

Teardowns are transforming the American post-war suburban landscape

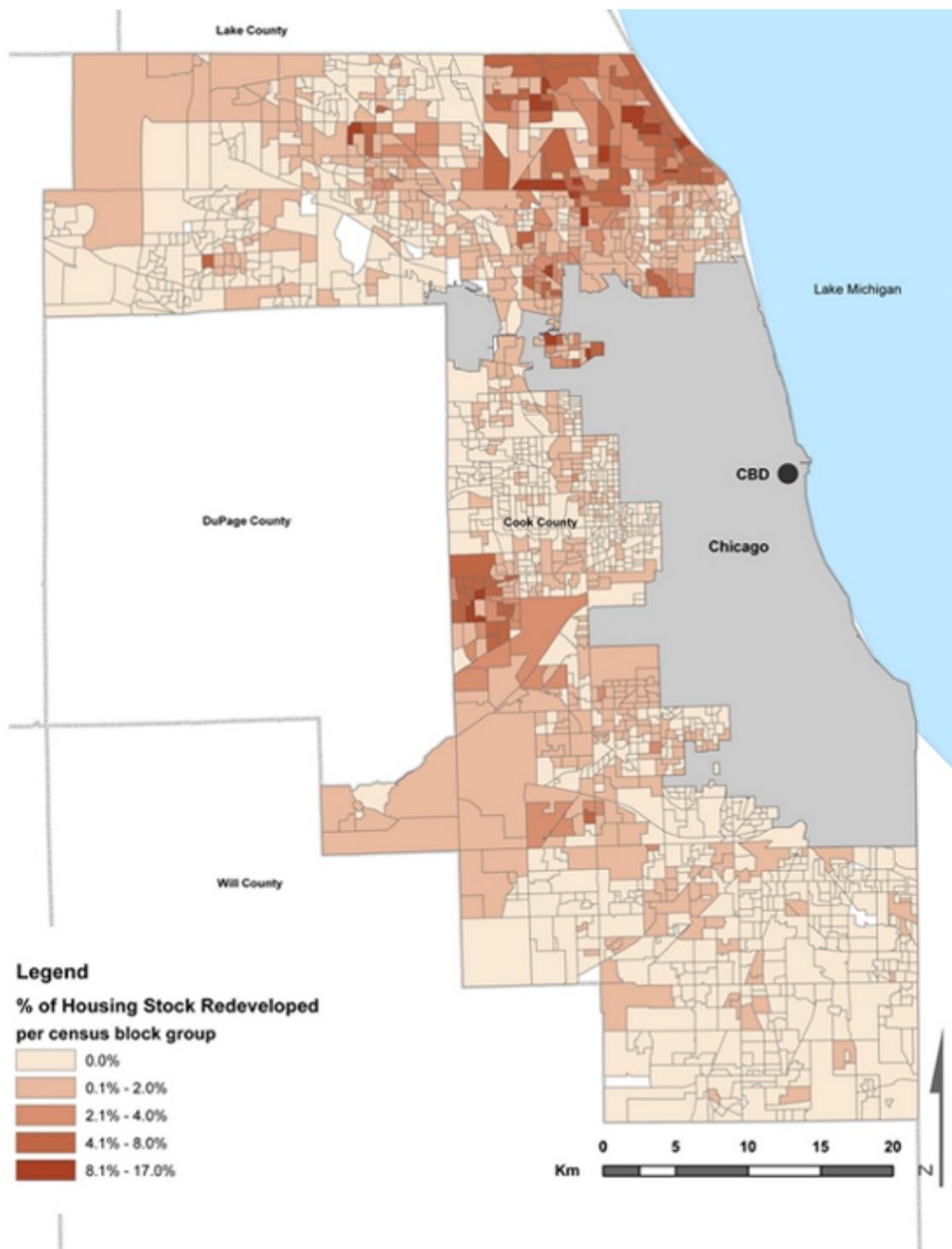
*In many older American suburbs single-family housing is being demolished and replaced with new, larger single-family housing. “Teardowns” are dramatically transforming suburban neighborhoods. Using the inner-ring suburbs as a case study, **Suzanne Lanyi Charles** finds that teardowns occur in a variety of places ranging from modest middle-income neighborhoods to very highly affluent neighborhoods that often share a common proximity to well regarded schools. Teardowns began in areas with high property values, and as house prices rose rapidly through the first half of the 2000s, they expanded into adjacent, less affluent neighborhoods, contracting again at the end of the decade.*



As older suburbs have aged, some have begun to experience declining populations, investment, and incomes, increasing crime, and shrinking tax bases. However, at the same time, others are receiving a significant amount of reinvestment. In some inner-ring suburbs the single family housing stock is being transformed through “teardowns”—the process when an older single-family housing is demolished and larger single-family housing is built in its place. An oft-cited teardown scenario is one in which an older, often architecturally significant house in a leafy, very affluent suburb is demolished and replaced. However, a more nuanced redevelopment process has been occurring in inner-ring suburbs. Teardowns occur in a variety of neighborhoods and manifest differently in different places, presenting varying implications for inner-ring suburban neighborhoods.

