THE REAL DEAL
REAL ESTATE NEWS

Chicago's Cabrini-Green site gets second chance

Rebirth of blighted complex spurs new condos, retail growth nearby

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Chicago's notorious Cabrini-Green public housing project, once a national icon of urban decay, is now a model for what has been called the most ambitious central-city urban revival in the country.

The nearly 800-unit Parkside of Old Town, a mixed-income development presently under construction on the former Cabrini-Green property, is being developed by Kimball Hill Urban Centers and Holsten Real Estate Development. The first phase of Parkside, about 200 units, is 75 percent sold, and residents began moving in during October.

Until recently, the 70-acre development was home turf to competing drug dealers and violent gangs. These days, most of the original buildings have been razed, making way for a mix of low-income and affluent residents.

Whereas only a few years ago the area was rife with broken windows and graffiti, now 15,000 low-income residents are moving into new buildings in a transformed Cabrini-Green; market-rate townhouses and condos in new buildings, meanwhile, are going for up to $750,000.

Bringing in middle-class residents was seen as a necessary ingredient to anchor new retail projects.

"Cabrini-Green is one of the most successful large-scale initiatives that demonstrates that people of varied incomes will seek to live near one another," said David Dixon, head of urban planning and urban design for Goody Clancy, an architectural firm active in the neighborhood. "It's one of the

most ambitious and about the most visible examples of how fast a city can reclaim an area that had suffered from decades of disinvestment."

Interest in Parkside has been "across the board, but among predominantly younger first-time buyers," said Andrew Warner, vice president for Equity Market, the firm handling sales. "The fact that the development is mixed-income has not been a deterrent to sales or interest."

Not only Cabrini-Green is being rebuilt; that complex's reconstruction is spurring changes in adjacent areas. On a former no-man's-land between Cabrini-Green and the affluent Gold Coast neighborhood, the Jameson Realty Group is building a 39-story condominium and upscale retail development. The building has 34 full-floor units selling for between $2.5 and $3.5 million.

As growth in the area between the Gold Coast and Cabrini-Green accelerates, there are a total of 55 residential projects containing 5,800 units that have been recently built, are under construction or are planned for this area.

Structured Development is nearing completion of a 225,000-square-foot complex that will house 75,000 square feet of retail space, the 80,000-square-foot new home of the British School of Chicago, and office space.

Across the street, Structured Development is also demolishing the former New City YMCA and spending $270 million to erect four buildings with 1 million square feet of mixed-use and mixed-income development. The project will include a 120- to 150-room hotel, a 23-story condominium tower, 400,000 square feet of upscale retail space, and a 900-car parking garage. A total of nearly 500 housing units are expected, with about one-fifth designated for affordable housing or returning Chicago Housing Authority residents.

Charles Huzenis, co-founder and president of Jameson, said he thinks the Cabrini-Green transformation is overdue.

"It was blighted; it was dangerous, and it kept a lot of people from moving to Chicago," Huzenis said. "It opened up the whole corridor into the Gold Coast, and now everyone [at all income levels] sees the opportunities that exist for them."