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Who Lives Downtown Today (And Are They Any Different from Downtowners of Thirty Years Ago)?

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Comments

Prepared for the Lincoln Institute of Land Policy, May 2005.

Who Lives Downtown Today (And Are They Any Different from Downtowners of
Thirty Years Ago)?

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Prepared for the Lincoln Institute of Land Policy
May 2005

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Abstract

The increase of housing in downtowns represents an important niche market that has evolved over time. During its development, levels of population, numbers and types of households, rates of homeownership, and downtown demographic characteristics have changed. This paper documents the changes from 1970-2000 for 46 downtowns in 45 cities representing 19% of the nation's cities with populations of 100,000 or more. It reports national, regional and individual city trends. It also offers comparisons of these features for the sample cities and their suburbs. While it outlines population changes, it highlights changes in households as the key to understanding downtown living. It records the concentration of downtown households in three places: the Northeast, the Midwest Circle and the California coast, and predicts that if high-growth-rate downtowns, including Seattle, Portland, Atlanta and Dallas, continue to increase at their 1990-2000 levels, they will join the current leaders. It argues that by 2000, five types of downtowns emerged distinguished by their varying degrees of growth, size, density and other characteristics. It concludes with a discussion of three policy concerns that emerge from the analysis revolving around development issues, demographics and market potential and density.

Table of Contents

Downtown Living as a Niche Market

Studies on the Rise of Downtown Living

Evolution of Today's Downtown Residential Trends

Tracking Downtown Residents

Figure 1 Sample Downtowns

Figure 2 Downtowns Vary in Size

Figure 3 Examples of Downtown Housing

Downtown Population Growth

Table 1, 1A-1B Downtown Population Growth Patterns 1970-2000

Figure 4 Comparative Growth Rates 1970-2000

Regional Patterns in Downtown Population Growth

Table 2A-2B Regional/Individual Downtown Growth Patterns 1970-2000

Figure 5 Downtown, City, Suburban and National Population Shares by Region 2000

Population Growth by Decade

Figure 6 Downtown Population Growth Surpasses City's in 1990-2000

Downtowns and Locally Unwanted Land Uses

Table 3 Incarcerated Populations in Downtowns 1970-2000

Figure Seven Downtowns and the Incarcerated 2000

Timing, Size and Other Characteristics of the Growth of Downtown Living

Table 4 Original Decade of Population Change

Downtowns at the Extremes 1970-2000

Table 5 Downtowns with the Highest and Lowest Growth Rates 1970-2000

Table 6A Downtowns with the Highest and Lowest Percent and Numerical Change 1970-1980

Table 6B Downtowns with the Highest and Lowest Percent and Numerical Change 1980-1990

Table 6C Downtowns with the Highest and Lowest Percent and Numerical Change 1990-2000

Changes in the Average-Size Downtown

Table 7 Comparison of Downtown Populations 1970,1990 and 2000

Figure 8 Distribution of Downtowns by Category 1970 and 2000

Figure 9 Distribution of Downtown Population by Category 1970 and 2000

Figure 10 Population Growth in the 1990s by Downtown Type

The Most and Least Populous Downtowns

Table 8 Downtowns with the Highest and Lowest Populations 1970, 1980, 1990 and 2000

Implications of Population Changes for Downtown Living

Figure 5 Comparison of Downtown Population Distribution 1970 and 2000

Figure 6 Downtown as a Percent of Population 1970 and 2000

Downtown Household Growth

Table 9 Downtown Household Growth 1970-2000

Figure 11 Household Growth Rates Pass Population Growth Rates in 1990s

Table 10 Original Decade of Downtown Household Change

Figure 12 Downtown Household and Population Change by Decade 1970-2000

Figure 13 Comparative Household Growth Rates: Downtown, City, Suburbs 1970-2000

Regional Household Growth Patterns

Table 10A Downtown Household Growth by Region 1970-2000

Table 10B Household Growth: Downtown, City and Suburban 1970-2000

Figure 14 Share of Downtown Households by Region 2000

Downtown Households at the Extremes

Table 11A Downtowns with the Highest and Lowest Percent and Numerical Change 1970 and 2000

Table 11B Downtowns with the Highest and Lowest Percent and Numerical Change 1990-2000

Figure 15 Household Growth Rates in the Top Ten Downtowns 1990-2000

Figure 16 Top Ten Downtowns with the Highest Number of Households 2000

Concentration of Households 1970 and 2000

Table 12 Downtown Households as a Percent of City Households 1970 and 2000

Household Composition

Figure 17 Household Composition: Downtown, City and Suburb

Regional Differences in Household Composition

Table 13A-B Regional Household Distribution by Type 1970-2000

Household Composition in Individual Downtowns 2000

Table 14 Ten Downtowns With Highest Rates of Household Types 2000

Downtown Homeownership Rates

Table 15 A-B Regional Share and Distribution of Homeownership 1970-2000

Regional Patterns in Homeownership

Table 16 Patterns of Housing Tenure in Top and Bottom Ten Downtowns 2000

Racial and Ethnic Composition of Downtown Households

Figure 18 Downtown, City and Suburban Racial Composition 2000

Table 17A Racial and Ethnic Composition of Downtowns, Their Cities and Suburbs and the Nation 2000

Table 17B Regional Shares of Racial and Ethnic Groups 1970-2000

Regional Racial and Ethnic Patterns

Table 18 Regional Patterns of Race and Ethnicity 1970-2000

Table 19 Downtowns with Most and Least Racial and Ethnic Groups 2000

Age and Educational Attainments of Downtowners

Figure 19 Downtown Age Distribution 2000

Figure 20 Age Distribution Growth 1970 and 2000

Regional Age Patterns

Table 21A Regional Share and Distribution of Age Cohorts 2000

Table 21B Distribution of Age Cohorts in Individual Cities by Region 2000

Individual Cities

Table 21 Top and Bottom Ten Downtowns with the Highest Number and Percent by Cohort Compared to Cities and Suburbs 2000

Education

Figure 21 Comparative Educational Attainment Levels 2000

Figure 22 Downtown Residents No-High School-Diploma Rate Compared to Cities and MSAs 2000

Regional Patterns in Education

Table 22 Educational Attainment by Region Compared to All Downtowns, Their Cities and Suburbs 1970-2000

Education Levels in Individual Cities

Table 23A Educational Attainment in Individual Cities by Region 1970-2000

Median Income in Downtowns

Table 24 Median Income Downtown, City and MSA 2000

Regional Median Income Measures

Individual Cities and Median Income Ranges

Micro-Level Distribution of Median Income and Selected Other Characteristics

Philadelphia

Figure 23 Downtown Philadelphia Race and Median Income 2000 (4 maps)

Los Angeles

Figure 24 Downtown Los Angeles Race, Ethnicity and Median Income 2000 (5 maps)

Milwaukee

Figure 25 Downtown Milwaukee Race and Median Income 2000 (3 maps)

Orlando

Figure 26 Downtown Orlando Race and Median Income 2000 (3 maps)

Dimensions of Downtown Median Incomes and Other Characteristics

Downtown Density

Table 25 Downtown Typology 2000

Figure 27 Distribution of Households by Type of Downtown

Issues Related to the Rise of Downtown Living

Development Issues

Demographic and Market Potential

Density

An Afterward

Bibliography

Who Lives Downtown Today (And Are They Any Different from Downtowners of Thirty Years Ago)?

Over time, public and private officials have tried to re-invent downtowns by devising a wide variety of revitalization tactics. Presently, many are enamored with finding new residential uses for old buildings or precincts.¹ They have focused on housing in order to address a longstanding problem: the drop of economic activity in their central business districts as offices and retailers relocated to the suburbs. In this effort, they have adopted the mantra of fostering a “24-hour downtown” to animate their barren blocks.

Many downtowns, especially those in the Northeast and West, have assets that support residential use. Among them are: a stock of older, architecturally interesting buildings (offices, warehouses, one or more natural features (riverfront, canal), a rich cultural heritage (museums, art galleries, bookstores), a strong entertainment sector (restaurants, night clubs, sports stadiums and arenas), specialized services (health, higher education) and, of course, jobs. They also have social capital or leaders such as the new cadre of downtown advocates, exemplified by business improvement district directors. Other less endowed downtowns encounter difficulties in pursuing a residential strategy and may, in fact, be misguided in such an approach. Promoting downtown housing even in the more amenable places requires providing amenities and attracting such supportive services as grocery and dry cleaning establishments not ordinarily found in downtowns.²

Downtown Living as a Niche Market

Downtown living represents an emerging alternative to suburban choices.³ While the population is small and, in fact, not comparable to that of the suburbs, an analysis of metropolitan data reveals that downtown living represents an important niche in the residential real estate market. It is located in a physically limited or bounded area. It is focused on a small place in a city, the traditional central business district and its environs. Being a specialized commodity, it does not, at this time, even constitute “citywide” living.⁴

¹ Susanna McBee, Downtown Development Handbook (Second edition)(Washington, DC: Urban Land Institute, 1992).

² Hamilton, Rabinowitz & Altschuler, Inc. Downtown New York A Community Comes of Age (New York, Alliance for Downtown, 2001); Leland Consulting Group, Boise Downtown Housing Analysis (Portland, Oregon, 2003).

³ Recently, William Fulton made this same observation in “Living the Niche of Life,” Governing, August, 2004 (accessed on line August 11, 2004 at <http://www.governing.com/articles/8econ.com.htm>).

⁴ In a recent article, Edward L. Glaeser and Jesse M. Shapiro, “Urban Growth in the 1990s: Is City Living Back?” Journal of Regional Science 43:1 (2003): 139-165, the authors discuss their methodology arguing “The return to city living is really about downtowns not big metropolitan regions, so cities make more sense as units of analysis (145).” They used data for cities of 100,000 or more to test whether various characteristics (density, weather, auto-dependence, human capital, poverty rates) were determining factors in city population increases. They concluded that for *cities* (not downtowns) human capital, weather and auto-dependence were positively correlated with growth. This study provides a valuable foundation for my study.

In contrast, the suburban scene encompasses a broad-gauged, unsegmented housing market in a loosely bounded physical area. Underlining these differences in scale and circumstances are dramatic variations in the number of units and growth rates between the two. Between 1970 and 2000, downtowns had a net gain of about 50,000 dwelling units (12% growth rate) while suburbs gained 15 million (61% increase).

Despite the low numbers, downtown living provides visible and tangible evidence of urban vitality that has important psychological and economic impacts. The occupation of vacant, centrally located buildings, the increased presence of people on formerly empty streets and investment in supportive commercial activities and amenities present worn-out downtowns in a new light. They are now “players” in the residential real estate market. And the real interest of downtown residential data is the trajectory of the trends in different cities and regions.

Studies on the Rise of Downtown Living

Since 1990 many have reported on the rise of downtown living. Journalists from individual cities first noted it in local newspapers. Later, analysts from The Brookings Institution and the Fannie Mae Foundation recorded the phenomenon more systematically. Academic researchers followed, assessing the topic in greater depth.⁵ All left no doubt that the number of people living downtown had increased between 1990 and 2000. While these accounts documented growth in terms of population data, and, to some extent, attempted to classify and explain the phenomenon. They profiled individual residents, highlighting their ages, household sizes, levels of education and income but did not systematically evaluate these qualities. They did not detail downtowners as a group or fully illuminate the housing market they represented. Nor did they explore the depth and extent of its growth. In general, they never looked back before 1990 nor did they pay attention to the range of cities beyond the largest places.

This study will fill this vacuum. It focuses on the growth of the downtown residential market, compared to cities, suburbs, regions and the nation. It offers an assessment of which cities and regions have attracted downtown residents. And it describes downtowners, their households, race, age, education and median income. It also explores other themes, including a discussion of U.S downtown development, explaining the origins of today’s residential approach, and the methodological difficulties of defining downtowns.

Understanding downtown residential patterns is useful to many involved in the contemporary policy arena. Local officials focused on the care and nurturing of

⁵ The Brookings Institution and the Fannie Mae Foundation, *A Rise in Downtown Living* (Washington DC: authors, 1998); John Eckberg, “More People Calling Cincinnati’s Downtown Home,” *New York Times*, July 30, 2000, p. 5; “Downtowns Make Cities Winners,” *USA Today*, May 7, 2001, p. 2. Rebecca R. Sohmer and Robert E. Lang, *Downtown Rebound* (Fannie Mae Foundation Census Note 03) (Washington DC: Fannie Mae Foundation and Brookings Center on Urban and Metropolitan Policy: May 2001); Eugenie L. Birch, “Having a Longer View on Downtown Living,” *Journal of the American Planning Association* 68:1 (Winter, 2002), pp 5-21

downtowns have a direct interest because they are generally alert to new revitalization tactics, of which downtown housing is one. Environmentalists and “Smart Growth” advocates view the growth of downtown residential areas as a viable alternative to suburban sprawl. Checking greenfields development with office/warehouse conversions and urban infill are among the objectives that downtown housing meets. Economists involved in retooling the American economy by strengthening knowledge-based industries see downtown living as one element in a “creative cluster” strategy that matches high-value jobs to the young and well-educated, folks for whom quality of life issues, often an urban lifestyle are important.⁶ Other interested groups include real estate entrepreneurs, chamber of commerce leaders and such design professionals as historic preservationists and new urbanists, especially those involved in downtown HOPE VI projects.

Evolution of Today’s Downtown Residential Trends

The movement of households into downtowns in the late twentieth century signifies a dramatic change in the land use patterns of these areas. Downtowns, labeled Central Business Districts (CBDs) in the mid-twentieth century, traditionally contained offices, large warehouses and the occasional factory.⁷ Downtown living was usually restricted to hotels, clubs with sleeping facilities, flophouses and jails. The salient features of downtowns were: 1.their economic dominance in their metropolitan areas, 2.accessibility, 3.high density development and 4.high land values/property assessments.

Downtowns peaked in the 1920s and then began to change.⁸ Many CBD functions migrated to “uptowns” or “midtowns” within cities and, still later, these activities moved to “edge city” and “edgeless” city locations.⁹ This movement accelerated in the postwar period, accompanied by the rise of suburbs facilitated by favorable tax and mortgage insurance practices and massive federal investment in the nation’s interstate highway system.

By the late twentieth century, downtowns typically contained a cluster of signature or Class A office buildings, aligned in an identifiable skyline branding important corporations; masses of partially or under-occupied Class B and C buildings; heavy doses of parking and discontinuous ground-floor retail located along key streets or in the lobbies of major office buildings. Adjacent to this core were warehouses and factories, often abandoned. In addition, larger downtowns had convention centers, associated hotels and sports stadia. A few still hosted businessmen’s clubs. Along with these features, many downtowns experienced retail remnants, especially the major department store

⁶ Richard Florida, The Rise of the Creative Class And How it is Transforming Work, Leisure, Community and Everyday Life (New York: Basic Books, 2002); Charles Landry, The Creative City: A Toolkit for Urban Innovators (London: Earthscan, 2000).

