



Community and Economic Development in North Carolina and Beyond Blog: The Potential Impact of Baby Boomer Housing and Community Preferences on Downtown Revitalization

By CED Program Interns & Students

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Downtown redevelopment to attract talented Millennials has become an important and

popular economic development policy in many cities across the country. By now it is almost common knowledge what it takes to attract talented Millennials to your town or city: walkable, diverse and vibrant neighborhoods in close proximity to a variety of amenities such as restaurants, bars, coffee shops, art venues, theatres, recreational areas and even sporting venues. This has contributed to a significant wave of downtown revitalization across the country, including in North Carolina in communities such as Asheville, Durham, and Saxapahaw.

It is also no secret that America's largest generation, Baby Boomers, are growing older and beginning to enter a new phase of life marked by significant changes such as reduced household sizes, retirement, and new housing arrangements. Cities and towns are realizing that many older adults also prefer to live in the same types of vibrant and walkable downtowns as Millennials. National survey research and anecdotal evidence largely support this trend¹. Survey research also largely supports that Baby Boomers want to age in place², and downtowns provide this demographic an attractive alternative to conventional retirement communities. As an increasing number of older adults are attracted to the downtowns of small cities and towns, they can play an important role in a town's economic development strategy.

Reasons for Moving Downtown

Beyond the obvious attractions of walkability, diversity, and amenities mentioned above, there are other unique reasons why Baby Boomers may be considering a move downtown:

- Looking to Downsize – As older adults become empty nesters and their household size decreases, there are added benefits to downsizing: lower housing and maintenance costs; reduced time spent maintaining property and more free time for other activities; and potentially recouping some of the equity in their house for retirement expenses³.
- Alternative to Conventional Retirement Community – Baby Boomers overwhelmingly show a preference to age in place. By offering many of the same characteristics and amenities as a traditional retirement community such as walkability, recreational activities, and opportunities for socializing, plus many more that a retirement community cannot provide, downtowns are ideal places for older adults to age in place.
- Desire to Connect to the Community – As Baby Boomers enter retirement, they will have much more free time, and will want to find other ways to connect and contribute to the community. Downtown areas can naturally provide public places for socializing and a feeling of community involvement⁴.
- Downtown Nostalgia – Some Baby Boomers may have fond memories of living or visiting the downtown in their



childhood. Baby Boomers are also known for being an experimental generation, willing to try new experiences. Nostalgia and penchant for new experiences may entice this demographic downtown again⁵.

Impact on Downtown Revitalization

Baby Boomer interest in downtown living can represent a significant opportunity for revitalization. Baby Boomers represent the largest cross section of the population according to age, and changing housing preferences for even small portion could have a significant impact a city or town. In fact, not only will over half of the country be older than 50 in several years, Baby Boomers are relatively wealthy compared to the rest of the population and will have over 70% of the country's disposable income⁶. Because of their sheer number and relatively high incomes, it is no surprise that after studying communities with strong downtown renewals, Michael Burayidi, an urban planner from Ball State University, found that attracting Baby Boomers was one of the main ingredients for a successful downtown⁷. Older adults moving downtown can become a solid base for economic and community development.

One of the most significant impacts that Baby Boomers can have on downtown revitalization is real estate development. Older adults are an important target market for repurposing vacant and historic buildings into high-quality condos and apartments. The Emerging Trends in Real Estate 2014 from the Urban Land Institute projects that Baby Boomers will be one of the key drivers in real estate development as they move to places that support and active lifestyle for seniors. Also they relocated downtown, Baby Boomers may increase the demand for other renovated buildings and new business that provide "third places," such as coffee shops, art galleries, shops where older adults can connect, socialize and experience the collective vibrancy of a community. Beyond real estate and economic development benefits, Baby Boomers entering retirement can be an important anchor for the community as they are able to offer their time, resources and expertise for the betterment of the community through civic service, charitable contributions, and volunteerism.

Conclusion

Baby Boomers represent an important demographic, and can play an influential role in a downtown's revitalization. As they age, there is evidence to support that an increasing number of Baby Boomers want what Millennials want, and many cities and town across the country have already embraced policies and programs to support increased walkability, diversity, entertainment districts, recreational activities, etc. However, there are also some ways in which Baby Boomers are unique, and may have additional needs or desires that cities and towns across North Carolina should capitalize on because this demographic can become an important anchor for real estate redevelopment and demand for new businesses downtown.

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[1] http://uli.org/wp-content/uploads/ULI-Documents/America-in-2013-Compendium_Generations.pdf

[2] <http://assets.aarp.org/rgcenter/general/home-community-services-10.pdf>

[3] http://uli.org/wp-content/uploads/ULI-Documents/America-in-2013-Compendium_Generations.pdf

[4] <http://www.nytimes.com/ref/realestate/greathomes/GH-Retire.html>

[5] <http://www.metromodemedia.com/features/MIBoomers0042.aspx>

[6] <http://www.nielsen.com/content/dam/corporate/us/en/reports-downloads/2012-Reports/nielsen-boomers-report-082912.pdf>

[7] <http://www.downtowndevelopment.com/perspectives/dixperspectives110110.pdf>