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Developer pitches residential building in West Town

By Micah Maidenberg



Akara Partners wants to raze this West Town building and build a residential project. Photo from CoStar Group Inc.

Chicago real estate firm Akara Partners LLC wants to build a residential project in West Town, another example of how developers are looking for deals in Northwest Side neighborhoods close to downtown.

An Akara venture proposes demolishing a one-story commercial structure at 822-834 N. Milwaukee Ave. and replacing it with a six-story building with 45 units and 3,156 square feet of retail space, according to plans the venture submitted to the city.

While the plans do not specify what kind of residences Akara wants to build at the site., it's likely the firm will choose apartments, the development industry's preferred asset in recent years. According to the plans, Akara also may build fewer parking spaces than units, aiming to attract young renters who don't want to own cars.

Known for its thriving [restaurant](#) and nightlife scenes, near Northwest Side neighborhoods are attracting a flock of companies looking to develop new apartment projects, especially near the CTA's Blue Line, which offers a relatively quick trip to offices in the Loop.

Besides the 99-unit building at [1611 W. Division St.](#), little in the way of new-construction units have been delivered in neighborhoods like Wicker Park or Bucktown of late, but more firms are trying to kick-start deals.

Chicago-based LG Development Group, for example, pitched a 51-unit project near [Milwaukee and North avenues](#), while Fifiield Cos. is seeking support for a rental complex on Chicago Avenue, near Wood Street. In southeast Logan Square, local developer Spearhead Properties LLC wants to develop a [78-unit apartment complex](#) near Armitage and Western avenues.

FINANCING PROJECTS STILL A HURDLE

Northwest Side markets doesn't face the same challenges as downtown, where developers are expected to deliver more than [6,000 new units](#) this year and next, according to the Chicago consultancy Appraisal Research Counselors, raising concerns about overbuilding. But financing projects in the neighborhoods is still a hurdle.

"I would characterize the lending environment as healthy, but still conservative, if that makes sense," said Dimitri Nassis, managing principal of Spearhead Properties, which is pursuing the rental deal in Logan Square. "This idea that financial institutions are throwing money at these projects is false."

An Akara executive did not return calls seeking comment. In addition to the West Town project, Akara has considered building [condominiums](#) in River North and makes a range of other real estate investments, according to its website.

Designed by Chicago-based bKL Architecture LLC, Akara's proposed West Town project would include a terra-cotta façade, private decks and a bicycle storage room, according to the plans it submitted to the city. The firm may build 23 parking units in the building, less than the unit count in the structure.

The one-story building on the property is owned by a venture of Valparaiso, Ind.-based investor Anthony Williams, who did not return a call seeking comment. In addition to buying the property, Akara also must secure a zoning change for the apartment project, winning support from Ald. Walter Burnett (27th) and the full City Council.

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