



Newsletters

Good Afternoon, Geoff

Equity

## Chicago's vanishing two- and four-flats leave a critical gap in affordable rentals

By Eric Gwinn



Credit: Bloomberg

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For more than a century, Chicago's iconic two-to four-flat homes have been an important part of affordable housing in the city. About 40,000 of the structures sprung up in every neighborhood from the late 1890s to about 1920.

They were built with renters and upward mobility in mind. New immigrants saved enough money to buy a two-or three-flat (four-flats came later) and lived on one floor while renting out the rest of the home. The rent took care of the mortgage, allowing the homeowner to save up enough money to buy a detached single-family home, living the American dream. For generations, the cycle of success continued. Today these homes remain a crucial source of unsubsidized rental housing for residents with low income.

Lisa Cotton owns and lives in a two-flat on the Northwest Side, in an area that has a high share of lower-income renters living in high-cost units. Since 1993 she has offered low rents for the seven units in her building and nearby coach house. Nearly all of her tenants are on fixed incomes.



She likes being a landlord in the building where she lives, and tenants feel like family. But “repair costs on two buildings that are over 100 years old is constant,” she says. “I always have a huge list of things to do. I once had to do rat eradication on my birthday. I have to buy seven stoves and seven refrigerators and once had to make \$20,000 in repairs to my porches.”

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Cotton wrestles with raising rents because of the expenses. “I have retirees, independently employed people and a family with a kid,” she says. “I don’t want anyone to suffer.” So she has taken on a job outside the home to keep things running.

Meanwhile, other landlords have countered inflation and rising property taxes by raising rents. In turn, tenants and community groups statewide are pushing the state to reintroduce rent controls at the municipal level. Cotton understands the desire for rent control and is determined to hold the line against raising her rents. But she is convinced that if rent control were approved, other landlords would jack up their rents significantly before it went into effect in a bid to lock in a cushion against

future expenses. That, she predicts, would eliminate even more affordable housing.

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Two-to four-unit buildings are Chicago's most common type of rental housing, according to a [study](#) by the Institute for Housing Studies at DePaul University. They account for more than 32% of the city's housing supply.

But in the last decade, Chicago has lost many of these types of housing options, greatly reducing the affordable housing stock. Structures in affluent areas were replaced by single-family homes as the share of larger multifamily buildings of 50 or more units increased, the study found. Areas with lower income and a history of disinvestment saw the structures deteriorate and demolished without replacement. Those neighborhoods also lost population, as people left when the supply of affordable housing shrunk.

Citywide, over 73% of rental units in two-to four-flats are occupied by a person of color, a [separate study](#) from the institute shows, and the majority of two-to four-flats are owned by a Black or Latino head of household.

Aldermen have sought to protect two-to four-flats and other homes in some rapidly gentrifying areas home to Hispanic and Latino residents. The [Northwest Side Housing Preservation Ordinance](#), approved in September by the City Council, makes it more costly for developers to buy and destroy older two-to four-flats in parts of Hermosa, Logan Square, Avondale, West Town and Humboldt Park. The intent is to preserve affordable housing so that longtime residents aren't forced out as higher-income people move in.

The so-called anti-gentrification ordinance increased demolition fees to \$60,000 for a two-flat and to \$20,000 per unit for a coach house or multi-unit residential building. That is up from \$15,000 per two-flat and \$5,000 per unit. Advocates for affordable housing hope the measure can be extended to other community areas.

Cotton approves of the move and wants to see more city efforts to protect and expand affordable housing.

"Please," she says, "don't make it harder for people who are trying to keep folks off the streets."

By Eric Gwinn

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