



WATERED DOWN

A leak in the attic contributes to low price of foreclosed home

THE COUPLE THAT BOUGHT THIS HOUSE near Lake Michigan for \$3 million in 2004 fell into arrears and were forced to move out in 2006. But they failed to tell the foreclosing lender that, in addition to the main furnace in the basement, there was a second furnace in the attic.

The house sat empty and unsold for a few years, and last winter a water line connected to the attic furnace's humidifier burst. "It leaked for a week and nobody knew it," says John Aiello, the McKee Real Estate agent who represented the house for American Enterprise Bank. "It caused a tremendous amount of damage."

The bank opted to keep the property listed, with a proviso that any buyer would be responsible for the repairs, which Aiello estimates "start at \$200,000." In late July, Momtaz Taleb closed a deal to buy the house for about 31 percent of the \$3 million that the previous owners had paid. (A few weeks after Taleb bought this house, someone else paid a little over \$2 million for a comparable nearby colonial that was ready for immediate occupancy.) Taleb, who owns a Pizza Capri restaurant in Chicago, did not respond to a request for comment, and the previous owners, Mykola Slavnytsky and Oksana Sydlyachurkivska, could not be located.

GLENCOE
LIST PRICE: \$2.150 million
SALE PRICE: \$925,000

LINCOLN PARK
LIST PRICE: \$5.999 million
SALE PRICE: \$5.600 million

AN IRRESISTIBLE FORCE

Buyer hammers out deal following \$2-million drop in asking price

WHEN SMH DEVELOPMENT BUILT THIS 17-ROOM, 12,000-SQUARE- foot house, it originally priced the place at \$7.99 million. But last spring, it dropped the price by \$2 million "to force a sale," says Tim Salm of Sudler Sotheby's International Realty, the real-estate agent for SMH. (In June, *Crain's Chicago Business* reported that SMH was facing foreclosure suits totaling \$8.2 million on three other Lincoln Park projects.)

The four-story house occupies a doublewide lot: 50 feet, compared to the norm of 25. Standing in the mansion-clogged neighborhood around Burling, Orchard, and Howe streets, it is about the size of some of the older multi-unit buildings in the area. The house has six bedrooms, a wine cellar with a capacity for more than 1,000 bottles, a home theatre on the top floor, and a rooftop outfitted with, among other things, a fireplace and a putting green.

The deal for the house, which closed in late August, was listed as a short sale, which means that the sellers—with the lender's approval—let the place go for less than what was owed on it. Salm would not provide any other details, and Seth M. Harris, the president of SMH, could not be reached for comment. According to public records, the buyer is Linda R. Myers. Her agent, Christine Carr of Dream Town Realty, says that she and her client headed to the house as soon as they heard about the price cut and quickly hammered out a deal.

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TRIO TROUBLE

Study says that three-bedroom condos can be a tough sell downtown

WHICH SIZE CONDO HAS BEEN HARDEST HIT in the downtown real-estate tailspin? "It is very evident that the three-bedroom units lag the market in terms of sales and generally sell at the tail end of the marketing program," reports a late-summer study prepared by Ron DeVries and Gail Lissner, both vice presidents at Appraisal Research Counselors. Traditionally, empty nesters—who often have lots of furniture and a desire for a bedroom, an office, and a guest room—are one of the largest groups to buy three-bedroom condos. But that same group "generally must sell an existing residence in order to make a new purchase," says the report. Thus, because of a problematical housing market and losses in the stock market, the people most likely to buy those three-bedroom units have—for the time being, at least—a diminished "ability or desire to make an expensive purchase."