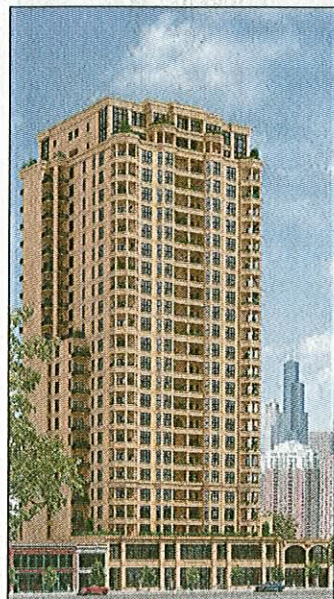


International

BUYING IN US

Hope in Chicago market as Obama backs Olympics bid



ORNA MULCAHY

Property Editor

Prices in America's third largest city have fallen by 25 per cent but the prospect of hosting the 2016 Olympics is helping the market to recover



Left: the view across Lincoln Park Lagoon to downtown Chicago where apartments, above and far left, in the Marquee scheme at 1454 Michigan Avenue in the city's South Loop district are available from €174,293

GREEN SHOOTS are being talked about in Chicago, a city that's basking in the glow of having its favourite citizen in the White House.

US President Barack Obama has been sending the message loud and clear that he wants the Olympics in Chicago in 2016. No previous president has been as closely associated with an Olympic proposal as Obama, and the effort by the White House is unusually direct in its attempt to associate the campaign with the president and his appealing image abroad.

With an announcement due in October, there's a belief that Obama can swing it for the city, creating a huge economic windfall.

In business circles there's a sense of building momentum not least among real estate agents who right now have an over-supply of on their books, but feel the market is on the turn.

Property prices are down by around 25 per cent across the city which is less of a drop than in other parts of America, but then, according to Pat Santry, a real

estate agent on the southside of the city, Chicago never saw the crazy gains of the boom and so the downturn has been less acute.

Santry, originally from west Cork but working in Chicago for over a decade, sees signs of an upturn, with enquiries up and transactions beginning to happen again after months of stagnation following the collapse of Lehman Brothers last September.

Also seeing an upturn on the horizon is Sedgewick, a development company with a large condominium building on the southside,

close to the McCormick Place convention centre which attracts around three million delegates annually, and the Field Museum on Lakeshore Drive.

Further south is a site earmarked for the Olympics which will ensure a rapid regeneration of the area around the development, should the Olympics plan come through.

The development is a high rise called Marquee at 1454 Michigan Avenue, in the South Loop district, with views over Lake Michigan and back towards the city sky-

line dominated by buildings like the Sears Tower - recently renamed the Willis Tower - and the Hancock Tower.

Marquee is complete and about 70 per cent sold with many of its owners already moved in. A tranche of the remaining units are being offered to Irish buyers at discounted rates through Castleroc, a company that has been selling Chicago property in Ireland for over three years.

MD Phillip Hegarty says Castleroc has been given around 25 units to sell, nine of which have

been reserved since details went online on Tuesday.

One, two and three-bedroom apartments are available with prices starting at \$239,900 (€174,293). The starting price is for a one-bedroom unit that had originally been priced at \$299,900. Large two-bedroom, two-bathroom units are available at \$339,900/€246,950 (originally \$449,900) while three-bedroom units with corner balconies are priced at \$449,900/€326,850 rather than their original \$574,900.

The prices compare well with the other recent developments in the neighbourhood, details of which are available through Castleroc.

There's a total of 208 units in the building which is built to a formula perfected by Sedgewick over

the last 12 years. The formula is this: build good-sized apartments in promising locations and don't load the development with too many facilities, such as fitness centres and swimming pools, as these push services charges - or assessments as they are known in the US - up to stratospheric levels.

In Marquee, which has a small gym and a screening room for residents, the service charges start at \$200 a month, which includes hot water and heating. Similar buildings with wider ranging facilities charge up to 30 per cent more monthly.

Castleroc has sold around \$200 million (€145 million) worth of property to Irish buyers in the last three-and-a-half years, mainly to company owners and professionals with the ability to pay hefty deposits.

"Typically they have to provide 30 per cent of the purchase price," says Hegarty.

The on-site facilities may be no frills but the apartments themselves are impressive - larger than their Irish counterparts and with impressive ceiling heights of up to 12ft, virtually unheard of in Ireland. From the fifth floor up, the views are impressive, with the front-facing units overlooking Lake Michigan, and those at the rear of the building facing back towards the city centre, which is a couple of stops by rail away.

Finance can be arranged in the US and Hegarty has also set up a management company specifically aimed at buyers in this and other schemes throughout the city.

For more information log onto www.castlerocstates.ie