are the two main types of consumer services.
- About one-fifth of all jobs in the United States are in retail services.
  - Within the group, one-fifth of the jobs are in wholesale, one third in food (services).
Another one-fifth of all jobs in the United States are in personal services.

- Most of these jobs are in health care or education.
- The remainder are primarily arts and entertainment and personal care.

The principal purpose of business services is to facilitate other businesses.

- Producer services and transportation are the two main types.
Producer Services, Transportation & Similar Services

- **Producer services help people conduct other business.**
  - About one-fifth all of U.S. jobs are in producer services.

- **Businesses that diffuse and distribute services are grouped as transportation and information services.**
  - In the United States about 7 percent of all jobs are in this group.
Public Services

- The purpose of public services is to provide security and protection for citizens and businesses.
- In the United States about 4 percent of all workers are in public services not already included in other service categories, such as teachers.
- The distinction among services is not absolute. Individual consumers use business services . . . and businesses use consumer services.
- Geographers find the classification useful, because the various types of services have different distributions, and different factors influence locational decisions.
Employment Change in U.S.

- Between 1970 and 2000 all of the growth in employment in the United States has been in services.
- Producer-service jobs tripled between 1970 and 2000, whereas the number of all service jobs doubled.
- Professional services... quadrupled.
- Jobs increased by about three-fourths in personal services, retail services, and transportation services, and by about one-third in public services.
- The personal-service sector has increased rapidly primarily because of a very large increase in the provision of health-care services.

Fig 12-2: Growth in employment in the U.S. since 1970 has been entirely in the tertiary sector, with the greatest increase in professional services.
Origin of Services

• Services are clustered in settlements.
• No one knows the precise sequence of events through which settlements were established to provide services.
• Based on archaeological research, settlements probably originated to provide personal services, especially religion and education, as well as public services such as government and police protection.
• Transportation, producer, and retail services came later.
Early Personal Services

- The early permanent settlements may have been established to offer personal services, specifically places to bury the dead.
- Having established a permanent resting place for the dead, the group might then install priests at the site to perform the service of saying prayers for the deceased.
- This would have encouraged the building of structures - places for ceremonies and dwellings.
- Until the invention of skyscrapers in the late nineteenth century, religious buildings were often the tallest structures in a community.
- Settlements also may have been places to house families, permitting unburdened males to travel farther and faster in their search for food.
The Role of Woman

- **Women** kept “home and hearth,” making household objects, such as pots, tools, and clothing - the origin of industry.
- The education of children became an important service.
- Making pots and educating children evolved over thousands of years into a wide variety of services which create and store a group’s values and heritage and transmit them from one generation to the next.
- People also needed tools, clothing, shelter, containers, fuel, and other material goods.
- **Men gathered the materials.**
- **Women used these materials to manufacture household objects and maintain their dwellings.**
- The variety of personal services expanded as people began to specialize.
Early Public Services

- Public services probably followed the religious activities into early permanent settlements.
- The group’s political leaders also chose to live permanently in the settlement.
- The settlement likely was a good base from which the group could defend nearby food sources against competitors.
- For defense, the group might surround the settlement with a wall.
- Thus, settlements became citadels.
- Although modern settlements no longer have walls, their military and political services continue to be important.
Early Retail and Producer Services

- Everyone in settlements needed food, which was supplied by the group through hunting or gathering.
- Settlements took on a retail-service function.
- People brought objects and materials they collected or produced into the settlement and exchanged them for items brought by others.
- The settlement served as neutral ground where several groups could safely come together to trade goods and services.
- To facilitate this trade, officials in the settlement provided producer services, such as regulating the terms of transactions.
Growth of Rural Settlements

Fig. 12-3: The establishment of satellite settlements in a rural landscape over time is illustrated by the number of places named “Offley” in this area.
Clustered Rural Settlements

