

Daley seeks to slow condo conversions

Panel to scope out ways to curb drain on affordable housing

BY ALBY GALLUN

After more than a decade of relentless conversion of Chicago apartments to condominiums, Mayor Richard M. Daley has called for a task force to study ways to limit the loss of affordable housing in the city.

Mayor Daley says he has asked Alderman Ray Suarez (31st), chairman of the City Council's Committee on Housing and

Real Estate, to direct the panel.

"We have to have something to offset condo conversions, at least partially," the mayor recently told *Crain's Chicago Business'* editorial board.

Conversions have become a hot political issue in other cities, including Los Angeles and Las Vegas, where politicians and housing advocates have proposed moratoriums on such developments. It's not clear whether Mr. Suarez's task force would go that far. The alderman did not return calls seeking comment.

The City Council passed a 40-day moratorium on conversions back in 1979, during the city's first condo boom. Almost 70,000 apartments in the Chicago area went condo in the 1970s, more than in any other metropolitan area in the nation. Jane Byrne, then campaigning to become mayor, declared at the end of the decade that conversions were "tearing our city apart."

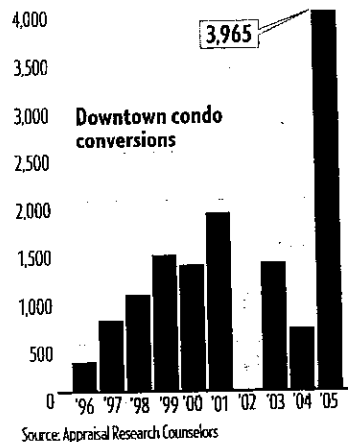
But interest in the issue died after soaring interest rates and a recession put the brakes

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CONVERSION BOOM

Mayor Daley is looking to curb condo conversions after explosive growth in 2005.



Putting brakes on condos

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on the trend.

More than a quarter of a century later, with Mayor Daley approaching a re-election campaign, affordable housing is a political issue again. The sustained real estate boom of the previous 10 years has pushed purchase prices—including those for converted apartments—beyond the reach of many in the middle-to-low income brackets.

"There is clearly a direct hit on affordability," says Kevin Jackson, executive director of the Chicago Rehab Network,



Mayor Daley

a coalition of housing non-profits.

But the market itself again may beat politicians to the punch. In recent months, amid weakening condo sales and a strengthening rental market, local landlords appear to be losing interest in conversions.

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