



# ROGERS PARK BUILDER

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## Recovery in the Apartment Sector



by Jack Cassin  
Managing Broker,  
Apartment Investment Advisers

Though the economy may still be struggling with what seems to be a two-steps-forward, one-step-back recovery, the apartment sector remains undeniably resilient. The apartment market has been in the recovery phase of the investment real estate market cycle for over two years, and the outlook remains positive.

The primary reason why apartment investments have outperformed other commercial real estate product types and other asset classes is because the economic downturn enlarged the population of renters. The increase was from foreclosures forcing homeowners back into the rental market, and would-be first time home buyers choosing to remain renters indefinitely. With more renters and almost no new construction, the demand has simply outpaced supply.

Higher occupancy and rents are not the only reason why apartment investors have seen increases in their net operating incomes and cash flows since the downturn. Operating expenses have decreased as well, and in particular natural gas and property insurance. Furthermore, lenders have returned to the market and are offering historically low interest rates. This has given many existing investors the opportunity to refinance existing debt and increase cash flows even further.

With strengthening fundamentals and a growing number of financing options, it is no surprise that transaction velocity has increased significantly year over year since 2009. It started with a sizable inventory of distressed properties coming to market and slowly being absorbed by the first investors brave enough to re-enter the market during the dark days of the recession. The absorption rate of distressed property offerings accelerated through 2010 and 2011 as more investors returned to the market. As the pipeline of distressed properties began to thin, demand for stabilized properties at market prices began to accelerate.

Currently the buyer pool is split into two groups: those eagerly awaiting more distressed property offerings; and those focused on acquiring stable and performing assets. Though distressed property sales will still be a part of the market for the next couple years, those buyers will have to follow a dwindling inventory into less desirable locations. As more passive investors ease back into the most stabilized sub-markets, we will soon surpass the tipping point when the majority of transactions shifts back towards stable assets from distressed properties. Once this tipping point has been crossed, we will have a better sense of what the "new normal" is as it pertains to the apartment market.

Though we cannot expect to see a uniform economic recovery, we can at least find a safe haven in apartment building investments.

## CTA Work Adds to Traffic Woes in Rogers Park

*You've probably all heard the joke.  
Question: What are the seasons in Chicago?  
Answer: Winter and Construction.*

With that in mind, it should come as no surprise that getting around Rogers Park has been a little challenging lately. For much of this past spring, sewer work has been ongoing throughout the neighborhood, making it more difficult to drive and park. This summer, a complete resurfacing of Sheridan Road from the Evanston border south to Devon Avenue is in full swing and will extend well into the fall. Now, we can add work on the Morse Avenue CTA station to the mix which will close both the station and nearby streets for periods of time throughout the summer.



The Morse CTA Station renovation is part of a larger project called the Red North Interim Station Improvement project. The original plan was to rebuild the entire Red Line from Wilson Avenue north to Howard Street. However, budget problems and the political stalemate in Washington are just some of the reasons this project has been forced off the table for the foreseeable future. In its place, the more modest but critically needed Station Improvement project will have to suffice until sufficient funding can be found for a full rebuild of the entire line north of Wilson Street.

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# Chief Deputy Sheriff Kevin Connelly Headlines EUBA/RPBG Event

First Chief Deputy Sheriff Kevin Connelly was the featured speaker at the 12th Annual Rogers Park Builders Group/Edgewater Uptown Builders Association Summer Event, held on June 6th at the Information Commons on the campus of Loyola University. Guests of the event enjoyed perfect weather and panoramic views across Lake Michigan and the Loyola campus.



*Chief Deputy Sheriff Kevin Connelly speaks to members of the EUBA/RPBG associations during their joint event.*

After drinks and dinner, the meeting kicked off with remarks by Michael Slater and John Brauc, the presidents of EUBA and RPBG. Estella Kiser, president of the Neighborhood Building Owners Alliance (NBOA), then took the floor to talk about the important work she and other NBOA members are doing in conjunction with the Sheriff's Department to streamline and speed up the eviction process in Cook County. The

NBOA is an advocacy and education group that works on behalf of building owners and developers to promote and maintain quality and affordable housing and is supported by several local real estate organizations across Chicago including EUBA, RPBG, the Lincoln Park Builders Club, Greater Austin Development Association (GADA), and the South Side Community Investment Association (CIA).

