

Getting into the Park

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Rare condo conversions selling while luxury resales linger in Lincoln Park

Margot Huston was visiting her son at his rental apartment in the vintage highrise 2000 N Lincoln Park West when he gave her the heads-up that the building, with its killer views of the lake and Lincoln Park Zoo, was going condo. Mother and son quickly hatched a deal for her to buy. Carrie Sullivan heard colleagues at her real estate firm discussing the condo conversion of an old apartment building in Lincoln Park where junior one-bedrooms were selling in the low \$200s. Did she want to buy?

Of course she did.

If you snooze you lose in the lottery of Lincoln Park condo conversions, and it pays to have some inside information. The neighborhood, bounded roughly by Diversey Avenue, the lake, North Avenue and the river, is famous for its sprawling parkland, chic boutiques, hip restaurants and proximity to the lake and downtown. Some consider it the most livable neighborhood in the city, and high prices reflect that popularity.

Finding a new condo is hard work in Lincoln Park because large multi-unit developments are rare. Neighborhood activists have fought for strict zoning laws that curb highrise, mid-rise and even low-rise condo developments, and it's difficult to find enough land in highly developed Lincoln Park to build anything of scale.



Tory Kell examines a box of boutique chocolates at Vosges Haut-Chocolat, 951 W. Armitage Ave.

Over the last 30 years, the neighborhood has transformed from a working class district where residents once lived in modest frame homes and fading Victorians, to one of the wealthiest parts of

the city. Everyone in Chicago seems to have an opinion on what is perhaps the city's most talked about neighborhood. It's beautiful, snobbish, rarefied and surprisingly down to earth, all at once. Expensive condo towers and multi-million-dollar mansions sit alongside rental buildings full of twenty-somethings fresh out of college.

Just when you think you have Lincoln Park pegged, it surprises you.

The biggest surprise currently is the small but significant surge in condo conversions. It's a case of everything old being new again in Lincoln Park. In a hand-wringing game of musical chairs, would-be developers have been circling the neighborhood's clutch of vintage highrise and mid-rise rental buildings searching for conversion candidates, while building owners wait for the best deals.

Buyers have more options for new homes in Lincoln Park than they've seen for several years, some priced for entry-level buyers, or at least Lincoln Park's version of entry-level. The bad news is



that, this being Lincoln Park, the new product won't last long.

Appreciation rate slows

Housing statistics for Lincoln Park suggest a neighborhood coming off an all-night party and starting to feel the hangover. The median condo price, which rose 16 percent from 2000 to 2003, has leveled off and even dipped slightly. In 2005, the median price for a condo or townhome was \$360,000 down 5 percent from 2004, when it was \$379,000, according to a Chicago Association of Realtors analysis of figures from the Multiple Listing Service of Northern Illinois.

The 2005 number is still higher than the 2003 median price of \$352,000, but the days of skyrocketing appreciation in Lincoln Park appear to be over for now. The average number of days a condo sat on the market grew from 50 in 2003 to 78 in 2004. In 2005, the average market time was 73 days.

But veteran Lincoln Park real estate agent Lino Darchun, of Coldwell Banker Residential Brokerage, says that Lincoln Park remains an incredibly good investment.

"Lincoln Park will survive a nuclear war in terms of prices and desirability," Darchun says, but he also notes that some buyers have been lured away by the new crop of sexy downtown highrises such as One Museum Park in the South Loop and The Heritage at Millennium Park.

On top of the world

Margot Huston, a Pulitzer prize-winning retired Milwaukee Journal reporter is exactly where she wants to be – sitting in her attractive two-bedroom



art deco condo on the 15th floor of 2000 N Lincoln Park West, recounting the Navy Pier fireworks display she watched on New Year's eve, from her expansive window, two and a half miles north of the pier.

