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OPINION | COMMENTARY

Four Centuries of Human Initiative on One City Block

Development—whether with bordellos or art galleries—is spontaneous, defying city planning.

By **WILLIAM EASTERLY**

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Greene Street in New York City. *PHOTO: GETTY IMAGES/LONELY PLANET IMAGES*

Does successful city development require expert planning? Or do some of the best neighborhoods arise spontaneously? To answer these questions, I teamed up with Laura



Freschi and Steven Pennings to study the history of a single 486-foot block of Greene Street in lower Manhattan over four centuries.

We found that the contemporary predictions of overconfident city planners trying to prescribe what happened on our block proved stunningly wrong. Block-dwellers created a long series of surprises, from farms and garment factories to art galleries and brothels, of their own volition. After periods of failure,

the planners underestimated the ability of our block to recover on its own—which it did.

In the early 1640s, the Dutch thought the land that is now our block was so worthless that they gave it away to their slaves. Indeed, they thought so little of the whole city's prospects that they agreed in a peace treaty with the British to trade New Amsterdam for what is now Suriname. Yet later inhabitants made the block into profitable farmland in the 1700s and then an upscale residential district from the 1820s to the 1850s.

By 1870, however, brothels had moved in and accounted for half of the addresses, a spillover from hotels and theaters two blocks away on Broadway. The madam Laura Barmore's establishment at 133 Greene was listed in an 1870 guide called "The Gentleman's Companion," a kind of anonymous Zagat's rating the city's bordellos. Our block (between Houston and Prince streets) had the most listings of any in the city.

But that unsavory era was short-lived. Between 1881 and 1886, entrepreneurs demolished the structures and erected cast-iron buildings to house garment factories; 98% of the block's previous occupants left. Henry and Isaac Meinhard, the German-Jewish immigrant brothers who bought Barmore's brothel and two others, saw the area as an ideal location for industry: only seven-tenths of a mile from a Vanderbilt railroad depot and shipping piers on the Hudson River, and near immigrant neighborhoods with Italians and Russian Jews who had experience in tailoring and sewing. From 1880 to 1910, real-estate values more than tripled.

Then in 1911 a fire in the Triangle Shirtwaist Factory, located on Greene Street only a short distance north of our block, killed nearly 150 people. The garment factories left shortly thereafter for bigger buildings near 34th Street that met new fire-safety regulations. By the 1920s, real-estate prices had fallen to a quarter of their previous level and hovered there for several decades.

This decline spawned two ideas that are good examples of the follies of prescriptive planning. First, the city's 1946 Holden-McLaughlin Plan called for the "complete demolition" of our block and its replacement with "modern manufacturing." Second, the most powerful urban planner in New York, Robert Moses, wanted to build a four-lane highway through Washington Square Park and an eight-lane expressway further south along Broome Street. These plans remind us of an old joke: Politicians would rather do something that makes the problem worse than do nothing at all.

Fortunately, a great urban visionary named Jane Jacobs lived nearby. She derided Moses' "pseudoscience of city rebuilding and planning." Instead she celebrated the spontaneity with which residents created vibrant neighborhoods, arguing that they knew best what they needed. After the plan's defeat, the block

revived thanks to a bit of dumb luck: the rise of a New York-based art movement called abstract expressionism, which led to the creation of very large paintings. Artists and gallery owners found the old factory floors on our block to be a natural fit. The Leo Castelli Gallery, for example, exhibited in 1983 a Roy Lichtenstein mural that stretched 96 feet by 18 feet.

The art boom lasted into the 1990s and attracted the prosperity that lingers on the block today. Affluent residents live in luxury co-ops on the upper floors of beautiful cast-iron buildings; on the ground floor the art galleries mostly have been replaced—by an Apple store, an espresso shop and designer retailers such as Ralph Lauren and Christian Dior Homme (the last of these at 133 Greene, the old address of Barmore’s brothel). Real-estate values on the block in 2010 were 16 times higher than in 1970, the close of the period of industrial slums, once adjusted for inflation.

What prescriptive planners fail to understand is that by trying to protect today’s dying industry, they often prevent tomorrow’s unanticipated boom. Detroit’s city planners tried furiously to arrest decline. In 1981, for instance, they razed an entire neighborhood called Poletown and donated the 465 acres to General Motors for a new factory. That displaced families but generated minimal employment. The trends working against Detroit proved larger than city planners fathomed.

Here’s the lesson: Development comes spontaneously, and often by luck. It takes restraint for planners—and we economists who advise them—to simply stand back and let things unfold naturally over years and decades. But studying the unpredictable 400-year history of one city block has a way of instilling a sense of humility.

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