Estella complemented the Sheriff's Department, and Chief Connelly in particular, for the good faith effort the Department has made to work with the NBOA on the difficult issues surrounding evictions in Cook County, and the demonstrable progress that has been made in improving the evictions process since the first contact between the NBOA and the Sheriff's Office several years ago. With that, Estella welcomed Chief Connelly to the podium.

Chief Connelly began his remarks with an overview of the daunting task the Sheriff's Department faces with the flood of evictions ongoing in Cook County in an environment of shrinking budgets and resources for all governmental agencies. Despite these difficulties, Chief Connelly was proud of the progress that has been made since the NBOA and the Sheriff's Department began working together to improve the evictions process.

Chief Connelly cited a number of initiatives the Sheriff's department has implemented to improve the evictions process:

- Transferring staff within the Sheriff's Department to evictions duties. The Department now has 50% more manpower devoted to evictions, resulting in an average eviction time of just over three weeks, a historic low for the Department.
- Obtaining cell phone numbers from landlords to insure that both sides are able to keep the lines of communication open leading up to an eviction. Landlords who provide cell phone numbers will now be called the day before an eviction, and again just before the Sheriff is scheduled to arrive to perform the eviction on the day that the eviction is scheduled.
- Providing a dedicated fax line that landlords can use to notify the Sheriff's Department to cancel a scheduled eviction if the tenant has already vacated the apartment. This saves the Sheriff's Department from the time wasted going to an apartment unit that has already been vacated. Timely notice to the Sheriff cancelling an unneeded eviction is important so that the Sheriff's department can concentrate on other necessary evictions.

Chief Connelly said that the Sheriff's Department is now working to upgrade technology within the office to be able to more efficiently track and manage the vast amount of data collected in the evictions process. The Department is also looking at ways of more effectively serving tenants with service of process in eviction actions by communicating directly with landlords about when and where to find and serve these tenants.

Chief Connelly's remarks were warmly received by the many building owners in attendance. Although there were some tough questions following the Chief's remarks, it was clear that the audience appreciates the efforts made over the past two years by the Sheriff's Department to listen to, and work with, property owners.

While more work remains to be done, substantial progress has already been made. Perhaps more importantly, the lines of communication are open, constructive and cordial. On behalf of RPBG and the other property owners associations around the city, we offer Chief Connelly our thanks. We also wish to thank Loyola University for the use of their fantastic facilities, and for their long support of our organizations.

# Edgewater Uptown Builders Association and RPBG: Natural Allies

The recent 12th Annual Rogers Park Builders Group/Edgewater Uptown Builders Association Summer Event, held on June 6th on the Loyola University campus, was a great opportunity for members of the two organizations to come together and interact. Given the many common interests and overlapping goals of the two groups, it is perhaps a shame that these joint meetings only occur once a year.

Although EUBA and RPBG operate in different geographical areas of the city, the two groups are alike in almost every other way. Even the geographic difference is small – after all, many of the property owners active in these organizations own properties on both sides of Devon Avenue, the line that separates the Rogers Park and Edgewater neighborhoods.

Like our own organization, EUBA is first and foremost a group of concerned building owners and developers who care about their communities, and who want to operate at the top of their game. Like RPBG, EUBA holds regular meetings throughout the year, bringing in speakers who can help small property owners keep up to date on changing market conditions, government regulations, and technological advances.

EUBA typically holds seven or eight lunch meetings per year, avoiding only the winter holiday season and the peak summer months. Some of their guests include local politicians, experts in local market and leasing trends, and a host of other presenters including lenders, energy efficiency experts and other service providers to building owners.