The 2000 N. Lincoln Park West tower, a handsome masonry building, was built by chewing gum magnate William Wrigley in 1931. The project's developer, NVG Residential, has another condo conversion, the 20-story Clark Place Private Residences, also in Lincoln Park. This highrise was built in 1987, at 2625 N Clark St. The two projects mark the first conversions of apartment highrises in Lincoln Park since 345 W Fullerton was converted in 1992, says Gail Lissner, of housing analyst Appraisal Research Counselors.

"I felt there clearly was an underserved marketplace," says Nick Gouletas, CEO and founder of NVG Residential, noting the fierce competition among developers to buy the few available towers in the area. "I fought for each one of them."

It was worth the battle, as Gouletas tells it. As of January 2006, the 194-unit 2000 N Lincoln Park West had only two or three units remaining for sale after 15 months on the market. Clark Place Private Residences has sold even faster. Sales began in March 2005 and by January 2006, only five or six units remained.

Nearly 20 percent of buyers in the 198-unit Clark Place took advantage of a tenant discount program in a building where studios sold from the low \$200s and 1,700-square-foot two-bedrooms were fetching the mid-\$700s. Suburban empty nesters also snapped up in-town units walking distance from famous nosheries like Ambria, the French restaurant in the Belden-Stratford Hotel. About 50 percent of buyers chose to have NVG upgrade their units with new fixtures and finishes, and the remainder bought them "as is," says NVG's executive sales director, Sharon Rizzo. Several families bought two units each and knocked down walls to create larger homes.



A resident of Lincoln Park Zoo, 2200 N. Cannon Drive. Admission to the zoo, which is open 365 days a year, is free.

Huston, who now lives at 2000 N Lincoln Park West, likes the fact that "tons of children" have moved into her building. "At first I thought, why? Then I thought, why not?" she added, noting that Francis W. Parker Elementary School is within walking distance, a children's playground is next door and Lincoln Park Zoo is visible just outside the window.

Huston, who won her Pulitzer for a 1977 investigation into abuses perpetrated on the elderly in Milwaukee's home healthcare system, says Lincoln Park is sometimes considered a "snobby neighborhood," but she finds it egalitarian. Entry to the zoo is free, she notes, and Huston regularly exchanges 'good mornings' with residents from a nearby mental health facility, Clayton Residential Home, 2026 N Clark St.

"I love that the mentally ill and developmentally disabled are part of our community. You never know if somebody is talking on their cell phone or talking to themselves, and what difference does it make?"

Window of opportunity

Buyers who miss the last available units at NVG's conversions have options at other Lincoln Park developments. Belgravia Group is rehabbing a 1956 mid-rise apartment building, 2300 Commonwealth, half a block west of the park. One-bedrooms at the 72-unit development are priced from the \$240s, and the top two-bedrooms are priced in the \$370s.

Neighbors and well-heeled buyers are keeping watch on another possible project. The former Columbus Hospital site, at 2520 N Lakeview Ave., is one of Lincoln Park's most coveted development opportunities. Nick Gouletas' father, American Invsco chairman Nicholas Gouletas, planned to demolish the old hospital and build an ultra-luxury highrise called The Lakeview on Lincoln Park.



Studying at the DePaul University library in Lincoln Park.

After neighbors complained about height and density, Invsco scaled back its original plans and proposed a 200-unit highrise comprised of three towers, and 14 "city mansions." Recent reports have suggested that the company may be having

difficulty financing the project. At press time, American Invsco's director of public relations, Alex Kararas, did not have details on the project's status but said it was the subject of internal discussions at the company.

At the more affordable end of the market, new buyers in Lincoln Park have often broken into the pricey neighborhood by purchasing on its less expensive western fringe, then migrating east toward the lake. Premiere Midwest Developers hopes to attract renters who want to remain in the neighborhood to its new development, Ashton Lofts, on the cusp of Lincoln Park and Bucktown, at 1610 W Fullerton Ave. The new-construction "loft" development has units ranging from the \$300s to the \$500s.

It's close to the big-box retailers in the Clybourn Corridor – Crate and Barrel, Whole Foods, Trader Joes, Bed, Bath and Beyond and Dominick's. Upscale home-wares store Williams and Sonoma plans to move in at Clybourn Avenue and Cortland Street soon.

