



ROGERS PARK BUILDER

FALL 2006

www.rpbg.org

Real Estate Pros See Continued Rise in Rogers Park Housing Market

Prospects for a continuation of the strong bull market in real estate which has affected Rogers Park in recent years look excellent according to a group of panelists who participated in the July Builders Group Board meeting. The panelists looked into all phases of the real estate market: sale of multi-unit rental buildings, single family homes, condo conversions, commercial development, and other developments. While it was the consensus that all aspects of the Rogers Park real estate market will continue their upward swing, the panel of experts felt that the multi-unit rental market is especially strong. Single family housing comprises only a small part of the housing market but it too is in strong demand.

There was strong agreement that the condo conversion market has slowed down, but it has not disappeared. As a result, condominium converters are not the dominant purchasers of apartment buildings as was the case during the past five years. Rather, today's buyers of multi-unit apartment buildings are conventional landlords seeking to tap into the stronger rental market. These purchasers seek a cash flow return on their investment, rather than simply banking on appreciation as the sole source of profit.

Here are a few of the comments of several of the panelists as to the Rogers Park housing market:

Doug Imber, Essex Realty "While the condo market in general is ebbing, it is not about to disappear. The rental market is extraordinarily strong, created by a shortage of apartments, which in turn is directly related to the reduction of apartment inventory. The increase in interest rates is likewise reducing the demand for single family homes. It seems to be the consensus that the slowdown in the rate of condo conversions has been replaced by investors of multi-unit apartment buildings."

Eddie Ishoo, Liberty-One, Inc. "Rogers Park is a great community. Many people have learned about its many attractions – that it is extremely diversified, is a center for art, offers good transportation, and is located between two great universities – Loyola and Northwestern. And even more to the point, the units offer the purchaser great value, with prices considerably less expensive than units available in nearby neighborhoods. As an example, potential home buyers should check out two of my developments in Rogers Park – a six-unit apartment building at 7309 N. Western and a nine residential unit at 2204 W. Touhy."

Al Goldberg, Hallmark & Johnson "As far as commercial development, right now buyers are being more cautious and are sharpening their pencils. They are not in the market for reinvestment, but looking for a greater return on their investment. As for the major thoroughfares – Western, Devon, and Howard Street – I see continued development."

Rich Aronson, Camelot Realty "New development seems to be about on a par with 2005 in almost all categories. Interest rates are higher but the rental market is very strong. While the

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Loyola to Build New \$30 Million Campus Information Center

A glass façade overlooking one of Rogers Park's greatest assets – the lakefront – will highlight Loyola University's new information center, expected to open late next year.

According to Jennifer Clark, Loyola's director of community relations, the \$30 million development will provide a one-stop shopping experience for all kinds of student and faculty needs. Said Ms. Clark, the Loyola Information Project will attempt to address these needs as well as responding to a critical need for more and better study space, more computers, quiet areas, group work spaces, and a better learning environment.

"Our proposed new center will meet those needs in an architecturally stunning, and technologically advanced facility which will be open, flexible and conducive to serious study and research," Ms. Clark said.

The architect, Devon Patterson, of Solomon, Cordwell, Buenz & Associates, designed the building to complement other historic Loyola art deco buildings, including the Madonna della Strada Chapel and Cudahy Library. Its limestone towers will flank green glass outside walls to convey a feeling of openness both inside and out.



Front view of the handsome façade of Loyola University's Information Center. The facility, which looks out over Lake Michigan, will serve as a one-stop shopping experience in providing students with all types of information they need to do research.

Among others the 67,000 square foot building will house 700 seats, excluding classrooms, 218 computer workstations, wireless access throughout with 50 circulating laptops, 35 group study and seminar rooms, and six to eight classrooms. "We are most excited about the project's "green" construction," said Ms. Clark, noting that the building has LEED Certification (Leadership in Environment and Engineering Design). Students requiring a break from their studies will have access to the student café, with its lake vistas. In addition, said Ms. Clark, Loyola designed the building to provide year-round access to view the lakefront.

