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# America's Biggest Cities Were Already Losing Their Allure. What Happens Next?

The urge among some residents to leave because of the coronavirus may be temporary. But it follows a deeper, more powerful demographic trend.



## By Sabrina Tavernise and Sarah Mervosh

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Even before the coronavirus, Nina Brajovic wasn't so sure about her life in New York. As a consultant for PricewaterhouseCoopers, she spent most weeks out of town traveling for work. She often wondered whether she could do her same job for cheaper — and more easily — while based in her hometown, Pittsburgh.

Over the past month, she has gotten a sneak peek of that life, moving back in with her parents to avoid the wall-to-wall density of New York and working out of her childhood bedroom. She is now savoring life's slowness, eating her father's soup and watching movies on an L-shaped couch with her mom.

"Part of it feels like, why am I even living in New York?" said Ms. Brajovic, 24, who pays \$1,860 in rent each month for her share of an apartment with two roommates in Manhattan. "Why am I always paying all of this rent?"

With her lease up for renewal, she is contemplating whether to make the move more permanent.

"I have no idea what I am going to do," said Ms. Brajovic. "But it is a thought in my mind: the potential of not going back."

The pandemic has been particularly devastating to America's biggest cities, as the virus has found fertile ground in the density that is otherwise prized. And it comes as the country's major urban centers were already losing their appeal for many Americans, as skyrocketing rents and changes in the labor market have pushed the country's youngest adults to suburbs and smaller cities often far from the coasts.

The country's three largest metropolitan areas, New York, Los Angeles and Chicago, all lost population in the past several years, according to an analysis by William Frey, a demographer at the Brookings Institution. Even slightly smaller metro areas, like Houston, Washington, D.C., and Miami grew more slowly than before. In all, growth in the country's major metropolitan areas fell by nearly half over the course of the past decade, Mr. Frey found.

Now, as local leaders contemplate how to reopen, the future of life in America's biggest, most dense cities is unclear. Mayors are already warning of precipitous drops in tax revenue from joblessness. Public spaces like parks and buses, the central arteries of urban life, have become danger zones. And with vast numbers of professionals now working remotely, some may reconsider whether they need to live in the middle of a big city after all.



The streets of Chicago have been quieted by the coronavirus. The city is among the country's three largest metropolitan areas, along with New York and Los Angeles, all of which lost population in recent years, according to an analysis by the Brookings Institution. Lyndon French for The New York Times

Before the pandemic, millennials and older members of Generation Z were already increasingly choosing smaller metro areas like Tucson, Ariz.; Raleigh, N.C.; and Columbus, Ohio, according to Mr. Frey. Also growing were exurbs and newer suburbs outside large cities.

"There was a dispersion from larger metros to smaller metros, from urban cores to suburbs and exurbs," he said.

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Cities boomed in the 1990s, after two decades of stagnation, lifted by new waves of immigration and vibrant economic growth that attracted newcomers.

But by the mid-2010s, the growth slowed. Big cities had become expensive, with rents far out of the range of the middleincome American. The economy was changing too: Low-wage jobs, after adjusting for the local cost of living, paid about the same everywhere.

Then the virus hit, sharpening questions of affordability and lifestyle. Some argue it could accelerate the trend that was already underway.

"This pandemic has stretched the fabric that was already tearing," said Aaron Bolzle, executive director of Tulsa Remote, a program that offers \$10,000 to remote workers who relocate to Tulsa, Okla.

High costs and high stress are driving people away from big cities, and people are drawn to Tulsa's strong sense of community, Mr. Bolzle said. "If there was ever a moment where living in a major city becomes too much, it's this moment."

Brenna Pelletier, an artist, has been on a journey to downsize — and cut costs. She left Los Angeles in 2018, a year it lost about 35,000 people, and headed to Las Vegas, but even that was proving pricey.

As the coronavirus shut things down, business cratered on the website where she sells enamel pins. Instead of worrying about how she was going to pay \$1,360 for rent in Las Vegas, she sped up plans to move to Tulsa, since she had been accepted to the city's recruitment program.

By early April, she was behind the wheel of a 26-foot Penske truck, making the 1,200-mile drive with her two cats in a case seat-belted in next to her.

"This is the perfect time to move," said Ms. Pelletier, 31, who works from home. "I have to do it now. Otherwise I'm going to be stuck or evicted."

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She is now settling into an apartment in downtown Tulsa, where she pays \$825 a month. "I normally don't like to just throw a dart and see what happens," she said of her last-minute change of plans. "But in this case, I thought, these are extreme circumstances."



People clap and cheer for emergency workers outside Mount Sinai West in New York. Demetrius Freeman for The New York Times



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Medical personnel speaks with a masked patient outside of a medical center in Chicago. Nam Y. Huh/Associated  ${\sf Press}$ 

## Still, financial uncertainty could also make it less likely for someone to move.

#### 4/20/2020

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"Moving is stressful, it's expensive, and this is not the time when people are eager to take big risks," said Jed Kolko, chief economist for Indeed, a job search site.

