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Here come another 959 apartments downtown

By Alby Gallun



A rendering of the apartment project planned at 1000 S. Clark St.

Two more downtown apartment developments have moved from the “proposed” column to “under construction” after landing big loans.

In the South Loop, a joint venture between Chicago-based JDL Development Corp. and iStar Financial Inc. of New York secured a \$79.7 million construction loan for a **28-story, 469-unit high-end apartment tower** at 1000 S. Clark St. The venture has begun preparing the site for construction and is awaiting a foundation permit from the city, said **JDL President Jim Letchinger**.

In Streeterville, Chicago-based Golub & Co. and partner General Investment & Development Cos. in Boston are moving forward with a 44-story tower with 490 luxury apartments at 545 N. McClurg Court after obtaining a \$90 million construction loan from PrivateBank & Trust Co., according to Cook County property records. Representatives of Golub, GID and Chicago-based PrivateBank did not return calls.

Apartment development downtown has taken off the past few years as high-rises have filled up and rents have **soared to new highs**. The trend shows few signs of abating, with some observers questioning whether there will be enough renters in the next few years for all the new apartments. Developers are on track to complete nearly 2,700 apartments downtown this year and 4,100 in 2015, according to Appraisal Research Counselors, a Chicago-based consulting firm.



A rendering of the luxury apartments planned at 545 N. McClurg Court.

Mr. Letchinger said he expects the first residents at 1000 S. Clark to move in in October 2015. He expects to charge rents around \$2.60 per square foot. The construction loan covers 64 percent of the project’s total cost of \$124 million, he said. The Chicago office of HFF Inc. arranged the loan from Little Rock, Arkansas-based Bank of the Ozarks.

Though several downtown apartment towers have landed construction loans this year, lenders have become more conservative, with many sitting on the sidelines, Mr. Letchinger said.

“A bunch of banks said we have one or two deals (in Chicago) already and we want to see how those play out before we do another,” he said.

In addition to the South Loop project, JDL recently completed a **269-unit apartment building** in Wrigleyville that is 70 percent

leased. The developer also is wrapping up a **71-unit project** in Old Town that will open in September, Mr. Letchinger said.

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