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Before we hammer another nail

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Will gasoline at \$3 a gallon change the shape of Chicago's metropolitan region?

There are good economic reasons why it should. If young families did the math, they might discover that buying a bargain-priced split-level on the suburban fringe isn't such a bargain after all, what with automotive expenses. Better to buy closer in, near a Metra line or a bus route, within walking distance of schools and stores.

Trouble is, that kind of math rarely gets done. Who's going to bring it up? Not the developers, who've got a sure thing buying farmland by the acre and selling it by the foot. Not the real estate agents and mortgage brokers, who want their fat commissions. They don't mention how many hours a week you'll be driving once you buy that dream four-bedroom in Minooka, Oswego or Pingree Grove.

The people who turn farms into front lawns have a vested interest in shielding people from the reality of what stuff really costs. They don't want the folks who already live in the Minookas and the Oswegos, or those about to move in, to total up the cost of all the roads, sewers and schools that soon will be needed.

It's all legal, of course, this good old American way of hiding the cost/benefit reality. It's a business in which the main economic benefits are realized upfront by a savvy few, while the bulk of the costs are distributed over time to the unaware many. Sure, you can technically become one of the few by buying the stock of a corporate home-builder. But that's the hard way. Better you should buy raw farmland and wait for the home-builders to come calling.

This is the technique apparently mastered by U.S. House Speaker Dennis Hastert (R-Ill.) and a group of his fellow investor-politicos out in Kendall County. Records show the speaker and his family made nearly \$2 million last year selling farmland in and around Plano, a hot market for subdivisions. One of his investment partners is Dallas Ingemunson, the longtime Kendall County GOP chairman. They held the property in secret land trusts. Wouldn't want to give people the wrong idea about why Hastert has been pushing for a new expressway out that way, or why he's secured more than \$200 million in federal funds to get the concrete flowing.

What his dealing does illustrate is the depth and power of the region's farm-flipping industry. Some argue the builders only supply what the marketplace demands--spacious new homes on large lots at reduced prices. Still, there's a bit of a shell game going on when developers can offer "single-family villas" in Yorkville "from the \$220s," or "town homes" in Wonder Lake "from the \$170s." If everyone over age 18 needs a car to function in such places--not an unreasonable assumption--where in the household budget is the \$4,000 average annual cost of owning and operating each vehicle in the family fleet?

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Hardly anybody figures that in, yet in truly free markets both buyers and sellers must have accurate information about what they're buying and selling. So where does one obtain information about the future transportation costs of one location versus another?

Recently a coalition of not-for-profits, led in Chicago by the Center for Neighborhood Technology, has been working on what they call The Housing and Transportation Affordability Index. It uses a complex formula that weighs, among other factors, rents and prices plus proximity to public transit and average vehicle miles traveled by residents in a given neighborhood. The index may not measure the exact cost of where we choose to live, but it's more accurate than what can be divined from most other sources.

"The index will allow us to rethink the issues of true housing affordability," said Scott Bernstein, CNT president. Besides helping people with their own choices, he said, the new tool might inspire politicians, government regulators, and maybe even developers, to put more emphasis on developments that are denser, closer in, walkable and close to public transit.

After a successful test-run in Minneapolis, Bernstein said, plans are afoot to measure housing affordability across 29 metropolitan areas, including Chicago. More details can be had at www.reconnectingamerica.org.

It may not earn you a quick \$2 million, but with gas at \$3 a gallon and climbing, some good cost/benefit data just might save your American Dream.

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