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## Luxury apartments proposed for St. Charles

By: Bob Craig November 01, 2011

(Crain's) — A developer wants to build a \$40-million, 375-unit apartment complex project in St. Charles, the first new rental housing in the western suburb in a decade.

JCF Real Estate plans to present its proposal for the luxury development to the St. Charles City Council next week. The firm is already talking with large national lenders interested in financing the project and aims to break ground next April, says John Fitzmaurice, JCF's principal and founder.

Schaumburg-based JCF is among a herd of developers pursuing suburban apartment deals, aiming to capitalize on rising rents and occupancies as more suburbanites choose to rent rather than buy.

"Multifamily is very strong and getting financing is not going to be that big of a deal," Mr. Fitzmaurice says.

### **Premium content: Chicago suburbs stuck with failed condo projects reconsider apartments**

The unnamed development would be on 18 acres adjacent to the Corporate Reserve of St. Charles, a 50-acre business park that JCF is developing just west of Randall Road and North Avenue.

JCF acquired the 50-acre site in 2008 and has completed the first phase of the office park with two fully leased 15,000 square-foot office buildings. Tenants include Ohio Farmers Insurance Co. and St. Charles Consulting Group.

When completed, the Corporate Reserve is expected to have more than 500,000 square feet of office, restaurant and retail space.

The apartments would back up to the Great Western Trail and Leroy Oaks Forest Preserve. Plans for the complex include a private theater, Internet café and an exercise facility.

The 15 buildings would have stone, stucco and natural colors typical of newer apartment projects in the Southwest U.S. Most suburban apartments have antiquated "red-brick colonial-style" construction with few amenities, Mr. Fitzmaurice says. The new project's amenity package and modern design should allow JCF to charge some of the highest rents in the market, he says.

"People will pay more for amenities, and a lot of the product that we track in this market wasn't designed with amenities like these, so where you can offer it you can push prices through the roof," says George Toscas, an associate in CB Richard Ellis Inc.'s Oak Brook office who is not involved in the project.

The occupancy rate in the Fox Valley submarket was more than 95% in the second quarter of this year, with an average monthly rent of \$996, Mr. Toscas says. The high-end rent for a two-bedroom apartment in this market is \$1,425.

The last apartment development in St. Charles was in 2001, when Chicago-based Amli Residential built Amli at St. Charles near the intersection of Kirk Road and North Avenue. Three-bedroom, two-bath apartments there are listed for \$1,902 a month.



Mr. Fitzmaurice says he's confident the St. Charles City Council will sign off on his project. Though suburban developers have encountered community resistance in the past over concerns that apartments invite social problems, attitudes are changing amid the broader shift in the housing market away from owning.

"This is a legitimate proposal that deserves careful and thorough consideration by our City Council," says St. Charles Mayor Donald P. DeWitt, who hasn't taken a formal position on the JCF project.

"We need to be open-minded to proposals that we see," Mr. DeWitt says. "Multifamily is getting more exposure based on the economic realities we're all facing."

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