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Hip, Urban, Middle-Aged

Baby boomers are moving into trendy urban neighborhoods, but young residents aren't always thrilled.

By NANCY KEATES



A new wave of older people are moving into hip, high-end downtown condo developments that are marketed mainly to younger buyers. Nancy Keates reports on Lunch Break. Photo: Julie Glassberg for the Wall Street Journal.

Jennifer Williams says she often feels like the oldest person on her block. When the 52-year-old corporate communications executive sets off for work in a suit, carrying a briefcase, with her hair in a bun, she is usually surrounded by young people with tattoos and rainbow crocheted skull caps. "It's like mom is coming in for a visit," she says.

New Hipsters

That doesn't bother Ms. Williams. In fact, such diversity is exactly what she was looking for when she bought a condo in the Williamsburg section of Brooklyn two years ago, after living in what she calls the "dead zone" of the Upper East Side of Manhattan. "I find it endlessly fascinating and interesting. I wanted to be



Dorothy Hong for The Wall Street Journal

Nerou Cheng, 63, spent \$1.03 million on an apartment in the Edge, a condo building in the Williamsburg section of Brooklyn, where many of the building's younger residents like to sunbathe outside.

somewhere with energy and life."

Hip urban neighborhoods are aging, as a growing chunk of adults in their 50s and 60s and older give up their longtime homes and head for trendy condos. The invasion of older, moneyed buyers has "created a gold rush" in some of these areas, says Dean Jones of Realogics Sotheby's International Realty in Seattle. Mr. Jones's firm sold 34 condominium penthouses and luxury town homes for more than \$1 million in downtown Seattle neighborhoods between March and October of 2012—a large percentage to baby boomers. It was a 40% increase over the same period a year earlier.

Between 2000 and 2010, populations of baby boomers (those born between the years 1946 and 1964) declined at a far steeper rate in the areas 40 to 80 miles outside the city centers of the 50 largest U.S. cities than in the areas within 5 miles of these centers, according to an analysis of U.S. Census data by online real-estate brokerage Redfin.

Moreover, according to the American Housing Survey, 9.6% of households 55 and older in central cities lived in condos in 2011, the past year for which figures are available, up from 7.3% in 2005. That is despite the negligible growth in the supply of condos and coops over that same period. "Baby boomers are tired of mowing the lawn. They're looking for a more diverse environment," says Chris Leinberger, chairman of the Center for Real Estate and Urban Analysis at George Washington University School of Business.

In some cases, they're also looking for more youthful surroundings. "I am getting older kicking and screaming," says Terri Nussbaum. The executive assistant to a real estate developer who will only say she is in her mid-50s recently sold a 3,500-square-foot-house 50 miles outside Denver, where she's lived for 11 years, and paid \$30,000 more for an 880-square-foot one-bedroom loft in LoDo (which stands for Lower Downtown)—an old neighborhood that has recently gentrified, with hip restaurants and higher prices. In doing so, Ms. Nussbaum replaced almost all her old furniture with more modern pieces. "You are as young as you feel."

Fueling the shift is a change in the way cities themselves are perceived. In a 2011 National Association of Realtors poll, 19% of Americans said they wanted to live in a city, up from 13% in 2004. Many cities have become safer and cleaner, and as baby boomers retire later, they want to be downtown where they can often walk to work. Their kids gone, they don't need to worry about the quality of schools, and they don't want large houses, says John McIlwain, a senior resident fellow at the Urban Land Institute in Washington.

Ann Morgan, 56, just sold her 2,600-square-foot home on half an acre in Evergreen, Colo., where she'd lived for 15 years, for \$475,000, according to public records. She is closing on a 2,100-square-foot, three-bedroom townhouse in downtown Denver's artsy LoHi (that stands for Lower Highlands) neighborhood for \$600,000. She says she wants to stop driving so much—her new

place is a bus ride to her job as the regional national director of the National Wildlife Federation—and she misses the downtown lifestyle she experienced when she was younger. "I remember being able to be spontaneous and being in a vibrant environment," she says.

Developers are taking note. Ten years ago, [Toll Brothers](#), one of the nation's largest home builders known for its sprawling, suburban communities, created its city living division, which chooses neighborhoods for projects by looking at where "young people with money" are going, says CEO Doug Yearley. The company didn't expect to be selling such a large percentage of those projects to baby boomers.

Boomers represent about 75% of the buyers so far for the company's newest condominium, 160 East 22nd, currently under construction in Manhattan's Gramercy Park; about 35% of the buyers in a Williamsburg project, called Northside Piers; 50% of its latest Philadelphia project, 2400 South, near Rittenhouse Square; 33% of its Naval Square location in Philadelphia and 25% of the newest condominium building in Hoboken, called 1100 Maxwell Place.

Now, "we get it," Mr. Yearley says. Toll Brothers City Living is positioning its buildings to Boomers by increasing the amenities: bigger, more luxurious fitness centers, higher end finishes, clubhouse-type common rooms and wine storage rooms.

