

WELCOME TO THE NEIGHBORHOOD

South Shore

The Love Affair Continues

BY *Meredith A. Morris*

Photos by Kali Loader of the Chicago Association of REALTORS®



The affair between Chicagoans and South Shore has continued for more than a century, with a love ignited by developers around the time of the World's Columbian Exposition, in 1893, who promoted the area as a vacation spot for well-to-do city dwellers. Since then, the lakefront community, named South Shore in the 1920s, has remained in demand, despite its general ups-and-downs that go with living in any city.

Bounded by 67th and 79th streets to the north and south, Stony Island Avenue to the west and Lake Michigan, South Shore today is known for the South Shore Cultural Center, Rainbow Beach and other lake shore amenities, affordability, ease of access to downtown and vintage construction.

“My favorite thing is the architecture,” says Michelle Browne, REALTOR® with Prudential Rubloff Properties. “Because of when the properties were built, they tend to be larger with bigger buildings, setbacks and yards. It’s a mature community with very little new construction, wide lots, few vacant lots and big trees.”

South Shore is a predominantly middle-class African American neighborhood that’s well-served by public transportation and a solid housing stock, ranging from multi-family buildings with views of Jackson Park to bungalows and an elegant enclave of impressively elegant historic homes called the Jackson Park Highlands.

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Metra Stop at South Shore



The skyline view from South Shore



Multi-family Building



The Parrot Cage restaurant

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“The sense of history is alive, with the vintage architecture and the fact that the neighborhood is just a block from the site of the 1893 World’s Fair. There is a lot of green space and space for outdoor activities, and the price-per-square-foot is phenomenal,” adds Anthony Holmes, broker with Cityscape Realty.

Buyers come to South Shore for such a variety of reasons that it’s a challenge to market to a target base, Browne says. Almost always, buyers have a connection to the area that they want to reestablish – often a generation back in their family history – regardless of whether they are single males or females, repeat buyers or young families.

“Maybe someone’s grandmother lived there and now they want to come back. Over and over again, we find there’s some affinity for the neighborhood,” Browne says.

Today, South Shore is making news as the former home of First Lady Michelle Obama. A boon for attracting home buyers in the recent economy has been the area’s wealth of bungalows sold as distressed properties. Their low price – as low as about \$40,000 -- and relative ease of restoration created great appeal for developers and other buyers who wanted to invest in Chicago South Side homes with minimal risk.

“They’ve been very popular with developers because they can flip them. South Shore is one of city neighborhoods where that can still be done reliably,” Browne says.

South Shore bungalows sell quickly when they enter the market and within the past couple of years have enjoyed consistent demand.

“Those properties were really becoming a burden for the neighborhood but investors eventually took a lemon and made lemonade,” Browne says. “They bought homes for practically nothing, fixed them up beautifully and created a desirable neighborhood where the same homes sell for \$150,000 to \$225,000. And they did it with a lot less expense to rehab

than a buyer might face to fix up a Bronzeville gray stone, for example.” Condos, too, are desirable, in South Shore.

“As a REALTOR®, it’s a great place to be. It’s been a good, healthy market with fast turn-over. People want to be here and are happy to be moving in and also getting a good deal,” she says.

Holmes agrees, adding that the rise of a strong neighborhood association has gone hand in-hand with recent community-building.

“The area’s had its challenges but a very strong community has been born as a part of renewed interest in living here,” he says. “We’re seeing a groundswell of new buyers and families moving into single-family homes who really care about the community. As a residential broker, the challenge is supporting local values and continuing to shrink the foreclosure rate.”

Initiatives to enhance South Shore’s living experience include community policing and efforts to engage youth in mentorships and productive activities, Holmes says. Recent, largely economy-driven challenges have included foreclosures, absentee landlords and families

displaced by public housing projects.

Holmes, who lives as well as works in South Shore, is involved in 7th Ward community development efforts and meets at least monthly with Alderman Sandi Jackson’s Real Estate Advisory Council to weigh in on proposed projects and their potential value to the ward.

