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Market madness hits high-profile projects

Delays in building and slower sales—'The market hasn't allowed us to construct it'

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Editor

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X/O development

Eco18—with its promised geothermal heating system and environmentally friendly amenities—is expected to be a high-profile project in the South Loop.

Once it gets built.

For now, the project remains stalled by the crunch in the real estate market. The site is on the southwest corner of 18th and Wabash, site of the future development where Rick Turner, a principal at Dynaprop, developed the building three years ago.

"We're anxious to build but the market hasn't allowed us to," Turner said. "We're disappointed, but we're not fazed by it," he said.

As Congress begins considering another bailout package, developers are looking for ways to move forward with high-profile projects in the South Loop and West Loop areas. They're waiting to seek construction financing. Some projects are being delayed or canceled.

Occupancy in Eco18 was slated for late 2009. But only 20 percent of the 93-unit building has been pre-sold.

"There's not as much money to borrow. I think for a while we'll have to live with a low down payment and a low rate. I still think we can make it," Turner said.

One effect of the market in Printers Row has been the conversion of upscale condos into rental units. Such is the case with the development on the northwest corner of Clark and Polk.

"We're not doing any condos at Burnham Pointe," said Michael Ezgur, principal at Terrapin, the group that put up the development. The building has been converted to an apartment building.

The West Loop Promenade, a multi-use building including condo units, retail and a movie theatre operated by the that appears to be delayed.

A Web site of IBT Group, developer behind the project, lists the project as completed by spring 2008. The West Lo Eisenhower Expressway, has been graded and cleared. But like Eco18, the site remains vacant.

Gary Pachuki, IBT's president, did not return calls. Representatives from Sundance Cinemas declined to comment manufacturing to residential designation but the city council has yet to hear that proposal.

In the South Loop, Keith Giles of Kargil Development, the firm behind X/O, a twin-tower project near 18th and Prair

Seventy percent of the first X/O tower has been pre-sold, he said. But Giles estimated traffic at the X/O sales office year over 2007.

Giles added that while the Chicago real estate market has deteriorated, he thought the South Loop is holding. Unit nearly sold and the Prairie Avenue Lofts, a 120-unit building at, is 60 percent closed.

"We're hopeful things turn around now that legislation is in place," Giles told Chicago Journal in an interview before credit will loosen up right away. The rest of this year is not going to be an easy time to get financing."

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