⁷ Raymond E. Murphey, The Central Business District (New York: Aldine-Atherton, 1972);

⁸ Robert Fogelson, Downtown Its Rise and Fall, 1880-1950 (New Haven, Yale University Press, 2001) See also Alison Isenberg, Downtown America, A History of the Place and the People Who Made It (Chicago: University of Chicago Press, 2004).

⁹ Robert E. Lang, Edgeless Cities Exploring the Elusive Metropolis (Washington, DC: The Brookings Institution Press, 2003).

whose main facilities had moved to the outskirts. Detroit in the late 1980s is an extreme example: Hudson's Department Store, the Hilton Hotel and multiple office buildings stood entirely empty; nearby the mirrored windows of the Renaissance Center (a 2.2 million square foot complex, opened in 1976, that drained the remaining office, retail and hotel activities from the surrounding downtown) reflected this devastation as a three-mile elevated People Mover circled this area, linking a few active places.

From 1949 to the present, public officials and private investors have employed federal programs to buttress downtowns. They used urban renewal along with subsidized interest programs (221(d)3 and 4), the U.S Treasury- (Internal Revenue Service) sanctioned private-activity bonds for specified redevelopment projects, community development block grants, and tax credits for historic preservation and low-income housing.¹⁰ They sought to strengthen their downtowns with festival malls, stadiums, convention centers, hotels, housing and other attractions.¹¹

With regard to housing, cities employed public housing, urban renewal (with associated low-interest financing programs) and low-income housing tax credits to build more units, located in or adjacent to downtown. In the late fifties and early sixties, several cities consciously deployed urban renewal funds to foster middle-income residential development as an alternative to the suburbs. Lower Manhattan (Manhattan Plaza), Midtown New York (Lincoln West) Boston (West End), Detroit (Lafayette Village), Philadelphia (Society Hill), San Francisco (Golden Gateway Center) and Los Angeles (Bunker Hill Towers) are examples. Often, these places provided the seeds of today's downtown housing resurgence. However, political opposition brought these projects to a screeching halt by the late 1960s.¹²

On the whole, the attempts to stem the outward movement of traditional downtown activities, especially offices, department stores, and hotels, largely failed. Today, for example, only 44% of the nation's office space is located in downtowns. (Some downtowns have captured a larger percent – New York 64%, Chicago 54%, and others much less, Miami has 18%, Detroit, 21%, Dallas, 25% Boston 37% and Philadelphia 37%.)¹³

Today, housing has become a critical piece of the evolving strategies for downtown revitalization. With abundant supplies of sound but underutilized properties, favorable transportation networks and "character" (an ambience of density, mixed use, grittiness

¹⁰ Louis G. Redstone, The New Downtowns, Rebuilding Business Districts (New York: McGraw Hill, 1976).

¹¹ Bernard Friedan and Lynne B. Sagalyn, Downtown Inc. How America Rebuilds Cities (Cambridge: MIT Press, 1989); Alexander Garvin, The American City, What Works, What Doesn't (New York: John Wiley and Sons, 2001); Roberta Gratz and Norman Mintz, Cities Back from the Edge (New York: John Wiley and Sons, 1998).

¹² See for example, Herbert Gans, The Urban Villagers (New York: The Free Press, 1982); Chester Hartman, City for Sale (Berkeley: University of California Press, 1993); Jane Jacobs, The Death and Life of the Great American City (New York: 1961).

¹³ Robert E. Lang and Jennifer LeFurgy, "Edgeless Cities," Urban Land Volume 63, Number 1 (January, 2004), pp.40-43.

and/or the possibility of unique dwelling units), many downtowns successfully compete with suburbs for certain consumers. In these circumstances, some view the residential approach as “a land use of last resort,” while others labels it the “SoHo Syndrome,” an essential element of grass-roots, preservation-based activity that rejuvenates downtown districts.¹⁴

Tracking Downtown Residents

To assess the extent of current residential trends, the author employed data from the US Bureau of the Census to explore population and household growth rates and several demographic characteristics (race and ethnicity, age, education, labor force participation and income) in three geographic areas: downtown, city and suburbs. She tracked these characteristics from 1970 to the present in 45 cities for 46 downtowns chosen for their size and location from among the nation’s 243 cities having 100,000 population or more.¹⁵ The sample covers 37% of the most populous US cities (representing 59% of the nation’s urban population) including 100% of the top ten, 62% of the top fifty and 19% of the remainder. See Figure One. With regard to the four US Census regions, 11% of the downtowns are in the Northeast; 21% in the Midwest; 26% in the West and 41% in the South. In terms of a region’s urban population, the selected cities encompass 77% of the Northeast’s total; 63% of the Midwest’s; 54% of the South’s and 50% of the West’s.



FIGURE ONE *Sample Downtowns are distributed throughout the United States*

Deriving a spatial definition of “downtown” is the most challenging aspect of this research because no commonly accepted physical standard exists. Some equate downtowns with the Central Business District (CBD). (For several decades the US Bureau of the Census issued CBD data, simply designating one or two census tracts in selected cities. However, it discontinued this series in 1984.) Others have attempted to

¹⁴ David A. Wallace, personal communication, April, 2002; Gratz and Mintz, *Cities, Back from the Edge*, Chapter 13.

¹⁵ Due to size, historical development and internal geography, she assigned two downtowns to New York City, Lower Manhattan and Midtown.

define downtowns as the area within a specified radius (1 mile, ½ mile etc) from a city's so-called 100% corner, viewed as the highest valued intersection in terms of real estate.¹⁶ This concept poses difficulties with its uniform application to different-sized cities. Even among the top 100 most populous cities – ½ mile from the 100% corner in a physically small city can reach into its suburbs. In the end, the author relied on local knowledge and experience, asking public officials in the sample cities to define their own downtowns by census tracts as of 1999-2000. She used these boundaries as the basis of the time series dating back to 1970.¹⁷ The author checked these definitions through field visits.¹⁸

The resulting sample yields tailored downtowns that vary in population and geographic size. As a group, they provide a general view of downtown living and, individually (or grouped according to size or location), they demonstrate important variations. The sampled downtowns whose residents range from 97,000 (Lower Manhattan) to 443 (Shreveport, Louisiana) fall into five population categories: Extra Large, 50,000 or more (11% of the sample); Large, 25,000-49,999 (13% of the sample); Medium, 10,000 to 24,999 (26% of the sample); Small, 5,000-9,999 (20% of the sample) and Extra Small, under 5,000 (33% of the sample). Taken together they represent under a million people (470,000 households) in cities containing 39 million inhabitants surrounded by suburbs holding about 70 million residents.¹⁹

Downtowns in the sample range in size from almost 7 square miles (Detroit) to under a quarter square mile (Shreveport). Divided into four spatial categories, the sample contains 4% in downtowns 5 square miles or larger; 38%, 3-4.99 square miles; 38% 1-2.99 square miles; and 18% under a square mile. All together, the sample downtowns cover 123 square miles, are located in cities covering approximately 8,000 square miles surrounded by 155,000 square miles of suburban territory.

¹⁶ Downtown Preservation Council, The Boundaries of Downtown: A Study of 48 Major US Cities (Fairhope, Alabama: author, June, 2003); Raymond E. Murphy, Central Business District (New York: Aldine-Atherton, 1972), US Bureau of the Census.

¹⁷ The author appreciates that this method defines each city's 2000 downtown, whose area may have been different (most likely smaller) thirty years ago. However, she is interested in tracking changes in the space now considered as that city's downtown and thus made this choice.

¹⁸ She also cross-referenced it with the Downtown Preservation Council's recently issued study noted above. This study focused on 48 downtowns, 31 of which are in this Brookings-sponsored research project. The Downtown Preservation Council method is more fine-grained, delineating the downtown boundaries in blocks. As the Brookings-sponsored study is longitudinal, assembling a database from 1970 to the present, it was beyond the data collection capacities to collect block data. Instead, the investigator tracked the data of the 2000 census tract boundaries backward, making adjustments where required for changes in tract boundaries. Thus the Brookings report is based on an assessment the changes to the 2000 downtown.

¹⁹ The sample represents MSAs containing 59% of the nation's urban population and 70% of the nation's suburban inhabitants.

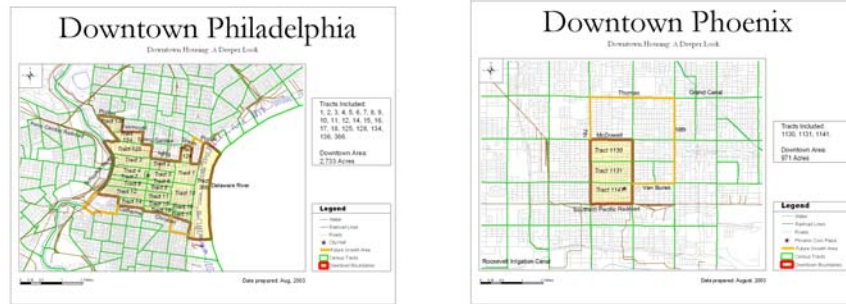


FIGURE TWO *Downtowns vary in size as Philadelphia and Phoenix demonstrate.*

Finally, the sample downtowns have variable densities (measured as the number of people per acre), ranging from slightly more than 2 (Jackson, Mississippi) to 76 (Lower Manhattan). Four per cent of the downtowns have 50 or more people/acre. (The building type accommodating these downtown densities is usually a multi-family structure. It could be a former office building or loft, attached townhouse or new apartment building.) Thirteen per cent of downtowns have 20-49 people/acre; 18% 10-19/acre; and 31% 5-9 people/acre. (Dwellings at these densities are most likely low-scale converted buildings – lofts, warehouses, office buildings – whose floor plates allow capacious dwellings prized by the young, highly educated professionals who form the dominant group of downtown residents.) Thirty five percent of the downtowns have population densities of fewer than 5 people/acre. (This could encompass the single-family housing stock found in a historic district or in new construction on cleared or formerly vacant sites. In addition, this density could also reflect a transition stage in which a former office or loft district could in the process of being converted and has few residents.)

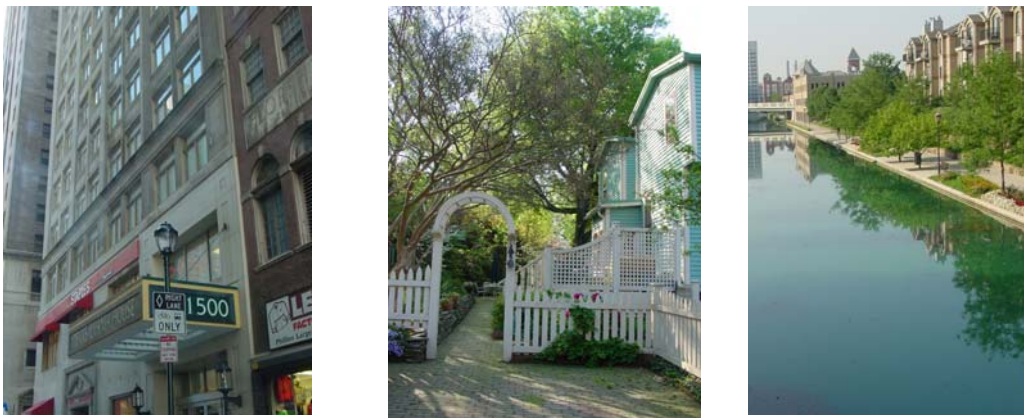


FIGURE THREE *Examples of downtown housing include a typical office conversion having retail at the base and several stories of apartments above (left) a house in a historic district (middle) and new construction on reclaimed land (right).*

Downtown Population Growth

Between 1970 and 2000, downtown population declined slightly (-.2%) moving from 934,060, 531 to 931,814. In this environment, 35% of the sample downtowns experienced growth, ranging from 2% to more than 200%. The remaining downtowns had losses from -.4% to -67%. In terms of numbers, Lower Manhattan, at the high end, added 37,000 residents, followed by Chicago (21,000), Los Angeles (14,000) and Seattle (10,000). At the low end, Detroit lost 31,000, followed by St. Louis (-15,000), Indianapolis (-9,500) and Orlando (-9,000). As downtown numbers shifted, population in the sample's cities grew 9%; their suburbs, 62% and the nation, 37%. (See **TABLES ONE** and **ONE-A-B Downtown Population Growth 1970-2000**)

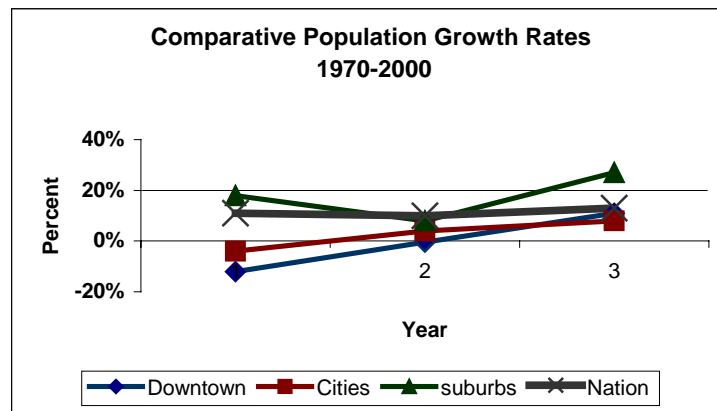


FIGURE FOUR *Comparative Downtown Growth Rates for Downtowns, Their Cities and Suburbs and the Nation 1970-2000*

Regional Patterns in Downtown Population Growth 1970-2000

Regional patterns reveal major differences in the growth trends and the consequent concentration of downtowners. Between 1970 and 2000, downtowns in the North and West increased their shares of residents at the expense of the Midwest and South. Although the shares changed, the ranking did not; the Northeast and Midwest were leaders in downtown population the 1970s and retained their dominance in 2000. The South and West were third and fourth but the spread between the two decreased significantly as the South declined while the West grew. See **TABLE TWO A and B Regional/Individual Downtown Population Growth 1970-2000**