An important part of every EUBA meeting is the opportunity for property owners to meet each other and discuss issues of importance to them at their properties and in their communities. This exchange of ideas and the relationships that result are really the heart and soul of what both EUBA and RPBG are all about.

Despite the many similarities and common goals of the two organizations, there are few formal opportunities for both memberships to interact and socialize. The join summer event, now in its twelfth year, has been a great success for both organizations, and an excellent opportunity for the two groups to exchange ideas and expand their networking opportunities.

And certainly, the tremendous success and good work of the Neighborhood Building Owners Alliance (NBOA) is a direct result of the joint efforts of EUBA and RPBG, along with several other building owners and developers groups around the city.



Whatever the future brings, it is important for both organizations to know about, and work cooperatively with, each other. On a more personal level, there are all sorts of benefits to reaching out across Devon Avenue. Closer personal relationships between property owners will help us to work more effectively on issues of mutual concern.

The spirit of cooperation and coordination between the two groups is already well underway. Twelve years of joint summer events and the success of the NBOA are ample proof of the good relations that exist between the two groups. More interaction can only make both organizations better and stronger.



# Pillars Social Café

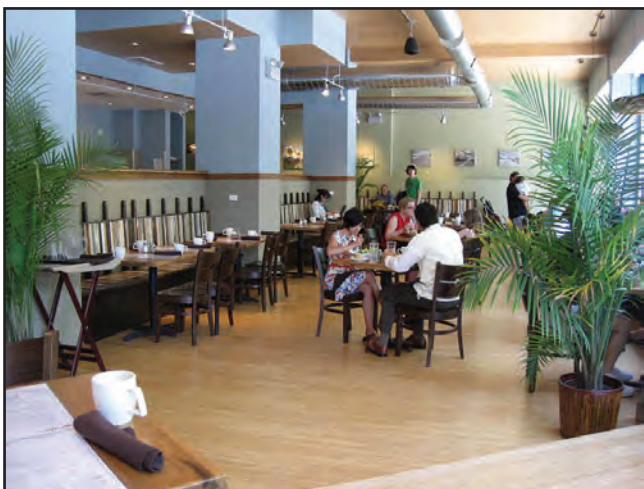
6800 N. Sheridan Road • Chicago, IL 60626 • (773)942-6613 • [pillarssocialcafe.com](http://pillarssocialcafe.com)

Pillars Social Café is a true reflection of its community. Conjure up images of Rogers Park and words like casual, unpretentious, hard-working, affordable and socially aware will probably come to mind. All of these same things can be said about Pillars.

As its name suggests, Pillars Social Café wants to bring people together. This can be for a quick cup of coffee or a full meal. Give them credit for doing so at affordable prices, but without compromising on their commitment to a sustainable environment, or a stylish and elegant dining room.

The restaurant has only been open since January, and is almost two restaurants in one. On the Pratt Avenue side, there is a coffee bar, bakery and sitting area for people who just want to come in to get their caffeine fix, socialize or do some work on their laptop. On the Sheridan Road side, the restaurant is full-service and very elegant, serving breakfast, lunch and dinner.

The breakfast menu features a variety of eggs dishes and omelets, pancakes and French toast, and such traditional a la carte items as bacon, smoked meats, biscuits, oatmeal and yogurt. Of course, there is a full selection of coffees and juices. The eggs, like most of the ingredients used at the restaurant, are sourced locally. You will not find any cage-fed or industrially farmed chicken products in this restaurant. In fact, the humane treatment of animals is a prerequisite for any meat product offered at Pillars.



The lunch and dinner menu is one in the same. On any given day, you will find a good selection of starters, salads, sandwiches and burgers. The menu changes frequently, reflecting the emphasis on fresh produce and locally grown food. If something isn't in season anymore, you won't see it on the menu. Portions are generous and all sandwiches and burgers come with a big side of fries, chips or salad. If none of those side options sound good, you can have a bowl of soup instead.