“Without meaning to get political, I have to laud the Alderman for the attention she’s given to the council’s opinion and not moving forward with a project unless we’ve vetted it,” he says, adding that the Alderman also supports local real estate agents’ views that commercial development is a “must” for encouraging the neighborhood’s stability and progress.

“We need more small businesses that offer walking amenities to the residents. We also need more attention to the youth, on a personal level

What’s selling in... South Shore?

FastSTATS Second Quarter 2010 (8043)

Attached Single Family **Detached Single Family**

Units: 32

Units: 24

Median Price: \$22,450

Median Price: \$157,500

Check out neighborhood stats for all 77 Chicago and neighborhoods at www.ChicagoREALTOR.com.

FastSTATS consists of average sales price, median sales price, market time, units sold and percent change for Chicago and the suburbs.

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South Shore Cultural Center entrance



South Shore multi-family buildings



The beach at the Cultural Center

and in terms of giving them opportunities for things to do,” Holmes says. “We all have a stake in creating the kind of community we want. We have a responsibility.”

Alesia Graves, broker associate with Jameson Commercial, describes a strong appeal for investors turning to South Shore for multi-family properties because they offer a great value and low risk.

“The multi-families are the first to go, when they’re available,” she says. “From an investor’s point of view, it’s about the numbers. Is the building occupied? What’s my cap rate? What’s my cash-on-cash return? Where’s the value, as far as the building is concerned? Is a profitable exit strategy feasible? South Shore presents a relatively safe equation.”

“The risk is higher,” she continues, “for investors who are taking on some of the multi-family buildings that are vacant, because most need extensive rehab and it takes time to lease up the property. But it’s a stable community with a lot of amenities, the beach and easy access to downtown. In South Shore, investors are willing to take the risk.”

For a two-bedroom apartment, South Shore rents run about \$700 to \$900. Graves “guesstimates” that South Shore residential units are divided roughly in half, between rental and owner-owned properties.

Multi-use and commercial building investment is different proposition, however, and one that’s not as clear cut.

“Retail has been a challenge,” Graves says. “The most successful retail is in small strip centers scattered in the community and along Stony Island Avenue, where you tend to see newer structures that attract business. Mixed-use buildings that reach into the communities and are in older buildings are generally less successful.”

In one sense South Shore’s strength – its charm as a long-established community – also is a commercial development challenge.

“The neighborhood doesn’t have room for a grocery store or big box business because of its lack of contiguous vacant lots. Most commercial development is on Stony Island and 71st and Jeffery. They have the major grocery stores, banking centers and some big box retailers,” Graves says.

The lakefront South Shore Cultural Center is one of the neighborhood’s main attractions. Founded in 1905 as the South Shore Country Club and designed by architects Marshall and Fox, who also designed Chicago’s Blackstone Hotel and Drake Hotel, the center has earned entry to the National Register of Historic Places and today houses art and dance studios, community event spaces, a theater and public beaches, gardens and a golf course. Also located in the Cultural Center is the foodie-acclaimed fine-dining Parrot Cage restaurant, a teaching operation of the Washburne Culinary Institute.

Jackson Park Highlands, the stunning residential enclave, is a historic Chicago Landmark District located on four streets, Euclid, Bennett, Constance and Cregier Avenues, beginning at 71st Street and extending to the Jackson Park golf course on 67th.

Established in 1905, the district’s architecture is a veritable handbook of styles, spanning Queen Anne, Dutch Colonial, Colonial Revival, Tudor, Prairie and American Four Square. Less obvious but adding to the area’s appeal, its features include wide lots and large front yard setbacks, underground utilities and no alleys.

Though property values in the Highlands have decreased by about 20 percent recently, Browne says, along with many other areas in Chicago and nationwide, homes remain prized and tend to sell for between \$400,000 and \$600,000.

No wonder Chicago’s love affair with South Shore continues.

“It’s a community of warm and friendly people,” says Holmes. “It’s a little more relaxed, generally, than the North Side and there’s more space, for living, recreation and parking.”

Adds Graves, “For any REALTOR®, you don’t have to convince people to invest in the area. It’s a stable, well-maintained community where people are working and there’s a lot of pride-in-ownership. This is where people know they want to invest.” **CR**