Differential regional growth rate performance created the changes in share. In the past three decades, the West posted the highest rate of increase (34%), fueled by the growth of the large California cities, Seattle, Portland and Denver. Despite this growth, it still had the lowest proportion of downtown residents, but this was up from 1970. The Northeast had the second highest growth rate, increasing its downtown population 13%

with Lower Manhattan and Midtown Manhattan leading the way. At the other end of the scale, the Midwest lost 19% of its downtown population – only the nearly 40% increase in Chicago prevented steeper declines. The South had an 18% loss in downtown population. In 2000, the shares were: Northeast (42% of downtown population up from 38% in 1970), Midwest (22% down from 27% in 1970), South (18% down from 22% in 1970) and West (17% up from 13% in 1970). This pattern diverges from the 2000 national urban settlement arrangements where the South ranks first in city residents (33% of the total) and the Northeast, last (17%) with the West (27%) and the Midwest (23%) filling in the middle.²⁰ Annexation practices in the South and West, allowing city population growth through physical expansion, a phenomenon that is no longer possible in the Northeast or Midwest, offer a partial explanation for these rankings.²¹

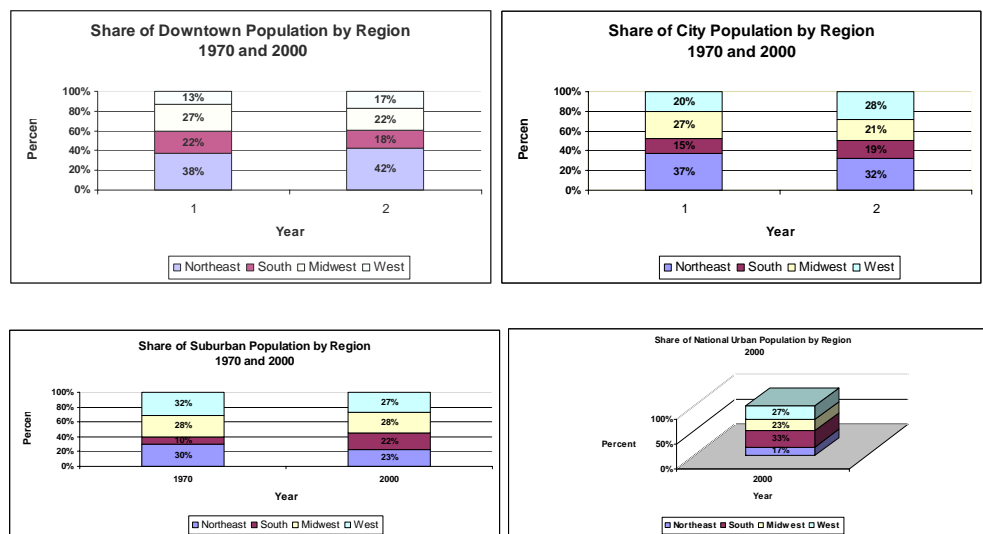


FIGURE FIVE *Downtown, City, Suburban and National Population Shares by Region 1970 and 2000*

Population Growth By Decade

While the population data above provide a general assessment of change in downtown living, they miss an important part of the story, its volatility that the following decade-by-decade analysis reveals. Downtown population declined by -11% in the 1970s, slowed its downslope (+.4%) in the 1980s and turned around dramatically in the 1990s, posting a +11% increase. And as downtown population fluctuated wildly, their cities and suburbs exhibited different trends. The cities recorded a much slower rate of decline (4%), than downtowns in the 1970s, had a much more substantial turnaround (+4%) in the 1980s and doubled that rate to 8% in the 1990s. In contrast, the suburbs had positive growth (+18%, +8% and +27%) for the three decades. The national growth pattern was

²⁰ Eugenie L Birch and Susan Wachter, *State of the Nation's Cities: Preliminary Findings* (University of Pennsylvania: Penn Institute for Urban Research, April, 2003).

²¹ David Rusk, *Cities Without Suburbs A 2000 Census Update*, 3rd Edition (Washington, DC: Woodrow Wilson Center Press, 2003).

also positive in the period (+11%, +10% and +13%). Notably, for the key decade, the 1990s, the downtown growth rate surpassed that of their cities.

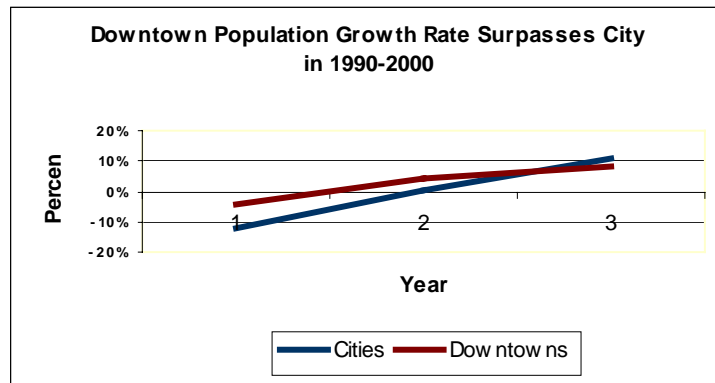


FIGURE SIX *Downtown Population Growth Surpasses the City's in 1990-2000*

Looking at the performance of individual downtowns by decade underscores the variability among places and provides a timeline and geography of downtown living. Most important, it provides a platform for understanding another critical point in the downtown living story: *that the population growth rate was lower than the household growth rate between 1970 and 2000* as will be seen in a later section. Furthermore, attention to population size (and composition) as well as to households illustrate current consumer trends and helps understand future demand.

The 1970s were calamitous for most downtowns as 40 (or 87% of the sample) lost population.²² By the 1980s, as the downward trend slowed, fewer downtowns, 21 (46% of the sample), lost population.²³ In the 1990s, the balance shifted. Only 13 downtowns (28% of the sample) experienced decreases, none more than 25%. At the same time, 33 places increased their populations.²⁴

²² In the 1970s five experienced precipitous drops (St. Louis, 55%; Shreveport, 50%; Austin, 43%; Albuquerque, 42%; Columbus, Ohio, 42%) but a bright spot in this grim picture was the growth surge in five downtowns (Los Angeles, 46%; Des Moines, 41%; Lower Manhattan, 20%; Indianapolis, 20%; Midtown Manhattan 15%).

²³ In the 1980s five lost 25% or more of their residents: Indianapolis, 55%; Des Moines, 52%; Albuquerque, 30%, Columbus, GA 30% and Chattanooga, 25%. Of the 25 downtowns (or 54% of the sample) that gained population, seven increased by 25% or more (Norfolk, 98%, Cincinnati, 52%, San Diego, 46%, Shreveport, 43%, Memphis, 32%, Austin, 26% and Lafayette, 26%).

²⁴ In the 1990s Columbus GA, 24%; St Louis, 18%, Cincinnati, 17% and Minneapolis, 17% s experienced the highest percent losses while Seattle, 77%; Houston, 69%; Denver, 51%, Colorado Springs, 48% and Albuquerque, 45% had the greatest percent gain.

This change-by-decade analysis illuminates three phenomena. First, 15% of the sample had losses in all three decades while 11% had gains in each time period.²⁵ Second, the gains of the 17% of the downtowns showing great improvement (+25% or more) in the 1990s are deceptive because in the previous decade, all but one had lost population in amounts ranging from -18% to -7%.²⁶ Third, in 40% of the sample some gains included an increase of the incarcerated. (See below.)

Downtowns and Locally Unwanted Land Uses

Many cities view their downtowns as repositories for locally unwanted land uses, notably prisons, homeless shelters, group homes for delinquents and drug treatment facilities. They make these location decisions for a variety of reasons, often responding to a perceived need to avoid community opposition to unpopular activities. In the case of jails, their siting may also be related to the location of the courts, generally found downtown. Between 1970 and 2000, the downtown prison population increased 86% with the greatest change (+ 43%) occurring in the 1980s, the decade following the rapid decline in the number of downtown residents. Although in 2000, prisoners were only 6% of all downtowners, some places have greater proportions of this population than others.²⁷ Twenty cities (40% of the sample) had 1,000 or more prisoners in their downtowns. For some, such as Boston, Minneapolis and Lower Manhattan, this number represented less than 4% of their downtowners. For others, the prison population was much more significant, constituting 25% or more of those living downtown. They are Houston (81%), Norfolk (46%), Pittsburgh (34%) and Memphis (26%). See **TABLE THREE** *Incarcerated Populations in Downtowns 1970-2000*.

In some cases, the presence of the incarcerated dramatically affects the data on population size and growth rates. For example, between 1970 and 2000, Houston (+209%) and Norfolk (+97%) posted the highest growth rates of the sample. Removal of prisoners yields far different results with Houston losing almost a third of its population (-32%) and Norfolk growing more slowly (+40%). The distortions caused by the incarcerated disappear in the household data because the US Census does not include prisoners in that count. Nonetheless, since Houston had such a high proportion of prisoners, the following discussion of population change in individual cities will exclude that city.²⁸

FIGURE SEVEN *Downtowns and the Incarcerated 2000*

²⁵ Seven downtowns, Columbus, GA, Detroit, Jackson, Orlando, Phoenix, San Antonio and St. Louis, had losses in all three decades while Lower Manhattan, Los Angeles, Midtown Manhattan, San Diego and Seattle had gains in the three decades.

²⁶ Eight downtowns having gains of 25% or more are Houston, Norfolk, Cincinnati, San Diego, Shreveport, Memphis, Austin, and Lafayette. Only San Diego did not lose population in the previous decade.

²⁷ In 2000, five downtowns in this study (Orlando, Salt Lake City, Denver, Mesa, and Shreveport) had no incarcerated.

²⁸ The author will retain the downtown population totals in the discussion. The population numbers for Houston are relatively small constituting .4% of the total in 1970 and 1% in 2000. For reference, Houston's downtown population with prisoners across the decades was: 1970s, 3845; 1980s, 2,172; 1990s, 7,029, and 2000, 11,882. Without prisoners it was:

Timing, Size and Other Characteristics of the Growth of Downtown Living

The decade-by-decade analysis also highlights the variable downtown development histories among cities. Some places, such as Des Moines, Indianapolis and Minneapolis, have gains in one decade and losses in another. Others, such as Norfolk and Albuquerque, display enormous percentage gains on small numerical bases. *However, the most important finding is evidence of a much earlier beginning to today's downtown living trend than previously believed.* Forty percent of the sample experienced continuous positive growth since the 1980s. Of these, 11% began their increases in the 1970s. (The remaining breakout is as follows: 31% experienced growth between 1990 and 2000, 16% suffered losses in all three decades and 13% had losses in the 1990s but earlier growth) See **TABLE FOUR** *Original Decades of Downtown Population Change*.

Downtowns at the Extremes 1970-2000

Looking at extremes of growth rate and number change data between 1970 and 2000 in the top and bottom ten downtowns reveals a concentration of gains and losses and their regional geographic location. For example, 80% of the ten high-growth-rate downtowns are in the Northeast and West. Of these, 90% are also among the top ten high-number downtowns. Altogether, the ten high-number downtowns contributed 92% of the gross gains between 1970 and 2000. Of these, Lower Manhattan, Chicago, Midtown Manhattan, Los Angeles and Seattle contributed about $\frac{3}{4}$ of the total gains.

The bottom ten low-growth-rates downtowns are equally divided between the South and Midwest. Sixty per cent of the low-growth-rate downtowns are also low-number-rate downtowns. The numerical losses in the bottom ten low-number downtowns represented $\frac{3}{4}$ of the gross decline between 1970 and 2000. Of these, Detroit, St. Louis, Indianapolis, Orlando and Columbus, OH contributed more than half (53%).

In 2000, the top ten high-number downtowns encompassed 49% of the downtown population, up from 36% in 1970 while the bottom ten low-number places were only 19% of the total, down from 30% in 1970. (See **TABLE FIVE** *Downtowns with the Highest and Lowest Growth Rates 1970-2000*.)

Tracing the data of the extremes by decades demonstrates their wide variance from the sample norm over time. For example, in the top ten high-growth-rate downtowns in the 1970s the number was +18% and in the bottom ten growth-rate downtowns it was minus 38% -- a sharp contrast to the sample norm (-11%). A similar phenomenon appears in the 1980s.

In the key 1990s decade, the high-growth-rate downtowns (+36%) greatly surpassed sample growth rate (11%), fueled by rapid increases in five "hot" western downtowns, Seattle (+77%), Denver (+51%), Colorado Springs (+48%), Albuquerque (+45%) and Portland (+35%). A substantial but less dramatic difference is reflected in the ten high-number downtowns that altogether added 76,000 (17% growth rate) or 70% of the gross

gains for the decade. Especially notable are Chicago (+17,000 new residents), Lower Manhattan (+13,000) and San Francisco (+11,000).

Among the ten bottom downtowns, the divergence in the 1990s prevails with the low-growth-rate downtowns declining -11% and the low-number places decreasing -10%. Three downtowns appear in the bottom rungs in both categories: Columbus, GA (-24%, -2000 residents), St. Louis (-18%, -1,598) and Minneapolis (-17%, -6,035).

A final pattern revealed in the decade-by-decade analysis of the top and bottom ten is the broadening of the downtown living phenomenon, evidenced by the decreasing concentration of numerical gains in the top ten cities and the increasing concentration of numerical losses in the bottom ten cities. In the 1970s, the top ten cities captured 99% of the gross gains and the bottom ten, 65% of the gross losses. By the 1990s, the top ten had only 70% of the gains while the bottom ten had 98% of the losses. See **TABLE SIX A** *Downtowns with the Highest and Lowest Percent and Numerical Change 1970-1980*, and **TABLE SIX B**, *Downtowns with the Highest and Lowest Percent and Numerical Change 1980-1990*, **TABLE SIX C** *Downtowns with the Highest and Lowest Percent and Numerical Change 1990-2000*.

Changes in the Average-Size Downtown

The growth patterns reported above yield important changes among the array of sample downtowns. The average size of larger places rose but their number fell. The smaller places also increased average size and became more numerous. This phenomenon is best observed within the size-categories outlined in the beginning of the study, (Extra Large 50,000+; Large, 25,000-49,999; Medium 10,000-24,999; Small, 5,000-9,999 and Extra Small, under 5000). The Extra Large downtowns, the average rose 22% to 80,488 up from 66,231 but the number decreased by 20%. The average in the Extra Small downtowns increased 25%, rising from 2,800 to 3,500 and their number increased 56% as Austin, Colorado Springs, Des Moines, Lexington and Phoenix ended up here after experiencing population losses.

In addition to these adjustments, the composition of the size-categories changed as downtowns shifted to different levels in response to fluctuations in growth. The most dramatic modification occurred in the Large category that had a third fewer downtowns in 2000 than in 1970. Here, Detroit joined the group from the Extra Large category and Dallas, Indianapolis, Miami and San Antonio left, drifting down into the Medium downtown category.

