

# Chicago Tribune





## Developers supersize condos to meet demand in city

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For some urban dwellers, starting a family often means pulling up stakes and heading to the suburbs for a roomy single-family home.

But demand is driving the development of larger condos and town homes in Chicago that are designed not only to appeal to younger couples but also to empty nesters, move-down buyers and those who want to maintain a city address.

Developers are banking on these buyers, who prefer a lower-maintenance, urban lifestyle.

Residential properties with more space and near a vibrant downtown and recreational amenities are attracting buyers such as Chase and Stefanie Chavin.

In their desire to stay in the South Loop and maintain an active lifestyle, the Chavins bought a 3,000-square-foot, three-bedroom condo at The Grant, which will provide ample room to grow for their 3-year-old son and 22-month-old daughter.

The Grant, a 54-story condo tower on South Prairie Avenue, has sold nearly half its 94 three-bedroom units since sales began this year.

"We love living in the city and taking our kids to the museums, parks and restaurants," Stefanie Chavin said. "Now we have the space to grow in place. We wouldn't have moved here if we didn't think we could live here at least five years."

Gail Lissner, vice president of Appraisal Research Counselors, an appraisal and consulting firm in Chicago, said three-bedroom units in the city are selling fast.

"In the last five to 10 years, there were a lot more one- and two-bedroom units developed, and not as many three-bedroom projects, especially downtown," Lissner said. "Now, the three-bedroom units are selling well because there's not a lot of competition from developers offering them, and there's not as much three-bedroom-unit resale available."

Lissner has noticed a stronger demand for three-bedroom units in niche locations like the West Loop.

"They can be very much in demand because there are fewer of them, and the real estate market is strengthening," she said.

David Wolf, president of Related Realty, echoed Lissner's comments, noting that "many buyers who own a one-bedroom home are skipping the middle move — to a two-bedroom — and going right for the three-bedroom because they plan to stay put (in the city) for three to five years or longer, which a larger unit allows them to do."

Related Realty is a division of Chicago-based Related Midwest, developers of The Grant.

Before the housing crash, Wolf said "you'd see more buyers going from a one- or two-bedroom unit directly to the suburbs after having children."

Other key factors contributing to the popularity of three-bedroom attached homes, especially downtown, are greater purchasing power because of continued low mortgage interest rates as well as improved public schools and infrastructure in the city, he said.

Chicago-based Belgravia Group recently sold out two West Loop condo developments (CA23 and CA3) offering 75 three-bedroom, 1,900- to 1,985-square-foot units.

Belgravia is continuing to build larger condos with the introduction of CA on Adams at 1116 W. Adams in Chicago. The building will feature larger three-bedroom condos, ranging from about 2,143 to 2,298 square feet.

"Three-bedroom units hit that sweet spot for a lot of buyers," said Buzz Ruttenberg, founder of Belgravia Group. "A lot of people are working from home, host family and friends more often and enjoy the flexibility that a third bedroom offers, whether it is used for children, guests or a den or office. People today want to get larger amenities in a smaller footprint and at a smaller price, but in a space that offers the same square footage of a single-family home."

At The Legacy at Millennium Park, 60 E. Monroe St., condos with three or more bedrooms account for only one-fourth of the 356 units but half of the building's recent sales, according to James Hanson, principal with Mesa Development in Chicago.

"A lot of our buyers are empty nesters moving into the downtown from the suburbs, where they previously had a larger home," Hanson said. "They've accumulated a lifetime of possessions, so they need a lot of extra space, which is what a three- or four-bedroom unit delivers."

Three-bedroom homes are hot in other city locations beyond downtown, as evidenced by brisk sales of three-bedroom, 2,252- to 2,505-square-foot row homes at Lexington Square, 3618 S. Sangamon St. in Bridgeport.

"Before the market rebounded, our buyers were all from Bridgeport or had a connection to Bridgeport," said Jeff Benach, co-principal of Lexington Homes. "But now we're getting them from all over the city, including North Side neighborhoods like Bucktown and Lakeview. These are primarily young professionals in their 30s who want to raise kids and stay in place for seven years or more."

Buyers looking for three-bedroom attached residences in the suburbs can still find a healthy supply in certain locations, including at Cambridge Lakes Townhomes and Duplexes in Pingree Grove. The development offers eight three-bedroom styles, ranging from 1,467 to 1,789 square feet.

Laylane and Pascual Macaso recently bought a 1,741-square-foot town home at Cambridge Lakes, which suits their need for a lifestyle free of yardwork and home maintenance.

"We were in the market for a resale single-family home, but we didn't want to worry about remodeling and upkeep, so we chose a town home," Laylane Macaso said.

"A three-bedroom is perfect for our spatial demands. We may have another child soon, but this home will accommodate our future needs."

Nate Amidon, sales director for Shodeen Homes, which sold three of the five three-bedroom, 1,824- to 1,980-square-foot town homes at Dodson Square in Geneva, said three is the minimum bedroom count that many town home buyers expect.

"Expectations for new town homes have changed when it comes to infill locations in suburban downtowns," Amidon said. "Back in the day, developers would usually offer two bedrooms and about 1,600 square feet. Today, people want the flexibility of a third bedroom and 1,900 to 2,000 square feet."

<http://www.chicagotribune.com/classified/realestate/apartments/ct-home-0607-spacious-condos-20130607,0,2287647.story>

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