- A clustered rural settlement typically includes homes, barns, tool sheds, and other farm structures, plus personal services, such as religious structures and schools.
- In common language such a settlement is called a hamlet or village.
- The fields must be accessible to the farmers and are thus generally limited to a radius of 1 or 2 kilometers from the buildings.
- In some places, individual farmers own or rent the land; in other places, the land is owned collectively by the settlement or by a lord.
- Parcels of land may be allocated to specific agricultural activities.
- Consequently, farmers typically have responsibility for scattered parcels in several fields.
- This pattern encouraged living in a clustered rural settlement to minimize travel time to the various fields.
- Traditionally, when the population of a settlement grew too large for the capacity of the surrounding fields, new settlements were established nearby.
- The establishment of satellite settlements often is reflected in place names.
- Clustered rural settlements are often arranged in one of two types of patterns: circular and linear.
Fig. 12-4: Circular settlement patterns are common in Germany. Linear “long lot” patterns are often found along rivers in France, and were transferred to Québec.
Linear Rural Settlements

- Linear rural settlements feature buildings clustered along a road, river, or dike to facilitate communications.
- The fields extend behind the buildings in long, narrow strips.
- Today, in North America, linear rural settlements exist in areas settled by the French.
- The French settlement pattern, called long-lot or seigneurial, was commonly used along the St. Lawrence River in Québec and the lower Mississippi River.
Colonial American Clustered Settlements

- The first European colonists settled along the East Coast in three regions: New England, the Southeast, and the Middle Atlantic.
- New England colonists built clustered settlements centered on an open area called a common.
- Clustered settlements were favored by New England colonists for a number of reasons.
- Typically, they traveled to the American colonies in a group.
- The settlement was usually built near the center of the land grant.
- New England settlements were also clustered to reinforce common cultural and religious values.
- Colonists also favored clustered settlements for defense against Indian attacks.
- Each villager owned several discontinuous parcels on the periphery of the settlement, to provide the variety of land types needed for different crops.
- Beyond the fields the town held pastures and woodland for the common use of all residents.
- The southeastern colonies were first settled in the 1600s with small, dispersed farms.
Dispersed Rural Settlements

- Dispersed rural settlements have become more common in the past 200 years, especially in Anglo-America and the United Kingdom, because in more developed societies they are generally considered more efficient than clustered settlements.
Dispersed Rural Settlements in the United States

- The Middle Atlantic colonies were settled by a more heterogeneous group of people.
- Further, most Middle Atlantic colonists came as individuals.
- Dispersed settlement patterns dominated in the American Midwest in part because the early settlers came primarily from the Middle Atlantic colonies.
- In New England a dispersed distribution began to replace the clustered settlements in the eighteenth century.
- In part, the cultural bonds that had created clustered rural settlements had weakened.
- Owning several discontinuous fields had several disadvantages: Eventually people bought, sold, and exchanged land to create large, continuous holdings instead of several isolated pieces.
- A shortage of land eventually forced immigrants and children to strike out alone and claim farmland on the frontier.
Enclosure Movement

• To improve agricultural production, a number of European countries converted their rural landscapes from clustered settlements to dispersed patterns.

• A prominent example was the enclosure movement in Great Britain, between 1750 and 1850.

• Because the enclosure movement coincided with the Industrial Revolution, villagers who were displaced from farming moved to urban settlements and became workers in factories and services.

• The enclosure movement brought greater agricultural efficiency, but it destroyed the self-contained world of village life.
Distribution of Consumer Services

• Central place theory
  – Market area of a service
  – Size of market area

• Market area analysis
  – Profitability of a location
  – Optimal location within a market

• Hierarchy of services and settlements
  – Nesting of services and settlements
  – Rank-size distribution of settlements
Fig. 12-7: Market areas are arranged into a regular pattern according to central place theory, with larger settlements fewer and further apart.
Fig. 12-5: Hexagons are often used to delineate market areas because they are a compromise between circles, which have edges equidistant from the center but leave gaps, and squares, which don’t leave gaps but whose edges are not equidistant from the center.
Fig. 12-1-1: Market areas, ranges, and thresholds for department stores in the Dayton, Ohio, metropolitan area.
Range of a Service

- The range is the maximum distance people are willing to travel to use a service.
- The range is the radius of the circle drawn to delineate a service’s market area.
- If firms at other locations compete by providing the service, the range must be modified.
- The irregularly shaped circle takes in the territory for which the proposed site is closer than competitors.
- The range must be modified further because most people think of distance in terms of time, rather than a linear measure like kilometers or miles.
- The irregularly shaped circle must be drawn to acknowledge that travel time varies with road conditions.
Threshold of a Service

- The second piece of geographic information needed to compute a market area is the threshold, which is the minimum number of people needed to support the service.
- How potential consumers inside the range are counted depends on the product.
- Developers of shopping malls, department stores, and large supermarkets typically count only higher-income people.
Market-Area Analysis