Finally, looking at growth in the key 1990s decade, larger cities captured the lion's share—60% went to the Extra Large and Large downtowns, characterized by location in large cities of the Northeast, Midwest and West. But the Medium and Extra Small downtowns, characterized by location cities of all sizes in the South and the West, had much higher growth rates (27% each) than the others. These data relating downtown size and population not only reinforce the earlier finding of the concentration of downtown population in places but also highlight the high growth rates in specific regions. (See **TABLE SEVEN** *Comparison of Downtown Populations 1970, 1990 and 2000*.)

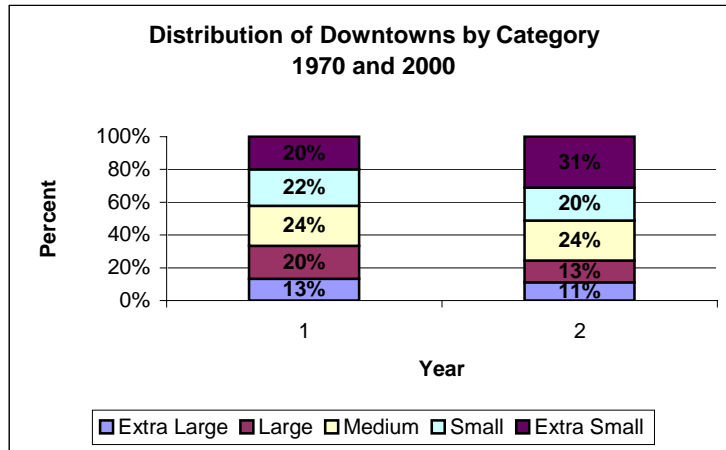


FIGURE EIGHT *Distribution of Downtowns by Category 1970 and 2000*

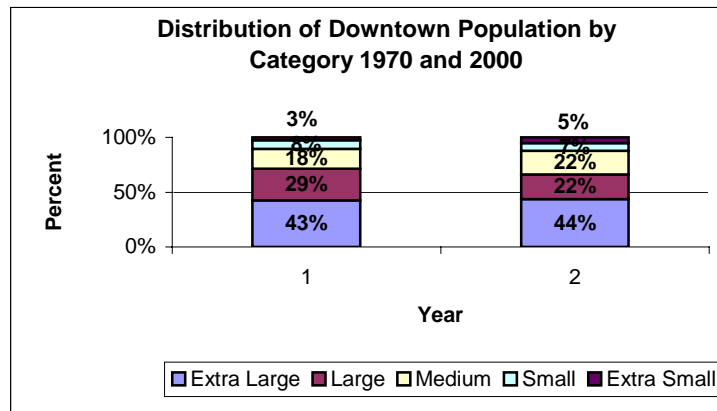


FIGURE NINE *Distribution of Downtown Population by Category 1970 and 2000*

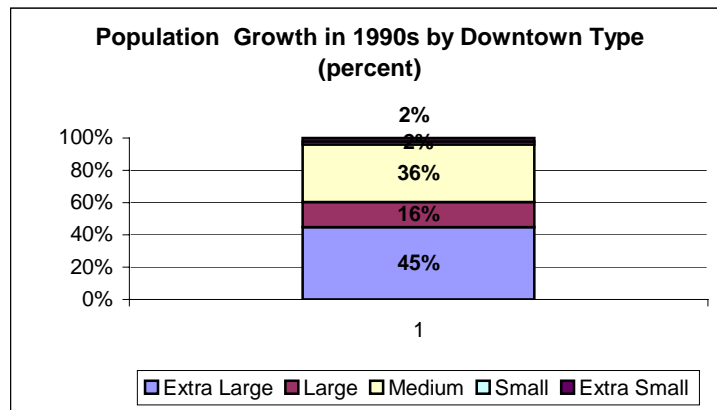


FIGURE TEN *Population Growth in the 1990s by Downtown Type*

The Most and Least Populous Downtowns

A separate comparison of the ten most and least populous downtowns in 1970 and 2000 highlights the shuffling occurring with gains pushing some places into higher ranks and losses lowering others. In the top ten the changes affected Lower Manhattan (1 in 2000; 4 in 1970), San Francisco (6 in 2000; 8 in 1970), and Los Angeles (8 in 2000; in 1970) including Detroit (7 in 2000; 3 in 1970), Philadelphia (3 in 2000; 1 in 1970) and Baltimore (10 in 2000, 9 in 1970). The ten least populous downtowns has similar activity. For example Mesa (7 least populous in 1970, 3 in 2000) and Boise (9 in 1970 and 5 in 2000) each slipped four places. (See **TABLE EIGHT** *Downtowns with the Highest and Lowest Populations 1970,1980, 1990 and 2000*).

Size is not the only factor in understanding growth dynamics. Other conditions, such as the presence or absence of employment opportunities, help create situations like Seattle which posted the one of the sample's highest 30-year growth rates but even today has a downtown of under 25,000 inhabitants or St. Louis which had the sample's greatest losses but had started with a relatively large downtown of 23,000 in 1970 (now 7,500). (**SEE TABLE ONE** *Downtown Growth 1970-2000*.) The accompanying city employment changes were a +36% rise for Seattle and a -35 % drop for St. Louis.²⁹

Implications of Population Change for Downtown Living

This assessment of population growth suggests existing and potential concerns for downtowns and their leaders. For example, high-growth-rate-low number downtowns confront different issues than high-number-low-growth-rate downtowns. Contrast downtown Albuquerque whose 46% increase in the 1990s made it the fifth fastest growing place in the sample, but whose low number of residents (1,800) placed it second from the bottom in population with downtown Philadelphia with a slow growth rate (5%) but the presence of nearly 80,000 residents. Albuquerque has difficulties in attracting such support services as a grocery store or dry cleaner while Philadelphia spends its time mediating between the often-at-odds-needs of residents' and such other users as office workers or tourists.

Finally, the population trends not only describe current conditions but also hint at the future. Today, most downtowners live in three areas: the Northeast Corridor, the Midwest Circle and the California coast. Almost two-thirds (62%) are in the sample's ten most populous downtowns. (Nearly half are in six places: Lower Manhattan, Boston, Philadelphia, Midtown Manhattan, Chicago and San Francisco.) However, if up-and-coming cities, ones that added 3,000 or more inhabitants in the 1990s (e.g. Seattle, Portland, Atlanta and Dallas) maintain current growth rates they will either join or surpass others currently having high concentrations. For example, if Seattle extends its 1990s growth rate for another ten years, it could move from 22,000 to 38,000 and Detroit stays on its current track, it will lose about a 1,000 residents falling to 36,000,

²⁹ Lang op.cit.pp. 40-43.

Growth of Downtown Households

More important than the minimal population change (-.2%) between 1970 and 2000 was the accompanying +8% rise in downtown households (and of occupied housing units) – from 435,159 to 469,366 – in the sample cities. *Households*, not population, drive the housing market, and define demand that, if sufficiently strong, stimulates an increase in the supply of dwellings. (Household data also eliminate the distortion caused by the institutionalized groups encompassed in population figures.) The growth in households (and occupied housing units) demonstrates that more consumers are attracted to downtowns today than in the past. In many cases, the increased demand for housing matched decreased calls for Class B or C office buildings, warehouses and factories, making them logical candidates for residential adaptive reuse.

Between 1970-2000, slightly more downtowns (39%) experienced household increases than did those (35%), rises in population. Their growth rates ranged from +1% to +94%. The remaining downtowns had losses from -3% to -47%. And in terms of numbers, Lower Manhattan (+20,000), Chicago (+19,000) Boston (+9,000) and Philadelphia (+8,000) had the highest gains while Detroit (-15,000), St. Louis (-4,000) and San Antonio (-3,000) had the greatest losses. (See **TABLE NINE** *Downtown Household Growth 1970-2000*.)

By decade, household growth also had a slightly different pattern than that of population. In the 1970s, downtown households declined -3 % (population fell -11%); in the 1980s, they dropped -2% (population was +.4%) and, in the 1990s, their +14% growth rate surpassed the +11% population increase.

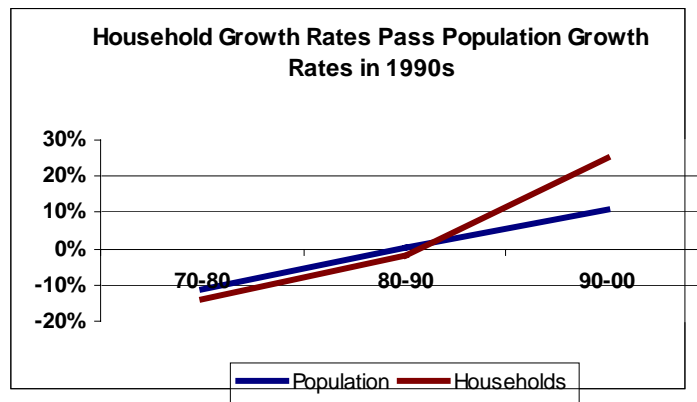


FIGURE ELEVEN *Household Growth Rates Pass Population Growth Rates in 1990s*

These trends played out in the timing of household increases in individual downtowns as well. A slightly higher percentage of downtowns sustained household increases (13%) than population increases (11%) for all three decades, however, they fell behind population in the 1980s (17% of downtowns increased households compared to 29% of downtowns increasing population) but in the key 1990s decade the percent of downtowns with household increases jumped ahead (43%) of downtowns with population rises

(31%). (See **TABLE TEN** *Original Decade of Downtown Household Change* and **TABLE FOUR** *Original Decade of Downtown Population Change*)

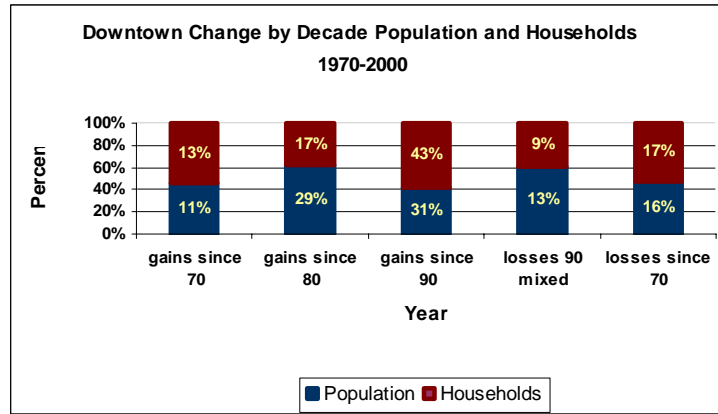


FIGURE TWELVE *Downtown Household and Population Change by Decade 1970-2000*

As with population, household growth rates for cities (+39) and suburbs (+98%) far surpassed those of downtowns.

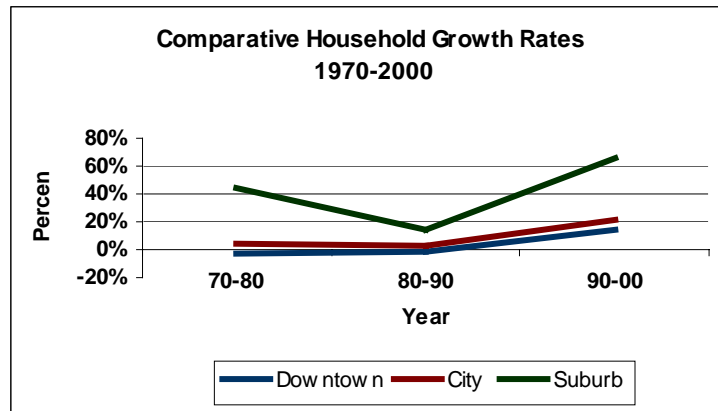


FIGURE THIRTEEN *Comparative Household Growth Rates Downtown, City, Suburbs 1970-2000*

Regional Household Growth Patterns

A comparison of regional changes pinpoints the divergence between household and population growth rates helping explain why some areas appear to have more housing activity than others. For example, the Northeast's +25% gain in households far outpaced its +13% rise in population while the West's +34% population increase was much greater than its +22% household gain. The Midwest had a much slower decline in households (-8%) than population (-19%) while the South had higher population (-18%) than household (-16%) losses. Household composition variations discussed later may be a major source of these differences. And with regard to other geographical entities' growth,

only in the Northeast was the downtown rate higher rate than the cities (+2%) and no region had a higher growth rate than the suburbs (+98%) (See **TABLE TEN-A** *Downtown Household Growth by Region 1970-2000* and **TABLE TEN-B** *Regional Household Growth: Downtown, City and Suburb 1970-2000.*)

The 2000 regional ranking, based on household share differs from that of population. The growth rate differentials among regions described above spurred share increases in Northeast and the West that occurred at the expense of the South and the Midwest. By 2000, the Northeast, which had captured the largest share, 44% (up from 38% in 1970), of downtown households, was first; the Midwest was second with 23% (down from 27% in 1970). The West edged out the South for third place with 18% (up from 16% in 1970) of the total. The South with a diminished share, 15% (down from 19% in 1970), fell to last place.

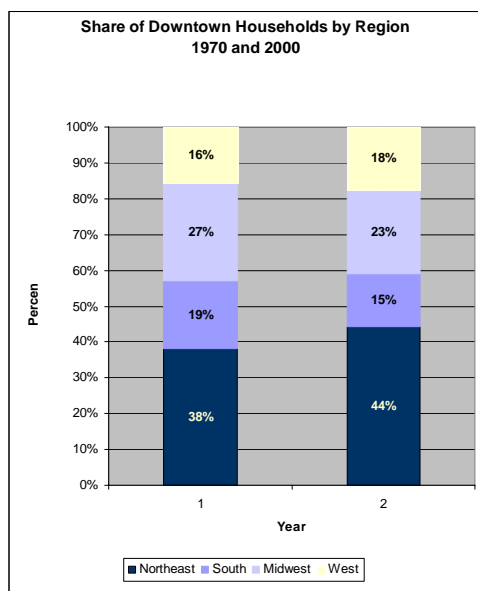


FIGURE FOURTEEN *Share of Downtown Households by Region 2000*

Within the regions, individual downtowns performance stimulated these changes. The Northeast had more downtowns with gains than losses. The West was evenly split. The South and the Midwest each had only a few gainers. The drivers of the Northeastern dominance were: Lower Manhattan (+94%), Boston (+25%) and Philadelphia (+20%). Together, they provided 87% of the region's new lost households. This increase occurred as Pittsburgh (-33%) and Washington DC (-15%). The growth rates for the Northeastern downtown gainers (Baltimore, Boston, New York and Philadelphia) greatly surpassed those of their cities while the downtown losers (Pittsburgh and Washington, DC) had much higher loss rates than their cities. With the exception of Lower and Midtown Manhattan, all Northeastern downtowns had lower rates of household growth than their suburbs.