Though not ubiquitous, teardowns have had a substantial impact on many suburban neighborhoods. Rates of teardowns in the inner-ring suburbs of Chicago range up to 17 percent per census block group and are primarily confined to areas north, northwest, and southwest of the city of Chicago. (See Figure 1) In 99 census block groups, over 4 percent of single-family housing was redeveloped, and twenty census block groups experienced redevelopment of over 8 percent of single-family housing. However, over 60 percent of the census block groups (which include 56 percent of the housing stock) did not have any single-family residential redevelopment whatsoever between 2000 and 2010.

Figure 1 – Housing redevelopment rates in suburban Chicago



Suburban teardowns are often discussed as primarily occurring in historically wealthy neighborhoods. In neighborhoods with high property values, a prime teardown candidate is often the smallest, oldest, and least expensive house on the block. The house is demolished and replaced with a house in keeping with the rest of the neighborhood in terms of size and quality. But during the past decade, high rates of teardowns have occurred in a group of inner-ring neighborhoods that are more diverse in terms of property values, household incomes, and housing type. Figure 2 illustrates a teardown in a modest, middle-income suburb in which the rebuilt house is substantially larger and more expensive than its neighbors.

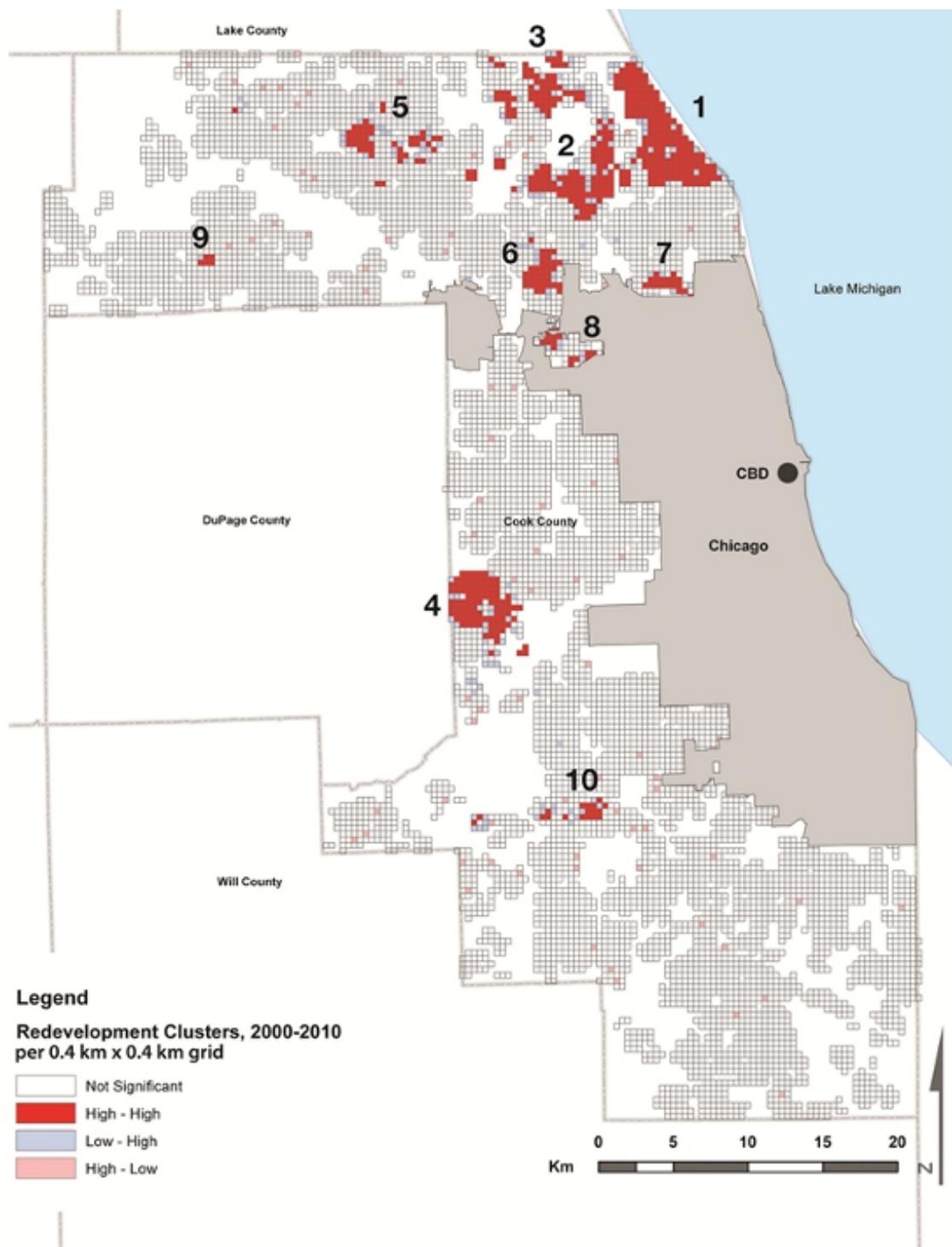
Figure 2 – Results of a teardown in middle income suburb in Chicago



