

New Homes

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Free

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gan. Fewer than 45 units remained for sale in August at the project, which stalled for a number of years after it was first introduced before regaining momentum. **Historic Homes** also offered a soft loft product, with fully separated rooms, drywalled ceilings and traditional finishes, at City Center Club, closing 75 units for revenues of \$18 million in the city. **Concord Homes**, expanding its presence in the city, opened sales at the adjacent highrise, 208 W. Washington. In addition to the 214-unit Concord at City Centre, the developer is building Renaissance Place, a loft and townhouse project in Hyde Park, and 1000 Adams, a new construction "loft" condo project in the West Loop.

The largest loft deal in the South Loop is Dearborn Tower, a conversion with more than 300 units, including five floors of new construction duplexes and penthouses to be built atop the existing 10-story building. It is the largest deal yet for **Frankel & Giles Real Estate**, whose fortunes have risen along with those of the South Loop. The company closed \$7.9 million during the first eight months of 1999, but with sales of more than 170 units, it is certain to rise in the rankings as it closes many of those loft condos next year.

The popularity of lofts has resulted in a number of hybrid products and brand new construction that's marketed as "loft-like." Some builders, however, also sensed a reaction against lofts by buyers after this housing form came to dominate the Chicago market, with thousands

of loft units built during recent years. The market has become hot enough and the demand for downtown addresses strong enough, that the new construction condo highrise has made a comeback.

Magellan Development Group set a record for the year with its one-month sellout of the 183-unit 28-story highrise at 630 N. State Parkway - and then broke that record with an immediate sellout at the Farallon Condominiums, 600 N. Dearborn. President Joel Carlins says that the 171-unit planned highrise sold out in one day.

"We had a list of about 400 prospective buyers that we had to turn away from 630 N. State Parkway who expressed interest in our next building in the neighborhood," Carlins says. "We notified them that we would start taking applications for the Farallon on Sept. 2, about two weeks before we planned to start our advertising and public relations program. There were about 100 people waiting for us to open the sales office and there was a steady stream of buyers throughout the day. By day's end we were sold out."

Bejco Development, led by B.J. Spathies, continued sales at its planned luxury highrise, the Residences of River Bend. In addition to townhouses and conventional condos, Bejco offers a loft option for its new units, allowing buyers to choose condos with higher, concrete ceilings and exposed ductwork instead of drywall. Bejco's Chatham Club project, at 89th and Indiana, has been one of the fastest selling single-family home developments in the



B. J. Spathies, president of Bejco Development

city, helping to push company sales over \$15 million on the 65 units it had closed through August.

A number of builders involved in new construction projects that have not closed units yet this year, such as **Ogden Partners** and **CMC Heartland Partners**, are not listed here, though they have major deals underway. Other developers, such as **LR Development**, are launching some of the city's highest profile projects, but because they are not yet closing units, their numbers don't necessarily reflect their activity or

market share. LR's Park Tower, a 67-story highrise at 800 N. Michigan Ave., where raw space starts around \$600,000, has single condos priced higher than many builders' annual profits, but the first units will not close for another year. Another project to watch in 2000 is LR's planned 330-unit condo complex, to be built at Lake Shore Drive and Chestnut, on a Northwestern University parcel.

MCZ Development is likely to maintain its high ranking next year as it gears up for conversion of the old

Central Post Office, a 2.4 million-square-foot building that straddles the Eisenhower Expressway. Although planning for the project is at an early state, it could include 600 loft condos, 400,000 square feet of office space and 200,000 square feet of retail.

While builders are a little nervous about the potential for rising interest rates to slow sales, most say they are expecting a good year in 2000. But many also admit that 1999 may have been the peak in what has been an exceptionally buoyant cycle.