In the Midwest, Chicago, with its high growth rate (+77%), was the star of the region's downtown household increase, but even its gains (along with Cleveland's increase

(+2%)) could not stave off a net deficit (-8%) in the region.³⁰ The losses in the Rust Belt industrial cities (Detroit, -47%; St. Louis, -46%; Indianapolis, -32%) caused the decline. Only in Chicago and Cleveland did the downtown growth rate exceed the cities'. No downtown grew faster than its suburbs.

In the West, Seattle (+70%) and Los Angeles (+38%) contributed more than half of the net gain in households. In contrast, Phoenix (-43%) led this region's losses. The Los Angeles, Seattle and Denver (+29%), downtown household growth rates exceeded their cities' but only downtown Los Angeles and San Francisco had higher rates than their suburbs.

The South presents a stark contrast to the other regions. Its 17 downtowns collectively suffered the highest households losses of any region (-16%). Only five, Atlanta, Charlotte, Memphis, New Orleans and Norfolk, had increases, none more than 1,500 households. The South's cities (+65%) and suburbs (+282%) exploded as the downtowns hollowed out.

Downtown Households at the Extremes

Nationally, half of the ten downtowns having the highest household growth rates between 1970 and 2000 are located in the West and include Seattle (70% increase), Portland (57%), San Diego (42%) and Los Angeles (38%). See **TABLE 11-A** *Downtowns with the Highest and Lowest Household Percent and Numerical Change 1970 and 2000*. Notably, nine of those in this category are also in the top ten high-population-growth-rate group but their rankings differ. For example, Boston was first in household growth but second in population; Seattle ranked fifth in household rate but first in population rate and Midtown Manhattan ranked tenth in population but did not make it into the top ten in household growth. (It ranked eleventh.) See **TABLE 5** *Downtowns with Highest and Lowest Population Percent and Numerical Change 1970-2000*.

At the other end of the scale, the low household growth rate places are dominated by Southern and Midwestern downtowns, including Houston (-40%), San Antonio (-35%), Cincinnati (-41%) and Detroit (-47%) that have all lost more than 1/3 of their households since 1970.³¹ In most cases, the downtowns in this category have lost higher percentages of their populations than households. For example, while St. Louis lost 46% of its households, it lost 67% of its population.

Of particular interest are the top ten downtowns with the highest household growth rates in 1990-2000 because they may signal future directions in this housing market. They are primarily in the West (60% of the top ten) provided more than 50% of the gross gains for the decade. (See **TABLE ELEVEN-B** *Downtowns with the Highest and Lowest Percent and Numerical Change 1990-2000 (Households)*). Also notable, are places that had posted high losses between 1970 and 2000 that have begun a slow comeback in the 1990s. For

³¹ Houston is now back in the assessment as the household data accurately portrays residential populations.

example, Houston with a +216% household increase in the 1990s, by 2000 had recovered 60% of its 1970 number, up from 19% in 1990.

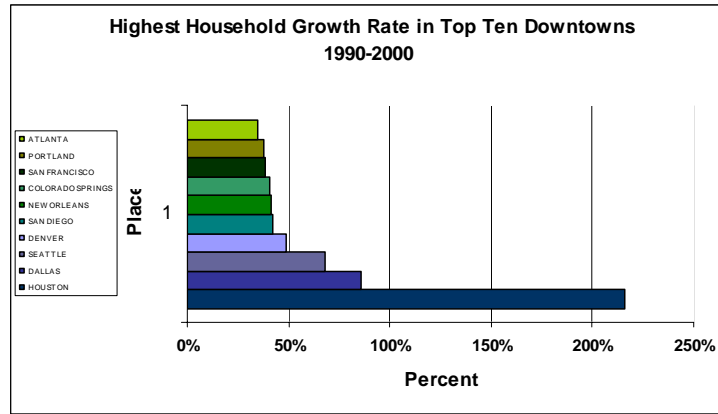


FIGURE FIFTEEN Household Growth Rates in the Top Ten Downtowns 1990-2000

Downtown Living in 2000

Although national household concentration patterns parallel population, the level of concentration is slightly higher as more households (66%) than population (62%) are in the Northeast Corridor, Midwest Circle and California Coast. The line-up is also different. For example, Philadelphia, Chicago and Midtown Manhattan lead in households while Lower Manhattan, Boston and Philadelphia in population.

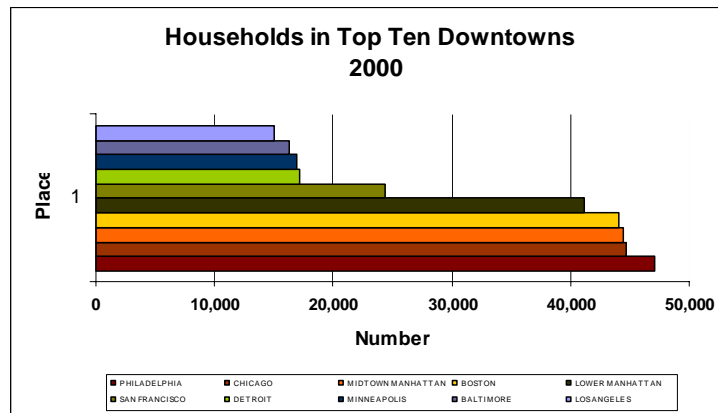


FIGURE SIXTEEN Top Ten Downtowns with the Highest Number of Households 2000

This phenomenon underlines the importance of scrutinizing households, not only population, in studying the rise of downtown living as indicated by the several downtowns in the top ten that have higher household than population growth rates. (Philadelphia (households +20, population -2%), Baltimore (+15%, -13%), Boston

(+25%, +2%), Lower Manhattan (+94%, +61%), Chicago (+77%, +39%)).³² This is reflected in the changing household size that for the top ten downtowns decreased. (See **TABLE ELEVEN-C** *Downtowns with the Highest and Lowest Number of Households 1970-2000*)

Concentration of households and Table 12 (to come)

Household Composition

Besides the growth rates and amount, the type of household (family or non-family), its size (one-person, couples, presence of children), ownership patterns, race, age, level of education and income are key market determinants, affecting demand for the number and nature of dwelling units in terms of location, floor space and amenities. In the case of downtowns, the socio-economic characteristics of downtowners also help explain their attraction to certain kinds of places.

In 2000, 71% of downtown households are in non-families, compared to 41% in the cities and 29% in suburbs. (Half of the total downtown households are single-person.) Historically, downtowns have sheltered non-family households. Thirty years ago they were 61% of the total but had very different socio-economic characteristics. The comparable figures in cities were 28% and suburbs, 16%.) Within non-families, the single-person component has declined considerably. In 1980 (the first decade that the Bureau of the Census broke out elements of the non-family grouping) it was 84% of non-families; it is now 71%. The other component in this group, unrelated individuals living together, gained a greater share through a 44% growth rate in the past twenty years.

Within family households (29% of the total), families without children are the largest element (19%) in 2000. Of the 10% that are families with children, married couples are 5.4% and female-headed families are 4%.³³ Since 1970, fewer families are living downtown, female-headed families have held steady and married couples without children have increased.

In looking at household composition in comparison to the rest of the city and the suburbs, the differences in the non-family and family components jump out. As Figure Six demonstrates, downtowns are two times more likely to have non-families as the suburbs and 1.7 times as cities. Downtowns have far fewer families with children: the suburban figure of 36% and the city figure of 29% highlight the low downtown figure of 10%.

³² This phenomenon is seen beyond the top and bottom ten as exemplified by Charlotte (population down – 31%, households up +1%), Memphis (-10% population; +7% households) and New Orleans (-15% population; +17% households) had the same experience.

³³ The remainder (.6%) would be male heads of household with children

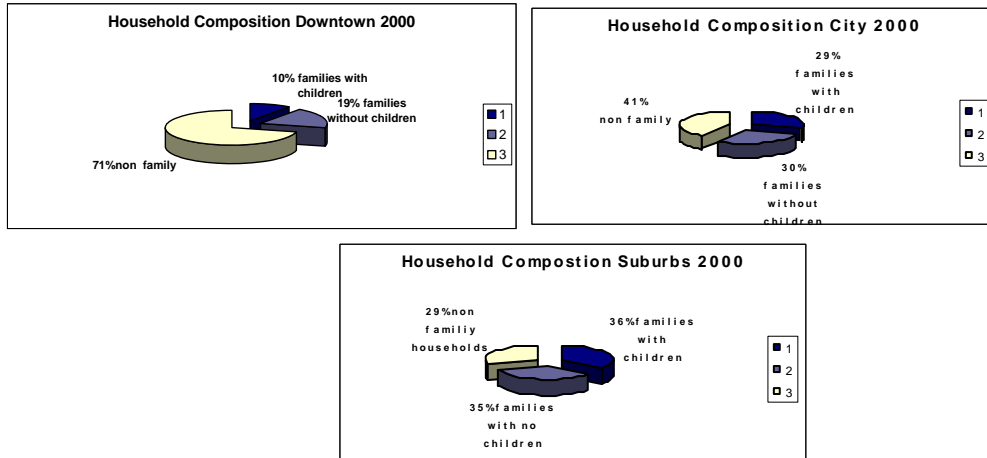


FIGURE SEVENTEEN *Household Composition: Downtown, City and Suburb*

Regional Differences in Household Composition

Variation among the regions places the South and the West at opposite ends of the spectrum. The South has a higher percentage of families (33%) and within this category greater proportions of families with children (15%), especially in the female-headed households category (8%) than the national norm for downtowns discussed above. In contrast, the West has a highest percentage of non-family households (77%) and the highest proportion of singles living alone (67%) than the other regions. With regard to single person households, the South (48% of total households) and the Northeast (55%) have the lowest percentages. See **TABLE THIRTEEN A-B** *Regional Household Distributions by Type 1970-2000*

Household Composition in Individual Downtowns 2000

The individual downtowns exhibit notable differences related to household composition. Among non-family and single-person households, the major components in downtown living, more than half of the cases exceed the sample average (71% non-family and 50% singles). For example, in Cincinnati, practically all downtowners are in such arrangements (91% non-family and 83% singles). In other cities including Columbus, Ohio (86% and 71%), Portland (86% and 75%), Shreveport (84% and 74%), Seattle (83% and 73%), Milwaukee (82% and 67%) San Diego (80% and 70%), the proportions are also extremely high. In contrast, 43% of the sample have a substantial family component. Topping the list are Lower Manhattan (49%), Columbus, Georgia (48%), San Antonio (42%) and Miami (41%). Among these, childless families are dominant in Lower Manhattan (30%), San Antonio (22%) and Miami (26%). In Columbus, Georgia, families with children are the larger component (29%) with female-headed families with children representing 22%. Besides, Columbus, Georgia, only Cleveland (17%) and St. Louis (15%) have female-headed families as the largest component of family households and in contrast to Columbus, Georgia. these two cities have large proportions (70% and 68%) of non-family households. See **TABLE FOURTEEN** *Ten Downtowns With Highest Rates of Household Types 2000*

Downtown homeownership rates

As households and housing units had a 12% increase between 1970 and 2000, homeownership rates in the sample downtowns grew 145%, yielding twice as many homeowners in 2000 than in 1970. Although, homeownership rates doubled, moving from 10% to 22%, they still lagged their city (41% in 2000) and suburban (61%) rates. The downtowns posted steady increases in all decades: 33% between 1970-1980, 35%, 1980-1990; and 36% 1990-2000. See **TABLE FIFTEEN A-B** *Regional Share and Distribution of Homeownership 1970-2000*

Regional Patterns in Homeownership

In 2000, the Northeast with 44% of the housing units has a disproportionate share of homeowners (51%) followed by the Midwest (25%) despite its falling number of dwelling units (down 8% since 1970). Although it increased its ownership more than 200%, the West has the lowest proportion and share of downtown owners (9%), followed by the South at 15%. All regions have places with high rates of homeownership (a third or more): Philadelphia (33%) in the Northeast, Lafayette (36%) and Austin (35%) in the South, Chicago (41%) in the Midwest and Denver (35%) in the West. See **TABLE SIXTEEN** *Patterns of Housing Tenure in Top and Bottom Ten Downtowns 2000*

High rates of homeownership do not necessarily indicate high numbers of homeowners. In the ten downtowns with the highest ownership rates, half (Chicago (41% owner occupied), Miami (34%), Philadelphia (33%), Baltimore (27%) and Indianapolis (27%)) also appear in the ten that have high numbers of homeowners, ranging between 2,000 and 18,000. The remaining (Lafayette, 36% ownership; Denver, 35%, Austin, 35%; Norfolk, 31%; and Charlotte, 30%) has approximately 1,000 or fewer owners. Sixty per cent of the ten downtowns with the highest growth rates in ownership between 1970 and 2000 are also those listed in either the highest rate of ownership or numbers of owners. They are: Denver (5240% increase), Seattle (1729%), Chicago (1583%), Norfolk (1300%), Minneapolis (534%) and Boston (451%). Of these, two are standouts in terms of the number of units and percent change: Chicago, 18,881 owners and 41% increase and Boston, 11,723 owners and 27% increase.

At the under end of the scale, Albuquerque, Cincinnati, Cleveland and St. Louis qualify in all three areas: low percent and number of homeowners, low percent change 1970-2000. In 2000, they all have fewer than 10% homeowners occupying fewer than 120 units and have all lost 50% or more of their homeowners in the past thirty years.

Racial and Ethnic Composition of Downtown Households

Downtown populations are in flux with regard to race and ethnicity. The racial composition in the downtowns presents a complicated picture, shaped, in part, by local conditions and, in part, by broader factors, including immigration and the location of jobs and housing units.

Between 1970 and 2000, as population grew moderately (4%), there were substantial changes among its components. Overall, the number of Whites fell 11% and African-Americans were down 16%, for a 12% cumulative loss. Making up the difference were Asians and “Others” who grew 279% in the period.

Looking at the groups by decade reveals an important dynamic. In the first twenty years, the combined decline of Whites and African Americans amounted to 15% in 1970 and 3% in 1980. Meanwhile in the 1970s, the Asian and “Other” categories rocketed up 126% but in the 1980s slowed to 20%. By the 1990s, the Whites reversed their decline, posting an 8% increase; while the African Americans continued to slide – down 1%. The Asians and “Others” increased another 40%, with the Asians growing 36%, and the “Others,” 42%.

In 2000, the downtown population was majority White (58%) with African Americans (22%), Asians (12%) and “Others” (8%) accounting for the remainder. The Hispanic population, which has remained relatively stable since 1980, was 12%.

