

Looking at Residential Real Estate in the West Loop

WHEN LOOKING AT CONDOMINIUM HOME SALES IN CHICAGO'S WEST LOOP NEIGHBORHOOD, the numbers tell a compelling tale. A comparison between this year's second quarter sales results and last year's shows that across the board, prices are going up and the time it takes to sell homes are going down.

This data contradicts the popular presumption that condominium inventory is overbuilt in the West Loop. If that were true, the numbers would show the exact opposite: higher market times and lower prices.

Rather than this neighborhood swinging towards being strictly a buyer's or a seller's market, my experience suggests that it is becoming balanced. In the late 90's, we couldn't sell homes fast enough. Buyers came in because of the neighborhood's potential. After 9/11, sales slowed precipitously. In that time, the neighborhood has matured. To many people, it has become a destination every bit as desirable as Bucktown and other premier neighborhoods. We now find ourselves in a comfortable middle ground where well priced homes sell quickly and slow and steady appreciation rules the day.

West Loop Condominium Sales

April-June 2005

Units	Number of Units	Average Price	Average Mkt. Time (Days)	Expired/Cancelled
1 BR	127	\$253,232	64	
2 BR	162	\$368,196	119	
3 BR	46	\$650,713	174	
Total	335			120/222

April-June 2004

Units	Number of Units	Average Price	Average Mkt. Time (Days)	Expired/Cancelled
1 BR	154	\$239,502	86	
2 BR	178	\$338,435	130	
3 BR	30	\$556,846	180	
Total	362			116/237

Source: Multiple Listing Service of Northern Illinois

The news media frequently runs stories about residential real estate's eminent demise. If there is a major correction on the way, I don't see it affecting our local market. The last time it happened, the markets most heavily affected were those that had experienced large double digit appreciation over several years. Markets on both coasts fell hard, but the Chicago market and others in the Midwest were largely unaffected. I predict that we will continue to see annual appreciation in the five to eight percent range for the foreseeable future.

My advice to sellers in this market is to price your home correctly. Although market times are going down, an overpriced home will languish unsold well past average market times, and will most likely end up sold for less than what it's worth. Look at the high number of expired and cancelled listings in each quarter: 353 in 2004 and 342 in 2005. At least a third of these properties failed to sell at all, and that is the extremely high cost of incompetence. My advice to buyers in this neighborhood is to educate yourselves on market values, focus your search criteria before looking, then once you locate a well-priced home that meets your needs, take as much time as you want, but not one second longer, because that home will sell. ■

Knepp Realty Group lives and works in the **West Loop**. Give us a call today!
312.775.0075 | www.KneppRealtyGroup.com



833 W. Jackson Blvd.
Chicago IL 60667
www.knepprealtygroup.com.

The **Knepp Realty Group** specializes in residential real estate sales in Chicago's **West Loop** neighborhood.

The husband and wife team of Kevin and Melissa know the immense significance behind buying or selling a home, and approach each client with this in mind. Your success is our most important motivator, and we help our clients achieve it using a personalized approach. Our ultimate goal is to create a neighborhood filled with nice people; after all, we're not only your realtors, we're your neighbors!

For more information, please give us a call or stop by our web site.

Knepp Realty Group

312.775.0075

www.knepprealtygroup.com

Kevin Knepp



Melissa Knepp