Fifth Annual Glenwood Arts Fest Attracts Record Crowd

The cobblestone streets of Glenwood Avenue, between Farwell and Lunt, reverberated to the steps of thousands of people attracted to the Fifth Annual Glenwood Avenue Arts Festival this August.

According to Al Goldberg, RPBG director, and proprietor of the ArtSpace Building on Glenwood and Morse, the Festival drew a record 12,000 people during its two-day run on August 26-27. Those attending saw on display a variety of paintings, arts, crafts, and jewelry, as well as booths for food and drink and two sound stages at either end of the festival. Featured on the North sound stage, sponsored by the Morseland and the Heartland Café, were a variety of popular, punk rock, blues, salsa, reggae and hip-hop bands which provided continuous music throughout the festival. Nearby, selling food and drink to the festival goers, were the Morseland and the Heartland, two well-known Rogers Park Food establishments and festival sponsors.

On the south side of the fest, at Farwell and Glenwood, was the Lifeline Theater Performance and the Kidfest area, where kids of all ages could

take part in a variety of children and family oriented activities sponsored by the Lifeline Theater. According to Goldberg, "the move to the August time slot proved a great decision. The artists signed up early and there was a waiting list for booth space. We attracted many people from other parts of Rogers Park and brought in many from outside of the area. The result was that the artists and vendors did very well, selling their artwork and making new contacts."



One of the musical groups at the Glenwood Avenue Arts Festival – the Roundeyes. Bands provided a continuous stream of music at the event.

Playing key roles in staging the event were several Rogers Park Builders Group members including, Gregory Altman and Matthew Bowker, owners of the Morseland, Mary Bao and her husband Neil Lifton, owners of Duke's Bar on Glenwood, and Connie Abels, owner of RE-MAX North Coast

Realty, as well as SSA #24, Camelot Realty, Community First Bank, LaSalle Bank, 1st Commercial Bank, Washington Mutual, Devon Bank, www.rogerspark.com, and Creative Designs."

Goldberg urged that residents keep their eyes open for the Rogers Park Artists Studio Walk October 21-22 in which art studios all over Rogers Park offered guided tours throughout the weekend or welcomed visitors who came on their own.

Man of Many Hats... That's John Brauc

You might say that John Brauc, RPBG director and president of Check-Mate Realty, is working with a full plate on his table. Besides running Check-Mate full time, John has a variety of hobbies and activities including sail racing, (he has been involved in the race to Mackinac Island a few times), motorcycles, snow skiing, water skiing, and the martial arts. He holds a 5th degree black belt in the latter and is an instructor in Thai boxing.

In addition to being active in the Builders Group, John is involved with the South Side Builders and is the owner of several properties located throughout the city, including two in Rogers Park. In the area of real estate, John describes his primary activity as consisting of the rehabilitation and management of what he calls "troubled" buildings, or multi-unit apartment buildings which need complete repair and rehabilitation.

For 15 years John worked as a computer specialist and a vice president of a computer firm, working in the area of real estate part-time as his schedule would permit. Finally, with the real estate operation involving more and more of

this time, John decided to plunge full-time into this career and formed Check-Mate Realty in 1991. He recently moved his offices to Logan Square.

And with all of this, he still finds time for his wife, Hella, who is expecting twins in January. He learned about the Rogers Park Builders Group through Angela Maurello of Community Investment Corporation, and in fact is helping to run one of CIC's buildings.

As to the future of Rogers Park, he says the area is definitely changing with condo conversion taking over an increasing number of multi-unit apartment buildings. He sees a slowdown in the number of single family homes being demolished due to recently enacted zoning changes. In the meanwhile, the rental market has surged due in part to the conversion of many apartment units to condos.



