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Building Up and Tearing Down: Even as Demand Grows, some Chicago Neighborhoods Don't

Chris Hagan (/staff/Chris+Hagan)

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PLAY 8 min



Chris Hagan/WBEZ

A new single-family home being built in North Center. The neighborhood has seen a number of older buildings torn down to make way for new construction.

The real-estate boom of the early 2000s and subsequent crash left a number of lasting effects on Chicago. It created a rolling tide of up-scale condo conversions, as well as towers rising from long-empty swaths of the near North Side. On the opposite end of the development spectrum – vacant homes are regularly leveled across portions of the West and South Sides.

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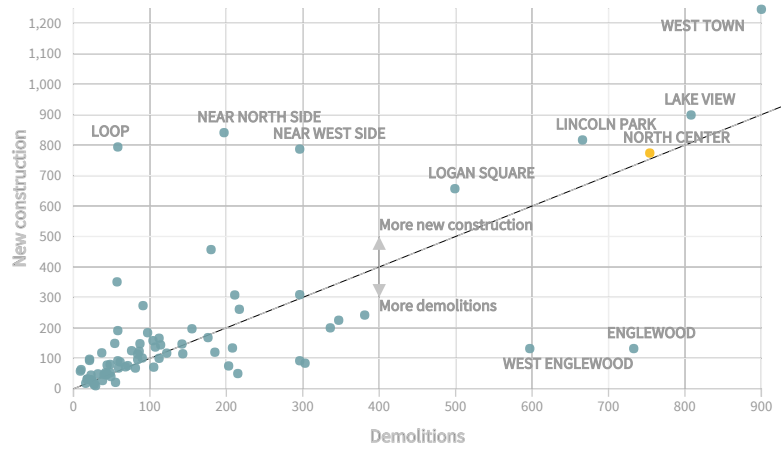
But Chicago has a handful of neighborhoods — Lakeview, Lincoln Park, and Logan Square, among them — that tell a different tale, one where the landscape's being both built up and torn down at the same time. Behind the trend: Insatiable demand from families wanting their own home.

The rapid change is visible not just to residents but in city building permit records, as analyzed by WBEZ.

The story's particularly clear in the North Center community area. Since 2006, the neighborhood has seen 774 permits issued for new construction, similar to the number for the Loop. At the same time it's had 754 permits for demolition, more than Englewood.

New Construction and Demolition, 2006-2015

Since 2006 some Chicago community areas have seen a large number building permits issues for both new construction and demolition.



Source: City of Chicago Department of Buildings data

Credit: Chris Hagan | WBEZ

“When you see teardowns or deconversions, that’s a reflection of this demand,” said Geoff Smith, executive director of the DePaul Institute for Housing Studies. “In these high-demand areas you’re seeing the focus on development of single family housing.”

North Center’s shift from multi-unit buildings to single-family homes is one that housing experts, officials and even some residents fear is unsustainable for the housing and retail markets.

What’s behind the demand



Jen Campion and her sons Cameron, 4, and Quentin, 5, play on the porch of their home in North Center. Campion’s family moved to the neighborhood for the elementary schools.

A driver behind demand for single-family homes in in North Center has been new families’ desire to secure spots in local elementary schools.

Take the family of Jen Campion. When she and her husband decided to move to a new Chicago neighborhood in 2011, she knew exactly where she wanted to go.

“We used to live in Ravenswood, and the schools there were mediocre,” Campion said. “We knew we wanted many kids so we’d had to have good schools we didn’t have to pay for. We love the sense of community around Bell school. We love their test scores. We thought if we can move into North Center, we can get into Bell or even Coonley [elementaries].”

They found a house in the North Center neighborhood they loved, but even then, during the first wave of recovery from the recession, there were already multiple offers. Still, Campion passed by everyday. One day, the owner came out and told her a sale had fallen through. Campion could now put in an offer and see what happens.

Looking back four years later, she’s still surprised at her good fortune. The family now has the house and filled it with four boys, including her teenage son.

Campion said there’s no way they could buy into the neighborhood now, even though they paid \$1 million just five years ago.

“We borrowed money from our parents, from our brothers and sisters,” she said. “We just knew how valuable it would be to get in here.”

Constant turnover

Stories like Campion’s are familiar to 47th Ward Ald. Ameya Pawar, who represents parts of North Center, Lincoln Square and Ravenswood. “There’s a huge demand for housing stock for young families,” he said.

But, he adds, what’s good for the single-family housing market is not necessarily good for an entire neighborhood.

“When you deconvert two- and three-flats to single families, you lose housing. You lose population,” Pawar said. “That has an impact on commercial corridor and diversity of housing stock in the community.”

According to figures supplied by DePaul, the North Center/Lincoln Square area saw prices for single-family homes jump eight percent in 2014 and more than double since 2000 (<http://price-index.housingstudies.org/>), mostly returning to its pre-recession high. During that span, North Center gained only around 500 housing units.

In addition to demand for access to good elementary schools, there are legal reasons behind the transformation from multi-unit buildings to single-family homes: There’s little to stop a developer or homeowner who wants to deconvert.

The Chicago zoning code allows developers to build single-family homes in any residential area (<http://www.chicagobusiness.com/article/20140224/OPINION/140229967/chicagos-zoning-laws-are-just-insane>), but *adding* units requires city approval. That increases costs and complexities for any developer wanting to add density.