What's more, recessions, at least in recent history, have been good for cities. The most recent population surge in some of the largest metro areas came in the wake of the Great Recession, when people lost their homes in overbuilt suburbs after the housing market crashed. Growth slowed substantially in smaller metro areas, particularly in Sun Belt states like Georgia, Arizona and Nevada.

But a pandemic makes the equation different and hard to predict.

Ed Glaeser, an economics professor at Harvard University and the author of "Triumph of the City," said watching the virus rip through cities was like going back in time. "It feels like it's back to smallpox, it's back to cholera," he said.

"Cities were killing fields for centuries because of contagious disease," he said, noting that the life expectancy of a baby born in a city in 1900 was seven years less than one born in a rural area. That gap disappeared by the 1920s, with the advent of modern water and sewer systems.

Over time, density became a boon, economically, socially, intellectually. Living in a city became a way to encourage health. People could walk where they needed to go and support one another in tight-knit social networks.

As the threat of the coronavirus lessens, some who fled major cities might elect to stay away while others will want to flock back to the perks of urban living.

"How people behave in a pandemic is probably not a great guide to how they want to live their lives in normal times," Mr. Kolko said. "We are living in the middle of a grand forced experiment, but we really don't know how the experiment is going to play out."

So much is unknown. What will happen to housing prices, whose meteoric rise in cities was a big part of what was driving people away? Or immigration — one of the most important forces contributing to growth in cities? Already under the Trump administration those numbers were slowing. And cities themselves will likely look different, as they begin to plan for the possibility of pandemics.

One of the biggest questions for the future of cities is what becomes of low-wage workers, who are a big part of urban populations, but often work in jobs impossible to do from home. The restaurant industry, for example, employs more than 11 million people.

"During a pandemic these jobs are uniquely vulnerable," Mr. Glaeser said. "They vanish first."

Wealthier Americans, meanwhile, appear to be hedging their bets. Todd Richardson, vice president of sales and marketing for a real estate developer in South Florida, said in recent weeks he had seen a significant jump in inquiries for a luxury condo building being built in Boca Raton, where three-bedroom units start at \$1.75 million.

In the past, he said, he typically got one or two leads a day from the Northeast. "We are right now averaging eight to 10 per day from the wealthy suburbs of New Jersey, Manhattan and Long Island," he said, as well as other parts of the Northeast that have been hit hard by the virus. "It's staggering."

Based on his conversations with potential buyers and their friends, he said he expected to see a "second wave" of retirees who relocate to Florida, lured by the space and the fresh air. "The folks that currently live in New York, that stay there full time that aren't snowbirds, they are going to be like, 'You know what? That's it. Density is something we don't want to deal with anymore.'"

Cities of all sizes may soon look less alluring, if drastic drops in income, sales and tourism tax revenue leave gaping holes in budgets.

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Four of the five cities most vulnerable to the financial impact of the coronavirus are in Ohio, where cities rely heavily on income tax, a Brookings Institution report found. In California, Los Angeles County is expected to lose \$1 billion in sales tax revenue this fiscal year. And in New York City, where tourism and hotel tax revenue are among the losses, Mayor Bill de Blasio said the city faced a revenue shortfall of up to \$10 billion.

"We're not going to be able to provide basic services and actually have a normal society if we don't get help from the federal government," he said on CNN last week.

Beyond the basics, what is a city without its public spaces — movie theaters, restaurants, concert halls? And why pay exorbitant prices to live somewhere if those disappear?

"What was New York is gone," said Josh Dorf, a businessman who lives in Tribeca. "When I go outside here, it's like a movie set downtown here. It's empty and boarded up."

Mr. Dorf, 50, had never previously considered moving. He loves his 1,000-square-foot loft apartment, and his wife, Kerry, had a good job in the corporate office at Macy's.

But his wife is now furloughed, and in the quiet of their new life, there is suddenly time to think about what they want their world to look like when the crisis lifts.

They have discussed where else in America they might like to live, perhaps a more affordable place like Nashville, or Milwaukee, where Mr. Dorf's parents are. There have been theoretical conversations about what kind of car they might buy in said city. And there has been the occasional online search for adoptable dogs, who could romp around in outdoor space.

"It has definitely changed your perception of what's important," said Mr. Dorf, who owns a wheat flour company and can work remotely.

When the coronavirus hit New York City, Mr. Dorf was negotiating a new two-year lease. He never signed it. Though he dreams of a backyard, he is trying not to make any rash decisions.

"I guess we'll be month to month," he said. "I don't know."

The Coronavirus Outbreak >

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Updated April 11, 2020

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This is a difficult question, because a lot depends on how well the virus is contained. A better question might be: "How will we know when to reopen the country?" In an American Enterprise Institute report, Scott Gottlieb, Caitlin Rivers, Mark B. McClellan, Lauren Silvis and Crystal Watson staked out four goal posts for recovery: Hospitals in the state must be able to safely treat all patients requiring hospitalization, without resorting to crisis standards of care; the state needs to be able to at least test everyone who

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