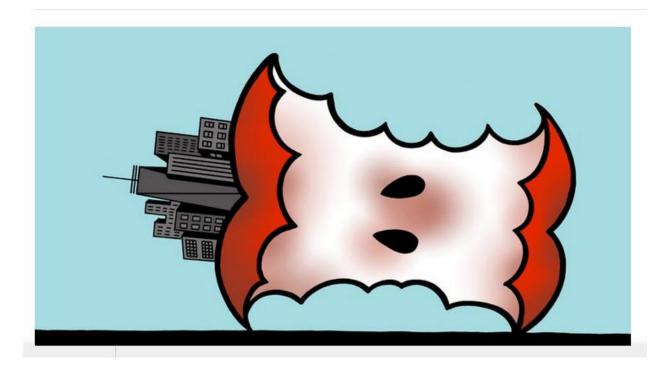
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## The Urban Revival Is Over

By RICHARD FLORIDA SEPT. 1, 2017



TORONTO — For all the concern about the gentrification, rising housing prices and the growing gap between the rich and poor in our leading cities, an even bigger threat lies on the horizon: The urban revival that swept across America over the past decade or two may be in danger. As it turns out, the much-ballyhooed new age of the city might be giving way to a great urban stallout.

Starting around the turn of the millennium, young, affluent professionals began pouring into the cores of big cities, reversing generations of white flight. Unlike their parents and grandparents, these new urbanites embraced the energy and authenticity — and the ethnic, racial and sexual diversity — that are emblematic of cities. Established corporations and high-flying tech start-ups followed suit. The urban revival has been so thoroughgoing that it has even engendered a new crisis of success, whose symptoms are runaway gentrification, soaring housing prices and a widening income gap between newcomers and longtime residents.

But even as people and companies continue to pour into cities, signs that the tide has crested are emerging.

While many, if not most, large cities grew faster than their suburbs between 2000 and 2015, in the last two years the suburbs outgrew cities in two-thirds of America's large metropolitan areas, according to a <u>detailed analysis</u> of the latest census data by the demographer William Frey of the Brookings Institution. Fourteen big cities lost population in 2015-16 compared with just five in 2011-12, with Chicago, the nation's third-largest city, hemorrhaging the most people.

Over this same period, the suburbs of Sun Belt cities like Charlotte, N.C.; Orlando and Tampa, Fla.; and Denver gained population. Low-density suburban counties are once again the fastest-growing parts of the nation, according to a <u>deep dive</u> into America's 3,000-plus counties by the urban economist Jed Kolko, outpacing the growth rates of dense urban counties by a large measure in 2016, when they posted their fastest growth rates since the housing crisis of 2008.

Several factors have come together to potentially stymie the urban revival.

Foremost is a recent uptick in violent crime. There would have been no urban revival without the sharp declines in violent crime in the 1990s brought on by demographic shifts, more effective policing and other factors. But murder rates have begun to <u>trend</u> the other way in some cities. Chicago (where murders were up by 11.4 percent in 2016 over the previous year), Baltimore (12.7 percent), St. Louis (15.8 percent) and Milwaukee (6.6 percent) are at the top of the list.

And, of course, the most desirable cities have become incredibly expensive places to live. In the Bay Area and Los Angeles, the average home costs more than 10 times the average income; in New York, Washington, Seattle, Denver, Miami and Portland, Ore., it's more than five times. The median cost to rent an apartment in parts of the Bay Area and Los Angeles is as much as \$10,000 a month; in many areas of Lower Manhattan, the median rent per 1,000 square feet exceeds \$5,000 a month. Not only less-advantaged families but also the middle class and the younger people who have been drawn to these areas are being priced out.

At least part of the blame for this falls on homeowners, who have the political clout to limit development in their neighborhoods, keeping their home values artificially high. In addition, companies are competing for space in gentrifying urban districts, taking over old warehouses that might have been converted into apartments. This pushes up housing prices even more.

Despite the hype around "micro-apartments" and other innovations intended to cram more people into less room, many Americans still want space. They want to live in detached suburban homes, or in an apartment with enough square footage and access to outdoor space that it feels like one. Two-thirds of people born since 1997, including those who live in cities, want to live in single-family suburban homes, according to a 2015 survey, but the costs make this aspiration prohibitively expensive in most urban centers.

Finally, the anti-urban mood in Washington and many state legislatures is making things worse for cities at the worst possible time. Badly needed investments in transit, bridges and tunnels, affordable housing and job upgrading and training are not being made. And pre-emption, the use

of state law to nullify municipal authority, and President Trump's threats to withhold federal subsidies from sanctuary cities are creating a sense of siege in many urban areas.

For all of their many problems, our cities are our greatest economic drivers. Their continued revival is critical to the country's ability to innovate and compete, create jobs and raise incomes and living standards. For all the <u>nostalgia about the seamy old days of Times Square</u>, we should not look forward to going back to the urban economic and social dysfunction of the 1970s and '80s. Stopping or reversing the urban revival would not just be bad for cities. It would be a disaster for all of us.

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