



BUSINESS

Chicago's two-, three- and four-flats are disappearing, changing communities and who can afford to live in them

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Two-flats are seen May 12, 2021, in the 3800 block of West Wilcox Street in Chicago's West Garfield Park area. (Chris Sweda / Chicago Tribune)

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As Chicago looks to combat a shortage of affordable housing, its communities face a key challenge: the loss of the city's iconic two-, three- and four-flats.

Lincoln Park lost 16% of these small residential buildings between 2013 and 2019. In North Center, the losses totaled 14%.

The Oakland community area lost about 11% of two- to four-flats and in West Englewood nearly 7% disappeared in the same time frame.

In high-cost communities, the buildings often were replaced with single-family homes. In lower-cost neighborhoods they were often demolished, leaving behind empty lots.

The changes to Chicago's housing stock, detailed in a new study from the Institute for Housing Studies at DePaul University, show the ripple effects of increased demand for expensive single-family homes in high-cost neighborhoods at the expense of affordable housing large enough for families. In neighborhoods where buildings were razed but not replaced, the findings highlight the need for investment in existing properties and in the broader community, the study concluded.

Two-, three- and four-flats historically have been an accessible, income-producing homeownership opportunity and a key source of lower-cost, family sized housing for renters. Once lost, they are hard to replace with similarly large, affordable units, the study found.

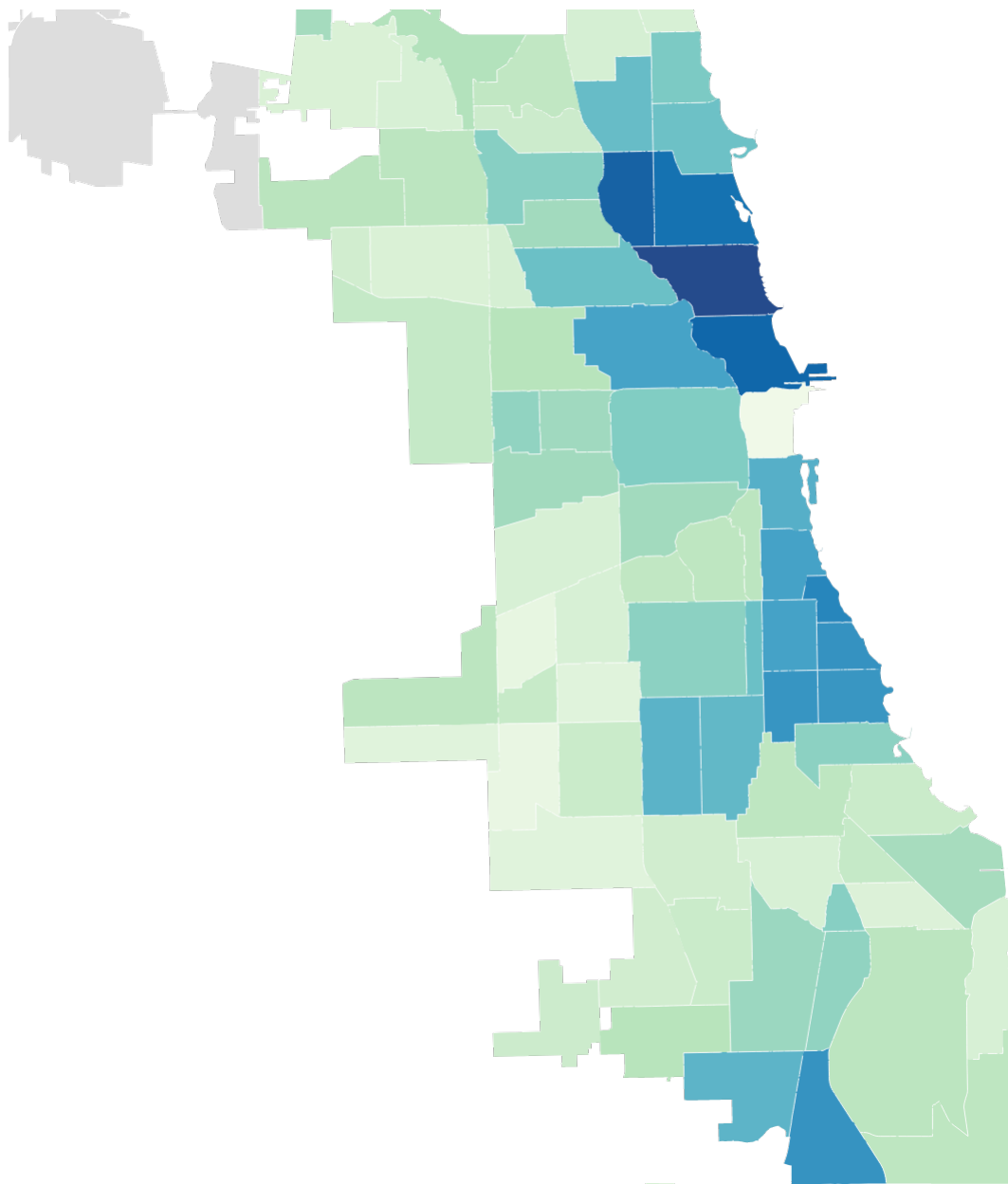
“Why is there an affordability crisis in Chicago? It’s not that there is a lot more low-income people coming to the city or living in the city,” said Geoff Smith, executive director of the institute. “It’s actually that there’s a loss of supply of those low-income units. And this component of the stock, the two- to four-unit buildings, is really important to that affordable supply.”