New Offerings from RE/Max NorthCoast

SEELEY PLACE CONDOMINIUMS 7461-65 N. SEELEY

Seeley Place Condominiums, another exceptional Greenlight Development with two bedrooms and one & two baths, and a huge three bedroom, two-bath garden with both private terraces and rear decks, exposed brick, sound deadening between floors, maple or cherry cabinets, 1.25" granite, stainless appliances with Bosch dishwashers, undercabinet lighting, pre-wired for surround sound, and brand new hardwood floors. Great attention to detail. Prices start at \$232,000. To view, contract Connie Abels, RE/MAX NorthCoast at 773-383-9180.

A couple of units still remain at Greenlight Development's other projects at 1329 W. North Shore, and 1627 W. Fargo. Also planned for opening this fall as we go to press is a new project by Greenlight Development at 7401 N. Hoyne, featuring a stunning terra-cotta courtyard with similar features.

("Real Estate Pros" continued from cover)

single-family housing market is small, there is a lot of activity for homes in the \$600,000-\$700,000 level. But homes in the \$750,000 and up bracket are harder to sell and many remain on the market for months. Lastly, many condo converters are actually de-converting units back to rentals as the condo market has slowed and the rental market has strengthened."

Estella Kiser, Kiser Group "Apartments are back. The demand by investors for apartment buildings has grown significantly in the last few months. I attribute this to the fact that investors for the first time in a while are seeing some rental growth. And with rising interest rates, the demand for condominiums has slowed. Converters will continue to look for condominium projects. Although that market has slowed significantly, it has not disappeared. Converters are being more discriminating in the projects they choose. Buildings that are well located, with larger units and parking will always be in demand as conversion opportunities."

Connie Abels, RE/MAX NorthCoast Realty "The sale of condos in the conversion market has slowed down somewhat but it usually does in mid-summer and picks up again at the end of August and is strong until the end of October/early November. Sales market times are average as compared to last year. There have been ten percent more condos on the market in Rogers Park in the past twelve months with ten percent more units closing. The increase in property taxes and interest does not seem to have slowed down the sale of single family homes here in Rogers Park. As to multi-unit rental buildings, it's been my experience that multi-unit building owners are selling almost only to converters. The buildings that are not fit for marketing as condominiums aren't selling unless the price per unit is exceptionally lower because the investor rate of return is too low otherwise. The price per unit for multi-family properties in the past year has an average ranging between \$85,000-\$125,000 depending on the unit mix."

Touhy Park Summer Festival Draws Hundreds

An audience of hundreds, many of them newcomers, was drawn to the third annual Summer Festival held recently at Touhy Park, 7348 N. Paulina. Anne Marie Lewis, president of the Touhy Park Advisory Council, said the festival was an unqualified success.

The opening event, Arborfest, held June 3rd, was funded by a \$10,000 grant from the Irvin Stern Foundation. It enabled the park to purchase and plant 25 new trees from Gethsemene Gardens. A highlight was poetry written on ribbons adorning the trees as well as three new flower gardens. In addition there was a scavenger hunt in which participants were asked to identify the various new trees in the park.

This was followed by a showing on July 8th of the highly praised film cartoon: "The Curse of the Were Rabbit" which featured the animated duo of Wallace and Grommit. More than 300 viewers, young and old, saw the film which was funded by a generous grant from 49th Ward Alderman Joe Moore and Cook County Commissioner Larry Suffredin.

Next came two performances by the Groundup Theater, of their contemporary adaptation of Shakespeare's *The Tempest*. In the 90-minute version of the play, a group of marooned characters,



Part of the hundreds drawn to Touhy Park's Summer Festival await the showing of the cartoon comedy, "The Curse of the Were Rabbit," starring Wallace and Grommit.

including CEOs, department heads and middle managers, try to return to civilization as the aging hipster Prospero attempts to regain the family business. There were two performances on Saturday and Sunday, July 22nd and 23rd which were funded by a contribution from John, Molly and Barbara Connolly in memory of Phyllis Colovos.

The concluding event on July 30th was a concert by the Revolutionary Swing Orchestra reminiscent of Benny Goodman, Artie Shaw and other renowned bands of that era.