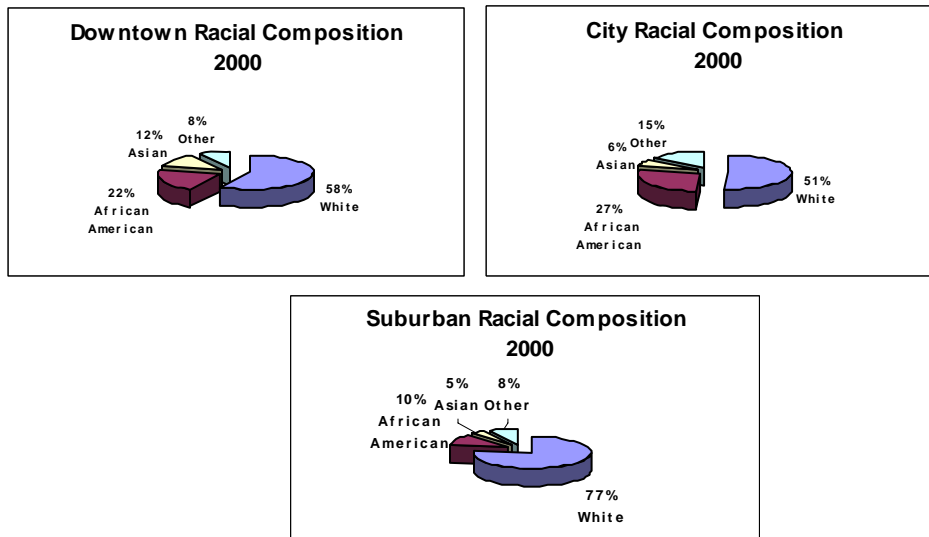


FIGURE EIGHTEEN *Downtown, City and Suburban Racial Composition 2000*

This downtown population is more diverse than its suburban and national counterparts that have smaller proportions of African-Americans (suburbs 10%; nation, 12%) and Asians (suburbs 6%; nation 8%). It has about the same proportion of Hispanics. However, it is less diverse than the surrounding cities that have higher percentages of African Americans (27%) and Hispanics (23%). See **TABLE SEVENTEEN-A** *Racial and Ethnic Composition of Downtowns, their Cities and Suburbs and the Nation 2000* and **TABLE SEVENTEEN-B** *Regional Shares of Racial and Ethnic Groups 1970-2000*.

Regional Racial and Ethnic Patterns

As may be expected, variations in the national pattern are reflected in the regions. The Northeast has higher proportions of Whites (64%) and Asians (18%) than the sample norm and the South has higher percentages of African Americans (39%) and fewer

Whites (50%). In fact, the Northeast with 42% of all downtowners has 47% of all Whites, 24% of African Americans, 64% of all Asians and 26% of all Hispanics. (Together, Boston, Lower Manhattan, Midtown Manhattan and Philadelphia contribute 40% of the White population. And Lower Manhattan, alone accounts for more than a third of the Asians.) The South has a third of all African Americans and of all Hispanics. (Atlanta, Chattanooga and New Orleans contribute 12% of all African Americans while Dallas, Miami and San Antonio account for 29% of the Hispanics.) The West with 17% of all downtowners has 31% of all Hispanics and 24% of all Asians. (Leading downtowns are Los Angeles, San Diego and San Francisco who contribute 24% of the Hispanics and Los Angeles, San Francisco and Seattle who account for 21% of the Asians) The Midwest has 34% of all African Americans with Chicago and Detroit contributing 20%.

These figures reflect shifts in regional shares of racial and ethnic groups in downtowns in the past thirty years. The most notable changes are in the Northeast that has captured a greater share of Whites, moving from 38% to 47% of White downtowners and in the West, gaining a greater share of African Americans, increasing from 3% to 9%. See **TABLE EIGHTEEN** *Regional Patterns of Race and Ethnicity 1970-2000*

In ten downtowns having the highest number of downtown residents, 40% have higher proportions (50% or more) of non-Whites than Whites. For example, in Lower Manhattan, San Francisco, Detroit and Los Angeles non-White populations range from 55% to 81% of the totals. For comparison, in Boston, Philadelphia, Midtown Manhattan, Chicago, Minneapolis and Baltimore White populations range from 62% to 78%.

In terms of percentage, the majority of the ten downtowns ranked highest in Whites are in the West. Representative are Boise (91% White), Colorado Springs (82%), Salt Lake City (82%), Denver (80%), Portland (77%) and Mesa (73%). The majority of the ten downtowns with the highest percentage of African Americans are in the South, including Atlanta (76%), Columbus, GA (68%) Jackson (67%), Charlotte (53%), Memphis (51%) and Chattanooga (48%). The Northeast and the West are dominant with regard to Asians with Lower Manhattan having the highest proportion (42%), followed by San Francisco (33%), Los Angeles (17%) Boston (14%), Seattle (14%) and Midtown Manhattan (13%). The predominantly Hispanic downtowns are San Antonio (74%), Los Angeles (51%), Miami (49%) Albuquerque (47%) and Dallas (39%). See **TABLE NINETEEN** *Top and Bottom Ten Downtowns with Most and Least Racial and Ethnic Groups 2000*

Age and Educational Levels of Downtowners

As Figure Ten demonstrates a distinguishing feature of downtown populations is the growing dominance of adults aged 18 to 64 (83% of the total), especially younger adults as 18-34 year olds compose the largest segment (45%). Among them, the 25-34 group represents almost a quarter (24%), followed by the 18-24 year olds (21%). Completing the adult component are the 45-64 year olds (21%), and the 35-44 year olds (17%). The young (under 18) and old (over 65), almost evenly divided, provide the remaining 23%.

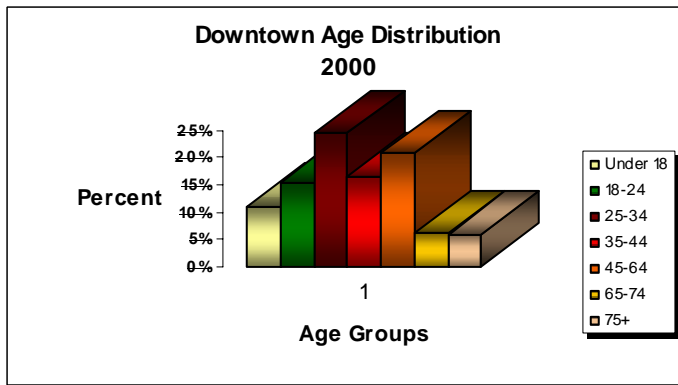


FIGURE NINETEEN *Downtown Age Distribution 2000*

Thirty years ago, downtown populations were not so heavily weighted to younger adults. In 1970, children and elderly accounted for more than a third (36%) of downtowners and the 45-64 year olds about a quarter (24%). In the ensuing decades, the shift occurred as the 25-34 year olds grew an astonishing 92% while the under 18s declined by 72%.

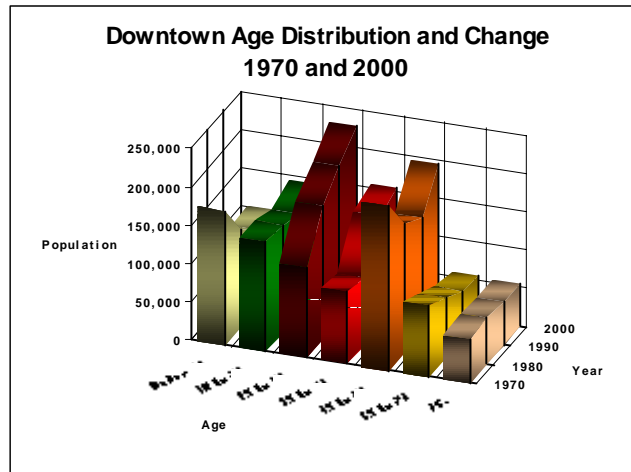


FIGURE TWENTY *Age Distribution Growth 1970-2000.*

This downtown age profile is quite distinct from that of the sample's cities and suburbs. The most dramatic differences are in the 25-34s who are only 15 % in the suburbs and 18% in the city. In addition, the dependent population (under 18 and over 65) constitutes a much larger proportion in the suburbs (38%) and cities (36%) than in downtowns (23%).

Regional Age Patterns

As with other characteristics, regional variations persist. The Northeast has two disproportionate groups: lower levels of 18s and higher percentages of 25-34s relative to its population share. Lows in children are Philadelphia (7%), Midtown Manhattan (7%) and Boston (8%) and highs in young adults are in Boston (29%) and Baltimore (26%). In contrast, the South has more under 18s and 18-24 year olds than might be expected

relative to its population share. Columbus, GA (26%) and Jackson, Dallas, Chattanooga, and Norfolk (all 18% children) stand out. The Midwest has lower rates of elderly, with Cleveland (6%), Milwaukee (9%) and Indianapolis (9%) being under average, while the West, with Denver (18%), Salt Lake City (17%) and Mesa (16%), has higher rates in this area. See **TABLE TWENTY-A** *Regional Distribution and Shares of Each Cohort 2000* and **TABLE TWENTY-B** *Distribution of Each Cohort in Individual Cities by Region 2000*

Individual Cities

While the analysis of the percentage distribution of ages offered above provides a general sense of downtowners, it is deceptive because it hides the numerical force of different groups in individual cities. For example, even though Boston and Philadelphia have low percentages of children, they actually have youthful populations (each approximately 6,000) that are larger than the entire downtown populations of several places. And, as may be expected, looking across the age cohorts for specific places, the most populous downtowns lead the top ten lists in every instance. For example, Lower Manhattan has the most children (15,000); 18-24s (12,000); 25-34s (19,000); 35-44s (17,000); 45-64s (22,000) and 65+s (13,000).

However, a few anomalies stand out especially among downtowns just below the top ten in population or households. In particular, Dallas is in the top ten in the number of children (approximately 4,000 or 18% of the population) and in the number of young adults in the 25-34 age group (about 7,000 or about 31% of the population). This is unusual, as downtowns with high levels of young adults often have low levels of children. Seattle is tilted towards the older end of the spectrum with 41% (about 9,000) of its population over 45. Finally, Atlanta is a younger downtown with 41% of its population (about 10,000) under 24. See **TABLE TWENTY-ONE** *Top and Bottom Ten Downtowns With the Highest Number and Percent by Cohort, Compared to City and Suburban Distributions 2000*

Education

One of the most startling changes in the past thirty years has occurred in the educational profile of the downtown population. In 1970 55% of the downtown population had no high school education. And only 13% had bachelors degrees or higher. This rate was comparable for the rest of the city at that time (51% no high school, 11% bachelors+) but was higher than that of the suburbs (38% no high school, 14% bachelors+). While over the years national educational attainment has improved, the achievement levels for downtown populations have grown disproportionately, especially with regard to college and advanced degrees. In 2000, 44% of downtowners had bachelors or higher degrees. This is well above the rates for the nation (24%), cities, (27%) and suburbs, (30%) Improvement occurred at the other end of the scale as well. Downtowners with no high school education shrank to 22% -- cities and suburbs showed similar improvements -- 25% and 16% respectively. The national rate is 20%.

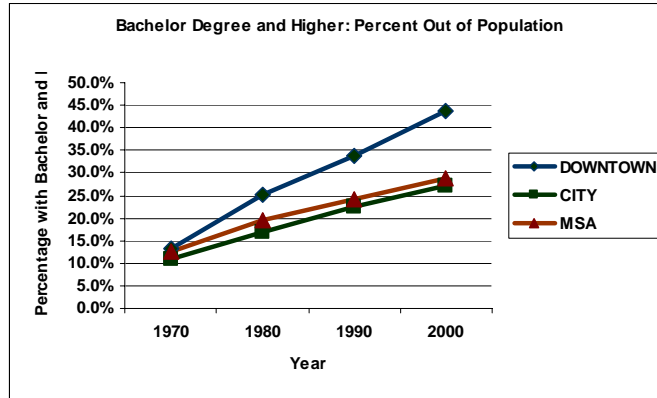


FIGURE TWENTY-ONE *Comparative Educational Attainment Levels 2000*

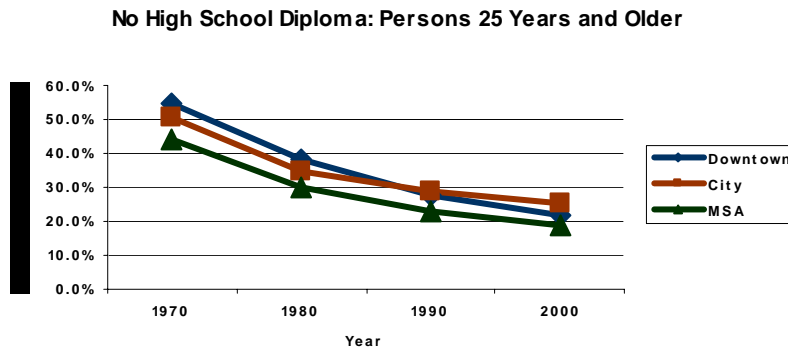


FIGURE TWENTY-TWO *Downtown Residents No-High School Diploma Rate Compared to Cities and MSAs 2000*

Regional Patterns in Education

In 2000, at the highest levels of educational attainment, major regional differences were present. The Northeast (56%) was far above the sample norm, followed by the Midwest (45%). The West (28%) and the South (27%) were substantially lower. With regard to the absence of a high school degree, the Midwest (16%) had a remarkable performance, ranking with the suburban rate, while the South (32%) occupied the other end of the spectrum, having the highest rate for downtowns, cities and suburbs. The Northeast (24%) and West (27%) are slightly above the norm for the sample. See **TABLE TWENTY-TWO** *Educational Attainment by Region Compared to All Downtowns, Their Cities and Suburbs 1970-2000*

Education Levels in Individual Cities

Among individual downtowns, four stand out as having exceptionally high (more than 1/3) of their residents with bachelors+: Midtown Manhattan (72%), Chicago (68%), Philadelphia (67%) and Boston (64%). Of these, Philadelphia (36%), Chicago (33%) and

Midtown Manhattan (33%) have the highest percentage with graduate and professional degrees.

Of the downtowns with high rates of no high school (one third or more), 80% are in the South or West. They include Columbus, Georgia (49%), San Antonio (49%), Phoenix (36%), Albuquerque (36%), Atlanta (33%) and Jackson (33%). In addition, downtowns in cities with high rates of immigration also display low high school completion rates, notably Los Angeles (49%) and Lower Manhattan (35%). See **TABLE TWENTY-THREE-A** *Educational Attainment in Individual Cities by Region 1970-2000*

Median Income in Downtowns

One critical factor about downtown residents is their median income. As the data are collations of census tracts yielding an income array for each downtown, deriving a single figure for downtown median income is not feasible. (Further, such a figure would be deceptive because it would disguise the mosaic of contemporary downtown living, hiding the significant variations that exist at all geographic levels especially within blocks.)