I brought a few of my Rogers Park Builders Group buddies with me to check out the restaurant. It was a beautiful sunny Sunday afternoon, so the three of us decided to sit outside where we could watch the neighborhood buzz by along Sheridan Road. Our food was interesting and well prepared. Even the ketchup was homemade, sourced from an Indiana purveyor.

Pillars may be the greenest restaurant in Rogers Park. Everything about the handsome build-out of the restaurant interior demonstrates their commitment to the environment. From the recycled wood benches, bamboo floors, cardboard light fixtures, recycled synthetic glass counter tops and low-water urinals in the men's room, virtually every aspect of this restaurant makes a conscious effort to support a sustainable environment and maintain a low carbon footprint. It is a credit to the design of this place that none of this recycled material takes away from the clean lines and high design of the interior.

Pillars is the creation of Bob Kassal. In his previous life, Bob was a 26-year employee of US Foods and has lived in Rogers Park since 1989. I've been to Pillars on several occasions and Bob always seems to be there, greeting his customers and ensuring that they have the best possible experience. The restaurant's beautiful design and commitment to fresh, locally sourced food can be credited to Bob and his vision for the restaurant and its role within the larger Rogers Park community. My only criticism of Pillars is its poor signage. If it were not for the large outdoor seating area, you could easily miss the place driving up or down Sheridan. Since Chicago's outdoor dining season is limited, I'm hoping there is better signage before the cold weather is back.

Pillars is open seven days a week from 7 a.m. to 9 p.m. except Sundays and Mondays when the restaurant closes at 8 p.m. Pillars serves breakfast, lunch and dinner. The breakfast menu is available Monday through Saturday from 8 a.m. to noon, and on Sundays until 2 p.m.

# Ups and Downs

by Steve Cain • July 1, 2012



Political junkie that I am, it's hard to pay much attention to the economy when I get distracted by a really juicy story like the Supreme Court and its historic ruling on the health care law.

The debate over the constitutionality of the Individual Mandate – one of the core provisions of the Affordable Care Act – had become the poster-child for the polarization that divides the nation and seems to get worse with every passing year. This much-anticipated decision was bound to enthrall or enrage, depending on where you sit on the political spectrum.

But the fact that the legislation was upheld by a five to four vote, and that the deciding vote was cast by John Roberts and not Anthony Kennedy, is an outcome that few could have imagined or predicted.

How this vote impacts the upcoming Presidential election, if at all, remains to be seen. But there is no question that this decision is a victory for the Obama administration and a setback for the Republican Party that had made getting rid of "Obamacare" a central issue of their platform. The debate will continue, and further gains in Congress by the Republicans could still alter the outcome. But, for now, the health care law will live on.

So, back to the economy, which is increasingly what Mitt Romney and the Republican Party want to talk about anyway. And it's not hard to see why. It's been sputtering along and losing steam for the past several months. Setting aside for a minute who's to blame for this sorry state of affairs, you need only look east to find the primary cause of this distress.

At the top of nearly everyone's list is the ever-worsening situation in Europe and the continued uncertainty regarding the future of the Eurozone. For months, this has been the story of Germany with their deep pockets and thriving economy versus just about every other country in Europe that all seem to be financially over-extended and economically under-performing.

Angela Merkel perfectly reflects the mood of her country, digging in her heels against the suggestion that the Germans open up their bank vaults to bail out more and more of their good-for-nothing, spend-thrift neighbors. According to the Germans, if everyone else in Europe would just be more like, well, the Germans, then this whole mess would never have happened in the first place.

Needless to say, this view does not sit very well with anyone else. Most of the rest of the Eurozone is clamoring for closer integration and a collective commitment to the financial integrity of all of the Eurozone members. Only such a collective commitment, the thinking goes, can save the Euro and keep the entire European economy from falling back into recession.

The Germans do seem to be coming around to the view that more needs to be done to encourage growth over the strict diet of austerity they earlier espoused. But there seems to have been little progress in getting Germany to commit to Euro-bonds, or any other form of collective commitment that would shore up confidence in the sovereign debt of the weaker economies.