Teardowns often occur in the wealthiest suburban municipalities, but they also occur at equally high rates in more modest neighborhoods in terms of household incomes and house prices. One thing that these neighborhoods have in common is that they are primarily located in very highly regarded school districts. Teardowns occur in neighborhoods spanning a wide range of middle-class neighborhoods; however they are not racially and ethnically diverse. These neighborhoods include residents employed in high-income, white-collar occupations as well as in middle-income, blue-collar occupations, but they are predominately white and non-Hispanic.

In many areas, a contagion-like effect takes hold, leading to the clustering of teardowns. Several identifiable clusters of teardowns occurred throughout the inner-ring suburbs of Chicago. (See Figure 3) (See [here](#) for methodological details as to how these clusters were identified). In general, these clusters of teardowns first appeared in places with the highest incomes and house values and the most highly ranked school districts. As house prices rose rapidly during the first half of the 2000-10 decade, teardowns continued apace and even accelerated in many affluent neighborhoods, while simultaneously expanding into less affluent neighborhoods.

Figure 3 – Clusters of teardowns in inner ring suburbs of Chicago



Teardowns were not observed in neighborhoods where previous disinvestment had occurred, unlike examples of redevelopment and gentrification in central cities. In fact, according to local real estate developers and municipal planners, teardowns occurred in neighborhoods in which original property values were stable or increased prior to the appearance of teardown clusters. Thus, suburban teardowns reveal a redevelopment process that is quite different from that which has been observed in early examples of central city redevelopment and gentrification.