- Retailers and other service providers make use of market-area studies to determine whether locating in the market would be profitable and, if so, the best location within the market area.
Optimal Location
(for Pizza Shop)

Fig. 12-6: The optimal location for a pizza delivery shop with seven potential customers in a linear settlement (top) and with 99 families in apartment buildings (bottom).
Fig. 12-8: Market area, range, and threshold for Kroger supermarkets (left) and UDF convenience stores in Dayton, Ohio. Supermarkets have much larger areas and ranges than convenience stores.
Best Location in a Linear Settlement

• In a linear community like an Atlantic Ocean resort, the service should be located where half of the customers are to the north and half to the south.

• It corresponds to the median, which mathematically is the middle point in any series of observations.

• What if a different number of customers live in each block of the city?

• To compute the optimal location in these cases, geographers have adapted the gravity model from physics.

• The gravity model predicts that the optimal location of a service is directly related to the number of people in the area and inversely related to the distance people must travel to access it.
Best Location in a Nonlinear Settlement

• Most settlements are more complex than a single main street.
• Geographers still apply the gravity model to find the best location.
Hierarchy of Services and Settlements

- Small settlements are limited to services that have small thresholds, short ranges, and small market areas.
- Larger settlements provide services having larger thresholds, ranges, and market areas.
- However, neighborhoods within large settlements also provide services having small thresholds and ranges.
Nesting of Services and Settlements

- More developed countries have numerous small settlements with small thresholds and ranges, and far fewer large settlements with large thresholds and ranges.
- The nesting pattern can be illustrated with overlapping hexagons of different sizes (for) different levels of market area.
- In his original study, Walter Christaller showed that the distances between settlements in southern Germany followed a regular pattern.
- He identified seven sizes of settlements (market hamlet, township center, county seat, district city, small state capital, provincial head capital, and regional capital city).
- Brian Berry has documented a similar hierarchy of settlements in parts of the U.S. Midwest.
- The principle of nesting market areas also works at the scale of services within cities.
Fig. 12-9: Cities in the U.S. closely follow the rank-size distribution, as indicated by the almost straight line on this log scale. In Romania, there are few settlements in two size ranges.
Business Services and Settlements

- World cities
  - Ancient world cities
  - Medieval world cities
  - Modern world cities

- Hierarchy of business services
  - World cities
  - Command and control centers
  - Specialized producer-service centers
  - Dependent centers

- Economic base of settlements
World Cities

- Prior to modern times, virtually all settlements were rural, because the economy was based on the agriculture of the surrounding fields.
- Providers of personal services and a handful of other types of services met most of the needs of farmers living in the village.
- Even in ancient times, a handful of urban settlements provided producer and public services, as well as retail and personal services with large market areas.
Ancient World Cities

• Urban settlements may have originated in Mesopotamia and diffused at an early date to Egypt, China, and South Asia’s Indus Valley.

• Or they may have originated independently in each of the four hearths.
Ancient Ur

Fig. 12-10: Ur, in modern-day Iraq, was one of the earliest urban settlements. The ziggurat, or stepped temple, was surrounded by a dense network of residences.
Titris Hoyuk

- Recent evidence unearthed at Titris Hoyuk, in present-day Turkey, from about 2500 B.C. suggests that early urban settlements were well-planned communities.
- Houses varied in size but were of similar design.
- Houses were apparently occupied by an extended family, because they contained several cooking areas.
- Titris Hoyuk occupied a 50-hectare (125-acre) site and apparently had a population of about 10,000.
- The site is especially well-preserved today because after 300 years the settlement was abandoned and never covered by newer buildings.
Athens, Greece

Fig. 12-11: The hilltop site of the Acropolis, dating to about 500 B.C., still dominates the skyline of modern Athens.
The rise of the Roman Empire encouraged urban settlement. Settlements were established as centers of administrative, military, and other public services, as well as trading and other retail services. The city of Rome, the empire’s center for administration, commerce, culture, and all other services grew to at least a quarter-million inhabitants, although some claim that the population may have reached a million.

