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The Rich Are Returning to America's Best Big Cities

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NEW YORK ([MainStreet](#)) — Here is [another reason](#) why you cannot afford the apartment you want: suddenly, especially in America's biggest cities, the rich are returning.

For years, they had decamped as soon as they married and had kids - often to close in but somewhat isolated suburbs such as the leafy communities of Westchester County or towns like Weston or Concord in Massachusetts, Los Altos Hills or Palo Verde in California or Chevy Chase in Maryland and McLean in Virginia. Now, abruptly, said multiple real estate experts, the rich

are fleeing the 'burbs and returning to the cities.

The [New York Post](#) - citing data provided by real estate appraiser Jonathan Miller - said that in the past seven years some 11 estates worth \$10 million or more sold in Westchester County. In New York City, in the same timeframe, 1,355 homes sold for \$10 million or more.

What is going on? Los Angeles developer Seth Phillips, who said his company has primarily been involved in building in the area's most posh zip codes such as Bel Air and Beverly Hills, now is doing a project in downtown Los Angeles, a neighborhood that lay largely abandoned for decades. Not now. Said Phillips: "The residential population left DTLA [downtown Los Angeles] in the early 1990s and ever since has moved further and further from the city core. Now things have reversed and the population is moving inward. Hard to believe but true, one of the driving factors has been the development of a subway system that is centered in DTLA."

L.A. has always been a car town, but downtown is all about walking and luring people in.

As for this project, it is audacious: "We are now working on converting the Old Downtown Los Angeles Stock Exchange Building into seven uber-luxury residential units. Downtown Los Angeles is enjoying an unprecedented revival and has quickly become the fastest growing part of the city."

Melissa Cohn, a high powered Manhattan mortgage broker, said that similar is happening in New York. "Today we are building bigger apartments, with two, three, four and more bedrooms. Buildings are adding amenities such as playrooms to attract families. The rich are moving back."

Even in unexpected towns, the [rich](#) are buying. For instance, in Phoenix, the [Chateau on Central](#) - a star-crossed central Phoenix brownstone complex which went into foreclosure in 2007 - in 2013 sold a \$5.8 million "double mansion" amounting to 11,437 square feet. The buyer: a Delaware LLC where identities are concealed. So this is happening not just in the choicest cities, it is rippling into less tony enclaves too.

A lot of trends, said the experts, are fueling the revival of the big city as a region of interest among the wealthy.

"There are many reasons for the growing influx of rich into urban neighborhoods, one of the biggest being a simple change in attitude about what city-living is," said Michael Taus, a founder of Rent.com and currently an executive at apartment directory ABODO. "While at one time the urban lifestyle was considered dirty, loud, and dangerous, it's now thought of as fun, exciting and brimming with opportunity. And the suburbs? Well those are just dull."

Taus is right about danger. In 1985, about the height of inner-city violence, New York had 1,384 homicides. In 2014, it had 328. And just about every other crime also fell. Much the same is true of other big cities, at least the ones that are thriving. In 1991, Washington, D.C. had 479 homicides. In 2012 it had 92.

But it's not just lowered crime that is bringing in the affluent. John Boyd, who owns a site selection firm in Princeton N.J., said "the dominant national real estate trend today is urban living." He explained that, in his mind, the drivers are that people are seeking more cultural amenities - museums, good restaurants, even fun shopping - and also they want to use mass transit to get around. Suburbs, no matter how lovely, just cannot compete on those terms.

Understand: not every city has transformed into a hub for the affluent. There are many, especially in the [Rust Belt](#), that are struggling.

But many are prospering - and from Seattle to Miami, they are calling back the rich. Get there before the rich do. Because prices are likely to keep rising in cities, since nobody sees the urban gentrification trend slowing anytime soon.

—Written by Robert McGarvey for MainStreet