



Venture Capital Shifts Downtown

RICHARD FLORIDA JAN 26, 2012 3 COMMENTS



The past several years have seen something of a subtle shift from the traditional "nerdistan" industrial park model of high-tech development to a more urban cast. The growing number of startups and high-tech companies in downtown San Francisco and New York, even London's so-called Silicon Roundabout, are examples of this shift.

The Route 128 area in Boston's suburbs has long been deemed the world's second leading center for high-tech companies and start-ups. Now the shift to "urban tech" appears to be happening there, too.

According to a report in the [Boston Business Journal](#), the city of Boston has caught up with its surrounding suburbs in attracting venture capital. The story reports data from CB Insights, which finds that companies within the city limits raised almost \$600 million in 59 venture capital deals, roughly the same as the Route 128 suburbs.

The decline of the suburban office park theme isn't new. The [Wall Street Journal](#) reported that the national vacancy rate in downtown cities remained steady between 2005 and 2010. Meanwhile, businesses in the suburbs "vacated a net 16 million square feet of occupied office space - nearly 280 football fields - while downtowns have stabilized, losing just 119,000 square feet."

But it's an interesting trend for the tech world in particular. What's behind the shift? The report notes the following:

A growing focus on Web and mobile start-ups in Boston, which tends to interest younger, urban-dwelling entrepreneurs, and the rise of neighborhoods such as the South Boston waterfront Innovation District, where a growing number of young companies are finding affordable office space.

Photo credit: Brian Snyder/Reuters

Keywords: Boston, Venture Capital



Richard Florida is Senior Editor at *The Atlantic* and Director of the Martin Prosperity Institute at the University of Toronto's Rotman School of Management. He is a frequent speaker to communities, business and professional organizations, and founder of the Creative Class Group, whose current client list can be found [here](#). [All posts »](#)





Copyright 2011 The Atlantic Media Company

ARCHIVES

Buffalo, Then and Now
(1902-2011)
