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Onni's Chicago deals keep Vancouver native busy

By Micah Maidenberg



Kevin Carpenter

Kevin Carpenter got his start in real estate as investors in Hong Kong were pouring money into properties in his native Vancouver, British Columbia. Now he's the one hunting for deals in foreign lands — Chicago among them.

Mr. Carpenter, 47, works as senior vice president of acquisitions for Onni Group of Cos., a position he's held for 11 years. Perhaps best known in Canada as a condominium developer, the Vancouver-based real estate firm has bought a Loop office tower here and is accumulating downtown development sites, betting the residential boom has room to run.

"Quite often our deals are more asset-specific than they are city-specific," said Mr. Carpenter, who's based in Vancouver. "If it's a major metropolitan city and it's in a core location, generally we would have an interest in the property if there's an opportunity to add value to it."

A relative newcomer to the United States, Onni started looking for commercial real estate deals in the country in 2008 and made its first investment two years later, when it began buying apartments in Phoenix.

In 2012, Onni paid **\$101 million** for the 30-story office tower at 200 N. LaSalle St. Later that year, it paid **\$17.8 million** for two residential development sites in River North.

Next month, the company will **acquire Atrium Village**, a 309-unit apartment complex at the southwest corner of Division and Wells streets, where it could build 1,500 new residential units.

Like other builders, Onni hopes to capitalize on job growth in the city's tech industry and shifts in demographics to fill its would-be rental units or sell its condos.

'COMFORTABLE BEING IN HIGH-RISES'

"You're seeing people move to River North, to Old Town, Streeterville, and they're very comfortable being in high-rises, whether it's the youth that are in the technology business or whether it's some people who are . . . becoming empty-nesters," Mr. Carpenter said.

While Onni now has a staff of about a dozen here working out of 200 N. LaSalle St., the firm faces the challenge of navigating the city's development approval process, reading local market conditions and carefully targeting potential renters or buyers.

"That's the danger of stepping outside your backyard — you don't understand the nuances or you don't see them or recognize them," said **Garry Benson**, principal of Chicago-based residential consultancy EMS/Garrison LLC who's not involved with Onni.

CROWDED MARKET

Mr. Carpenter said Vancouver has a demanding development process, too, and the firm has worked with aldermen like Brendan Reilly and Walter Burnett to secure necessary approvals for its proposed residential towers.

Onni is trying to break into a crowded marketplace. Developers are expected to **finish** more than 6,300 apartments in downtown Chicago over the next two years, according to Chicago-based Appraisal Research Counselors, even as a **dwindling** number of condos sparks small new for-sale projects.

At 750 N. Hudson St., Onni hasn't decided whether it will build rentals or condos.

"It's going to take us a couple of years to build the building," Mr. Carpenter said. "Right now, I think we would just build rental, but we don't know where the market's going to go between now and a couple of years from now. We're just kind of hedging our bets."

The firm is still articulating a development plan for the Clark & Barlow site and may spend as much as 10 years developing Atrium Village, he said.

ORIGIN OF COMPANY NAME

Prior to working for Onni, Mr. Carpenter studied finance and urban land economics at the University of British Columbia and earned a bachelor of commerce degree from the school. He also spent 13 years as an investment sales broker for CBRE Inc. in the Vancouver area.

Onni — whose name is Inno spelled backward, a tribute to company founder Inno De Cotiis, an Italian immigrant to Vancouver — has built and sold

more than 5,000 condos in Canada and has another 4,400 under construction in the Vancouver and Toronto areas, Mr. Carpenter said.

It also owns another 6.7 million square feet of commercial real estate, more than half of which is industrial, as well as 1,000 apartments in the Vancouver area and 3,200 in Phoenix.

The De Cotiis family still owns and runs the company, investing its own money into projects alongside bank financing, according to Mr. Carpenter.

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