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HOMES

Hot in Chicago: the West Loop Neighborhood

Top tech firms, retailers and restaurants are moving in, bringing a spate of luxury condo developments that are attractive to urban residents looking to settle down.

By **ALINA DIZIK**

In Chicago's West Loop, families are replacing factories.

Top tech firms, restaurants and some retailers are moving in, bringing a spate of luxury condo developments that appeal to urban residents looking to settle down.

In August, Karen Hale moved into her $1.6 million, 4,000-square-foot apartment in CA3, a 24-unit luxury condo building on Abderdeen Street. The developer combined two, three-bedroom condos to create her unit.

In August, Karen Hale, pictured, moved into her $1.6 million 4,000-square-foot apartment in CA3, a 24-unit luxury condo building on Aberdeen Street in Chicago. In recent years, residents like Ms. Hale have been moving to the West Loop, an area long known for its meatpacking warehouses and industrial feel. *KATRINA WITTKAMP FOR THE WALL STREET JOURNAL*

"I looked at the floor plans and said I want two on the top floor," said Ms. Hale, 46, an attorney who was among the first to meet with developers when the building launched its early marketing campaign. The elevator opens into the unit, which has two walk-in closets—one that's built entirely for shoes. A rooftop deck wraps around the apartment.

In recent years, residents like Ms. Hale have been moving to an area long known for its meatpacking warehouses and industrial feel. Once outshined by trendy River North high-rises and leafy Lincoln Park, the West Loop has become a hot spot just west of the city's main business district.

Bill Shaw, and his wife, Elise Hofer, moved to the West Loop in 2011. The area, Mr. Shaw said, offered more affordable housing than River North's "cookie-cutter" condos with "the same exact fixtures." Their $600,000 condo, in the Morgan Street Lofts, has three different levels, which makes a smaller home feel roomier for the couple and their 3-year-old daughter. The vertical layout feels "kind of like living in a tree house," said Mr. Shaw, 56 years old and an executive at a staffing firm.

The neighborhood's evolution is far from finished. Google is building its new Chicago headquarters on the site of a 550,000-square-foot cold-storage facility, complete with a steakhouse and designer-doughnut shop downstairs. Others, including Twitter , bicycle

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company SRAM and Uber, the alternative taxi service, have already moved or planning to expand in the neighborhood. Billy Reid, an upscale clothing retailer, is scheduled to open a store there later this year. A boutique hotel is also reportedly scheduled to open next year.

To accommodate the growth, the city in 2012 spent $38 million to complete the area's "L" stop, making the West Loop more accessible by public transportation. Young families are flocking to the contemporary Mary Bartelme Park, which opened four years ago. And Mary T. Skinner West Elementary School ranks high among the city's public schools.

"The soul of the neighborhood and the existing structures that are here give the neighborhood charm," said developer Jeffrey Shapack. He worked with the Soho House, a members-only club, to open in a former belt factory in the West Loop after a one-year renovation.

Real-estate prices are keeping up with the changes. Last month, residences in the West Loop sold for an average of $350,750, according to real-estate listings site Redfin. In August, West Loop home sales increased by 25.4% over the previous year. But some developers say commercial zoning has prevented them from building more of the residential units that are in such high demand. Local groups are also petitioning for better streetlights and other improvements to make the neighborhood more walkable, said Scott Maesel, vice president of the West Loop Community Organization and also a real-estate investor.

Real-estate agent Armando Chacon says it's the luxury, family-size three- and four-bedroom units that are the most difficult to find. This year, Mr. Chacon sold several units before the properties were even listed. When new listings appear on the Multiple Listing Service, buyers are often urged to put in an offer the first day. "There are zero townhomes available in the West Loop, and it's frustrating," said Mr. Chacon.

Belgravia Group, a local developer of West Loop's luxury condos, including Ms. Hale's, has sold 123 out of 124 units among its four buildings. All are three-bedrooms and were presold within weeks of announcing each project, said Alan Lev, the company president. The first luxury condos Mr. Lev sold in 2011 started at $490,000. Similar condos today sell for $735,000, Mr. Lev said.

Rob Katz, co-founder of Boka Restaurant Group, which owns the popular restaurants Girl & the Goat and Little Goat, said he worries that high prices will push out smaller businesses that give the area an indie vibe. "I do get a little nervous that the proliferation is so explosive," he said. "You just want to make sure that it's going the right way." He is currently in the process of opening two new restaurants in the area.

