

## Developer planning 2nd apartment tower downtown

As it gets ready to break ground on a 389-apartment high-rise in the Loop, Jupiter Realty Corp. is drawing up plans for another tower just five blocks to the west that would include as much as 150,000 square feet of office space and 300 to 400 apartments.

The Chicago-based developer wants to build the high-rise on a property at 108-116 N. Jefferson St. that a Jupiter affiliate acquired for \$7.5 million in February.

Three months earlier, the City Council approved the other Jupiter project, a 49-story apartment building at 215 W. Washington St.

Each development will cost about \$165 million, says Jupiter Principal Jerry Ong.

Amid a strong rental market, developers have started building apartments again, adding 1,976 units to the market in 2008, up from 421 this year, according to Appraisal Research Counselors, a Chicago-based real estate consulting firm.

Another 2,568 downtown units will come on line in 2009 and following years.

The rising supply of apartments doesn't worry Mr. Ong.

"We are mindful of what people are doing, but we also think our timing and where we are in the cycle is good for both the 215 deal and this one," he says.

Jupiter plans to target young professionals who want to be close to their jobs, betting that employers will continue to expand in the West Loop.

"Anything that is happening in that particular area is going to be well-received," Mr. Ong says. "We're very confident of that."

Jupiter also is confident it can land office tenants in a downtown market that is improving but is likely to get more competitive as developers build more than 4 million square feet over the next three years. Mr. Ong says tenant brokers have already expressed interest in the Jefferson Street project's office space.

The tower, expected to be 45 stories or higher, is in the early planning stages and isn't likely to be completed until 2010 at the earliest, Mr. Ong says.

Jupiter plans a September groundbreaking for the Washington Street building, which will open in 2009, he says.