One measure of downtowners' economic status compares the highest and lowest median incomes in each place with the city and MSA medians. (By way of reference, in 2000, the median income for all US households was \$41,994; for metropolitan areas, \$44,755 and for MSA-central-city households, \$36,964. In the sample, the MSA median incomes range from San Francisco: \$63,297 to Miami: \$23,483 and the cities,' from San Francisco: \$55,221 to Cleveland: \$25,928.) See **TABLE TWENTY-FOUR** *Median Income Downtown, City and MSA 2000*

In general, downtowns contain some of the most and least affluent residents of their surroundings. For example, 25 downtowns (54% of the sample) have at least one tract whose residents' median income surpasses the city median. Among them the range is 106% to 532%. And 20 (43% of the sample) fall into this category compared to the MSA.

At the other end of the scale, 36 downtowns (78% of the sample) have lowest median income tracts whose level is 50% or lower than their cities; and 38 downtowns (82% of the sample) fall into this pattern for MSAs. And a few downtowns house only lower income residents. For example, in Boise, Des Moines and Lexington the highest median income tract is 50% or lower than their surroundings. Only one downtown (Norfolk) has a lowest median income tract that is higher than the city or MSA.

Regional Median Income Measures

As with other demographic characteristics, regional variation persists in median income measures. With regard to affluence, the downtowns of the Northeast have high median income tracts that greatly surpass the median incomes for their MSAs. In the Midwest, 50% and in the South 41% of downtowns exhibit this trait while the West has only 17% of its downtowns in this position. These patterns generally carry through for cities as well.

At the other end of the scale, the Midwest has only 10% of its downtowns in the lowest median income tracts that are above 50% of their MSA median incomes. The figures for the others are: Northeast, 14%; West, 25%; and South 29%.

Individual Cities and Median Income Ranges

For the sample downtowns, the median income ranges vary widely within the two categories, highest income and lowest income tracts. Among the highest median income tracts Dallas at \$200,001 was highest and Des Moines at \$16,875 was lowest. Among the lowest median income tracts Chicago at \$4,602 was lowest and Norfolk at \$46,081 was highest.

Notably, for 19 downtowns (41% of the sample) the general perception of downtown affluence is not a reality because in all cases their highest and lowest income tracts are under the median for their cities and MSAs. These downtowns, primarily in the South and West, include Denver, Seattle, San Antonio and Chattanooga.

Micro-Level Distribution of Median Income and Selected Other Characteristics

Another way to understand the economic status of downtowners is to map median income by tracts, showing the range and its pattern. Mapping other demographic characteristics adds depth to the analysis. While coverage of the full sample and all its characteristics is beyond the scope of this paper, looking at a small selection of downtowns (Philadelphia, Los Angeles, Milwaukee and Orlando) vividly underlines the importance of micro-level geography in understanding contemporary downtown living. (The intent of this exercise is not to compare one downtown against another, but to highlight the spatial patterns in each downtown, revealing not only the range and location of median income but also relating it to such another factor race and ethnicity.)

Philadelphia

Philadelphia has the highest number of downtown households in the sample, contributing 10% of the total. Most Philadelphia downtowners are more affluent than the city as 81% of the households live in tracts that have median incomes above the city's (\$30,746). And about 15% live in areas with median incomes almost two times higher than the surrounding metropolitan area (MSA median, \$47,536).

Among the array of 22 tracts that compose the downtown, the median is \$39,051 and the mode, \$38,026, higher than the national median income for cities and lower than the national MSA figure. However, the spread between the highest and lowest median incomes is \$79,000 with the highest being 2.8 times the city median and 1.8 times the MSA median and the lowest, 27% of the city and 18% of the MSA. The lowest are found in two pockets of poverty, representing 2% of the downtown's households that exist side by side with the more affluent areas. These areas shelter non-White populations with Asians dominating one and a mixed group (55% White; 28% African American; and 13% Asian), the other.

With regard to race Philadelphia exceeds the sample in the proportion of Whites (76%) and has smaller proportions of African American (13%) and Asians (8%). And it is far different from the surrounding city (45% White, 43% African American and 5% Asian.)



FIGURE TWENTY-THREE *Downtown Philadelphia race and median income 2000*

Los Angeles

Los Angeles is tenth in the household ranking, contributing 3% of the total. This downtown provides a substantial contrast to Philadelphia. None of the 12 downtown tracts have median income higher than the city (\$36,687) or the MSA (\$42,189). In fact, the highest downtown median income is 70% of the city's median and 60% of the MSA's. In the array, the median is \$17,115. The range between the highest and lowest median income is approximately \$20,000.

The Los Angeles downtowners are much more diverse than the sample norm – 51% are either Hispanic or Asian. These populations are spatially concentrated within sub-districts with the Hispanics dominant in 41% of the tracts and the Asians congregated in 50% of the tracts – all different. Ten of the twelve downtown tracts have White populations ranging from 1/4 to 1/3 of the total.

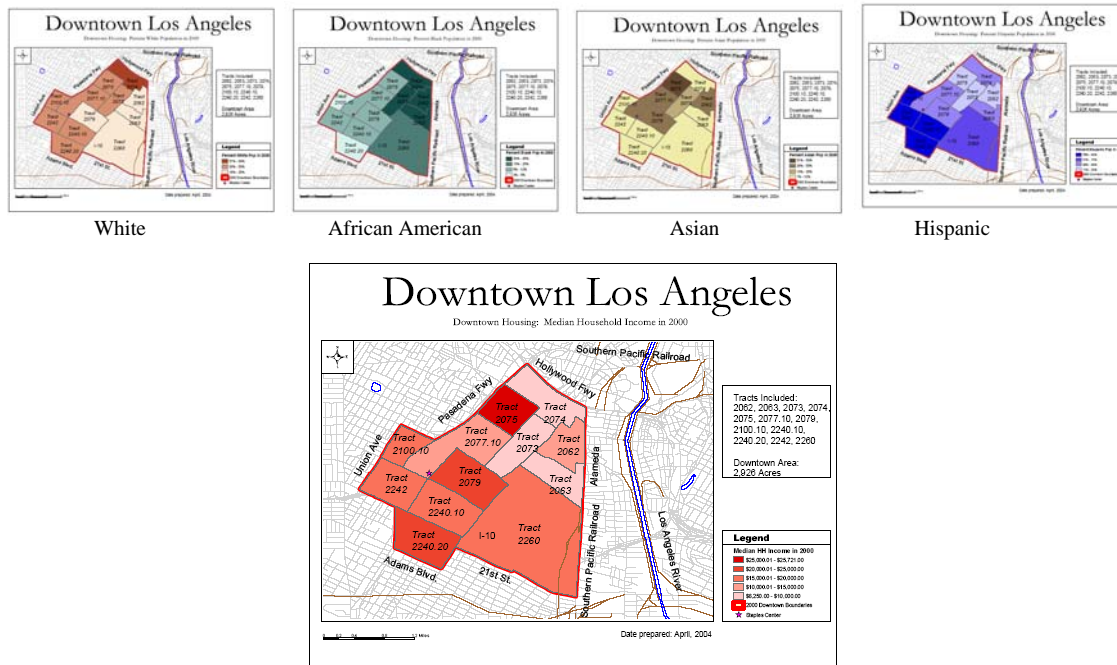
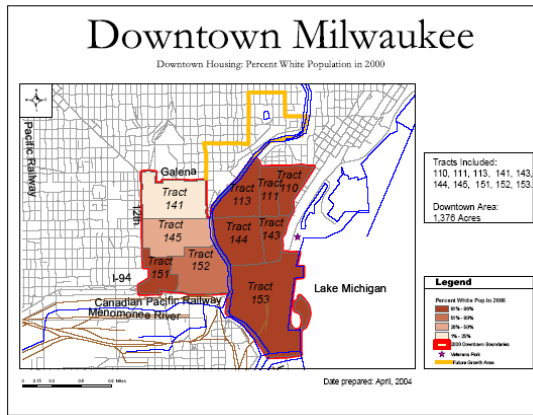


FIGURE TWENTY-FOUR Downtown Los Angeles race, ethnicity and median income

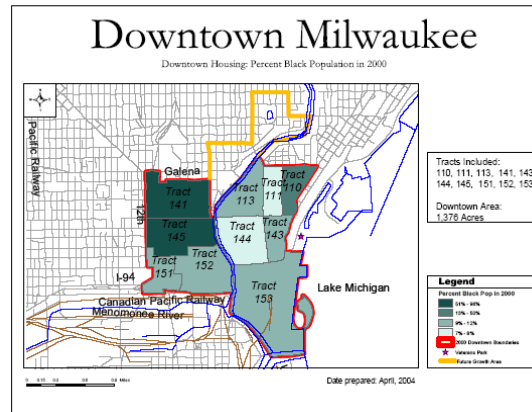
Milwaukee

Milwaukee is the 17th in the household rankings, contributing 2% to the total. Only 7% of the downtown households live in tracts whose median income exceeds that of the MSA (\$45,901) but 36% surpass the city's (\$32,216). The highest median income is 1.2 times the MSA and 1.6 times the city median. The lowest median income is 35% of the city and 24% of the MSA median. In the 10-tract array of downtown median incomes, the median is \$31,938. The range between the highest and lowest tracts is about \$42,000.

The Whites are 71% of all downtowners and are dominant (79% to 86% in this case) in 80% of the tracts. The African Americans are the largest component in the remaining tracts, contributing 69% of the households in one and 80% in another.



White



African American

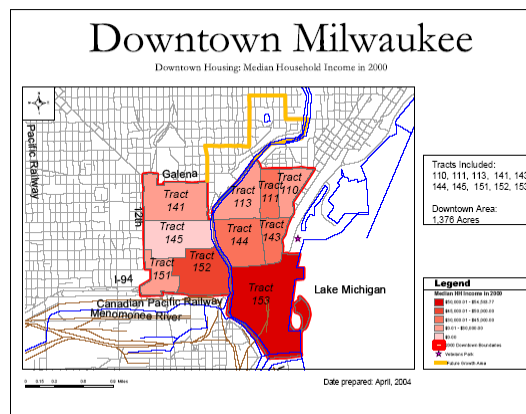
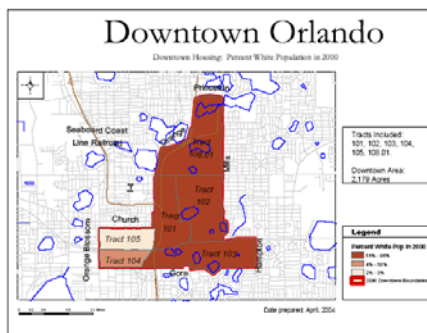


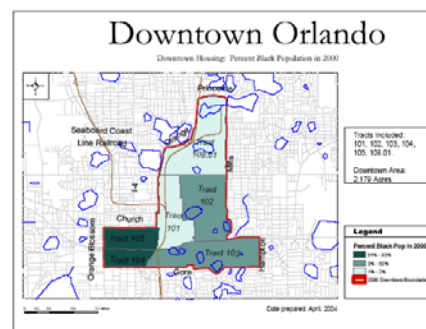
FIGURE TWENTY-FIVE *Downtown Milwaukee median income and race 2000*

Orlando

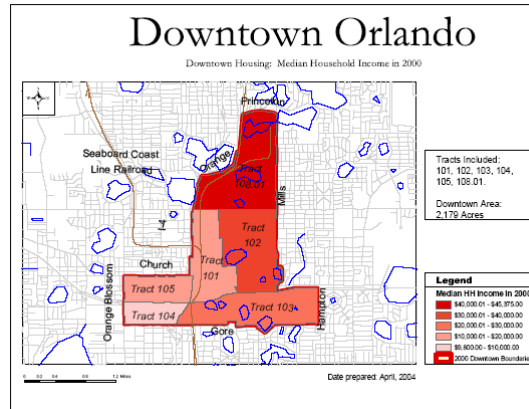
Orlando, ranked 20th in downtown households, contributes 2% of the housing stock. Of its downtown tracts, one (holding 11% of the households), has a median income above that of the MSA (\$41,871). Two tracts (holding 42% of the households) are above the city median (\$35,732). The lowest is 27% of the city median. Among the 6-tract array, the median is \$28,206. The range between the highest and lowest tracts is \$34,000. Two-thirds of the Orlando tracts are 91% or more white. The remaining third, accounting for 22% of the households, is 92% or more African American.



White



African American



Median Income

FIGURE TWENTY-SIX *Downtown Orlando media income and race 2000 (3 maps)*

Dimensions of Downtown Median Incomes and Other Characteristics

Mapping downtown median incomes and other characteristics provides a physical dimension to the variations discussed earlier. The high-end Philadelphia and Milwaukee households whose median incomes are greater than both the national and their own city and MSA medians are each concentrated in one large tract in highly amenable locations, adjacent to attractive water bodies. And in both cases, the dominant racial group is White. In contrast, Los Angeles stands out as having a high percentage (30%) of its households living in three tracts with median incomes under \$10,000, much lower than the national, city and MSA median incomes. Here, the dominant population is African American.

The meaning of affluence and poverty varies from downtown to downtown. In Philadelphia, about 4,000 households (9% of the total) live in the highest median income tracts where the high ranges from \$72, 625 to \$87,027 while in Los Angeles about 4,000 households (30%) live in the highest income tracts but the high is only \$25,000. Philadelphia and Orlando have approximately the same level median income (\$9,620-\$9,800) at the lowest level but different household proportions in the category: 2% (or about 450 total households) for Philadelphia and 11% (or 750 households) for Orlando. In Los Angeles, the bottom level median incomes (\$6,250 to \$8, 250) are much lower and encompass a much higher percentage of households (30%). Comparisons for race, ethnicity, age and educational levels yield similar variation.

Downtown Density

In addition to variation among income and race, other differences also exist. An important distinction among downtowns is density. The Northeastern downtowns tend to have the highest densities (with highs up to 76 people per acre) while those of the South and West are lower density places (with lows at 2 people per acre). Naturally, the downtowns with the greater number of housing units (10,000 or more) are also the most dense, a phenomenon that holds for all but Dallas and Detroit.

More than half of the downtown households live in high density (20 or more people per acre) arrangements in eight cities primarily on the eastern seaboard. This density is higher than the sample cities' (8 people per acre), their suburbs (.6 people per acre) and the nation (.12 people per acre). Thirteen percent of downtown residents live at very low density (fewer than five people per acre). Thirty percent of downtown households live in medium density districts (5-19 people per acre).

