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Gold Coast apartment tower sells for \$19 million

By: [Alby Gallun](#) March 03, 2014



Village Green Cos. bought 860 N. DeWitt Place in the Gold Coast. Photo from CoStar Group Inc.

Village Green Cos., a Michigan apartment developer that owns three buildings in Chicago, added a fourth, paying nearly \$19 million for a 21-story high-rise in the Gold Coast.

Village Green said it acquired the 147-unit building at 860 N. DeWitt Place and plans a major renovation of the 1960s-era building, including a new lobby and fitness center and spruced-up kitchens and bathrooms in its apartments. The Farmington Hills, Mich.-based company acquired the building from a trust affiliated with Chicago-based real estate firm Supera Asset Management Inc.

A Village Green spokeswoman declined to disclose a price, but a person familiar with the property said the firm paid \$18.9 million, or about \$129,000 a unit. Village Green acquired only the building, not the land underneath it, which it will lease from a land trust under an agreement that expires in about 46 years.

"860 N. DeWitt provides Village Green, and its clients, residents and corporate housing guests, a housing option in the Gold Coast and complements our other neighborhoods in downtown Chicago and the surrounding suburbs," Village Green CEO Jonathan Holtzman said in a news release.

Village Green is known for buying and fixing up older apartment buildings, with recent projects including **Randolph Tower** and **MDA City Apartments** in the Loop.

After renovating 860 N. DeWitt, the firm should be able to boost the property's income and value by hiking rents, said Douglas Imber, president of Essex Realty Group Inc., the Chicago-based brokerage that sold the building.

"This is a property that I think will benefit materially from upgrades of kitchen, bath and common areas," he said.

After the rehab, Village Green could charge as much as \$2.30 to \$2.50 a square foot in rent, up from the current \$1.60 to \$1.80, Mr. Imber said. Essex received about 20 offers for the property, he said.

One offer came from local investor Ansonia Properties, which **agreed to buy the building last year**. But that deal fell apart, opening the door for Village Green. Ansonia and Supera executives did not return calls.

Downtown apartments have been a popular investment the past few years amid high occupancies and record rents. But one of the biggest risks for investors is a construction wave that could add more than 6,000 units to the downtown market by the end of 2015. The additional competition already has started to affect rents, which **fell 2.7 percent last year**, according to Appraisal Research Counselors, a Chicago-based consulting firm.

Note: The story has been corrected to reflect that the land at 860 N. DeWitt Place is owned by a

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