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Look for empty River North warehouse to become Chicago's latest luxury condos

By Micah Maidenberg



This former warehouse at 678 N. Kingsbury St. in River North has long been eyed for condominiums. Photo courtesy CoStar Group Inc.

About nine months after buying an empty former warehouse in River North, Marc Realty Residential LLC plans to sell it to a developer that may convert it into condominiums.

A trust associated Chicago-based Marc will sell the five-story building at 678 N. Kingsbury St. to LG Development Group, one person familiar with the deal said. Chicago-based LG is considering transforming it into 39 luxury condominiums, according to comments that a principal at the company, Brian Goldberg, recently [posted on the website Everyblock.com](#).

The former warehouse has long been eyed for condos, and LG's potential resurrection of a for-sale development there is another example of how the downtown condominium market is swinging back to life after its long post-crash hibernation.

While [apartments](#) remain residential developers' asset of choice, low supply and robust demand is nudging builders to consider [condos once again](#).

Developers had 505 unsold condos on hand at downtown projects at the end of the first quarter, vs. 1,649 at the end of 2011 and 3,694 at the end of 2009, according to a report from Chicago-based consultancy Appraisal Research Counselors,

"I think you're going to keep seeing 40-, 50-, 80-unit condo buildings, because you have a chance of pre-selling units and you can build them faster and deliver them faster," said Alan Lev, CEO at Chicago-based developer Belgravia Group Ltd., which considered buying the Kingsbury Street building to demolish it and develop something new there. "And I think the demand is there."

SEEKING ALDERMAN'S BACKING

To move ahead with a project, LG needs to gain the support of Ald. Brendan Reilly (42nd), whose ward includes 678 N. Kingsbury. Mr. Reilly didn't respond to a message left at his office.

Mr. Goldberg said the firm intends "to work constructively with the alderman to find a design that works for everyone," declining further comment.

As part of the project, LG would add two stories to the existing building and create a 62-space parking structure in four- and six-story additions at the south end of the property, according to the city's Zoning Board of Appeals agenda for June. The firm wants to "wrap" the parking structure with a four-story town home, Mr. Goldberg added on Everyblock.com.

The zoning panel, which rules on variances needed for real estate projects, is now scheduled to review LG's plans in September.

How much LG will pay for the structure could not be determined. The Marc Realty Residential trust bought the property last September from a venture between developers William Marovitz and Constantine "Bud" Cataldo for \$5.8 million, according to Cook County property records.

Messrs. Marovitz and Cataldo once planned to tear down the structure at 678 N. Kingsbury St. and **build a 26-story, 166-unit condo tower** in its place. They abandoned that plan in favor of converting the existing building into 40 residential units, but were hit by an \$8.4 million foreclosure suit in 2009.

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That one's been vacant for a long time.

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Please do something interesting with this structure--I think the neighborhood deserves it. don't just slap on balconies and fill it with generic finishes.

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