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## Investor Buys \$6M Apartment Properties

By *Cari Brokamp*

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622 W. Stratford

CHICAGO—A private investor expanding his holdings in the area has acquired two 25-unit courtyard buildings for \$6.2 million. The two properties, at 622 W. Stratford and 629 W. Cornelia, were sold as a single package by a long-term owner who wanted to move into ownership of a triple net leased property. The seller was represented by Doug Imber and Mike Tetric of Essex Realty Group Inc., and Imber also represented the buyer in the deal.

"The buyer thought that at some point in the future, if and when the condo conversion market comes back, this would be a good asset to convert and in the meantime would provide a good cash flow," Imber tells GlobeSt.com. "He owned properties in the area and has also converted properties in the past." Originally listed at \$7 million, the buildings are currently 95% occupied.

The properties consist of 38 one-bedroom units of about 800 square feet, and 12 two-bedroom units of around 1,000 square feet. Rental rates range from \$825 to \$1,450 a month, rates which Essex says are substantially lower than those attained in neighboring properties. The buildings are located in Chicago's affluent Lakeview neighborhood.

"The Lakeview submarket is holding up very well," Imber says. "We've seen in the better locations - the Lincoln Park and Lakeview-type markets - that there has not been a material price erosion. As you look down the food chain in terms of quality of asset or location, values have eroded more dramatically."

Imber points to another recent deal Essex brokered as an example of this disparity in submarkets. A 28-unit walkup building at 1456-1458 W. Thorndale in the Edgewater neighborhood sold for \$1.4 million. The property, which consisted of 21 studios and seven one-bedrooms units, changed hands between two private investors.

"For example, the Thorndale property was in Edgewater, which experience greater price erosion than Lakeview," he says. "When you look at properties in some of the west side and south side neighborhoods, the price erosion has been very severe."

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