

# Two Cheers for Gentrification

**G**entrification—rehabbing or upgrading residences and commercial enterprises in city neighborhoods—has become in some quarters a politically-charged label not to be uttered in polite company. And yet, as with many social and economic issues, there are at least two sides to the story. In addition, one must distinguish between gentrification and conflated concerns about inequality, poverty and the underclass; thus our resentment of the gentry may be simply a reflection of these latter societal problems, especially in urban environments.

When a Starbucks, Chipotle and specialty shops move into a particular district, there is the immediate fear that yuppies on bicycles can't be far behind, along with inevitable hikes in rent and property value as the new amenities in the neighborhood attract new populations. They may also produce spillovers—both positive and negative—in surrounding areas. Then long-time residents, especially those of modest means, may be unable to afford to remain there. (It is not always the lower rungs on the economic ladder who are being squeezed. In San Francisco it's the middle class as the techie millionaires trek from Pacific Heights to Silicon Valley every morning, or work in their pajamas from home.)

## BY ALLEN R. SANDERSON

Are the net impacts of upscale condos and commercial enterprises any different from the neighborhood high school getting better, street repairs done more regularly, the creation of a new park, or a drop in the crime rate? All of those factors would also lead to improvements in the quality of life and concomitant increases in property values; more affluent neighbors move in and working-class families and mom-and-pop businesses are displaced as the area is transformed from low-value uses to higher-valued ones. (It is also a two-edged sword in that rising property values increase the wealth of landlords and other property owners.) Certainly no one would object to fewer shootings and the elimination of food deserts. And would we really prefer boarded-up buildings and loss of population instead?

Locally, we could toss into the mix the coming of the Obama Presidential Center and perhaps a higher-quality golf course on the south side, and a flurry of construction around Wrigleyville and the creation of the 606 (aka, the 2.7-mile Bloomingdale Trail) on the north side. These largely present the same set of issues and likely outcomes.

The overarching fact is that change, or “progress,” is disruptive.

It generally brings an overall increase in our standard of living, but inevitably creates both winners and losers. Usually, but not always, there are far more winners than losers, and the gains of the former exceed the losses of the latter by a wide margin.

Cities and neighborhoods change character all the time. Chicago transformed itself from a heavy manufacturing and transportation hub to a financial and information-technology center; not something we would want to reverse or even slow down.

As our society evolves, we buy from Costco and Amazon but lose a Sears or Radio Shack. We shove a card into an ATM slot instead of handing a check to a bank teller. We pay bills on-line and send friends e-mail greetings, but then buy fewer first-class stamps. In the recent past there were folks who made men's hats, vinyl records, and film cameras, and Blockbuster rented VHS tapes and DVDs. Imagine how candle makers felt with the coming of kerosene lamps and then incandescent bulbs. Demographic shifts in the years ahead—a drop in the birth rate and the aging of our population—will affect many industries and regions of the country.

Internationally, the same principles hold. We are made much better off by being able to buy better and cheaper items from abroad, at the cost of some job losses—or, in reality, job shifting—at home.

Some public officials will cater to their voting constituencies—those who may be displaced—by proposing rent control, taxes, and regulations to slow development. But as one wag has said, rent control ranks second only to bombing as a way to destroy a city. City Hall will maintain a low profile and feign neutrality, but it is a prime beneficiary of higher property values that generate larger tax revenues.

Then why give gentrification only two cheers instead of three? Because change—global or local—is inevitable and overwhelmingly desirable, but while progress benefits many, it harms some people. Income inequality is greater in large cities than in smaller communities and rural areas, and inequality is increasing in countries around the world. But that is a separate issue from gentrification. The key is to address poverty and inequality efficiently without ruining a city or a neighborhood in the process; don't forget the cautionary baby-and-bathwater admonition. □