It seems that, the longer this stalemate persists, the worse it gets for all involved. Cyprus is now the fifth Eurozone country to ask for a bailout, and many observers think it's just a matter of time before Spain, and possibly Italy, do the same. It's possible to imagine bailing out smaller economies, like Portugal and Greece. But the prospect of a default in Spain and Italy is another matter. If one or both of those countries default – and that prospect is looking more and more likely – the fall-out could be unimaginable.

Markets don't like uncertainty. As fear of an economic Armageddon in Europe increases, other economies are also being impacted. Blame Europe for a slowing U.S. economy and flagging consumer confidence.

This is all very inconvenient for President Obama, and an opportunity for Candidate Romney to make some political hay in his quest for the presidency. So while Obama must be savoring his victory in the Health Care battle, he's smart enough to know that he won a battle, not a war. I won't make any predictions about the outcome of the election – right now it really seems like it could go either way – but I will predict that the Supreme Court decision won't be the last surprise before November.



# As I See It

by John Brauc, President RPBG



Looks like the market is picking up. In Rogers Park alone, there have been multiple sales of multi-family apartment buildings and more coming. As the volume of sales increase, so do prices. A lot of these deals are trading at 7% or 8% cap rates, and that's on the brokers' numbers. Sorry guys and gals, but we know these numbers are not realistic... only in a perfect world.

Kind of makes you wonder – Is the market taking off again? Are we paying too much?

Is this the wave of the future with permanently lower returns on multi-family apartment buildings? And, if so, why? Are there that many more players in the market? Is it that people just need to park their cash somewhere and apartments are the least bad place to park it? Or is there something more going on here – something that other people are seeing that I am not?

One of my big concerns anytime I look at an acquisition is the capital needs of the property. I wonder if some of the buyers are paying enough attention to the capital expenditures that a lot of these buildings will require? Many of these properties need to be updated – from boilers to roofs, porches, kitchens and baths, electrical, etc. All of these expenses are going to reduce returns.

Do I believe these buildings will cash flow? Yes, I do. The question is what are your true returns going to be once you factor in all your costs? It helps that the market is picking up steam and that rents are increasing. The flood of former homeowners and echo-boomers entering the rental market seems likely to keep rents increasing for at least a few more years.

The flip side of the coin is that expenses are also rising. It's a given that taxes and utilities – water, gas and electric – are always creeping upward. How will this impact appreciation over the long term? We all expect values to increase, but is this going to happen in five years or fifteen? We know that, in general, real estate appreciates over time. But we also know that markets are subject to cycles, and that this last one was pretty bad. The analysis gets even more complicated if you are buying properties with investors' equity. What kind of returns can you realistically expect to earn for your investors when cap rates are this low? It's a lot to ponder. The answers will probably be different depending on who you ask.

Personally, I am still looking for the deals – notes and short sales – not your average market transaction. Maybe we've gotten spoiled over the last three to four years, but it seems like the really great deals are drying up. Or are they? Maybe there will be more to come. Anyway, I'm still out there looking.

As for the properties I already own, my focus is always on decreasing expenses and increasing NOI. Franklin Energy just installed shower heads and faucet aerators in eighty of our apartment units. We also got a bunch of energy efficient light bulbs. All of this was free. Ultimately, we plan on using Franklin Energy for our entire portfolio. It is unclear exactly what savings these changes will bring – but we know they'll be greater than zero. In the meantime, we will just keep moving forward and making the best of what we have.

*“CTA Work” continued from cover*

Morse is one of seven CTA Stations scheduled to be closed this summer as part of this improvement program. Granville was the first station to be shut down for renovations, and Jarvis, Thorndale, Berwyn, Argyle and Lawrence are all scheduled for closures in the coming months.

The total budget for all seven stations is \$86 million and will include work for new concrete platforms, track replacement, new station lighting and “furniture,” and upgraded electrical service. The station closures will be done in phases with no two adjacent stations scheduled to be closed simultaneously.

