

Breaking Ground

COMMERCIAL REAL ESTATE TRENDS

SPRING 2007

South Suburban Development at Record Pace

The Chicago South Suburbs are undergoing a tremendous growth surge as evidenced by several new retail, office and medical developments. The market encompassing the New Lenox, Frankfort, Mokena, Lockport and Manhattan municipalities are the most active markets with well over \$1 billion dollars in new real estate and infrastructure investment currently underway. The extension of Interstate 355 to the intersection of Interstate 80 and the expansion of public transportation systems into the farther Southern Suburbs are two of the most effecting impetus for this growth surge, along with expanding demographics which is creating new infrastructure, quality schools and other relevant amenities.

Topping off the list of major developments is the retail development occurring at Route 6 and Cedar Road, at the southern most exit for the Interstate 355 extension in currently unincorporated New Lenox Township. Major national real estate developers Forest City Enterprises and Zaremba Development are both currently sheperding plans for massive retail centers through the municipal entitlement process with over 2 million square feet of new retail development envisioned within the next three years. Area health care providers and school districts are also adding to the development activity in this area. The new highway is expected to open in late 2007 and will create a new North-South corridor connecting the South Suburbs with the other hot market in the Chicago region, the Western Suburbs.

The Laraway Road corridor connecting Frankfort, New Lenox and Manhattan is also another notable area with several new developments creating excitement in the market. New residential growth within this submarket is creating the need for more retail and service development. Village Station located at Laraway Road at Cedar Road in New Lenox incorporates a new "lifestyle-transportation oriented" project with several hundred thousand square feet of office and retail space within a traditional neighborhood setting encouraging pedestrian traffic. The development, situated at a new Metra station, is similar to the downtown Naperville area in its environment. US Route 30 in Frankfort, Mokena and New Lenox is already busy with existing commerce. Heritage Pointe at Laraway Road and LaGrange Road will have nearly 80,000 square feet of new office and retail space. Several new developments throughout that corridor will further expand the market.

While the Will County area is enjoying widespread praise as one of the fastest growing markets nationwide, It is interesting to note that all of this development is non-contingent upon and unrelated to the possibility of a third airport being built in the region. As political and macro-financial issues are elements of the airport proposal(s), the development activity that is currently being enjoyed in the region will only accelerate if an airport plan ever came to fruition.

Perry Group, Ltd. is currently developing projects within these markets, including **Silo Creek**, a 50,000 square foot professional and medical office park on 191st Street in Mokena, **Briarwood**, a 50,000 square foot professional and medical office park on US Route 30 (Lincoln Highway) in New Lenox, **Farrell Center**, a 30,000 square foot office building on 159th Street at Farrell Road in Lockport, and **Stonegate**, a 200 unit residential subdivision in Manhattan. Perry also is developing a 120,000 square foot mixed use project as part of **Village Station**, the transit oriented lifestyle development at Laraway and Cedar Road in New Lenox.



Above, From Left, Heritage Pointe, Frankfort; Briarwood Office Park, New Lenox; Farrell Center, Lockport. Arete3 Design Group of Tinley Park, Illinois provides architectural/design services for Perry Group, Ltd.

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