



Forget the ‘doom loop.’ America’s downtowns are coming back.

BY DAVID SCHARFENBERG

When even the “Urban Prophet of Doom” is feeling optimistic, it may be time for a sunnier forecast for America’s big-city downtowns.

Columbia Business School professor Stijn Van Nieuwerburgh earned the sobriquet after he and a couple of colleagues coined the now-ubiquitous phrase “urban doom loop” in an academic paper in 2022.

His worry was that remote work would lead to plummeting office tower values, which would mean a steep decline in tax revenues and cuts in social services. Homelessness and crime would become bigger problems, more people would flee, and down and down it would spiral.

For a time, his concerns seemed justified. But big-city downtowns have come a long way since the worst of the pandemic. Crime, which never spiked as high as imagined, is back down. Tourism has rebounded. The return to the office has picked up speed. And in an interview with *The Gothamist* this winter about his hometown of New York City, Van Nieuwerburgh sounded positively upbeat.

Yes, there were still challenges: looming budget cuts and some still-vacant office space. But if a good chunk of that space is converted to residences in the next decade or so, he said, “it could really turn New York into an even more wonderful, vibrant place to live than it has been so far.”

New York isn’t the only place where things are looking up.

A Philadelphia nonprofit called Center City District has been tracking foot traffic in 26 downtowns across the country, drawing on cell phone location data collected by the firm Placer.ai. And it found that by the fourth quarter of 2023, the median city center had gotten back 79 percent of the foot traffic it had before the pandemic.

Not a full recovery, by any means. But far better than the doom loopers had predicted.

“Look, clearly [the pandemic] was an unprecedented event in all of our lives,” says Paul Levy, chairman of the board at Center City District. “But I think the hysteria about the death of downtown is really overstated.”

Center City’s analysis takes a broad view of what constitutes the American downtown. Here in Boston, where foot traffic is back to 83 percent of pre-pandemic levels, the group’s analysis includes places like the North End, where the cafes are bustling again, and the Back Bay, where a program that closes Newbury Street to vehicle traffic on the weekends in the summer and fall turns the tony shopping district into a glorious, sun-splashed catwalk.

This *Globe Ideas* special issue focuses on a smaller part of Boston — the core areas of Downtown Crossing and the Financial District and immediately adjacent blocks. And there, the recovery hasn’t been as robust.

Data kept by the Downtown Boston Business Improvement District (BID), a nonprofit funded by local businesses and tasked with keeping the area clean, safe, and spry, shows that even though foot traffic has picked up substantially in Downtown Crossing and the Financial District since the pandemic, it’s still down more than 40 percent.

That’s no great surprise. In an area that’s long been dominated by office workers, remote work was bound to deal a sharp blow.

But that blow, however painful, has done something important for the neighborhood: It has accelerated a much-needed reimagining.

Before the pandemic, says Michael Nichols, president of the BID, “Boston had become a much more contemporary, accessible city” with the teardown of the old elevated expressway, the construction of the Rose Kennedy Greenway, and the emergence of the Seaport.

And the downtown core, he says, with its surfeit of haberdasheries and other retailers

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PAT GREENHOUSE/GLOBE STAFF

People promenade and browse during Open Newbury Street on Aug. 6, 2023.



BRIAN SAMUELS

Cocktails at The Wig Shop.

geared to the suburban commuter, simply hadn’t kept up.

Now, in the wake of the pandemic, there’s a concerted effort to create something livelier and more in tune with the growing diversity of the city.

Last spring, the BID worked with the Mexican consulate to stage a Cinco de Mayo event that spilled out onto a Downtown Crossing plaza. A few weeks later, 9,000 people showed up for a two-day, shut-down-the-street, cocktails-to-go party on Temple Place. And to close out the summer: a “Black Outside” block party meant for Black professionals.

The face of retail has started to shift, too. A city-run small business grant program, funded by \$9 million in federal COVID relief funds, has already helped bring two new shops to the area — Flourish & Foundry, a woman- and LGBTQ-owned sustainable home goods store on Tremont Street, and Bold Skin Babe, a City Hall Avenue salon for people with Black and brown skin tones.

A half dozen other grantees are seeking space in the neighborhood now. And the city will announce the next cohort of grant recipients — several of which are expected to land in the downtown core — in the spring.

The area’s largest landlords are talking re-invention, too.

“For so long, people were focused on creating these amazing office buildings and hotels,” says Katie Grissom, head of retail and mixed use, Americas, for Nuveen, a real estate firm that owns several downtown buildings. “The ground floor pedestrian experience . . . was an afterthought.”

But that has changed, she says.

High Street Place, a large food hall near

Post Office Square, has been a hit. And the last couple of years have brought nightlife options like The Wig Shop — high-end cocktails on the site of the old Wig World — and Hobgoblin, a gastropub with Asian-inspired fare and live jazz. These are “places people want to go on a Saturday, or go for happy hour, or go for date night,” Grissom says.

She doesn’t expect the area to rival the North End or Seaport anytime soon; it doesn’t have the old-school charm or new-school glitz of those places. But with more bars and restaurants and more places for people to live, she says, “I think there’s real opportunity.”

Thus far, Boston has lagged behind cities like New York, Washington, D.C., and Dallas in converting vacant office space to apartments and condominiums. But the city is offering tax incentives for the costly and complicated transition. And some developers are biting.

Adam Burns, the president of Boston Pinnacle Properties, says his firm already has plans to convert a six-story brick building on Franklin Street in the Financial District into 15 apartments. And he’s looking at a half dozen other properties that could qualify for the tax breaks.

“This is a program we’re very passionate about,” he says, adding that “I firmly believe” it will yield more places for people to live.

More incentives — perhaps from the state — could speed things up.

But it’s clear, even now, that the downtown core is changing — that it’s finding a new identity.

Boston and other big-city centers have found ways to adapt before. They’ve survived the Depression, deindustrialization, and terrorist attacks, always emerging as vital centers of commerce and culture.

The pandemic has presented its own unique set of challenges.

But there is good reason to think that America’s urban downtowns will revive themselves again.

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