The renovation work at Morse Avenue began earlier this summer. The first phase focused on improvements to the viaducts and tracks. On June 29th, the entire station shut down for a six-week renovation of the interior and nearby storefronts. This work is scheduled to be completed by August 10th.

The remodeled station will include an expansion of the Morse Avenue entrance, incorporating a now-vacant Currency Exchange on the southeast corner of the station into the structure. The station will be tuck-pointed and doors, windows, and light fixtures will be replaced. Some of the nearby storefronts on both Morse and Lunt Avenues will also be renovated while the station is closed.

During the six-week closure period, commuters are advised to use the Loyola or Jarvis stations instead, or bus service on Sheridan. Even after the renovated station is open in August, there will likely be continued street closings near the tracks on a periodic basis as work on the tracks and viaducts continues.

After Morse is finished, Jarvis will be next. The Jarvis Station is currently scheduled to close on Nov. 9th for its own six-week renovation. The Loyola CTA Station is also being renovated; however, funding for the Loyola Station renovation is separate from the Red North Interim Station Improvement project.

## Does a Bike Friendly Chicago Work for Rogers Park?

The city of Chicago likes to bill itself as a bike-friendly place. Under the previous Daley administration, the city did a number of things to make this true. Former Mayor Daley himself was an avid biker, and he wanted biking to be easier and safer for the city's residents and visitors alike.

Under the Daley administration, the city created or expanded biking infrastructure throughout the city. According to the city's website, there are currently 117 miles of marked, on-street bike lanes, 30 miles of marked shared lanes, a growing network of off-street bike paths, including the 18.5 mile Lakefront path, and at least 12,000 bike racks scattered across the city and downtown.

By all indications, the Emanuel administration is just as interested in making the city a better place to bike. The city's newest initiative is to create a network of protected bike lanes that share the same street as cars but are physically separated from auto traffic. The first of these protected bike lanes opened on Kinzie Street just north of the Merchandise Mart shortly after Emanuel took office. Since then, at least one other protected bike lane has been created along 18th Street in the South Loop. Future protected bike lanes are being considered for Jackson, Division and Lake Streets in and around the Loop. By the end of this summer, there should be 25 miles of protected bike lanes, and more than 100 miles within three years.

Perhaps Chicago's best-known claim to biker-friendliness is its bike parking facility in Millennium Park, just east of the Theater of Music and Dance on Randolph Street. This facility provides indoor bike parking, showers and lockers for bike commuters, and even on-site bike maintenance and repair.

You would think that, if Chicago is a good place to bike, Rogers Park would be even better. After all, the neighborhood has a bit of a "granola" reputation. There's no shortage of serious bikers in this community. Any casual observer could confirm this during a typical weekday morning or evening rush hour as bikers stream down the major north-south arterials to get to work. The community is close to the Lake and parking is in short supply, conditions that favor a large and active biking contingent.

Yet, if you talk to some of the residents of the community, biking in Rogers Park is not as friendly as it should be. RPBG Board Member Tom Heineman says that a key problem for the community is the lack of coordination with the rest of the metro area for its bike routes. According to Tom, two of the biggest problems are Clark Street and Sheridan Road.

Through much of the city, Clark Street is a great biking arterial with marked bike lanes along most of the street from Lincoln Park all the way north through Andersonville. But just a few blocks north of Bryn Mawr, the marked bike path abruptly stops. The problem is, the bikers keep going. Clark Street remains an important biking arterial for Rogers Parkers and is even shown as a recommended bike route on the official city of Chicago bike map. But the heavy traffic and lack of marked lanes means that bikers on Clark Street in Rogers Park are more vulnerable than they are further south.