"We are getting a lot of [people in their] early thirties and singles. They may have been in something vintage and are looking for something new and contemporary but with high ceilings and amenities," says Terrie Whittaker, of New West Realty, which is marketing the project. The development's gym room and common roof deck, which has views of downtown, have been big draws, according to Whittaker.

Neighborhood in the making

Carrie Sullivan, 27, a native of Michigan's Upper Peninsula, saw a neighborhood of unbeatable convenience at the creative Deming Row project, the 106-unit condo conversion of six vintage brick and stone apartment buildings by developer Wexner/Greenberg.



Carrie Sullivan, 27, found a junior one-bedroom with balcony and parking at Hampden Court East, a Lincoln Park development that sold out in three months.

"I'm an efficiency junkie, I don't have a car, and I'm obsessed with having everything as close as possible," says Sullivan, gleefully listing all the amenities within a block of her new condo – the dry cleaner, a grocery store and the park, where she feeds the ducks and rides her bicycle.

Sullivan bought a junior one-bedroom in the low \$200s at Hampden Court East, one of several developments within the larger Deming Row project. The building in which she bought a condo sold out in three months, but the developer rolled out additional units, priced from the mid-\$200s to more than \$1 million, in January in the next phases, Deming on the Park and Deming Place, both at 454-456 W Deming Place.

A self-described "rock-and-roll girl," Sullivan says that despite Lincoln Park's obvious affluence and reputation as the home of "The Lincoln Park Trixies," a local label for young, high-maintenance women consumed with shopping, men and the generally superficial, the area doesn't have "attitude." Not as long as she can hang out in "old man bars" like the L & L Tavern, 3207 N Clark St.

The hallmarks of the affluence Sullivan refers to are, of course, present in most parts of Lincoln Park. Short of the Mag Mile, Lincoln Park has perhaps the most highly evolved retail scene in the city.

Shopping strips along streets like Armitage Avenue boast inventive specialty stores and boutiques featuring the work of up-and-coming designers. They add character to a neighborhood many still associate with Starbucks and other chain stores. Some Armitage highlights include trendy Argo Tea store, 958 W Armitage Ave.; and Barker and Meowsky, a pet store that sells Vail ski parkas, at 1003 W Armitage Ave. (yes, some dogs in Lincoln Park are dressed better than most people).



The 'Table Tapper,' a glass that holds more than six beers, gets a workout at The Lion Head Pub, 2251 N. Lincoln Ave.

Lincoln Avenue, the haunt of college students and twenty-somethings who can't get enough of bars like The Lion Head Pub, 2251 N Lincoln Ave., has a different vibe. They gather at Lincoln Avenue establishments to drink Bud, chew buffalo wings, follow the televised (mis)fortunes of the Chicago Bears, and at The Lion Head, battle each other on the bar's Playstation video system. On Friday and Saturday nights a sea of drunk college students and recent grads flows down Lincoln south of Fullerton, a bacchanalia that rivals Bourbon Street.

Child-friendly

Families with young children appear to be moving into the neighborhood from the suburbs, and couples who can afford to, increasingly are deciding to stay in the area to raise a family, observers say. On any given weekday, the restaurant John's Place, 1202 W Webster Ave., is alive with young moms and toddlers perched in high chairs.

At Halloween last year Ald. Vi Daley (43rd) had to close several streets to traffic in the area around her office, at 735 W Wrightwood Ave., for the first time because so many young trick-or-treaters clogged the neighborhood.

Five years ago, only 30 of the 430 students at Louisa May Alcott Grade School, 2625 N Orchard St., were from the neighborhood; the rest were bused in, says principal David Domovic. Today, enrolment is 6 percent higher, and only 46 of the 475 pupils don't come from the Lincoln Park area, Domovic says. Changes to school busing rules played a part in the shift as did Domovic's upgrading of Alcott's curriculum, but the principal says more families simply think it's "cool" to stay in the city. Domovic now has a waiting list of 400 pupils for next year.



