

**Bright Lights, Big City:
Successful Urban Cores
Court Two Generations
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By Nina Gruen**

Successful urban cores no longer can rely solely or even primarily on attracting new office buildings. Much of the regional workforce already has moved to the suburbs, and that is where the preponderance of new office buildings also will locate.

This does not mean that the central core's office sector will disappear. But rather, existing and new office buildings will have to be linked to new residential, shopping, recreational and cultural developments. Linkage is the critical criterion if positive spillover is to be achieved between the clusters – an absolute necessity for a central core's long term viability. For those downtowns that have and continue to encourage links between activity clusters, and already have a base of retail and cultural amenities, the stars are aligned with respect to demographic trends.

Downtown planning in the '70s and '80s frequently required the separation of land uses, with office, retail and cultural amenities zoned center stage. Housing was allowed or encouraged to locate on the fringes of downtown or on sites not suitable for what were thought to be the preferred core uses. For the foreseeable future, however, luxury and market rate housing will be a key, if not the key, component of successful downtowns.

The aging of the oldest well-to-do baby boomers, who will turn 60 this year, and the communication technology of the Internet now makes face-to-face contact a preference rather than a necessity for many businesses. This means that the sequence of many of today's successful and growing downtowns has switched. Housing is tending to follow the retail, recreational and cultural development that makes the bright lights of the city attractive to empty-nester households, which prefer to avoid increasingly onerous commutes from suburbia to the city.

The demographic reality that will affect downtowns the most is the two largest population segments are also the most likely to want to live in vital downtowns: Generation Y, who in 2006 are between the ages of 11 and 30, and the Boomers, who are between the ages of 40 and 60.

Together, these two population groups account for approximately 174 million people, or 58 percent of the total U.S. population. The 20-somethings of Generation Y and the 50+ Boomers provide desirable markets for today's downtown housing, as well as all the retail and recreational and cultural activities that are located in the core. Further, they can be counted on to provide a robust housing market for the next 20 years. It is important to be cognizant of the fact that people over the age of 50 account for half of all discretionary spending in the United States. A goal of any healthy downtown is to attract as many 50+ market-rate and luxury housing buyers as possible. Although the 20-somethings do not have anywhere near the discretionary income of Boomers, many are still single and are able to spend a large proportion, if not all, of their more limited discretionary income on themselves, which frequently means on rent, food and entertainment. Also, many of them are not at all adverse to having rent-paying roommates.

What type of retail stores will serve to attract both generations to downtown residences?

- Upscale groceries like Whole Foods Market, Trader Joe's and/or delis that offer organic produce and tasty takeout.
- Kitchenware stores such as Pottery Barn and Crate & Barrel to serve Generation Y, and Williams-Sonoma or Sur La Table to serve the Boomers.
- Bookstores and espresso chains.

And, of course, restaurants. Currently 48 percent of all U.S. households' food dollars are spent in restaurants. This rate of restaurant expenditures is likely to be

higher for those households residing in downtown cores, though many of the younger households more frequently purchase takeout foods from groceries, delis and fast foods, rather than dine at sit-down, white-tablecloth restaurants.

There has been an important shift in the order of priority land uses. In today's downtowns, retail and recreational activities will need to precede market-rate housing. This is a reversal of the traditional order of suburban land uses, where retail typically follows, not precedes, rooftops. The challenge, for successful central cores, is to capture a share of the empty-nester, luxury for-sale housing market. This challenge can best be met by creating a two- to three-block area of highly concentrated retail, including a bookstore, cookware store, espresso shop, white-tablecloth restaurant and a higher-end specialty foods store. This concentrated retail agglomeration should be within easy walking distance of one or more luxury housing market sites. Market-rate housing for 20- to 30-something workers should also be strongly encouraged, as well as the provision of affordable housing for artists. The latter will serve as a catalyst for galleries and other art-related institutions, which in turn will lend cache or branding to the downtown.



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