"We were extremely pleased with the results of the Festival and hope to do even better next year," said Ms. Lewis.

Real Estate Veteran Sees Multi-Housing Market at Highest Level in Four Years

Steve B. Livaditis, an RPBG director, senior investment advisor and director of Marcus and Millichap's national multi-housing group, recently closed on several multi-family properties including two in Rogers Park: a 62 unit, courtyard style apartment building, and a 14-unit, walk-up style apartment building.

In announcing the sale of the properties in Rogers Park and in other communities, Livaditis said: "I feel that we have seen the worst of the net income erosion (of multi-family properties)." Livaditis and his clients believe that the apartment rental market continues to grow with rent concessions diminishing and apartment occupancy at its strongest level in four years. "The market has vastly improved and we are heading in the direction of a three to five percent rent growth," he added.

Dan Sullivan Wins RPCC's Citizen of the Year Award

Dan Sullivan, the man behind the revival of Jarvis Square and a member of the Builders Group, has been declared this year's winner of the *Citizen of the Year Award* given by the Rogers Park Community Council at its annual fundraiser, the *Spirit of Rogers Park*. Sullivan was instrumental in forming several new businesses for Jarvis Square, including the new Gruppo d'Amici Italian restaurant, Poin Stiel, the square's Irish Bar, Rogers Bark, a dog grooming establishment, Charmers Café and Dagle and Beli Shop, a different kind of a delicatessen (see Fall/Winter issue of *The Builder*), and finally, the newest member of Jarvis Square, Northwestern University's Medill School of Journalism (which opened a satellite classroom in September).

Way Cleared to Go Ahead with New Fire Station for Rogers Park

At long last the way has been cleared to proceed with a new fire station for Rogers Park to replace the old station on W. Greenleaf. According to Michael Land, Alderman Moore's associate, the properties formerly occupied by the Supermercado and the Clark Street Mall, will be demolished. Following the taking of soil samples, and the issuance of all necessary building permits, ground is expected to be broken by the spring of 2007 on the new 16,000 square foot structure.

"The new building will be significantly larger than the older station on Greenleaf," said Land. Adding that, "It's about time – the old station goes back about a hundred years to the time when horses used to draw water tanks."

"This new station will considerably enhance our ability to fight fires," said Alderman Moore, "and will be an invaluable improvement to the safety and security of all Rogers Park residents."

Rich Aronson is a Principal in Development in Downtown South Haven, Michigan

A recent article in *Lake Shore Life* pays tribute to Rich Aronson, RPBG secretary, as one of three principals involved in setting up a "quaint" oasis near South Haven, Michigan called "Preserve in Woodland Harbor." "We're preserving three times as much open and green space as the code requires," the story quotes Aronson as saying.

With ground having been broken this summer, the project includes one and a quarter mile of walking paths, pedestrian friendly streets, 170 cottages, 18 custom single family lots as well as 22 luxury townhouses. The first phase of the project is scheduled to be ready in January 2007 and Aronson hopes to complete the entire development by Spring 2010. The developer is Stage Development Company. A public marina with 110 slips has existed there for nearly a decade. The slips will be for sale first to homebuyers as dockominiums.

PRESIDENT'S MESSAGE



BY MARTY MAX
President, Rogers Park Builders Group

As I See It The Buck Stops Here

Responsibility—Who takes responsibility today? Someone slips and falls and it's someone else's fault. Someone spills hot coffee on themselves, it's the coffeemaker's fault... right? Someone cuts themselves with a knife and it's the knife manufacturer's fault. Your child gets a bad grade. It's the teacher's fault.

As you all know, I am a landlord. This is the profession I chose. It is not a public service job. I supply housing for a fee (rent). And with supplying housing, I have a tremendous responsibility, just as you do in your profession. Some of my responsibilities are prescribed by law and some come with a written agreement with the person who wants to rent my housing. Now, just because someone rents my house, doesn't mean they do not have any responsibility. They do. They have the responsibility to maintain the housing – keep it clean and not to abuse it.