What Toll Brothers won't do is install features often found in homes for the aged, like wide doorways or grab rails in showers. "We don't want to remind any buyers that one day they might need a grab bar," Mr. Yearley says. "We don't want them to be thinking about the next stage in life." He adds that Boomers in these buildings are living among many young families, who are attracted to the three and four bedroom units. The company is now building a similar project called Hampden Row, in Bethesda, Md., and is looking at more in San Francisco, Seattle, Miami and Boston.

In some cases, as the older, more affluent baby boomers—typically defined as born between 1946 and 1964—move to these neighborhoods, younger residents are starting to move out to avoid rising prices and the growing number of older folks. Mr. Jones in Seattle says it used to take about 10 years for the hipsters to get priced out of a neighborhood they pioneered—now they are moving out after five.

"The pace of change is unbelievable," says Warner Lewis, a real-estate agent at Halstead Property in New York who does a lot of business in Williamsburg. Long a neighborhood of industrial warehouses and small homes, Williamsburg became a haven in the 1990s for young artists and musicians seeking affordable studio space. A rezoning in 2005 sparked a building boom, and an influx of wealthier buyers began. Now celebrities are frequently spotted, and expensive boutiques and an upscale hotel are mixed in with the rundown thrift shops.

Jeremy Penn, a 34-year-old artist in Williamsburg, says he has heard of plenty of younger residents who are moving south, moaning about what is jokingly called the "Broken Hip-sters," who are driving up prices. While he says it is true that a lot of artists can't afford to have studios there anymore, he notes that complaining "is a major characteristic of being a hipster."

For his part, Mr. Penn considers himself part of a new generation of hipster. He is married with a

baby, and has started hanging out with some of the Boomers who have moved to the neighborhood. "If you'd have told me I'd become close friends with people almost my parents' age I'd have said you were crazy," he says.

The move downtown almost always means paying more. Nationwide, there is a 40%-to-200% price-per-square-foot premium on property in central city neighborhoods studied by George Washington University's Mr. Leinberger, compared with the same square footage in a drivable suburb in the same town or school district. That is a reversal from 20 years ago, when the most expensive real estate was often in the suburbs. The median price nationwide for a condo has risen 11% over the past year, with supply hitting 6.3 months in 2012 from 11.9 months in 2010, according to the National Association of Realtors. Toll Brothers says land prices in urban neighborhoods have increased 30% to 50% in the eight years it has been building downtown condos and its selling prices have gone up accordingly. "Baby boomers could well drive the sale of downtown condos going forward," says Robert Rulla, a director at Fitch Ratings, which analyzes the housing market.

Another drawback is noise. But those who have made the switch say activity is part of the appeal of living downtown and they get used to sirens and car alarms. "We don't want to go to a retirement home," says retired neurosurgeon and thriller author Allen Wyler who, with his wife, is selling their 3,400-square-foot-home in Anacortes, Wash., and is looking to buy a penthouse in downtown Seattle. "We want to be around people who are younger because that gives us more energy."

John Truax, a 64-year-old retired engineering executive, and Kathie Truax, 67, sold their 3,800-square-foot, four-bedroom house in a Seattle suburb for \$470,000 three years ago and bought a 1,400-square-foot, two-bedroom condo for \$730,000, taking out a mortgage in the process. Their new building is in downtown's South Lake Union neighborhood, an area filled with young techies (Amazon is building a new headquarters a few blocks away).

The couple says many of their friends have chosen to move into 55-plus communities on golf courses; others have "hunkered down" in their old homes, forgoing ethnic diversity and outside opinions. Mr. and Mrs. Truax have joined a multigenerational (ages range from 23-70) book group in their new building, and Mrs. Truax belongs to a neighborhood coffee group that discusses politics and local issues once a month. "We find people here are much more engaged in the world," says Mrs. Truax. "We feel like we've started a new book. Every day we say 'Can you believe this? This is so fun!'"

Nerou Cheng, 63, paid \$1.03 million for a two-bedroom at the Edge in Williamsburg and moved from Manhattan's Upper West Side, where, he says, "there was nothing to do." He says he entertains much more often, goes out all the time and feels like he has a lot more energy. Another difference: His 28-year-old daughter recently moved in with him temporarily, something he thinks she never would have done if he was living in his previous neighborhood.

"She loves it here," he says.

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Corrections & Amplifications

Between 2000 and 2010, populations of baby boomers (those born between the years 1946 and 1964) declined at a far steeper rate in the areas 40 to 80 miles outside the city centers of the 50 largest U.S. cities than in the areas within 5 miles of these centers; the areas 40 to 80 miles from the centers lost about 1 million more baby boomers than the areas within 5 miles of the centers, according to an analysis of U.S. Census data by Redfin. An earlier version of this article incorrectly stated that this shift was due to 1 million baby boomers moving to downtown areas while a similar number left areas 40 to 80 miles from the city. However, since the cited U.S. census data reflect overall population changes rather than migration patterns, it cannot be definitively stated that migration to city centers was responsible for the greater loss of baby boomers in the areas farther from the city centers.

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