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Park Tower sees 3 sales over \$3 million

By: [Mary E. Morrison](#) October 11, 2011

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(Crain's) — Three condominiums in the Park Tower on Michigan Avenue sold for more than \$3 million each in the past month, belying a broader downward trend in the high-end condo market. Sitting atop the Park Hyatt hotel, the 117 condos in the high-rise at 800 N. Michigan Ave. are among the most expensive in the city, with prices of some units exceeding \$1,000 a square foot. But only seven condos in the 117-unit building have changed hands so far this year, including the three that sold in the past month.

The recently sold units were all on the larger side, with a 3,200-square-foot condo on the 47th floor selling for \$3.25 million, a 4,200-square-foot home on the 48th floor selling for \$4.05 million and a 4,200-square-foot unit on the 53rd floor selling for \$3.18 million. The 53rd-floor unit had been on the market for two years and was originally listed at \$4.75 million, said listing agent Hillary Levy of Baird & Warner.

“Prices came down to a level where it was priced right,” she said.

Yet the broader market for luxury condos has slowed over the past year. The number of condos in the city of Chicago that sold for more than \$1 million dropped to 232 between Oct. 1, 2010, and Sept. 30 of this year, down from 291 in the year-earlier period, according to data from Midwest Real Estate Data LLC. The average unit sat on the market for 230 days, up from 161 in the year-earlier period.

Chezi Rafaeli of Coldwell Banker Residential Brokerage, the listing agent on the 47th-floor Park Tower unit, is optimistic that the high-end market will improve in the coming months, saying demand for condos with more than 3,000 square feet has been strong. He expects prices to rise in the next year.

“It's becoming a limited inventory because no one's building,” he said, noting that only a few three-bedroom units remain unsold at the Trump International Hotel & Tower.

Actually, two high-end projects are under construction, with completion expected next year: the Ritz-Carlton Residences on Michigan Avenue, where the average condo is listed for \$1,200 a square foot, and Lincoln Park 2520 in Lincoln Park, with an average list price of \$871 a square foot, according to Appraisal Research Counselors.

In what may be a good sign for Park Tower residents, the recently sold condos fetched more than they did several years ago. The 47th-floor unit that sold for \$3.25 million was purchased in 2007 for \$3.2 million; the 48th-floor unit that sold for \$4.05 million was purchased in 2001 for about \$3.73 million, and the 53rd floor unit that sold for just under \$3.18 million was purchased in 2000 for just under \$1.93 million, according to public records.

Yet it's unclear how the sellers made out on the transactions. Including broker commissions and the cost of upgrading units, some sellers may have booked a loss. The Standard & Poor's/Case-

Shiller index of Chicago-area condo prices has fallen nearly 12% in the past year and about 29% from its peak in 2007.

Still, buyers on the very high end are somewhat immune to a slow economy and stock market fluctuations, said Michael Shenfeld of Koenig & Strey Real Living, who this week sold a 7,300-square-foot unit in a co-op building at 1448 N. Lake Shore Drive for just under \$3.68 million. “The day-to-day markets aren't necessarily going to affect them being able to afford a home,” he said.

There are 12 Park Tower units on the market, ranging from a two-bedroom, 2,000-square-foot unit on the 41st floor listed at just under \$1.4 million to a six-bedroom, 6,240-square-foot unit on the 51st floor listed at just under \$6.3 million.

Because the building is now a decade old, sellers at the Park Tower didn't have to compete with the developer when listing their units, a potential problem for sellers at newer buildings, said Randi Pellar of Baird & Warner Inc., the listing agent for the 48th-floor unit that sold for \$4.05 million.

“The developer usually has deeper pockets and more motivation to sell,” she said.