



# Downtown Economics

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*Ideas for Increasing Economic Vitality in Community Business Districts*

## Retire Downtown

A Market Emerges for Active Living Downtown

by Stephanie Lind\*

With 78.2 million baby boomers poised to retire, the market for retirement homes in the coming years will be at an all-time high. More and more retirees are looking to retire downtown, taking advantage of a mix of amenities, accessibility, value, and sense of community<sup>1</sup>.

The condo market downtown is booming across America, and while the market once targeted young professionals, the demographic purchasing condos is changing. A growing number of older individuals and couples are trading in their suburban homes for downtown condos across America. Retirees are no longer leaving downtown, but instead, embracing it. For example, between 1990 and 2000, the population of 64- to 75-year-olds in downtown Chicago increased by 17 percent<sup>2</sup>.

### Amenities

Downtown offers amenities rarely found in suburban retirement communities. Retirees and empty nesters are taking advantage of culturally rich downtowns for their restaurants, entertainment options, walk-ability, public transit, and livelihood. In addition to cultural amenities, easy access to hospitals and health care facilities are also bringing more retirees downtown.

Kyle Ezell recently wrote a book entitled *Retire Downtown*<sup>3</sup>. In the book, he discusses options for “Ruppies,” whom he identifies as retired urban people. Ezell points out many reasons why downtown is great for the retiree or empty nester. There are many opportunities for entertainment, volunteering, education, shopping, and public transportation. Throughout his book, Ezell suggests that the youthful influences of downtown living can help keep a person young. Downtowns are exciting places to live. Ezell identifies twenty of “America’s best retirement communities” giving statistics, analyzing neighborhoods, and breaking down opportunities to volunteer, recreate, learn and live downtown in each of these communities.

In addition to the amenities downtown offers, condo owners and apartment dwellers can take advantage of updated living spaces, many equipped with fitness centers, game rooms, pools, as well as nearby parks and other avenues for physical activity.

### Maintenance and Accessibility

Condominium and apartment living have been a popular choice for retirees and seniors who are looking for low maintenance living. Indoor and outdoor maintenance are often eliminated. Inhabitants can say goodbye to their snow shovel and lawn mowing.

In addition to low maintenance, buyers are finding condos highly accessible with many options for residents who have restricted mobility. Units are becoming increasingly accessible and have modular options within the unit as a resident’s needs change. Stairs are often eliminated all together with the use of elevators. Getting to and from home is also easier with access to public transportation options.



Condominiums - 100 Wisconsin Ave, Madison, WI

## Value

Many retirees and empty nesters are downsizing their suburban multi-bedroom house for a city condominium. Suburban dwellers are finding their life-long home has tremendous market value. The market for moderately priced condo units is enhanced by taxing policy. The IRS helps supply the buyers by forcing individuals to put the revenue from high-profit home sales into a property of comparable value, or in many cases, face a hefty capital gains tax.

In addition to condos, seniors are finding apartment communities located downtown desirable. Modern senior apartment complexes are becoming more common in urban areas. The age-restricted developments once found only on the suburban fringe are now finding their way downtown as well.

## Sense of Community

Many retirees are finding a sense of community downtown. They are finding that the “mom and pop” grocery store still exists and it is more common to know your neighbor and local business owner downtown. With a plethora of activity, rich amenities, and avenues for volunteerism, active older adults are noting the “Sense of Place” that exists.

## Targeting a New Market

The senior demographic demands varied goods and services, which can affect planning in the downtown area. Communities should constantly be evaluating their retail, service, and overall business mix downtown. The senior demographic demands grocery stores, health care facilities, and drug stores that are easily accessible. Additionally, the types of housing seniors prefer changes as their lifestyles and mobility changes. A mix of options will help afford flexibility to the retiree as they age. Some are looking for an apartment, condo, or townhouse; others are looking for places that offer assisted living services.

Analysis of population projections is integral to thoughtful planning for an increased number of retirees. By looking at trends in senior-friendly housing, accessing need, and targeting growth in urban areas, communities can capitalize on an emerging need for housing for retirees and empty nesters downtown.

When targeting retirees, consider how Money Magazine compiles their annual list of the “Best Places to Retire.” Their criteria include taxes, housing cost,

quality of life, leisure and culture attributes, weather, and health care quality.<sup>5</sup>

Finally, it is important to note that many prospective downtown retirees are already living in the community. “Upwards of 90 percent of people say they’d like to stay right in their own communities as they age,” says Robert H. McNulty, founder of Partners for Livable Communities, a nonprofit that works with cities to promote quality of life and social equality for all residents. Other communities like Madison Wisconsin attract former residents such as University alumni.<sup>6</sup>

## Conclusion

As the baby boom generation approaches retirement, they are faced with many choices. Some will relocate, many will stay in their current homes. However, a growing number of retirees and empty nesters are making the choice to live downtown. Some retirees are trading in their golf clubs for season theatre tickets and their golf cart for a bus pass. There is an emerging market for active seniors living downtown. Communities should evaluate opportunities for this emerging class of urban dwellers and match their services, promote business opportunities and growth relative to the needs of this new niche market in the downtown area.

### Source

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<sup>1</sup> US Census Bureau. <http://www.census.gov/popest/national/>

<sup>2</sup> *Seniors and the City*. **Newsweek**. October 2004

<sup>3</sup> Kyle Ezell

*Retire Downtown: The Lifestyle Destination for Active Retirees and Empty Nesters*  
2006

<sup>4</sup> *Gold Rush*. **Planning**. February 2007.

<sup>5</sup> Best Places to Retire. **Money Magazine** 2006

<sup>6</sup> AARP Magazine, 5 Great Places to Live, September & October 2007

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