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## High rent society

### Why get a mortgage when you can get a sweet apartment instead?

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[RedEye](#)

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No one knows better than Jeremy Dubin that now is a great time to buy a house.

And yet Dubin, an @Properties real estate broker, sold his Roscoe Village townhouse in the spring and moved into his new place—a luxury apartment in Goose Island.

His 23-story building, SoNo East, opened in June, but it's quickly becoming its own social network. Management hosts happy hours for its residents, who have access to a hot tub, fire pit, gym, billiard room and a four-story parking garage (one of the amenities that appealed most to Dubin).

But these high-end services don't come cheap. Dubin said he pays \$2,365 for his one-bedroom apartment—about \$500 a month less than what he was paying when he owned his townhome.

Dubin said he plans to rent for a year and buy next year while he waits for a new construction condo. Yet he could save more by living in a place without a poker room or a round-the-clock doorman.

"If I was younger, I'd have a roommate. At 36 years old, I'm not living in a studio apartment," said Dubin, adding that he appreciates that his rent is stable and there are no new fees like special assessments that sometimes befell him as a homeowner. Plus, living in a place with a sundeck "is like you're on vacation."

SoNo East is just one in a growing market of luxury apartments in the city that offer amenities such as pools, dog runs and rec rooms to lure young Chicagoans who are wary about investing in a home.

Chicago has long been a haven for rentals, which comprise about 55 percent of the city's occupied units, according to 2010 census data.

Now, luxury rentals that offer a wide range of services have caught the attention of some locals who would rather live an effortless lifestyle than own a home, which they no longer see as a profitable asset, even though home prices are low and supply is high.

"I think for a period of time, young people thought of housing as an investment but so many people got burned on it being an investment so they're thinking about shelter. They're thinking, 'What do I want for shelter?'" said Susanne Cannon, chairwoman of DePaul's department of real estate. "A lot of new apartment buildings ... you've got a small apartment but huge amenity space. The lifestyle for [young adults] is more like living in the fraternity, sorority or dorm ... and it's very attractive."

About 1,100 of these apartment units will be completed in the Chicago area this year, and 15,000 units are planned for Chicago, the Tribune reported, citing data from real estate research firm Marcus & Millichap.

These new apartment buildings are changing the landscape of the city and the housing market. Coast at Lakeshore East, a 46-story building, is expected to open in February with about 500 apartments.

Meanwhile, Randolph Tower City Apartments, a 45-story building in the Loop, started renting its units for between \$1,500 and \$7,000 in the winter.

And 1225 Old Town, off Wells and Scott streets, began leasing its 250 apartments—ranging in price from \$1,650 to more than \$5,000—in the spring.

David Bach, an associate at Hines Interests, the developer of 1225 Old Town, said 75 percent of the rentals already have been claimed—beating his initial projections.

The building offers a pool, hot tub, Internet café with Wi-Fi, barbecue area, social lounge and demonstration kitchen that residents can reserve for parties. A boutique grocery will open in the spring.

"Our core demographic is the affluent, young professional," Bach said. "A lot of people are a little disillusioned with the prospect of owning a home and don't see it as the surefire investment it once was. They don't see it as attractive to be tied down to a piece of property for a few years."

Eric Paul, 31, said he was happy to unload his St. Louis house, which he built and owned for eight years, so he could move into SoNo East in July after his wife was transferred to Chicago for work. What initially drew him to the building, he said, was the private dog run for his 80-pound black Labrador, Rocky.

Paul said he pays \$3,185 for a two-bedroom rental, which doesn't include parking. (No matter, since he doesn't have a car.) He said the price tag fell in his budget. As a recent transplant, he appreciates the social atmosphere, especially by the pool.

"It is an awesome pool deck. They pipe in music. It's really like you're at a big party all day long," Paul said.

Paul said he's not sure how long he'll be a renter. Home buying may be a few years down the road for him, he said, after his so-so experience as an owner in St. Louis.

"I didn't come out being any better ahead whether I would have owned a house the last eight years or rented a house the last eight years. ... At the time, we thought it was a great investment, but it ended up not being a wise investment at all," Paul said. "When we decided to move to Chicago ... we wanted to move into a luxury place—the big windows, the wood floors, the granite countertops."



## HOW CHICAGO RENTS

Like most major metropolitan areas, Chicago has more renters than homeowners. About 55 percent of Chicago's occupied units are rentals, the third-highest percentage behind New York and L.A., the 2010 census found. RedEye decodes Chicago's rental market by the numbers.

**2.6:** Chicago has 2.6 times the number of rental units as Cook County's suburbs combined

**38%:** Of Chicago's rental market are buildings with two to four units

**30%:** Of Chicago's rental market are buildings with 5 to 49 units

**21%:** Of Chicago's rental market are buildings with 50 or more units

**9%:** Of Chicago's rental market are single-unit buildings

**232,435:** Number of affordably priced rental units in 2009

**7.3%:** Rental vacancy rate in 2010

**2.8%:** Rental vacancy rate in 2006

**\$1,004:** Median rent in Chicago in 2010

**\$1,023:** Median rent in Chicago in 2008

**\$880:** Median rent in Chicago in 2005

**\$1,173:** Average rent in Lincoln Park for January-March 2012

**\$1,154:** Average rent in Lincoln Park for January-March 2009

**\$774:** Average rent in Rogers Park for January-March 2012

**\$776:** Average rent in Rogers Park for January-March 2009

**\$862:** Average rent in the Near South Side for January-March 2012

**\$851:** Average rent in the Near South Side for January-March 2009

**\$990:** Average rent in the Near West Side for January-March 2012

**\$937:** Average rent in the Near West Side for January-March 2009

*Sources:* Appraisal Research Counselors, DePaul Institute for Housing Studies, Illinois Association of Realtors

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