

In brief: Harper Court | Newcastle buy | Hyatt

By: Staff January 18, 2011

Developer reports Harper Court progress

The firm tapped to redevelop Hyde Park's Harper Court shopping center has letters of intent for 60% of the roughly 80,000 square feet of retail space planned and is close to lining up financing for the roughly \$100-million first phase, says David Cocagne of Vermilion Development Inc. Mr. Cocagne says the Chicago-based firm has a term sheet with an equity investor and that he hopes to have the same from a lender by April, which would allow construction to get under way later this year. The first phase of the project at 5211 S. Harper Ave. is to include retail along with a hotel and a 150,000-square-foot office building that would be used by the University of Chicago. The development, estimated to cost a total of \$240 million, last year was awarded \$20-million in tax-increment financing from the city and also obtained necessary zoning approvals.

Flavor firm buys Wauconda building

Food flavoring manufacturer Synergy Flavors Inc. acquired an 85,357-square-foot industrial building in northwest suburban Wauconda, where the company will move and expand its local operation. Synergy paid \$4 million for the building and eight additional acres for future expansion, says Daniel Benassi of **Entre Commercial Realty LLC**, which represented Synergy in the purchase. The building at 1260 Henri Drive was sold by principals of the previous occupant, Henri Studio Inc., a stone statuary and outdoor fountains manufacturer that moved a few years ago to another location. Mr. Benassi says Synergy will move from about 40,000 square feet at nearby 1230 Karl Court in Wauconda and also consolidate some other operations. He says the company plans to renovate and expand the Henri building to accommodate research and development, production and distribution. A spokeswoman for Synergy, whose parent is based in Buckinghamshire, England, declines to comment.

Newcastle buys Northwest Side shopping center

Newcastle Ltd., the Chicago-based real estate investment firm, says it paid \$4.7 million for a 14,800-square-foot shopping center at 2500 W. North Ave. A Newcastle affiliate acquired the property from a venture led by local developer William Senne. Newcastle financed the acquisition entirely with equity, according to a news release. The retail property is 100% occupied with tenants including O'Reilly Auto Parts, Charter One Bank, GameStop and Subway. "We were attracted to the property because of its location in a heavily trafficked east-west corridor in Bucktown and its strong mix of national tenants," Newcastle President and CEO Michael Haney says in the release. Mr. Senne's venture financed the property in 2007 with a \$3.5-million loan from Naperville-based Wheatland Bank.

Analysts cut rating on Hyatt

Susquehanna Financial Group LLLP lowered its rating on Hyatt Hotels Corp., citing recent gains in the Chicago-based company's stock price. "Given the 15% appreciation in (Hyatt) shares since the beginning of December, we see limited upside from current levels and are therefore reducing our rating to Neutral from Positive," analysts at the suburban Philadelphia brokerage firm write in a report released Friday. Hyatt shares have risen 93% since the company's November 2009 initial public offering, vs. a 74% increase for the Bloomberg World Lodging Index. The shares rose 8 cents Tuesday morning to \$48.24. The Susquehanna analysts write that Hyatt "is positioned for significant growth" because of its high percentage of hotels with strong revenue prospects, opportunities to expand overseas and its balance-sheet flexibility.