

# Midwest downtowns are booming — just ask CBRE

## Louisville's David Hardy

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The proposed Omni hotel could dramatically alter Louisville's skyline.

Millennials want to live in the middle of cities. This has become common knowledge. It's why developers are rushing to downtowns across the Midwest to build new apartment towers boasting party decks, onsite fitness centers and rooftop pools.

But it's not just young people who are moving to cities. Brokers across the Midwest say that consumers of all ages are flocking to urban centers. They want to live where they can walk to public transportation, grocery stores, shops and restaurants. They want to park their cars and forget about them for weeks at a time.

The Midwest is fortunate in that it has plenty of downtowns that are thriving today. Downtown Chicago, the biggest of them all, is booming, of course. But people both young and old are also renting in downtown Cleveland, Omaha, Nashville, Minneapolis/St. Paul and Kansas City. There's a resurgence going on now in downtown Detroit, and much of it is fueled by young renters moving into the city's apartment stock.

And one downtown that is in the middle of a boom period today? Louisville.

### **Bourbonism in Louisville**

Louisville Mayor Greg Fischer coined the term "Bourbonism" for his city. To his credit, this somewhat awkward moniker is sticking.

Fischer is referring to the craze for the bourbon for which this Kentucky city is known. Bourbon tours are popular today, and they are bringing the tourists to Louisville. And that has led to a boom in the city's hotel market.

And more tourists? David Hardy, managing director for CBRE's Louisville office, says that this has led to a steady rejuvenation in downtown Louisville during the last five to 10 years. Formerly shabby downtown neighborhoods have been spruced up with streetscape projects and the arrival of new businesses and restaurants.

Once this trend began, people – both young and old – started moving into downtown Louisville. That trend has not stopped, as new rental housing stock continues to hit the city’s downtown districts, Hardy said.

“We are seeing more housing in downtown,” Hardy said. “First, we started to see the housing inventory that was sitting around since the recession get absorbed. Now additional projects are coming online. That is a trend that is happening across the country. People want to live in a more urban environment. With the enhancements we have seen in the downtown, we have a real shot of creating a nice neighborhood environment. There is a convergence right now of several things coming together to spark an energy in downtown Louisville.”

Hardy points to the mini-hotel boom hitting downtown today. The biggest project is the new Omni hotel planned for the heart of downtown. This hotel is expected to open in the spring of 2018, and will bring 600 new hotel rooms and 225 luxury apartments in one 30-story tower. Retail is planned for the first floor of the project.

Hardy refers to the Omni as a “mega project” for Louisville, one that will transform the city’s skyline.

But there are also a handful of smaller, boutique hotels planned for the downtown area. Another Aloft hotel will open here sometime in the next three months.

The oddly named KFC Yum! Center – the arena that opened in 2010 and is home to the University of Louisville basketball teams – has helped rejuvenate downtown, too. Hardy says that restaurants and shops have sprung up near the center. The arena brought a new energy to downtown.

It’s helping to keep University of Louisville graduates in the city after the leave college.

“The activity in downtown, and the fact that it is such a great place to live, has helped stop some of the brain drain that was going on in downtown Louisville,” Hardy said. “Our kids were graduating from the university and heading somewhere else. Now we are keeping more of them here.”