
Offices to Condominiums is a 'Challenge' at Michigan Avenue Lofts

Converting downtown Chicago's vintage office buildings to condominiums may be the dream of developers and housing advocates, but "the job involves many challenges and herculean construction efforts."

That is the observation of veteran developer Dr. Ganesan Vish, who currently is marketing "loft-rise" condominiums at the award-winning Michigan Avenue Lofts, 910 S. Michigan Avenue, in the burgeoning South Loop neighborhood.

"The 20-story building—the largest office building ever converted to condominium in Chicago—is a solid steel and concrete structure with high ceilings and handsome terra cotta exterior detailing," said Vish, president of Vilas Development Corp. based in Oakbrook Terrace.

"Not every downtown office building can be easily converted to residential use," noted Vish, who is an electrical engineer and holds a master's degree and a doctorate in business administration.

A \$32.2-million construction loan recently was arranged to fund the renovation and conversion of the 600,000-square-foot building from vacant office space into 262 luxury condominiums. Miller & Schroeder Investment Corp., a Minneapolis-based investment syndication firm, provided the construction loan.

Heavy demolition is nearing completion, and construction work is underway on heating, ventilating and air conditioning, plumbing and electrical and core work, said Larry Barrett, project manager at Michigan Avenue Lofts. "Next will come installation of high-speed elevators, steel framing and wall partitions," he said.

"The unique loft-rise development features lofts with the amenities of a high-rise, from lakefront vistas to a prime Michigan Avenue location," Vish said.

The historic building was awarded the coveted Crystal Key for construction innovation and quality in the 1996 Key Awards, sponsored by the Home Builders Association of Greater Chicago. The development won five other Key Awards in the competition.

Also, Michigan Avenue Lofts was chosen "City Development of the Year" by the Chicago Sun-Times.

Vish and Barrett, a veteran civil engineer, listed the following requirements for a good office to residential conversion:

- **LOCATION.** The developer's first challenge is to select a building in a prime location that meets the physical requirements for conversion.

"Michigan Avenue Lofts has prime vistas of Grant Park and Lake Michigan to the east, and exciting cityscapes to the north, south and west," noted Vish. "Because of the building's close proximity to the Loop, many loft-dwellers who live here also will walk to work downtown."

"Upscale residential and commercial development is marching south down Michigan Avenue," said Michelle Brewster, marketing coordinator for Vilas Development. "The gardens of Grant Park are at our doorstep, and you can walk to a Chicago Bears game."

Residents also will benefit from Michigan Avenue Lofts' many neighborhood amenities including the Art Institute of Chicago, Grant Park and the nearby Museum Campus, Lake Michigan and the convenience of Michigan Avenue shopping.

The 910 S. Michigan building is just south of the Art Institute and the Chicago Hilton and Towers, where a sidewalk cafe has opened.

Michigan Avenue Lofts is just east and south of the burgeoning Printers Row neighborhood and the Dearborn Park planned development. The luxury Central Station residential and commercial development, where Mayor Daley

resides, is a few blocks to the south.

- **STRUCTURE.** The historic 910 S. Michigan Avenue building originally was designed by Benjamin Marshall and Charles Fox, architects of the famed Drake Hotel and the celebrated Edgewater Beach Hotel.

Erected as a 12-story structure in 1911, the property was the flagship furniture store for S. Karpen and Brothers. The building was renamed the Standard Oil Building in 1927, when eight more stories were added.

For a good office-to-residential conversion, the building's "footprint," or floor plan, must not be too massive, noted Vish. "In an office building, employees think nothing of working in an internal core area without windows. However, Chicago's Building Code requires residential space to have light and ventilation."

If an office building's floor plan is too deep it is not useful for residential conversion, he said. "Interior space that is 40 feet beyond the exterior walls creates light and ventilation problems."

One solution to the floor-plan depth problem is to "core" through the building to create a central, open air courtyard with balconies. However, this may be cost prohibitive. Another approach is to devote the core space to storage.

"At Michigan Avenue Lofts there is no 'dead' interior space because the building has a C-shaped central courtyard with more than adequate light and ventilation," Vish said.

Yet another structural problem with many office buildings is varying floor area, or "cuts" on different levels of the building.

"Buildings with irregular floor areas create more plumbing and mechanical realignment as renovation work progresses," said Barrett.

- **SIZE.** Huge office buildings can create major challenges for the developer intent on residential conversion, Vish said.