

55 PLUS

Athletic Club is latest entry in luxury niche

By Jane Adler
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The options for those seeking a luxury retirement building continue to grow. A new upscale age-restricted building is being planned at the former Lake Shore Athletic Club on the Near North Side. The circa-1920s building at 850 N. Lake Shore Drive that faced demolition will get an \$80 million revamp, according to developer Matt Phillips.

The yet-to-be-named project will have 128 apartments for independent seniors and 11 for those who need assistance. The building will include a pool, spa and wellness center, along with several dining venues. Services such as housekeeping also will be available.

The redevelopment will tap into the history of the building, said Phillips, president at Integrated Development Group, Northbrook. IDG's partner in the project is the National Electrical Benefit Fund, a pension fund based in Washington, D.C. The former club was the site of many local events, including weddings. Several of its large community spaces will be preserved, including a two-story 3,000-square-foot room that will be converted into the dining room. Another large two-story room on the second floor will be turned into a living room with multiple seating areas. The building's swimming pool will not be saved because Phillips said it wouldn't be suitable for residents.

The Athletic Club building joins several other new retirement projects in the city. The Clare at Water Tower is under way just off Michigan Avenue. Sales recently started at the Admiral at the Lake, which will replace the old Admiral at 909 W. Foster Ave.

Ritzy projects are becoming more widespread, according to Margaret Wylde, president at research firm ProMatura Group, Oxford, Miss. High-end retirement buildings and campuses have many of the same amenities, such as large fitness facilities, as their lower-priced counterparts, she said. But the expensive ones tend to have larger units and a high level of finishes. "Luxury sells," Wylde said. "People want a building with some extra pizzazz."

The Athletic Club project, like the Clare and the Admiral, will charge an entrance fee and monthly rent. Prices haven't been set, Phillips said, but he thinks they will be similar to those being charged at the Clare, where the entrance fee for some units is more than \$1 million. Also similar to other projects, those fees at the Athletic Club will be 90 percent refundable, typically made to residents or their estates after the unit is resold.

Phillips said the Athletic project it will have a "boutique" feel because of the relatively small number of units, which will be large in size. The private assisted-living units will have 800 square feet. The average size of the independent-living units



A new high-end, age-restricted development is planned at the former Lake Shore Athletic Club on Lake Shore Drive.

will be 1,550 square feet.

It's important to note that the Athletic Club project won't have skilled nursing units, making it somewhat of an anomaly. Entry-fee buildings generally offer apartments and assisted and nursing units. "Our idea is that we will have a home health-care provider" that can bring services to residents as needed, Phillips said. "Many people prefer to access care at home." Besides, he added, buildings with skilled nursing units must meet special codes that make the project more expensive.

Phillips formerly was an executive at Classic Residence by Hyatt, the Chicago-based developer of upscale retirement communities. He opened his own firm last year to carve out a niche in the upper end of the seniors housing market. The firm's first project is a luxury continuing-care community in Briar Cliff Manor in New York. On 59 acres, it will include skilled nursing units.

The Athletic Club transaction is expected to close Jan. 31, Phillips said. He wouldn't disclose the price. He expects unit sales to begin next July, with construction starting in mid-2009, and finishing two years later. Chicago architect Booth Hansen has been hired to handle the project.

The building became the subject of controversy when the current owner, Northwestern University, decided to sell it to developer Steven Fifield. He wanted to tear it down and build condominiums.

Though the building is not a landmark, it is a significant example of the period's architecture, according to local preservation groups. Phillips said the renovation would cost as much as building a new structure. But "one of the reasons we got this opportunity is that we were willing to reuse the building and save some of the beautiful spaces and incorporate them into our new community," Phillips said.

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