Andy Gloor, president of the neighborhood's biggest developer, Sterling Bay, has purchased 31 buildings over the past two years on the city's west side. His company develops commercial sites in smaller, emerging upscale neighborhoods within the West Loop, including the Fulton Market District and Randolph Street Corridor. Mr. Gloor hopes to cater to the "large office population beginning to enter the market," he said.

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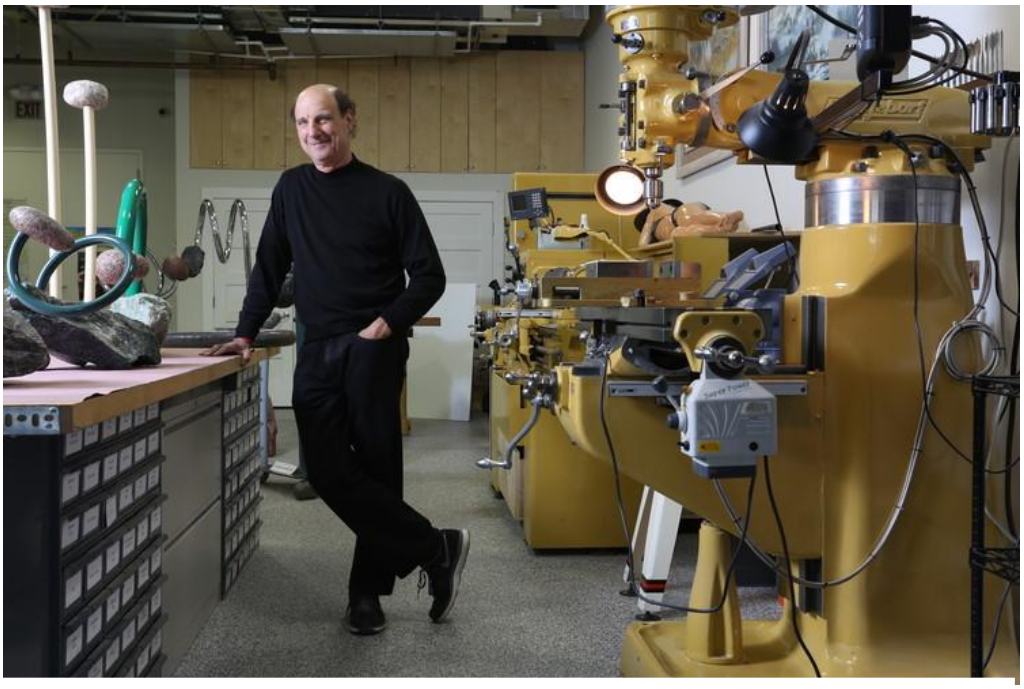
Some residents are happy they arrived before the rush. Susan Aurinko, a fine-art photographer, moved into a renovated warehouse with her husband, Gary Mostow, 10 years ago, when the area was just "warehouses and art galleries." She found a 20,000- square-foot warehouse for sale when driving around the neighborhood. A real-estate agent took her up to the roof through an external fire escape.

Susan Aurinko, a fine-art photographer, moved into a renovated warehouse with her husband, Gary Mostow, 10 years ago. *KATRINA WITTKAMP FOR THE WALL STREET JOURNAL*

"I just loved the way the building looked," said Ms. Aurinko, 63, who purchased the home for $1 million and spent another $1 million on a two-year renovation. Their home is about 12,000 square feet, and the remaining 8,000 square feet are leased out. Today a similar building would sell for more than $2.5 million. The changes over the past few years have made it even easier to live here. "The energy is just astonishing," she said.

Jeffrey Breslow, a former toy-company CEO who is now a sculptor, also has had a front-row seat to the changes. Mr. Breslow moved with his wife, Ginna Frantz, in 2007 from a sprawling condo on East Lake Shore Drive to a home that's now across the street from Google's new Chicago headquarters.



Jeffrey Breslow, a former toy-company CEO who is now a sculptor, and his wife Ginna Frantz, moved to the West Loop in 2007. *KATRINA WITTKAMP FOR THE WALL STREET JOURNAL*

His commercial studio is downstairs, and he lives on the top two floors. He spent $700,000 on the building and $500,000 on renovations. His two-bedroom home includes a custom-designed bar area out of a single piece of wood. An oversize shower room encompasses a free-standing tub.

Mr. Breslow gathers with other residents on his block for Wine Wednesdays, and the dining options keep coming. "We can walk to dinner at 20 restaurants," he said. "If you don't like one, then next week there will be a new one."■