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## Developers riding 606 trail deeper into Northwest Side

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Along portions of Chicago’s 606 trail, it’s hard to tell the construction workers from the construction workers.

Some are working on the much-anticipated, elevated recreation space along Bloomingdale Avenue expected to open in June. Others are building homes, condominiums and apartment buildings nearby that will bring new residents into neighborhoods and up the steps to the trail’s access points.

The \$95 million transformation of an unused elevated railway spur into 2.7 miles of park and trail space is designed as a gateway between neighborhoods on the northwest side. But it also is helping fuel housing development that has moved past Western Avenue, pushing up property values and attracting new residents.

At the same time, the changes are likely to raise concerns about gentrification and the inability of some residents to afford more neighborhoods in Chicago. From 2007 to 2011, more than 23 percent of renters in Logan Square, 34 percent in Humboldt Park, 20 percent in West Town and 26 percent in Hermosa were paying 50 percent or more of their income on housing, according to Census data.

Already, there have been impressive gains in home prices.

In Logan Square, for example, the median sales price of a nondistressed, detached single-family home in September was \$560,000, up 10 percent from a year earlier, according to data supplied to the Chicago Association of Realtors by Midwest Real Estate Data, the local multiple listing service. In Hermosa, it was \$175,000, up 9 percent. In West Town, it was \$790,000, up 15 percent from a year earlier.

Article Cont.



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Additional gains could come, if New York City is any example.

The redevelopment of an elevated freight line along Manhattan's western edge into The High Line sent area property values skyrocketing in a town well-accustomed to expensive real estate. From 2003 to 2011, residential property values within a five-minute walk of the park space increased 103 percent, according to a study by the New York City Economic Development Corp. Before construction of the park began in 2003, area residential properties were valued at 8 percent below the median for the borough. The third and final section of the High Line opened in September.



For already-established hot areas like Chicago's Bucktown and Wicker Park neighborhoods, the trail is expected to accentuate the qualities that made them attractive years ago. For areas to the west, the 606 may have an even bigger impact.

"For Hermosa and Logan Square, it's going to be very attractive," said Greg Viti, a real estate agent at Jameson Sotheby's International Realty. "I can just feel the energy. People are excited."

In property listings, new numbers are appearing — the 606 and the number of blocks to it. Wayne Beals, an agent at Beals Verdin & Co. last month listed a home and adjacent lot for sale in Logan Square, noting in the description that it was less than two blocks from one of the trail's access points.

"Homebuyers are speculators just like investors," Beals said. "Whenever homebuyers are trying to find a good deal on a home, they're looking at the hard assets around it. One of the assets that is changing is the 606 trail. There is some degree of speculation happening, but there is a strong foundation beyond that speculation."

The commercial development has been slower to take hold, though. California Avenue, for instance, is bustling with residential construction, including apartments that will have monthly rents of as much as \$3,000 a unit and a condo building where a top-floor unit will sell for more than \$500,000. But anyone walking off the trail, much less the crews working on those buildings, would have a hard time finding bottled water or a cup of coffee to buy.

Still, that interest may be on the upswing.

Baxtie Rodriguez, an agent with Century 21 Affiliated, is negotiating with two potential buyers of two empty buildings at California and Cortland Street. One is interested in using the space for a restaurant, the other for condos.

Nick Daoud has owned rental properties in Humboldt Park for a decade. For years it was hard to find tenants. Today, he no longer needs a rental agent to help find tenants, and when tenants move out he's easily able to raise rents.

Five months ago, he made another bet on the neighborhood, opening Humboldt Haus Liquor and Spirits on West North Avenue; five weeks ago he opened Humboldt Haus Sandwich Bar next door. Now he is working on a wine program and hoping to attract nearby residents and visitors to the trail.

"I've seen complete change," he said. "If you ask me, it's probably the hottest neighborhood, the biggest bang for its buck. You could see it in the people in the neighborhood. There's more families in the street walking. The park is cleaner."

"I think the trails are going to help," he added. "There aren't many options to eat and drink. Either way, we're there for the long haul."

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Some made the investment years ago and now are anticipating a payoff.

Lisa Schwartz and her husband bought a renovated older home in Logan Square 11 years ago. She remembers being told about the plans for converting the Bloomingdale Trail and saw it as a future benefit. "I don't think anyone saw it on the magnitude (it is). We would scamper up and see the neighborhood around it. We were thrilled."

Three children later, Schwartz is again thrilled with what the trail is shaping up to be because she believes it will boost her home's marketability as they consider a move.

"We're certainly going to wait until it's completed," she said. "We think it will have a positive effect on our property values."

Wheeling-based Northfield Group is among the active residential developers in the area, with projects that include five single-family homes under construction on one block, a three-flat condo building and a 24-unit rental building. It's now hearing from potential first-floor tenants such as coffee shops, and it continues to secure land for more homes, paying at least five times what lots cost five years ago. The homes the company will build on those lots will be marketed for close to \$700,000, high for the area but a bargain compared with those in Bucktown and Wicker Park. East of Damen Avenue, new single-family homes typically cost well over \$1 million.

"When we market the properties, we let them know we are close to the trail and the accessibility to it," said Northfield president Gary Levitas. "For a while, it was California (Avenue). Now Kedzie (Avenue) is the new boundary. The market will push itself west whether we want to or not."