“What we’re seeing is construction or demolition by right,” Pawar said. “They don’t have to do anything besides file for permits.”

Lee Crandell, executive director Lakeview Chamber of Commerce, said business owners in his area are already experiencing a shift in clientele.

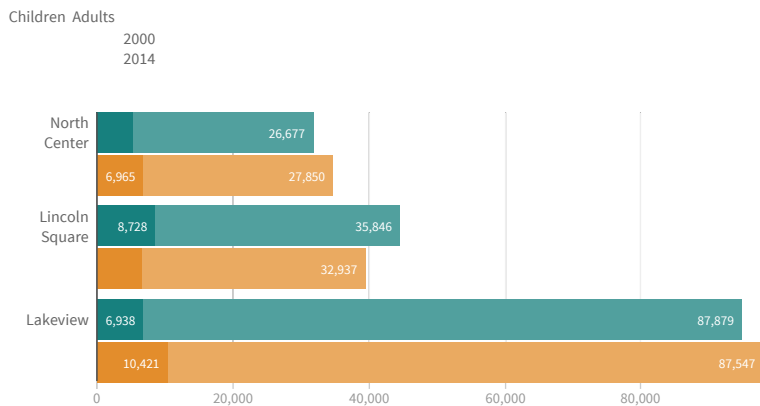
“Primarily, bars and restaurants we heard from said that their customer base had kind of been declining,” Crandell said. “You’re seeing more and more families with more money moving in, which, on one hand is a great sign of a successful neighborhood. That results in different kinds of consumers supporting different types of businesses.”

A report from the Center for Neighborhood Technology (<http://www.cnt.org/sites/default/files/publications/Lakeview%20TOD%20White%20Paper%20-%20FINAL%204-13-2015.pdf>) for the Lakeview Chamber found that the number of households around the Southport Brown Line transit stop dropped 2 percent from 2000 to 2011, and the number of rental units shrank by 20 percent.

Overall, while Lakeview and North Center have gained around 3,000 residents each since 2000, nearly all of the gains can be accounted for by an increase in children younger than 18.

Changing Population in North Side Neighborhoods

Growth in North Center and Lakeview has been driven by an increase in children, while Lincoln Square has seen an overall population drop.



Source: U.S. Census Bureau: 2000 Census, 2010-2014 American Community Survey

Credit: Chris Hagan | WBEZ

“Those are some pretty striking numbers of community change,” said CNT’s Kyle Smith, who worked on the study.

Pawar said that while some cities have tried to slow deconversions, he doesn’t see that as an option in Chicago. Instead, the city has focused on creating housing density through a transit-oriented development (TOD) ordinance passed in 2013 and updated in 2015.

The TOD ordinance makes it easier to build high-density housing developments near transit stops, such as around the Brown Line that runs through Pawar’s ward. Among other things, the ordinance lowers residential parking requirements and increases the density allowed for new projects. He supported a proposal for a [40-unit TOD development on Western Avenue over objections from some residents](http://www.dnainfo.com/chicago/20150820/lincoln-square/pawar-supports-transit-oriented-development-on-western-neighbors-object) (http://www.dnainfo.com/chicago/20150820/lincoln-square/pawar-supports-transit-oriented-development-on-western-neighbors-object) .

“I don’t begrudge anyone to do what they need to do to own a home in the community,” Pawar said. “What I ask is that we move ahead with transit oriented development and more dense development around our rail stops, so if we lose a two- or three-flat that we’re gaining that back near the Brown Line.”

Still, one of Pawar’s fears is that the constant churn of families moving in for elementary schools and out for high schools could end up creating a bubble in the housing market. He feels the solution is going to take a [city-wide strategy](http://chicago47.org/grow47/) (http://chicago47.org/grow47/) around improving schools in all neighborhoods, to spread out demand he’s seeing in his ward.

“What’s driving a lot of deconversions is specific school footprints,” Pawar said. “Because we don’t have a lot of entry-level housing, either you can afford a \$1.5 million house, \$750,000 condo or you’re renting. This is because people around the city want to move in for elementary schools and then end up leaving for high schools to the suburbs.”

Who can stay?

Campion said that as a homeowner she’s conflicted about changes she’s seen in North Center. Even one of her good friends has been unable to afford moving into the neighborhood and getting her child into Bell or Coonley.

“Part of me is excited, because we got in at a good time,” she said. “But part is sad because they’re ripping down a lot of greystones and pushing out the older people who are selling their homes for a lot more money and moving to places where they don’t need a good school.”

Still, she likes the suburban feel North Center is gaining, with what she sees as safer streets and more parking. She feels part of a community, and she’s excited to see who moves into the teardown next door.

Long term, though, the family may not stay. Campion’s oldest son made it into a selective enrollment high school, but she doesn’t necessarily want to do that three more times with her younger children.

“What are my options? Am I going to move to suburbs? Will I uproot my family and move to the East Coast?” she said. “Maybe in a few years I will have to do that.”

Chris Hagan is a WBEZ data reporter. Follow him [@chrishagan](https://twitter.com/chrishagan) (https://twitter.com/chrishagan) .

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