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# THE PROPERTY REPORT

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**Plots & Ploys** / *By Sheila Muto*

## Historic Preservation

Enterprise Cos. last week purchased for \$35 million the six warehouse buildings that make up the South Water Market, which for more than seven decades served as Chicago's wholesale fresh produce market.

Enterprise plans on spending at least \$175 million to renovate the 78-year-old, terra-cotta-clad, three-story buildings, which total 1.3 million square feet, into 824 condominium units, according to Ron Shipka, a principal at the closely held residential builder based in Chicago. The project will be called University Commons.

Enterprise won the property in large part because it was the only bidder that planned to reuse the property rather than demolish the historic buildings, says S.L. van der Zanden, managing director of Newcastle Ltd., the Chicago real-estate advisory firm that represented the 73 owners of the South Water Market. "There was a risk that the city would deny the demolition and the buyer would then say, 'I'm sorry, but I'm not going to close on the property,'" given that the other bidders had contingencies in their offers that their development plans be approved.

One of the bids for the property did plan to redevelop the buildings into a retail center, but in the end that bid "couldn't compete" with the dozen or so offers from residential developers, says Mr. van der Zanden.

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