[\[Check out maps of where Chicago is losing its iconic two-, three- and four-flats \]](#)

Percentage of units lost

Total units in two-, three- and four-flat buildings lost between 2013 and 2019, by community area.





Source: Analysis of Cook County Assessor/IHS Data Clearinghouse data by Institute for Housing Studies at DePaul University • [Get the data](#) • Created with [Datawrapper](#)

The study comes as Chicago grapples with a shortage of nearly 120,000 affordable homes, according to a September report from a city task force. Aldermen have approved several measures aimed at protecting affordable housing in rapidly gentrifying areas near The 606 and Pilsen. They also approved a new affordable requirements ordinance that [tightened rules requiring affordable units](#) when developers put up large buildings.

DePaul's study found that between 2013 and 2019 Chicago lost 11,775 units in

two-, three- and four-flats, or 4.2% of all units. Nearly three-quarters of them were replaced with single-family homes or are no longer used for housing, with some becoming vacant lots, the study found.

In higher-cost neighborhoods, the loss of two- to four-flats to single-family homes can make those areas more exclusive, as homes for low- and moderate-income families are replaced with homes for higher-income or smaller households, Smith said.

Lower-cost neighborhoods, where demolished buildings leave behind vacant land, are seeing the effects of “historic disinvestment, long-term population loss and the continued legacy of the foreclosure crisis,” according to the study.

For the study, the institute used its own data and tracked properties identified in 2013 by the Cook County assessor’s office as two- to four-unit buildings.

The supply could be further jeopardized by the COVID-19 pandemic, which has taken a disproportionate toll on lower-income workers, renters and small landlords. Lower-income renters might take longer to rebound from the pandemic, and small landlords are likely less able to absorb losses in rent if tenants can’t pay or units become vacant, Smith said.

The loss of the buildings would mean fewer opportunities for owners like Darius Morris.

Morris, 38, owns a three-flat in the Douglas community area, where he lives on the second floor with his wife and two young children and rents out the two other units. The building offered enough space for his family, a chance to stay on the South Side, where both Morris and his wife grew up, and an investment opportunity.

“We wanted to stay local and we saw an opportunity for us to purchase a building where we can reduce our monthly housing expenses, but also come in and rehab and have an asset that we can pass down to our kids or future

and rehab and have an asset that we can pass down to our kids or future generations,” he said.