With the fall of the Roman Empire in the fifth century A.D., urban settlements declined. With the empire fragmented under hundreds of rulers, trade diminished. Large urban settlements shrunk or were abandoned. For several hundred years Europe’s cultural heritage was preserved largely in monasteries and isolated rural areas.
Fig. 12-12: Brugge (or Bruges) was a major port and wool manufacturing center from the 12th century. It is marked by squares surrounded by public buildings.
Fig. 12-13: Paris was originally surrounded by walls which were expanded to include new neighborhoods as the city grew.
Modern World Cities

- In modern times several world cities have emerged where a high percentage of the world’s business is transacted and political power is concentrated.
- These world cities are centers of business services, but they stand at the top of the central place hierarchy in the provision of consumer services, and many also serve as public-service centers.
- New forms of transportation and communications were expected to reduce the need for clustering of economic activities in large cities.
- To some extent, economic activities have decentralized, especially manufacturing, but modern inventions reinforce rather than diminish the primacy of world cities in the global economy.
Business Services in World Cities

- The clustering of business services in the modern world city is a product of the Industrial Revolution.
- Factories are operated by large corporations formed to minimize the liability to any individual owner.
- A board of directors located far from the factory building makes key decisions.
- Support staff also far from the factory account for the flow of money and materials.
- This work is done in offices in world cities.
- World cities offer many financial services to these businesses... (and) stock exchanges ... are located in world cities.
- Lawyers, accountants, and other professionals cluster in world cities.
- Advertising agencies, marketing firms, and other services concerned with style and fashion locate in world cities.
Consumer Services in World Cities

- Transportation services converge on world cities.
- They tend to have busy harbors and airports and lie at the junction of rail and highway networks.
- Because of their large size, world cities have retail services with extensive market areas, but they may even have more retailers than large size alone would predict.
- Luxury and highly specialized products are especially likely to be sold there.
- Personal services of national significance are especially likely to cluster in world cities, in part because they require large thresholds and large ranges, and in part because of the presence of wealthy patrons.
Public Services in World Cities

- World cities may be centers of national or international political power.
- Most are national capitals.
- Also clustered in the world cities are offices for groups having business with the government.
- Unlike other world cities, New York is not a national capital.
- But as the home of the world’s major international organization, the United Nations, it attracts thousands of U.N. diplomats and bureaucrats, as well as employees of organizations with business at the United Nations.
- Brussels is a world city because it is the most important center for European Union activities.
Hierarchy of Business Services

- Geographers distinguish four levels of cities that play a major role in the provision of producer and other business services in the global economy. A handful of world cities, which can be subdivided into three groups:
  - regional command and control centers,
  - specialized producer-service centers, and
  - dependent centers.
Fig. 12-14: **London, New York, and Tokyo are the dominant world cities in the global economy.** Other major and secondary world cities play lesser roles.
Command and Control Centers

- The second level of cities - command and control centers - contains the headquarters of many large corporations, concentrations of business services, educational, medical, and public institutions.
- Two levels of command and control centers can be identified: regional centers and sub-regional centers.
- In the United States, examples of regional command centers are Atlanta and Kansas City.
- Examples of sub-regional centers are Biloxi and Oklahoma City.
Specialized Producer-Service Centers

• The third level of cities, specialized producer-service centers, offers a more narrow and highly specialized variety of services.

• One group of these cities specializes in the management and R&D activities related to specific industries.

• A second group specializes as centers of government and education, notably state capitals that also have a major university.
Dependent Centers

- The fourth-level cities, dependent centers, provide relatively unskilled jobs and depend for their economic health on decisions made in the world cities, regional command and control centers, and specialized producer-service centers.

- Four subtypes of dependent centers can be identified in the United States:
  - resort, retirement, and residential centers.
  - manufacturing centers
  - industrial and military centers
  - mining and industrial centers.
Economic Base of Settlements

- A settlement’s distinctive economic structure derives from its basic industries, which export primarily to consumers outside the settlement.
- Non-basic industries are enterprises whose customers live in the same community, essentially consumer services.
- A community’s unique collection of basic industries defines its economic base.
- A settlement’s economic base is important, because exporting by the basic industries brings money into the local economy, thus stimulating the provision of more non-basic consumer services for the settlement.
- A community’s basic industries can be identified by computing the percentage of the community’s workers employed in different types of businesses.
- If the percentage is much higher in the local community, (compared to the country), then that type of business is a basic economic activity.
- Each type of basic activity has a different spatial distribution.
- Some settlements have a very high percentage of workers employed in the primary sector, notably mining.
- The economic base of some settlements is in the secondary sector.
- Most communities that have an economic base of manufacturing durable goods are clustered between northern Ohio and southeastern Wisconsin, near the southern Great Lakes (in the U.S).
- Nondurable manufacturing industries, such as textiles, are clustered in the Southeast, especially in the Carolinas.
Economic Base of U.S. Cities

