
Apartments planned for Printers Row warehouse

By Ryan Ori May 31, 2013

Marc Realty Residential LLC plans to convert a seven-story former printing facility in Printers Row into apartments, its latest distressed acquisition in an aggressive push to build a big residential portfolio here.

MRR, a joint venture between Chicago-based Marc Realty LLC and Chicago Apartment Finders, acquired the approximately 95,000-square-foot structure at 619-633 S. LaSalle St. for \$4.2 million in a short sale May 24, Principal David Ruttenberg confirmed.

MRR will spend about \$13 million renovating the building and converting it into 80 to 90 apartments, said Mr. Ruttenberg, who is heading up the venture's search for distressed deals. He aims to complete the project by next June.

Once a printing facility, the building now is a mostly vacant warehouse and office building. The property includes a 14,700-square-foot surface parking lot.

It's a "great location and the building's got strong bones," Mr. Ruttenberg said. "The parking obviously helps, because we can do a condo-conversion exit at some point.

"Very cool building. I'd love to buy more, but there are a limited number of buildings that are able to be converted (to residential)."

Dan Rosenberg and Peter Lynn, principals at Chicago-based Building Equity Commercial & Investment Properties, represented the buyer and seller in the sale.

Scouring the city for properties caught up in the real estate crash, Mr. Ruttenberg and his team already have accumulated about 1,500 units, including about 500 in the South Loop, he said. Nearby, it recently acquired a 330-unit **student housing tower** and a former Studebaker **showroom building** on South Michigan Avenue that will undergo a residential conversion.

A venture managed by Chicago real estate investor Ayman Khalil bought the structure at 619-633 S. LaSalle in 2006, near the height of the real estate market, for \$7.45 million, according to Cook County records. In 2007 the venture refinanced the property with an \$11 million loan from now-defunct ShoreBank Corp., property records show.

A spokesman for Urban Partnership Bank, the successor to ShoreBank, declined to say how much was still owed from the original \$11 million borrowed.

"We're just glad it's going back into the community, where it can be a useful asset for the neighborhood," the spokesman said.

Mr. Khalil did not return a call.

"There aren't too many short-sale and note purchases left," Mr. Ruttenberg said. "This was probably one of the last short sales out there. We're trying to buy as much as we can at price levels we like."