Darius Morris stands outside his three flat in the Douglas area on May 11, 2021. He and his wife want to remain on the South Side near where they grew up. (Abel Uribe / Chicago Tribune)

Morris also owns a two-flat in Woodlawn, and grew up in an apartment in a two-flat with his mom and sister in Englewood, where he said there was a tight-knit community with other families in the building.

The loss of small buildings changes the neighborhood, he said.

“It’s less kids, it’s less people around in the community when I take my kids out to go play outside in Douglas,” he said. “... I think part of that is because you do have less families if you’re converting these two- or three-flats either to a home, or you’re tearing them down because they need too much work.”

In Avondale, a three-flat was Nikitha Duggirala’s best option to become a homeowner.

Duggirala, 26, lives on the first floor with her boyfriend, and has tenants in the

other two units. She was renting an apartment in Old Town with a roommate when she decided to buy a home, but determined the homeowner's association fees on a condo would be too expensive and a house felt out of reach without an additional source of income.

"I wanted to kind of have that security and start building toward my future, and at the same time be able to provide for families and be able to give them better housing than wherever they were previously living," she said.

In places where rents are rising, such as East Garfield Park, the units provide an affordable rental option or more stability through ownership, said La Shone Kelly, housing specialist at the Garfield Park Community Council. The buildings can help retirees and future generations stay in a community.

In the six-year period studied, West Garfield Park lost 4% of its units in two-, three- and four-flats, and nearly 85% of those were not replaced with housing. In East Garfield Park, where 3.5% of units disappeared, about 68% were not replaced and 28% were replaced with single-family homes.

Fewer buildings mean fewer places to live, Kelly said. Homes that were once affordable are becoming less so, closing off opportunities for renters to purchase property, she said. And vacant lots make it hard to attract interest from residents and investment from developers.





Two-flats are seen in the 3500 block of West Monroe Street in Chicago's East Garfield Park area on May 12, 2021. (Chris Sweda / Chicago Tribune)

High-cost areas such as North Center are grappling with the effects of fewer multiunit buildings as their two- to four-flats are remodeled or razed to become single-family homes. About 15% of all small buildings converted to houses in the city were in North Center, the highest share of any part of the city.

That means less foot traffic for local businesses, fewer students in schools and fewer affordable options in the area, said Ald. Matt Martin, 47th.

“When you’re talking about density that our small businesses need, access to our schools and other amenities, and then affordability, maintaining our two- and three-flat stock is really important,” he said.

Some new small multifamily buildings were constructed since 2013, but in high-cost areas such as North Center, they were less likely to be affordable, the study found.

That is likely due in part to high construction costs, said Joy Aruguete, CEO of Bickerdike Redevelopment Corp., a nonprofit community development corporation. Newly constructed buildings or flats that have been rehabbed will be more expensive to rent or buy to cover costs, Aruguete said.

Preserving two-, three- and four-flats, especially those that are owner-occupied, can help communities remain affordable, Aruguete said.

Rising property taxes are among the biggest threats to two- to four-flat owners, so tax relief for owners who live in their buildings could help preserve them,

she said.

Martin said he is following a recent ordinance that hiked demolition fees around The 606 and in Pilsen, and another designed to make it harder for developers to purchase multiunit buildings and convert them into homes. But he said questions remain before he would move forward with a formal proposal on either for his ward.

The institute's Smith recommended better efforts to connect tenants and landlords to rental assistance programs as one immediate way to help stave off financial hardship. Grant or low-cost loan programs that help owners make repairs to their buildings could also help them maintain buildings, making them less likely to sell because they can't afford the upkeep, he said.

The Garfield Park Community Council is working on homeownership education and providing grants through a city program to help with home purchases, Kelly said. The neighborhood's two-, three- and four-flats can play a key role in helping families build wealth and achieve what she called a rite of passage.

"The idea is to keep the owners who have them, keep the ownership within their family," she said. "Do everything we can to show them. Eliminate the destruction of these properties, particularly when you don't have anything to replace it."

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