Fig. 12-16: Cities that have a high proportion of their labor force engaged in the specified economic activity shown.
Fig. 12-15: Below the world cities in the hierarchy of U.S. cities are command and control centers, specialized producer-service centers, and dependent centers.
Geography of Talent

Fig. 12-17: Cities with high levels of talent (scientists, professionals, etc.) are also often cities with high levels of diversity.
Key Issue 4: Clustering of Services

• Central business district (CBD)
  – Retail services in the CBD
  – High land costs in the CBD
  – Activities excluded from the CBD
  – European CBDs

• Suburbanization of businesses
  – Suburbanization of retailing
  – Suburbanization of factories and offices
CBD of Charlotte NC

Fig. 12-18: Charlotte’s CBD is dominated by retail and office buildings. Public and semipublic buildings are also in the downtown area.
Retail Services in the CBD

- Three types of retail services concentrate in the center, because they require accessibility to everyone in the region
  - shops with a high threshold
  - shops with a long range
  - shops that serve people who work in the center.
Retail Services with a High Threshold

- High-threshold shops, such as department stores, traditionally preferred a central location to be accessible to many people.
- Rents were highest there because this location had the highest accessibility for the most customers.
- In recent years many high-threshold shops such as large department stores have closed their downtown branches.
- The customers for downtown department stores now consist of downtown office workers, inner-city residents, and tourists.
Retail Services with a High Range

- The second type of shop in the center has a high range.
- Generally, a high-range shop is very specialized, with customers who patronize it infrequently.
- Many high-range shops have moved with department stores to suburban shopping malls.
- These shops can still thrive in some CBDs if they combine retailing with recreational activities.
- Entirely new large shopping malls have been built in several downtown areas in North America in recent years.
- These downtown malls attract suburban shoppers as well as out-of-town tourists because in addition to shops they offer unique recreation and entertainment experiences.
- A number of cities have preserved their old downtown markets.
- They may have a high range because they attract customers who willingly travel far to find more exotic or higher-quality products.
- At the same time, inner-city residents may use these markets for their weekly grocery shopping.
Retail Services Serving Downtown Workers

- A third type of retail activity in the center serves the many people who work in the center and shop during lunch or working hours.
- These businesses sell office supplies, computers, and clothing, or offer shoe repair, rapid photocopying, dry cleaning, and so on.
- The CBDs in cities outside North America are more likely to contain supermarkets, bakeries, butchers, and other food stores.
- In contrast to the other two types of retailers, shops that appeal to nearby office workers are expanding in the CBD, in part because the number of downtown office workers has increased and in part because downtown offices require more services.
- Many cities have attempted to revitalize retailing in the CBD and older neighborhoods.
- One popular method is to ban motor vehicles from busy shopping streets.
- Shopping streets reserved for pedestrians are widespread in Northern Europe, including the Netherlands, Germany, and Scandinavia.
• Offices cluster in the center for accessibility.
• Despite the diffusion of modern telecommunications, many professionals still exchange information with colleagues primarily through face-to-face contact.
• People in such business services as advertising, banking, finance, journalism, and law particularly depend on proximity to professional colleagues.
• Services such as temporary secretarial agencies and instant printers locate downtown to be near lawyers, forming a chain of interdependency that continues to draw offices to the center city.
• A central location also helps businesses that employ workers from a variety of neighborhoods.
• Firms that need highly specialized employees are more likely to find them in the central area, perhaps currently working for another company downtown.
High Land Costs in the CBD

- The center’s accessibility produces extreme competition for the limited sites available.
- As a result, land value in the center is very high. Tokyo’s CBD probably contains Earth’s most expensive land.
- Tokyo’s high prices result from a severe shortage of buildable land.
- Buildings in most areas are legally restricted to less than 10 meters in height (normally three stories) for fear of earthquakes.
- Further, Japanese tax laws favor retention of agricultural land.
- **Tokyo contains 36,000 hectares (90,000 acres) of farmland.**
- Two distinctive characteristics of the central city follow from the high land cost.
  - First, land is used more intensively in the center.
  - Second, some activities are excluded because of the high cost of space.
Intensive Land Use

