
Sales surge at South Loop condo towers

By David Lee Matthews May 09, 2013

The venture that took over nearly 500 units in three failed South Loop condominium projects last year has already sold more than 100 a few months after re-launching sales, another good sign for the recovering downtown condo market.

Buyers have closed on or signed contracts to buy about 120 condos in the Central Station high-rises now controlled by a venture including Related Cos., said Curt Bailey, president of the New York-based developer's Midwest division. Related **re-launched sales in February** after spending about \$25 million on renovations.

Asking prices ranged from the mid-\$200,000s to \$2 million when Related started sales in February.

"We certainly thought there was going to be a strong reaction to this, with great pent-up demand, but not at this accelerated level," Mr. Bailey said. "People are seeing the South Loop for what it is: an extremely vibrant and great neighborhood to live in."

Related's momentum offers another piece of evidence that the city's condo market is pulling itself out of its funk.

The South Loop was hit especially hard: A Crain's analysis last year found that **more than half** of the 44 boom-era condo projects in the neighborhood ran into financial trouble in the past five years, and a survey of large downtown condo buildings found South Loop owners lost **30 percent** of their property value between 2008 and 2012, the worst performance of any downtown submarket during that time.

Now, with the market back on the upswing, Related is raising prices on its condos by about 10 percent, Mr. Bailey said.

"That hasn't stopped demand from continuing. It's terrific to be in this position," he said.

He declined to break down sales by building, but most so far have closed in Harbor View, a 30-story tower at 1901 S. Calumet Ave. with an outdoor pool and sun deck. Units in another, at 1201 S. Prairie Ave., called the Grant, hit multiple listing service Midwest Real Estate Data LLC last week, Mr. Bailey said. Condos in a 32-story building at 1629 S. Prairie Ave. called Adler Place will be publicly listed later this year.

Related's pace is impressive, but not surprising to Marc Realty Residential Principal David Ruttenberg, who specializes in acquiring distressed condo projects, including a failed **94-unit development** at 2300 S. Michigan Ave.

Mr. Ruttenberg says home prices have risen back to 2005, or nearly peak, levels in "core locations," including parts of the South Loop, amid a sudden change in buyer philosophy.

"There's more demand than supply, really, for newer assets," Mr. Ruttenberg said.