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Another apartment development brewing in West Loop

By: [Alby Gallun](#) March 26, 2014

With one West Loop apartment project winding down later this year, Focus Development Inc. and an Atlanta investor have found a site for their next one just a few blocks away.

A joint venture including Northfield-based Focus, Atlanta-based Atlantic Realty Partners and Chicago developer Jeffrey Shapack paid \$4.7 million for a pair of properties at the southwest corner of Lake and Halsted streets, according to Cook County records. The group plans a mixed-use project with apartments but isn't saying yet how big it will be.

The development would be on the edge of the booming Fulton/Randolph corridor, an area receiving a lot of attention from developers and technology companies since [Google Inc.](#) decided to move its Chicago offices there.

It's familiar turf for Focus and Atlantic, which are **developing 104 apartments** a few blocks southwest. They expect to wrap up the project at 922 W. Washington St., called Circa 922, in the fourth quarter, said Atlantic Realty President Richard Aaronson.

'GREAT NEIGHBORHOOD QUALITY'

The neighborhood has "really become a focal point for the tech sector, with the advent of Google's location, and that is just building on the fact that it has become a mecca for restaurants," he said. "It has a great neighborhood quality to it."

He declined say how many apartments he and his partners want to build at Halsted and Lake but said they may seek a zoning change to allow for a bigger project. The site, which encompasses about 22,500 square feet, is zoned for about 155 residential units, but the group could possibly build more if it seeks bonuses from the city.

Any zoning change would need the blessing of Ald. Walter Burnett (27th), whose ward includes the property. He did not return a call.

Focus President and CEO Tim Anderson declined to comment, as did Mr. Shapack, president of Chicago-based Shapack Development Co.

With landlords and developers courting tech firms like Google and [Uber Inc.](#) to buildings in the Randolph/Fulton corridor, that could drive demand for apartments nearby, said Ron DeVries, vice president of Appraisal Research Counselors, a Chicago-based consulting firm.

"There's the potential for a notable number of jobs added in that submarket over there," he said.

GLUT RISK

Still, the risk of an apartment glut is rising. Tempted by high occupancies and rents and emboldened by a conviction that the apartment boom won't fizzle out, apartment developers keep drawing up plans for new projects downtown. With more builders expected to complete more than 6,000 apartments downtown this year and next, some landlords are bracing for a tough few years. Rising supply may already be having an impact: Rents at top-tier downtown buildings **fell 2.7 percent** last year, according to Appraisal Research.

Yet Mr. Aaronson thinks demand will be strong enough to absorb the new supply.

"If the overall economy holds up, we don't have a lot of concerns," he said.

He also is confident in the market will be able to regulate itself, saying many proposed projects will never get off the ground.

"It doesn't take a great deal of effort to make an announcement," he said. "But to get a large-scale project capitalized and developed is a significant undertaking."

The venture bought the West Loop properties, currently home to a wholesale hardware merchant and a seafood company, from a land trust whose beneficiary could not be identified.

In addition to the Washington Street project, Atlantic Realty and Focus developed a 175-unit apartment building in Evanston that sold last year for about **\$70 million**.

Mr. Shapack also is busy in the West Loop, as a partner in the venture developing the 40-room **Soho House** hotel at 113-125 N. Green St. and another group leading an office

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