- The intensive demand for space has given the central city a three-dimensional character, pushing it vertically.
- A vast underground network exists beneath most central cities.
- The typical “underground city” includes multistory parking garages, loading docks and utility lines.
- Subways run beneath the streets of larger central cities.
- Cities such as Minneapolis, Montreal, and Toronto have built extensive pedestrian passages and shops beneath the center.
- These underground areas segregate pedestrians from motor vehicles and shield them from harsh winter weather.
Skyscrapers

- Demand for space in the central city has also made high-rise structures economically feasible.
- Suburban houses, shopping malls, and factories look much the same from one city to another, but each city has a unique downtown skyline.
- The first skyscrapers were built in Chicago in the 1880s, made possible by two inventions: the elevator and iron-frame building construction.
- The first high-rises caused great inconvenience to neighboring structures because they blocked light and air movement.
- Artificial lighting, ventilation, central heating, and air-conditioning have helped solve these problems.
- A recent building boom in CBDs of many North American cities is generating problems again; high winds, traffic congestion, (and) skyscrapers themselves may prevent sunlight from penetrating to the sidewalks and small parcels of open space.
Activities Excluded from the CBD

• As the Sun and natural air movement are increasingly relied upon again for light and ventilation, the old complaints about high-rises may return.
• Skyscrapers are an interesting example of “vertical geography.”
• The nature of an activity influences which floor it occupies in a typical high-rise.
• High rents and land shortage discourage two principal activities in the central area: manufacturing and residences.
Declining Manufacturing in the CBD

- The typical modern industry requires a large parcel of land to spread operations among one-story buildings.
- Suitable land is generally available in suburbs.
- Port cities in North America and Europe have transformed their waterfronts from industry to commercial and recreational activities.
- Today’s large oceangoing vessels are unable to maneuver in the tight, shallow waters of the old inner-city harbors.
- Once rotting downtown waterfronts have become major tourist attractions in a number of North American cities, including Boston, Toronto, Baltimore, and San Francisco, as well as in European cities such as Barcelona and London.
Lack of Residents in CBDs

- Few people live in U.S. CBDs, because offices and shops can afford to pay higher rents for the scarce space.
- The shortage of affordable space is especially critical in Europe, because Europeans prefer living near the center city more than Americans do.
- Abandoned warehouses have been converted into residences in a number of CBDs.
- Many people used to live downtown.
- People have migrated from central areas for a combination of pull and push factors.
  - First, people have been lured to suburbs, which offer larger homes with private yards and modern schools.
  - Second, people have sought to escape from the dirt, crime, congestion, and poverty of the central city.
• The central area is less dominated by commercial considerations in Europe than in the United States.

• In addition to retail and office functions, many European cities display a legacy of low-rise structures and narrow streets, built as long ago as medieval times.

• Some European cities have tried to preserve their historic core by limiting high-rise buildings and the number of cars.

• The central area of Warsaw, Poland, represents an extreme example of preservation.

• The Nazis completely destroyed Warsaw’s medieval core during World War II, but Poland rebuilt the area exactly as it had appeared, working from old photographs and drawings.

• Although constructing large new buildings is difficult, many shops and offices still wish to be in the center of European cities.

• The alternative to new construction is renovation of older buildings.

• Rents are much higher in the center of European cities than in U.S. cities of comparable size.
Suburbanization of Businesses

- Businesses have moved to suburbs:
  - manufacturers because land costs are lower,
  - service providers because most of their customers are there.
Retail Centers in Atlanta

Fig. 12-19: Most shopping malls in Atlanta and other cities are in the suburbs. The ideal location is near an interchange on an interstate highway beltway circling the city.
Suburbanization of Factories and Offices

- Factories and warehouses have migrated to suburbia for more space, cheaper land, and better truck access.
- Modern factories and warehouses are typically spread over a single level.
- Industries increasingly receive inputs and distribute products by truck.
- Offices that do not require face-to-face contact increasingly are moving to suburbs where rents are much lower than in the CBD.
Fig. 12-20: The Commerce Department divided the U.S. into “daily urban systems” with functional ties, especially commuting to the nearest metropolitan area.