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CBS 2 INVESTIGATORS

Investors buy bigger share of properties in South Shore than other neighborhoods near Obama Center



By Carol Thompson, Dorothy Tucker
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CHICAGO (CBS) - South Shore is a Chicago lakefront community where data from the DePaul Institute for Housing Studies (IHS) say in the past three years,

investors have been buying up bigger shares of property than nearby neighborhoods.

Why is the South Shore community so attractive?

One reason is the Obama Presidential Center being built in Jackson Park on the northern boundary of the community.



The Obama Presidential Center under construction in October 2024.

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Phillip Moore, the managing director of Lending at Community Investment Corporation (CIC), said the Center scheduled to open in 2026 is one reason buying in the area seems like a good investment now.

"I think that's a driver," Moore said. "I think you have a significant amount of money, dollars coming into a certain area that drives, 'Hey, I want to be next to the center. My property values are going to go up as well.'"

Single family homes

Arlean Pleasant has lived in her South Shore bungalow for more than 50 years. At 83 years old, she has no plans to move.

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"I like it because I'm familiar with it. I'm comfortable," she said.



Arlean Pleasant, 83, has lived in South Shore for 56 years.

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Pleasant said she has seen changes in the neighborhood since she raised her children there. Now, she is noticing fewer families buying homes like hers and more renters moving into houses bought by investors.

"It impacts the neighborhood, because most of the time when people come in and they don't own the house, they don't take any interest in it," she said.

Pleasant said she gets about three solicitations from investors every month. She read the offer from one of the flyers: "Dear Arlean, I'm interested in buying your house. I'll pay cash for your house, As is. You don't have to repair or even clean it up."

Data from IHS back up Pleasant's perception that more of the homes in her neighborhood are being scooped up by investors.

Of the 141 single-family homes sold in South Shore in 2023, nearly 40%, or around 56, were sold to business buyers.

The investor interest in South Shore has seen a steady increase since 2021, the year construction of the Obama Center got underway.

* A Flourish table

"Traditionally, those homes have been owner occupied for years now they've gone rental," said Moore.

Dixon Romeo, executive director of Not Me We, a grassroots group advocating for housing protections in South Shore, said he worries about investors who become landlords because "they're not committed to trying to keep rents low."

Condominiums

Romeo's concerns extend to condominiums. Those properties are also getting a lot of investor interest, particularly units in lakefront high rises.

According to DePaul's IHS, there were 416 condo sales in South Shore from 2021 through 2023. 148 of those were sold to business entities. The percentage of investor purchases has increased during that three year period.

* A Flourish table

Paul Murphy sold his condo in the 6700 South Shore Drive building in the fall of 2023.

"\$105,000 was the final price," he said. "It was on the market for 47 days before we sold it."

Murphy's condo sold to an LLC business based in North Carolina.

Romeo worries about the rush of out-of-state investors, some of whom may not be flipping the properties fast enough and not maintaining them properly if they're not reselling quickly.

"What they're doing is they're sitting on it and they're trying to make money, and sometimes that actually means sitting on the property and letting it deteriorate, right," said Romeo.

Moore agrees that there is no rush among investors to flip properties quickly.

"There is a lack of homes there that are done, completed, as far as being fixed up; ready, ready to be sold," he said.

Romeo is pushing for a city ordinance that will assist people who live in South Shore and want to stay there. One idea is a home improvement program.

"So we have property owners who get \$40,000 grants under the condition that they stay in the neighborhood for the next five years," Romeon said, "and if they leave in between that they have to pay it back. "

He hopes to get that and other ideas to protect renters back on the City

Council's radar soon.

"We're talking about the holistic housing market in South Shore," he said, "and in order to address that, you have to have different things, which was why we have a package of things in our ordinance that we've been working on for the last five years to address it."

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In: South Shore

Carol Thompson

Chicago native. Multiple Emmy & Murrow Regional Award-winning producer. I have been with CBS News Chicago for more than two decades. Outside of work, I love spending time with family & friends and I love the snow!



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