I think you all know where I am heading here. A terrible tragedy happened in our neighborhood. Six children died in a fire – a fire that was caused by a candle that was lit because the electricity was turned off. I don't want to seem unsympathetic, but if the electricity was shut off because it was not paid for, whose responsibility was it? Com Ed's? The landlord's? Or was it the occupant of the apartment?

Mayor Daley said: "it is the moral responsibility of the landlord to advise one if the tenant's electricity is turned off." (That's an oxymoron isn't it?) Some aldermen and some candidates for alderman have said it is the landlord's responsibility to maintain a smoke detector that is installed in the home. That is incorrect. It is the landlord's responsibility to supply a working smoke detector. It is the tenant's responsibility to maintain the smoke detector.

After the tragedy, I, like most landlords, checked to make sure all of our smoke detectors were installed and working. For years, as part of our leases, I have had the tenant sign a piece of paper saying as much after they have checked and confirmed that they have indeed had a working smoke detector installed in their apartment. Do you know that when we did our inspection, fourteen of the forty smoke detectors that had been installed were missing? These were the same people who had signed the paper saying that they had a working smoke detector. Is this the landlord's fault?

I have to tell you the truth. About a month ago our smoke detector was beeping and finally about 2 am, I took the battery out and didn't remember to replace it for about a week. We are grateful that nothing happened in that period. However, if it did, it would have been MY fault, not that of the bank that has my mortgage, and not the manufacturer of the smoke detector or the maker of the battery. No, it would have been MY fault.

Usually, after a tragedy like this, the City Council will pass some new ordinances adding to the responsibility of the landlord. In fact, being the president of the RPBG, I have received suggestions of more that a landlord/developer should do to protect their tenants/owners. I chose not to print any of them. Why? Because I believe that we as adults, individuals, and yes, tenants, have to start taking some responsibility ourselves. It is easy to blame someone else. It has to stop, it has to stop.

More Than Just a Restaurant. The Heartland Café Celebrates Its 30th Anniversary

When Michael James and Katy Hogan established the Heartland Café, thirty years ago, in 1976, they wanted a place where Rogers Parkers would not only feel at home but where they could discuss politics, health and other topics to their heart's content. This popular Rogers Park eating spot has done well, offering fresh, wholesome food, both for the mind and the body. The wide-ranging menu offers everything from grilled free-range chicken sandwiches, buffalo burgers, whole wheat pancakes, and pan-fried organic catfood. Included among food items offered are grains and vegetables and more brown rice, Hogan and James contend, than any other restaurant in Illinois.

Besides the café, Hogan and James own a theater space, a radio show and a store that carries books, magazines, and beauty products. The Heartland has in its 30-year existence established itself as a place where local residents could replenish both their hearts and minds, as well as their stomachs. We wish them many more productive years in serving Rogers Parkers what they need in the way of good food and good companionship.



The Heartland Café pictured here circa 1977, one year after opening. The eating spot continues to go strong, celebrating 30 years!

Occupancy Level of Gateway Center Reaches 85 Percent

A recent surge in the number of tenants leasing space in the five year-old Gateway Center has brought that development to a record-high occupancy level of 85 percent. According to Barbara Muehl, vice president of Trident Developments, which serves as the managing agent for development, several new tenants have opened for business in recent months. In order of occupancy, they are:

- **Life Storage Center** An upscale environmentally-controlled public storage facility, which purchased approximately 100,000 square-feet of Gateway Center Plaza space on the Paulina Street level earlier this year.
- **Quiznos** The local operation in a nationwide chain of businesses which feature an array of sub sandwiches and salads now occupies 1,474 square-feet of space on the Paulina Street level.

• **Kenny the Cleaner** Occupies 3,135 square-feet of space fronting on Clark Street, is affiliated with several dry cleaning and laundry shops on the North Side.

