

# A RISE IN DOWNTOWN LIVING

By The Brookings Institution Center on Urban and Metropolitan Policy  
and the Fannie Mae Foundation  
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## Updated Preliminary Survey Results: Selected Downtown Population Growth, 1998–2010

CITY	CURRENT DOWNTOWN POPULATION*	2010 PROJECTED DOWNTOWN POPULATION**	CHANGE (PERCENT)
Atlanta	17,000	25,000	47.1
Austin	9,555	14,805	54.9
Baltimore	13,800 (1995)	14,600	5.8
Boston	21,625 (1990)	23,580	9.0
Chicago	115,341	152,295	32.0
Cleveland	6,400	21,000	228.1
Columbus	3,800	5,800	52.6
Dallas	3,486	6,429	84.4
Denver	3,480 (1997)	9,250	165.8
Detroit	32,920 (1995)	34,753	5.6
Houston	2,374	9,574	303.3
Los Angeles	26,600 (1996)	27,000	1.5
Memphis	6,210	14,000	125.4
Miami	17,065 (1997)	33,420	95.8
Minneapolis	19,000 (1995)	22,750	19.7
Milwaukee	9,900	13,500	36.4
New York <sup>†</sup>	19,473	35,000	79.7
Philadelphia	75,000	85,000	13.3
Phoenix	7,114 (1995)	10,924	53.6
Pittsburgh	4,500	8,000	77.8
Portland	10,315	14,694	42.5
San Antonio	20,910	23,600	12.9
Seattle	15,236 (1997)	33,600	120.5
St. Louis	7,860	10,360	31.8

\* Source: Cities reported population based on census figures and household units.

\*\* Source: Cities determined projection based on developments underway, building permits, and anticipated real estate projects.

† Includes Wall Street area only.

## Updated Preliminary Survey: A RISE IN DOWNTOWN LIVING

### Living Downtowns: An Unexpected Kind of Urban Revival

A new survey conducted for the Rouse Forum shows that America's downtowns are experiencing an unexpected kind of resurgence: There is a population boom happening in many downtowns across the country.

The preliminary survey—conducted by The Brookings Institution Center on Urban and Metropolitan Policy and the Fannie Mae Foundation—looked at 24 cities around the nation and found that all of them expect the number of their downtown residents to grow by 2010. For example, the city of Houston expects its downtown population to quadruple; Memphis and Seattle anticipate twice as many downtown residents in the next 12 years, while overall population loss continues in many cities. The downtown trend holds for northeastern and midwestern cities with well-established downtown residential districts and for Sunbelt central business districts that have not traditionally supported much housing. Anecdotal evidence suggests that people are living downtown because they want to be near their work places and cultural amenities, and because they enjoy a bustling urban environment.

Even cities that have lost population for decades—Philadelphia, Chicago, Detroit—expect that the number of downtown residents will rise. Philadelphia's downtown population has grown by 20 percent since 1960. Predictions indicate that another 10,000 residents will live in downtown Philadelphia by 2010, a 13 percent increase—this in a city with 600,000 fewer people now than it had in 1950. Chicago's trend is even stronger, with a 32 percent predicted boost (37,000 people) in downtown residential figures over the coming decade.

A steady influx of new downtown residents can provide significant and lasting benefits for a city's business center. Having residents in the business district eases rush-hour traffic jams by eliminating commutes or enabling reverse commutes. It creates a demand for a 24-hour city, with restaurants and stores open after 5 p.m., contributing to an active night life. Downtown residents demand better services and a diverse mix of retail, which benefit everyone who works, lives, and visits downtown.

### Where is “downtown”?

Unfortunately, the U.S. Bureau of the Census does not officially define “downtown.” Because a standardized definition was unavailable, we asked each city surveyed to define, conservatively, their downtown areas. We requested that they not include surrounding neighborhoods. Thus in New York City, downtown is defined as only the Wall Street section of Manhattan, and excludes SoHo, Tribeca, and Greenwich Village, which, although geographically downtown, are not part of the financial district (the other New York City boroughs are also excluded from the calculation). In Chicago, downtown is much larger, covering a four-mile swath that runs along Lake Michigan and takes in the Loop (the central business district) and the Magnificent Mile.

### Standout Cities

**New York:** New York's Wall Street area is a thriving, growing residential center. Much of the growth is attributed to the fact that obsolete office space is being converted into apartments to meet the demand for residential real estate. The city predicts an 80 percent jump in downtown residents in the next dozen years. Interestingly, a survey of Manhattan's downtown residents shows that more than half of them work elsewhere, commuting to jobs in other parts of the city or even in the suburbs. They are mostly young (88 percent under the age of 45), single (60 percent), and wealthy (60 percent have household incomes that top \$120,000).

**Denver:** Denver's overall population has increased for the first time since 1970—and part of the growth can be attributed to the demand for housing downtown, where condominiums, lofts, apartments, and townhouses are leased or sold as quickly as they are built. Denver's Lower Downtown (LoDo)—so named in 1990 when developers began to convert warehouses and unused office space into lofts and apartments—now has a distinct, vibrant, fashionable image and is generating increased demand for

housing in adjacent neighborhoods. The city sought to maintain LoDo's economic diversity by financing some low-and middle-income units in the neighborhood. By 2010, the number of downtown residents is predicted to rise by 166 percent.

**Houston:** Houston's downtown population has risen over the past three years, and is expected to quadruple by 2010. The city reports that most new residents are upper-income, and the majority have no children (empty-nesters, young singles, or married professional couples). Twelve percent of Harris County (population 3.2 million, including Houston) residents say they would be "very likely" to live downtown if the "right housing were available at the right price." That translates into 384,000 potential downtown residents, or more than 100 times the number that currently live there. Downtown residents are drawn to the heart of the city because of its convenient location, proximity to major employers, and amenities such as the downtown performing arts district. Elsewhere in Texas, Austin, Dallas, and San Antonio are predicting downtown residential demand to rise as more and more people move to these cities and seek the cultural excitement and energy of the central city.

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