*Tom Heineman, RPBG Treasurer, Rogers Park bike aficionado.*

The situation on Sheridan Road is similar. This busy road is the natural extension of the Lakefront Bike Path north of Hollywood Road. However, the high traffic volumes and winding roadway make it difficult to safely accommodate bikers. In Edgewater just south of Rogers Park, the city has routed bikers away from Sheridan along Winthrop and Kenmore. This works well up to Devon, but no further. Past Devon, the Loyola Campus blocks easy bike access further north.

The official Chicago bike map shows a tortuous alternative route around Sheridan Road on several side streets that eventually takes bikers to Ashland and Rogers Avenues. The problem is, most bikers can't be bothered with all these twists and turns, and just barrel north on Sheridan anyway.

Neighborhood activists would like to see this situation change. A loose coalition of bike activists, community members, Loyola University officials and city planners have begun working with the 49th Ward Aldermanic office to create a safer environment and more rational network of bike paths that connect the neighborhood to the rest of the region.

One concrete result of this effort was the recent attempt to include funding for a marked bike lane on Clark Street in Alderman Moore's Participatory Budget process. Unfortunately, when the final votes were tallied, the bike path project came up short. But, sponsors of this initiative vowed to come back next year and try again.

Making Chicago a friendlier place to bike remains a priority for the city, and is clearly a priority for many in the Rogers Park community. It may take a few more years, but the momentum to create better conditions for bikers in the Rogers Park community seems to be picking up steam and will inevitably lead to improvements in infrastructure and better connections for bikers to the surrounding neighborhoods of the city and nearby suburbs.



Mary Jane Sacks  
1708 W. Jarvis Avenue  
Chicago, IL 60626  
Phone/Fax (773) 743-7453  
e-mail: [rpbg@rogerspark.com](mailto:rpbg@rogerspark.com)  
Website: [www.rpbg.org](http://www.rpbg.org)

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## 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.

*If you would like to receive membership information, please send your address, phone and email to Mary Jane Sacks at [rpbg@rogerspark.com](mailto:rpbg@rogerspark.com) and she will provide you with everything you need!*

## New Construction Returns to Rogers Park



It's not exactly a tidal wave, but it does appear that the drought is over. After several years of virtually no new construction – apart from Loyola University and the city of Chicago – there are signs that new construction is making a comeback in Rogers Park.

The most recent proof of this phenomenon is developer Bart Pryzjemski's recently proposal to build two new six-unit buildings at 7220 and 7226 N. Oakley in the West Rogers Park neighborhood. These parcels are currently occupied by two abandoned homes that have been vacant for six years. These houses were slated for a redevelopment that never got off the ground after the recession hit. Mr. Pryzjemski is the same developer who just built a six-unit building at 2138 W. Touhy Ave., a few blocks east of the proposed redevelopment site.

A Community Meeting for the review of this proposal was held on Tuesday, May 29th by Alderman Joe Moore. Alderman Debra Silverstein also attended the meeting since these properties will fall in the 50th Ward when the new ward boundaries take effect.

In order to proceed, the redevelopment of the site would have required a zoning variance from RS3 to RT4. The existing zoning designation limits any new development to single family and two-flat buildings. The RT4 designation would have permitted the higher-density six-unit buildings.

Subsequent to the community meeting, Alderman Moore decided to deny the rezoning request for this new construction project. The Alderman cited both community opposition to this project, as well as a lack of preparedness on the part of the developer for the meeting.

Although this development does not appear that it will move forward, it does indicate a resurgence in demand for new construction apartments in the Rogers Park neighborhood. In addition to the recently completed six-unit property at 2138 W. Touhy, a new twelve-unit apartment building with ground floor retail space is currently under construction on Morse Avenue adjacent to the Mayne Stage. This development is being built by Tawani Enterprises, a subsidiary of the Pritzker Family.

Tawani is also involved in several gut renovations of apartment properties in Rogers Park, including a vintage high-rise on Fargo east of Sheridan. Steadily rising rents and falling vacancies appear to be at levels that support new construction for carefully thought out developments. The next year will test whether these projects are isolated instances, or the beginning of a resurgence in new apartment construction in the area.