OVERSEAS

A home in Iceland 8

Chicago scheme targets Irish investors

Michelle Devane meets the Chicago developers who are hoping to attract Irish investors to their condo schemes

Chicago, Illinois: becoming 'more and more of an international city'

Charles Reiss, executive vice president Ricker-Murphy Development, Philip Hegarty, director Cushman Estates and John T Murphy, Ricker-Murphy Development

THINKSTOCK

Unit 33 in Lincoln Park 2520, a luxury condominium development in Chicago's northside, promised to Irish buyers this weekend.

Overlooking Lake Michigan, the development is three miles from downtown Chicago in the Lincoln Park neighbourhood, an upmarket residential area. It is the first high-rise project undertaken in the neighbourhood in the past 30 years and is located on one of more than ninety sites on Lake View Avenue, which is bounded by the shores of Lake Michigan to the east and has unobstructed views.

Designed by Lucien Lagrange, Lincoln Park 2520 will have the appearance of three separate towers – a 23-storey south dwelling, a 18-storey centre tower and a 15-storey north dwelling. The centre tower will be topped with a metal-clad mansard roof, while the building's base will be wrapped in granite and features and feature a dramatic two-storey entrance supported by classical columns.

Developed by Ricker-Murphy Development and an affiliate of General Electric Pension Trust, the scheme will include more than 200 condominiums with views of Lincoln Park, North Pond, the lake and the city skyline, as well as 13 townhouses along St James Place and Dearborn Place, garage parking for 423 cars and more than an acre of private park.

Chicago-based The Walsh Group is the general contractor for the development. John Murphy and Charles P Reiss are the principals behind the project. Reiss is the executive vice president of Ricker-Murphy Development. A former Trump Organisation executive he oversaw all pre-development activity for the Trump International Hotel and Tower in Chicago. He was also involved in the first series of Trump's The Apprentice television show.

John Murphy of Ricker-Murphy Development said 45 per cent of the project is presold to date. "The development comprises 300 units in a mix of one, two and three bed condos and penthouses, but as a result of many wealthy purchasers combining units, this figure has decreased to about 225 units. The average size of a new residence is about 3,000 square feet and some units have been combined to create a total of 5,000 square feet." The latest completion is fall 2009 and is priced at at least $8 million.

Reiss said a typical buyer is

Lincoln Park 2520: more than 200 condominiums with views as well as 13 townhouses

Lincoln Park 2520 was Chicago-focused, living within a one-mile radius of the area, quite wealthy and trading down from large family properties on the north shore. Important names in corporate business are buying properties in the scheme – they are quality buyers," he said. The majority of buyers are owner-occupiers and the Irish sales to date represent about 7 per cent.

Murphy and Reiss are confident they will attract plenty of international investors, despite the US housing market being in much publicised slowdown.

The Chicago market has been considered generally stable, recording capital appreciation of about 12 per cent on average. However, the subprime credit crisis has resulted in a considerable slowdown and has negatively affected capital appreciation.

At the end of 2007 the financial services firm Moulton Financial Services that house prices in Chicago may fall to 2009 due to an oversupply but that in turn could cause the decline would be relatively modest at between 1 and 1.5 per cent.

However, John Murphy said the luxury market remains a different one and has not been affected like the rest of the city's property market.

"The sub-prime debacle is affecting the lower end of the market (sales than the luxury levels – we've been virtually no impact yet. But the market is no longer going to see the high leverage deals that it did before the credit crunch, now the banks will only fund the best developments that will be secure," he said.

Since the project was first launched last year, the developers have updated the planning to include a large park and have also added two storeys. Construction is set to begin this May with completion scheduled for 2010.

Murphy described the Chicago Spire, the skyscraper which Garrett Kelleher's Shelbourne Development is planning for a lakeside site in the city, as irrelevant for the market.

"It's really driving the additional buyer to the Chicago market and making it more and more of an international city. We are viscerally benefiting from the marketing by [Kelleher] is doing, because prospectual buyers look at what Chicago has to offer and the different developments they could purchase in," he said.

"We have a very different product that's sold into the best of luck. If you look at both developments side by side, they are similar but our development is in a very different location."

Luxury retail properties are achieving strong prices in Chicago according to Murphy and Reiss, with about a 20 per cent increase over the last couple of years. In the luxury market, it will cost $3 a foot per month to rent or $68 a foot per year. According to the developers, there is an undersupply of retail units in the city of about 6,000 units and vacancy rates are at about 4 per cent.

A limited number of units in Lincoln Park 2520 are on offer to the Irish market. The one-bedroom condos are available from about €375,000 ($500,000). The two-bedroom units are priced from €503,000, while the three-beds cost from €670,000.

The residences are considerably larger than Irish developments with one-bed units measuring at least 85 square metres and the largest units having up to 890 square metres of living space. The two-beds range from 111 to 348 square metres and three-beds measure 89 square metres.

There are also larger town houses and penthouses in the scheme with varying prices. All units have particularly large outdoor spaces ranging from 46 square metres in the smallest units to over 500 square metres of balcony space.

The interior finishes will include high ceilings, wide plank hardwood flooring in the kitchen and living areas, European and American cabinetry and appliances. There will also be natural stone countertops and floor in all of the bathrooms, as well as iron balconies.

Lincoln Park 2520 will feature marbled lobbies with a 24-hour doorman, two swimming pools, a full-time concierge, a private theatre, conference room, guest rooms, hospitality room with catering kitchen and a spa and fitness room. There will be valet parking for owners and guests and an outdoor children's play area.

The development is beside Lincoln Park, Lincoln Park Zoo and North Pond, and is close to the Chicago History Museum and the Peggy Notebaert Nature Museum.

Bookings will be taken at the pre-sales website which takes place today, at Cushman Estates' offices in Harcourt Street in Dublin. More details are available from 01 4189630 or online at www.lincolnpark2520.

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