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A 'holy cow' price: Gold Coast site fetches \$70 million

By Alby Gallun



The southwest corner of State and Walton (Image via Google Earth)

As if he weren't busy enough, Chicago developer Jim Letchinger is drawing up plans for an ultra-luxury condominium tower in the heart of the Gold Coast.

A venture led by Mr. Letchinger has agreed to pay about \$70 million for a parcel at the southwest corner of State and Walton Streets, according to people familiar with the transaction. The hefty price — about \$4,075 per square foot for the 17,180-square-foot parcel — reflects Mr. Letchinger's faith in the high-end condo market and represents another major step in its recovery from the crash.

The sale also will generate a remarkable return for the seller, Crescent Heights Inc. The Miami-based developer bought the site and the Walton on the Park residential high-rise next door less than four months ago **for about \$160**

million, a mind-boggling price to many at the time. The vacant parcel was valued at just \$28 million in that deal, according to one report.

'OUTSTANDING SITE'

"It's an outstanding site," said Gail Lissner, vice-president at Appraisal Research Counselors, a Chicago-based consulting firm. "You're in the heart of the Gold Coast, you're across the street from the Waldorf. Some of the city's most high-end buildings are right there."



Jim Letchinger

A Crescent Heights executive declined to comment, and Mr. Letchinger, president of Chicago-based JDL Development Corp., did not return calls.

Though Mr. Letchinger built condos during the boom, he has been one of the most aggressive apartment developers since the crash. He was part of a venture that built a 250-unit apartment tower in Old Town, selling it last year for **\$157 million**. Another JDL venture recently completed a 269-unit project in Wrigleyville and is wrapping up a 71-unit building in Old Town. And late last month, JDL landed a **\$79.7 million construction loan** for a 469-apartment project in the South Loop.

"He's on a roll," Ms. Lissner said.

'HOLY COW' PRICE

Still, he's paying a lot for the privilege of building a condo tower in the Gold Coast, increasing the project's risk.

"To hear a \$70 million number, holy cow," said John T. Murphy, the Chicago developer of Lincoln Park 2550, a high-end 218-unit condo tower in Lincoln Park.

Yet the current supply of new luxury condos downtown is shrinking — the Trump International Hotel & Tower is **virtually sold out** — and demand is rising so it's an opportune time to start building condos again. Confident that demand is here to stay, many developers are mulling for-sale residential projects where they would have only considered rentals a year or two ago. About four blocks north of the Walton Street site, trader and developer Don Wilson plans a 35-unit tower at **4 E. Elm St.**

It's unclear how many condos Mr. Letchinger plans to build on his site, who his development partner is and when he is scheduled to close on the land purchase. Under a zoning agreement the city approved in 2006, a developer could build as many as 261 residential units on the parcel.

Note: This story has been updated to correct the location of the parcel at the intersection.

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