Density is not evenly distributed in downtowns as Lower Manhattan (76 people per acre) and Philadelphia (33 people per acre) demonstrate. In Lower Manhattan the range is 10 people per acre to 260 people per acre with the 10 being a former warehouse district and the 260 being large-scale apartments. In Philadelphia the range is 1 to 83 with 1 being a waterfront district currently under development – it had one new apartment building at the time of the census – and 83 being an older, densely built neighborhood of row houses and high-rise apartment buildings.

Downtown Typologies

The trends described above (and those detailed elsewhere, all drawn from the Downtown Living database housed at the University of Pennsylvania) make it apparent that while individual downtowns have very different growth, demographic, and income profiles, they generally fall into one of five major categories, distinguished by household number and growth rates.¹ They are: Fully Developed 21st Century Downtowns; Developing 21st Century Downtowns; Downtowns on the Edge of Take-off; Slow-Growing Downtowns; and Declining Downtowns. (See **TABLE TWENTY-FIVE** *Downtown Typology*)

Based on the latest available data, the 2000 Census, these classifications benchmark downtowns against the Fully Developed 21st Century Downtown with regard to housing unit/household growth, the size and density of their household populations and two comparative indicators: proportion of downtown households in 2000 relative to the 1970 base and percent of total city population represented by downtown households in 2000 compared to the percent of the city land occupied by the downtowns. They also measure specific demographic patterns. The system is dynamic and individual downtown classifications can change over time, especially for those places where downtown growth has accelerated post 2000.

The “Fully-Developed 21st Century Downtowns” are relatively large (averaging 44,250 households) and densely settled (23 households per acre). They have experienced a 40 percent increase in households since 1970, sustaining positive growth in all three decades with a 14 percent increase in the 1990s contributing 42% of that decade’s rise in all downtown households. These downtowns had higher growth rates than their cities and suburbs in the 1970-2000 (city: up 2 percent and suburbs: up 34 percent). Due to their steady growth, these downtowns as a group have 40 percent more households in 2000 than in 1970. On average, their household population is 5 percent of the cities’ total (up from 3 percent) and occupies only 2 percent of their municipal land areas. (At the top of the list is downtown Boston whose householders represent 18 percent of the total, living

on 7 percent of the land.) Concentrated in the Northeast in today's centers of finance, professional services, education and health, their jobs and wealth of cultural facilities, open space and other amenities have attracted highly educated (61 percent have college degrees) singles and childless married couples (91 percent of households). These downtowns are affluent (the median income in 79 percent of their tracts exceeds that of the city and in 58 percent of their tracts, it is higher than that of the suburbs) and have the highest rates of homeownership (29 percent) of the sample. Their populations are more diverse (33 percent non white) than in the surrounding suburbs (17 percent non white) and more white (67 percent) than their cities (45 percent). Half of their residents are in the 25-34/ 45-64 year-old cohorts. Forty-seven percent of the nation's downtown households live in this type of place.

Another 24 percent of downtown householders reside in the "Emerging 21st Century Downtowns," located primarily in the South and West. Their downtowns are much smaller (averaging 8,500 households) and less dense (5 households per acre) than the Fully Developed 21st Century Downtowns. Furthermore, their lower growth rate (26 percent) between 1970 and 2000 reflects their volatility in the three decades with a decline (down 5 percent) in the 1970s, a slow recovery in the 1980s (up .7 percent) and a fast trajectory (up 32 percent) in the 1990s when their growth outpaced that of their cities and suburbs. They contributed 41 percent of all downtown household increases in the 1990s. In 2000, they have 26 percent more households than in 1970. They hold 3 percent of their cities' households and occupy only 1 percent of the land. (San Francisco with more than 7 percent of the city's households dwelling on 4 percent of the land is a leader in this group.) As in their fully Developed 21st Century counterparts, singles and childless married couples dominate (91 percent) as do the 25-34/45-64 year olds (45 percent). Similarly, these downtowns are more diverse (55 percent non white) than their cities (50 percent non white) and suburbs (30 percent non white). In addition, these downtown populations have lower rates of homeownership (15 percent) and educational attainment (32 % have a bachelors degree) than those of the Fully Developed 21st Century Downtowns. They are also much less affluent (19 percent of their tracts have higher median incomes than their cities and for suburbs the figure is 13 percent). Despite these differences, these downtowns show promise of becoming Fully Developed 21st Century Downtowns if they continue or increase their high 1990s household growth.

The "On the Edge of Being 21st Century Downtowns," the majority of which are in the South but also include Washington, DC and Milwaukee, are larger (averaging 9,500 households) and denser (averaging 4 households per acre) than the previous class. (Washington, DC with more than 12,000 households and 21 households per acre leads the group). However, they have a much different growth profile. Between 1970 and 2000, they lost 12 percent of their households, with double-digit losses in the decades between 1970 and 1990 (1970s, down 21 percent; 1980s, down 11 percent). In the same period, their cities (up 20 percent) and suburbs (up 152 per cent) outperformed them. However, in the 1990s, they experienced a 25 percent increase contributing 14 percent of the sample's downtown household increases of that decade. Here, they had a higher rate of household growth than their cities (4 percent). In 2000, they have 88 percent of their 1970 households. While their households constitute 4 percent of their cities' totals and

live on 3 percent of the land, their strength as a proportion of the total city households has been ebbing (down 2 percent from 1970). The 25-34/45-64 year olds constitute 41 percent of the total. The singles and childless married couples are also less dominant (87 percent) than the previous classes (91%) but, in the 1990s, as a group, had a higher growth rate (31 percent) than that of this class. Furthermore, these downtowns have the second highest rates of homeownership (19 percent), educational attainment (37 percent bachelors) and proportion of whites (54 percent) of the classifications. (As with the others, they are more diverse (46 percent non white) than their suburbs (32 percent non white) and less diverse than their cities (52 percent non white).) Finally, they are more affluent than the immediately preceding class with the median income in 30 percent of their tracts being higher than that of the cities and the median income of 21 percent of their tracts being higher than their suburbs. Their size and high growth rates (overall and for the singles and childless married couples) in the 1990s indicate that they are moving in the direction of being Fully Developed 21st Century Downtowns.

“Slow Growing Downtowns,” 70 percent of which are in the South and West, are the smallest (averaging 2,600 households) and least dense (2 households per acre) of the entire sample. Their 30 percent drop in households between 1970 and 2000 featured such a heavy decline (down 8 percent in the 1970s and down 30 percent in the 1980s) that a 9 percent increase in the 1990s could not offset. In 2000, they have only 70 percent of the households they had in 1970. Nonetheless, they contributed 3 percent of all downtown household gains in the 1990s. In all decades, the household growth rates of their cities and suburbs surpassed theirs. And today, they represent only 1 percent of their cities’ total households (down from 3 percent in 1970) and occupy 1 percent of the land. They have the sample’s highest proportion (99 percent) of singles and childless married couples and almost half the population is in the 25-34/45-64 year old group. While they are pre-dominantly white, they have a lower percent (63 percent) of whites than their cities (69 percent) and suburbs (86 percent). Their educational attainment (25 percent bachelors) and affluence (7 percent of their tracts have median incomes higher than the city and 4 percent of their tracts’ median income exceeds their suburbs) is lower than the categories above. These downtowns, surrounded by fast-growing suburbs (up 181 percent 1970-2000) and cities (up 87 percent 1970-2000), are having a hard time competing for residents.

The “Declining Downtowns,” representing 14 percent of all downtown households, are primarily in the Midwest and South. They average 5,300 households and are low density (3 households per acre). Their 35 percent loss of households between 1970 and 2000 was unrelieved by any gains in the 1990s (1970s, down 17 percent, 1980s down 9 percent, 1990s down 13 percent). Collectively, these downtowns lost more than 9,300 households in the 1990s – 33,500 in the three decades – and they currently have 65% of their 1970 households. Between 1970 and 2000, their household growth rates consistently underperformed relative to those of their cities (up 19 percent) and suburbs (up 131 percent). As with all other classes, singles and childless married couples dominate (87 percent), but the 25-35/45-65 year old group is only 40 percent of the total, and their levels of educational attainment (24 percent bachelors) and affluence (in 14 percent of their tracts, the median income is above the cities’ and in 5 percent it is above the suburban median)

are among the lowest of the sample. The population is less white (48 percent) than that of their cities (53 percent) and suburbs (78 percent). These downtowns, representing 27 percent of the sample, have been on a long-term downward slide. Some, especially Minneapolis, Orlando, and St. Louis, have experienced increases in downtown households post 2000, but they all have a way to go to catch up to their counterparts in the other categories.

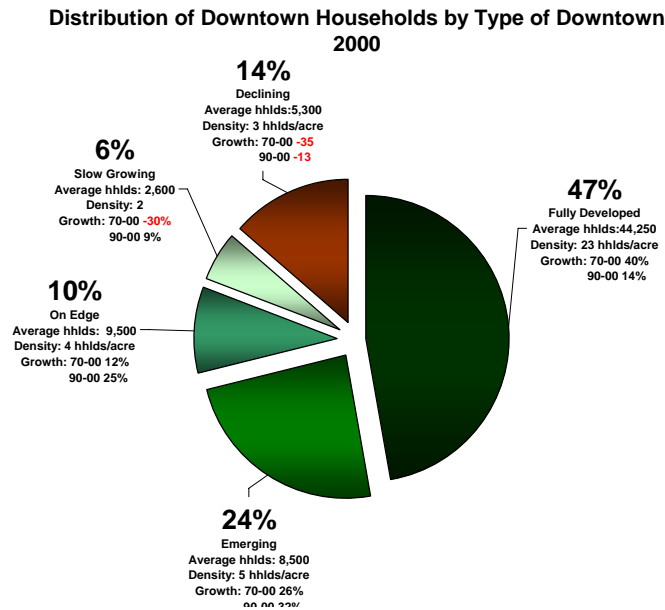


FIGURE TWENTY-SEVEN *Distribution of Households by Type of Downtown*

Issues Related to the Rise of Downtown Living

This report, “Who Lives Downtown (And Are They Any Different from Thirty Years Ago?)” describes the rise of downtown living, outlining its numerical level and its nature, including an assessment of today’s downtown residents. It determines five types of downtowns and assumes that this information interests many kinds of policy-makers. They include public and private leaders at the municipal level who are seeking to re-invent their downtowns in the face of changing office development patterns, economists focused on rethinking the productive capacity of the nation, focusing on developing the “knowledge industries,” many of whose workers are attracted to downtowns, environmentalists concerned with curbing sprawl and redeveloping abandoned urban areas, certain design professionals having an interest in preservation or urbanism and others including real estate entrepreneurs developing this market.

Three areas of policy concerns emerge from this analysis. They revolve around 1.) Development issues 2.) Demographics and market potential and 3.) Density.

Development Issues

First, downtown residential development takes along time – the most successful downtowns, for example, the “Fully Developed 21st Century downtowns” have sustained housing unit increases for two or three decades. Additionally, it requires an ambience that is conducive to urban life. This ambience is often encouraged by the presence of large numbers of supportive downtowners. Successful downtowns have jobs, amenities and interesting physical features or architecture. A downtown residential strategy flounders in the absence of these other elements.

Second, land or property disposition issues can emerge. Development in a large, dense downtown may present gentrification problems in places where land and units are scarce, thus threatening any supply of affordable housing that may be in the area. For example, these issues have arisen in Lower Manhattan. Conversely, downtowns with significant land in parking lots or vacant parcels may have trouble attracting sufficient housing to provide the critical mass to support needed amenities and residential services.

Third, focusing on a limited dwelling unit product, rentals to the exclusion of ownership can threaten stability. This issue concerns all downtowns regardless of type. Despite the doubling of ownership rates between 1970-2000, the downtown stock is primarily rental – the highest ownership level of 41% pales in comparison to national suburban rates of 71%. As the predominant population group, 25-34 year olds age and/or makes an economic decision to leave the rental market persuaded by the current low interest/cheap mortgage environment, they have few downtown options, forcing these residents to leave. Additionally, the emerging 25-34 year old cohort is smaller than the current one, raising questions of who will fill the growing inventory of housing.

Demographic and Market Potential

First, high levels of transients and reliance on a single population group pose significant disadvantages for downtowns. Transients have minimal interest in their communities, make few home improvement and generally have little stake in the future of places that they consider temporary stopping points. Dependence on a narrowly defined population cohort, tailoring housing to satisfy their tastes can limit the transferability of downtown dwellings to other groups in the future. “

Second, the focus on downtown housing has highlighted the young urban professionals who constitute half of the households and neglected the other half, those who do not fit the “yuppie” profile. Given this situation, public policy and development efforts may be tempted to take “one-size-fits-all approach, a move that could limit the success of downtown residential strategies.

Density

Density matters. In general, the downtowns that are denser have had the greatest success in attracting downtown residents. While a city with a substantial amount of vacant or underutilized land might be tempted to allow low-density residential construction, this would be a mistake. Such a decision would undermine the concept of downtown housing whose sole market advantage is its accessibility to jobs or city-based quality of life

amenities. Producing low-density suburban models squanders the advantages centrally located real estate and limits the ability to support the very services, facilities and amenities that determine downtown character. In addition, low-density development is wasteful with regard to utilization of existing infrastructure – streets, water, parks, transit systems and others.

An Afterword

While this study used available Census data to focus on the decades from 1970 to 2000, recent evidence indicates that in the past five years the impetus for residential living has continued and is broadening. For example, Philadelphia, a Fully Developed 21st Century Downtown that had 78,349 residents in 2000, documented a 12 percent increase, to 88,000, in 2005. Other cities have experienced similar rises. In 2005, San Diego, an Emerging 21st Century Downtown, anticipates 9,000 housing units to be added post 2000; Washington D.C., an On the Edge of Being a 21st Century Downtown, reports almost 3,000 new housing units since 2002 (1,678 [built], 1,314 [under construction]), and even Declining Downtowns report activity. For example, St. Louis estimates an increase of 1,300 units (800 [built], 500 [planned]) since 2000. Detroit also has almost 800 units either completed, under construction or planned since 2000.³⁴

Bibliography (To Come)

ⁱ See Eugenie L. Birch, “Downtowners of the 21st Century,” (Washington, DC: The Brookings Institution 2005). For information about the Downtown Living Database contact the author.

³⁴ Gideon Berger, “Condos and Cubicles, Can Center City Sustain Its Housing Boom Despite a Declining Office Market?” (unpublished paper, Department of City and Regional Planning, University of Pennsylvania, 2005); <http://www.downtowndc.org/> accessed May 4, 2005; <http://www.downtownsandiego.org/> accessed May 4, 2005; <http://www.downtownstlouis.org/web/living.jsp> accessed May 4, 2005, Robert Sharoff, “Wave of Renovations Helping Downtown Detroit,” New York Times, January 30, 2005, Section p.11.