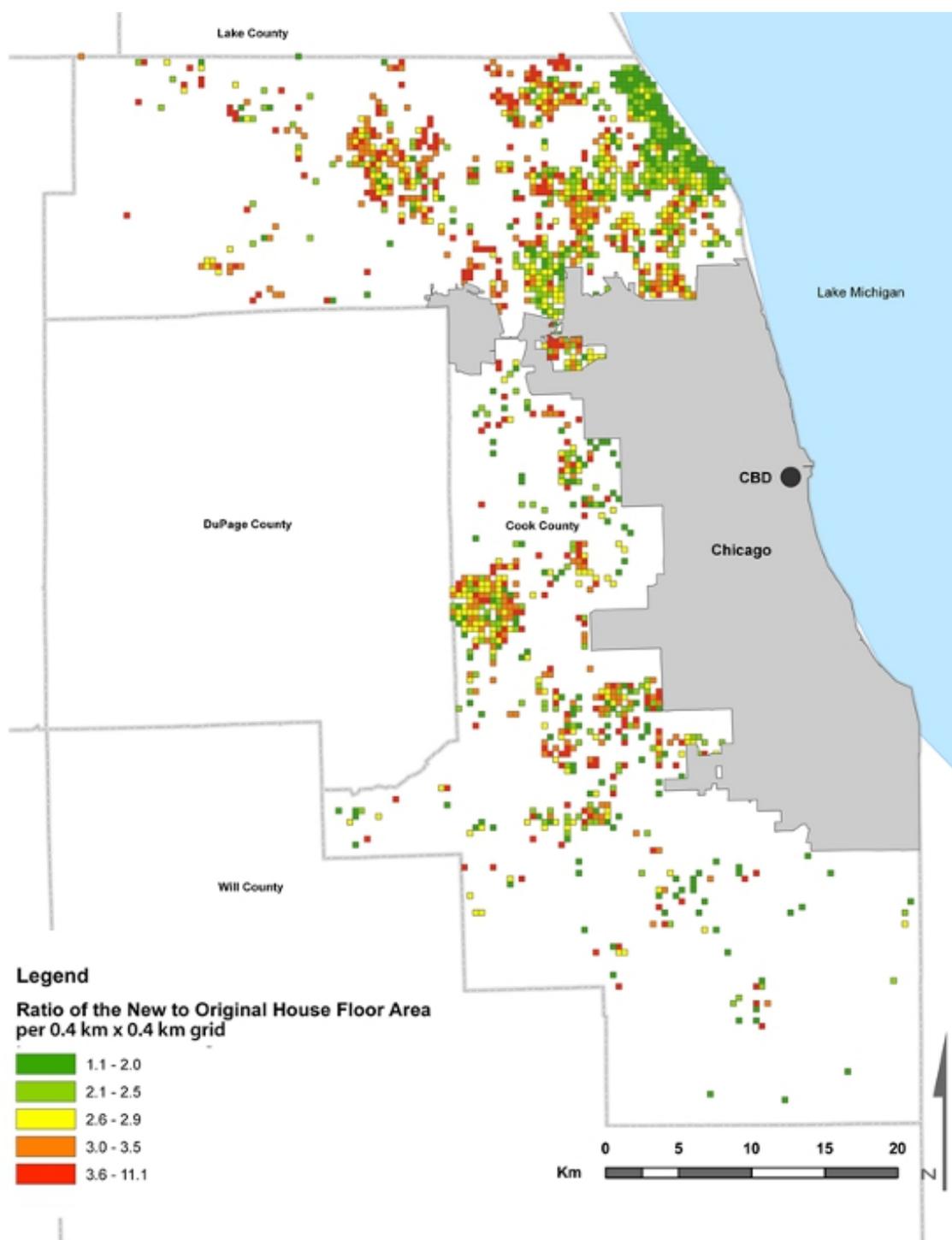
According to local real estate developers and municipal planners, several of the first properties to be redeveloped in moderate-income neighborhoods were not speculative, developer-driven ventures—demolished, rebuilt, and later offered for sale—but were built for particular clients. Having accumulated wealth or perhaps gained easier access to financing, but not wanting to move to another area, these homeowners chose to rebuild a larger house for themselves in the neighborhood where they already lived. These teardowns set a precedent for developers to build much larger, new speculative housing in several of the more modest neighborhoods.

Developers also revealed that they preferred to undertake teardowns in areas where ones had already taken place, leading to the spatial clustering or contagion effect. They cite the increased profitability of these latter

projects, as well as the decreased financial risk once the local real estate market demonstrated that it would accept the more expensive redeveloped properties as motivating factors. In some cases, developers created their own clusters of redevelopment by undertaking several teardowns in one neighborhood. Many undertook these projects in the neighborhoods in which they lived, bolstering their reputations as real estate developers by demonstrating their own investment in the neighborhood.

Teardowns have had very different physical impacts in different types of neighborhoods. Teardowns with the lowest ratio of new to original house floor area are located primarily in very affluent suburbs. The highest ratios—where the redeveloped house is over 3.5 times larger than the original house—occur in many places with moderate property values and household incomes. (See Figure 4) In neighborhoods of originally homogeneous postwar housing, the new housing was priced significantly higher than the original houses, and higher than the original residents of the neighborhood could likely afford. The price of a redeveloped house is typically at least three times that of the original house. In originally middle-income neighborhoods with moderately priced housing, teardown clusters have resulted in significant overall changes in the physical form of the built environment.

Figure 4 –Floor ratios for new vs. original houses in suburban Chicago



Teardowns occur in a range of suburban neighborhoods and manifest differently in different places, presenting varying implications for inner-ring suburban neighborhoods. They are often controversial, resulting in the replacement of older housing with that which is more in keeping with currently popular trends in house size, features, and style, attracting new higher income households, raising property values, and creating additional municipal revenue through increased property tax assessments. And they change in the physical character of neighborhoods and reduce the stock of smaller, affordable (or mid-priced) housing. Local policy makers and residents have an interest in better understanding teardowns occurring in older inner-ring suburbs in order to equip themselves to address it proactively.

*This article is based on the paper, “[The spatio-temporal pattern of housing redevelopment in suburban Chicago, 2000-2010](#)” in *Urban Studies*.*

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Suzanne Lanyi Charles is an Assistant Professor in the School of Architecture at Northeastern University in Boston, Massachusetts. Dr. Charles’s scholarly interests include residential redevelopment and neighborhood change with a particular interest in the changing suburban landscape. Her current research examines physical, social, and economic changes in postwar suburban neighborhoods. Her research has received research grants from the U.S. Department of Housing and Urban Development and the Real Estate Academic Initiative at Harvard University.



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