Remy Bumpo Theatre Company performs

But not everyone can afford to stay in the neighborhood.

"I had a young architect [client] who found he was priced out, and he and his girlfriend are shopping farther north, in areas like Andersonville," Robinson says, noting that Lake View and lately, Edgewater, are getting the overflow of former Lincoln Park residents. "It's people like myself, making a decent living, not making half a million, who move farther north. It's almost impossible [to buy] along the lake under \$900,000."

Luxury home glut?

Single-family homes in Lincoln Park average more than \$1 million, though an imbalance at this end of the market means prices are a little softer than they were a few years ago.

In 2003 the median price for a single-family home was \$1.1 million, according to CAR, and the average time it sat on the market was 58 days. By 2005, the median price was \$1.25 million, and average market time was more than three months longer, at 161 days.

In December 2005 between North Avenue, Fullerton Avenue, Clybourn Avenue and the lake, 49 single-family homes were for sale, priced between \$1.8 million and \$5 million. They had been sitting on the market for anywhere from 60 days to six months, and 20 of them were new construction, according to Jameson Realty Group sales agent Anna Robertson.

"Two years ago, you didn't find such a mushrooming of this phenomena – I haven't seen it before," Robertson says. "Buyers might have seen 50 or 60 properties and they don't remember the first 30."

Why the glut?

Despite the neighborhood's wealth, there are only so many hedge-fund managers and day traders cruising Lincoln Park for \$2 million homes. And some property owners are holding out for \$1.2 million to sell their older homes as "teardowns," to be demolished to make way for new construction. Three or four years ago the going rate was \$750,000 for a teardown, and the massive jump in asking price has not helped overall market times.

For new homes, the national housing boom and Hurricane Katrina reconstruction costs have created shortages in copper, drywall and cement, so construction costs have increased.

"The home that cost \$2 million to build two years ago is now costing \$2.5 million," says seasoned industry observer Charles Huzenis, a principal in Jameson Realty Group.

While no one wants to use the word 'McMansion' publicly, some observers say privately that the design of some, although not all, of the new homes sitting on the market is poor. Meticulous attention often is paid to finishes but not to devising a practical floor plan.

Underground pools, dog-wash rooms

The market for very high-end custom-built homes is solid, according to Charles Grode, of BGD&C. The company typically works on three to five projects at a time, building elaborate homes for traders, captains of industry and old-money families in Lincoln Park and the Gold Coast. The sheer volume of requests for custom-built homes along the so-called "Armitage corridor," that is, lots on Dayton, Fremont, Mohawk, Burling and Orchard streets has kept the company busy, Grode says. The area is convenient to some of Lincoln Park's best attractions, teardown homes have been available and for a time, zoning laws permitted greater heights than in other parts of the neighborhood.

The result? Tall, commanding masonry homes in Georgian, French and Italian styles.



Multi-lot custom-built mansions line North Burling Street, one of Lincoln Park's most exclusive enclaves.

One has a 70-foot underground swimming pool, while a Venetian-style home set on five city lots has a private cinema.

"What we are building is becoming the new Gold Coast," Grode says.

The 1900 block of North Burling Street is home to a number of mega-mansions, often built on double and triple lots. Just the exotic custom cabinetry and intricate moldings in some of these homes reportedly costs from \$200,000 to \$1 million. Extensive wine cellars and tasting rooms are popular. One insurance industry baron is building a single-family home on a \$12 million seven-lot site on the 1900

block of North Burling.

"It's an impressive home," says Ald. Daley aid Chuck Eastwood, who glimpsed the plans. "The thing we found most curious was the dog-wash, a little utility room."

The mega-homes are causing angst among some neighbors, who have successfully lobbied the city for zoning laws to restrict the 20-foot-long two-story covered breezeways that were being built between the houses and garages. And Lincoln Park is proving that fences don't always make good neighbors. Residents have forced restrictions on the 18-foot walls that had been popping up on tony estates, blocking sunlight to adjacent houses.

About New Homes

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