• **The UPS Store** Another local operation in a nationwide chain, which among others, offers personal mailboxes, packaging and shipping, all U.S. mail, Federal Express, as well as United Parcel Service (UPS). It occupies 1,450 square-feet of space next to **Game Stop** and **T-Mobile**.

• **Ashley Stewart** Ladies apparel store catering to plus size women opened their doors on September 1st and is occupying 3,906 square-feet of space.

In addition, said Ms. Muehl, the **Spirit Halloween** store which occupied 10,000 square-feet of space between **Dominick's** and **Marshalls** on a temporary lease last year, will again be leasing space on a temporary basis, open through November 15th.

Rogers Park Firm Offers Model Unit Design for Condo Developers

By Steve Cain, Senior Loan Consultant
Washington Mutual Multi-Family Lending

Set2Sell Designs, one of the Builders Group's newest members, is offering complete model unit design and decorating for condo developers, down to the art on the walls and the rugs on the floor. Christopher Loubsky and Jeffrey Noren started the firm about a year-and-a-half ago and signed up three clients within the first two weeks. They have served many Rogers Park developers and currently have projects underway throughout the city.

The business offers two basic services: model unit decoration for condo developers and home decoration for sellers of individual homes. Set2Sell also works with condo purchasers who either want to buy the model unit or who want them to help with the design and decoration of their new condos.

While some condo developers have cut spending on such items as model decoration to meet competition, other

developers have done the opposite in the belief that professional model decoration offers an advantage in a challenging market.

Loubsky revealed that one builder with unsold condos on the market for several months hired the company to decorate a model unit. The remaining units sold quickly, saving the developer additional holding and finance charges. As Loubsky pointed out, the cost of Set2Sell's services is a fraction of holding costs if units fail to sell as quickly as planned.

Loubsky noted that units geared to first-time buyers are decorated in a manner that matches the taste and budget of the purchaser. Bigger and more expensive units have decorations targeted to a more upscale buyer.

Information on Set2Sell's services can be obtained by calling either Loubsky or Noren during the evening or on weekends at (773)262-8351.

OUR MISSION

The Rogers Park Builders Group's mission is to encourage and support responsible residential and commercial property investment, development, and ownership in the Rogers Park community. Looking far beyond bricks and mortar, the RPBG initiates and supports collaboration on city and community actions to create a destination community.

- Marty Max, President
- Tina Winger, Vice President
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- Terry Sacks, Writer/Editor

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Please Send Information About Becoming a Member of the Rogers Park Builders Group

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Comments

Mail to: Mary Jane Sacks, Administrative Director
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Heineman Completes Round-the-Lake Kayaking Exploit



The Summer 2006 issue of *The Builder* contained a story on how RPBG treasurer Tom Heineman had embarked on a kayaking adventure around Lake Michigan. That feat, we are happy to report, has been completed successfully. And to Tom's knowledge, it is an achievement which no one else has ever accomplished. Tom departed June 11th from the Lincoln Park Boat Club, where he is a sea kayak instructor. Averaging twenty miles

a day, Tom was able to accomplish his trip in a little over 40 days. Heineman is an American Canoe Association certified kayak instructor as well as a swim coach at Von Steuben High School. To learn more about Tom's exploits, and to view Tom's blog, check out the home page of www.rogerspark.com

Local Vendors Offer Special CO Alarm Detector Purchase Program

According to an April 2006 report from the Carbon Monoxide Manufacturers Product Group, carbon monoxide detectors can detect CO gas and sound an early warning alarm before the level of CO becomes debilitating, either from higher concentrations of CO over a short period, or lower levels over a longer period. In response to the new State law taking effect on January 1, 2007 requiring landlords to equip all apartment units with carbon monoxide alarms, two local vendors are offering special pricing plans for its customers who need to make bulk purchases.

Clark Devon Hardware

6401 North Clark Chicago, IL 60626; (773)764-3575 (Ask for Ken Walchak)

Parker Industrial Supply

4216 W. Lawrence; Chicago; 60630 (773)286-0336
 (Ask for Dennie Lindermuth or Frank Theinier)