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TUESDAY, 10/18/05

Hearthview buys north-side building for next project

Locally based **Hearthview Residential LLC**, developer of downtown condominium conversion projects including Indianapolis Athletic Club, Mill No. 9 and Lockerbie Terrace, is now turning its attention to the Meridian-Kessler neighborhood.

Hearthview closed on its purchase of College Court Apartments at 54th Street

and College Avenue earlier this month. The U-shaped 1920s-era building has 58 units and was about 80 percent occupied at the time of the sale, said Hearthview principal Christopher Reid. The developer will eliminate eight basement units, leaving 50 in the building.

College Court was purchased from local firm **Investments Unlimited Inc.**, headed by local businessman Jay M. Hine. The purchase price was not disclosed.

At least initially, College Court will be a rental/condo project, with conversion to condo units taking place as leases expire. Some tenants on month-to-month leases have already been notified they must move, but Reid couldn't say how many. Locally based Revel & Underwood has been hired to manage the rental units, he said.



IBJ Photo / Robin Jerstad

Most units in the building are one-bedroom, Reid said. Those converted to condos will start at about \$110,000. The first condos should be ready to occupy by next spring, he said. Hearthview will rename the building but doesn't know what it will be

called.

Hearthview plans to spend about \$2.5 million overhauling the property. The company has already started on some exterior changes, such as landscaping and paving. Work will soon begin on upgrading electrical service throughout, installing central air conditioning and new heating systems, and upgrading plumbing and other mechanical systems.

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Kitchens and bathrooms will also be upgraded, but Hearthview plans to leave the building's original architectural features, including large windows, decorative plaster and hardwood floors.

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New leases

> Metropolis, the 550,000-square-foot Plainfield outdoor retail center under development by Indianapolis-based **Premier Properties USA Inc.**, plans to lease 7,883 square feet to The Claddagh Pub, according to plans filed with the state. Also, Clay Terrace, a 500,000 square-foot retail center developed by **Simon Property Group** and **Lauth Property Group**, will lease 4,202 square feet to Norwalk Furniture and 1,560 square feet to Afterhours Formalwear, according to similar paperwork filed with the state.

> **Castleton Square Pavilion LLC** has leased 15,000 square feet of retail space at 5703 E. 86th St. to California-based Harbor Freight Tools. Locally based **NAI Olympia Partners** represented the tenant. The 59,926 square-foot retail center is owned by locally based **Maquina Realty Corp.**, which was represented by Coldwell Banker Commercial Services.

> **Brownsburg Commons LLC** has leased 2,000 square feet at 1460 N. Green St. to Stutler Family Dental. Locally based NAI Olympia Partners represented Brownsburg Commons.

New developments

> Locally based **Flaherty and Collins Properties Inc.** broke ground last week on a \$21 million, 261-unit multifamily development in Plainfield. Central Park will be part of Metropolis, an 850,000-square-foot open-air lifestyle retail center developed by Indianapolis-based **Premier Properties USA Inc.** The development will include apartments, carriage houses and flats ranging from 800 square feet to 1,338 square feet. Rent will range from \$725 to \$1,335 a month. Flaherty and Collins, which has developed nine multifamily complexes in the state, will also manage Central Park, which is expected to open next spring.

> **Mann Properties LLP** is building a new headquarters on the site of its planned commercial project at Master's Crossing, located at 96th Street and Masters Road. Mann will occupy 15,000 square feet in one of two office buildings that will span 50,000 square feet. Construction has begun on the project, which is to open next fall. The project also includes two retail outlets. No other tenants have been signed. Mann will relocate from 8653 Bash St., space it has occupied since the mid-1980s and which it has outgrown. Mann has also opened a satellite office in Charlotte, N.C., and will develop a 182-home subdivision there. This is the company's first venture outside Indiana.

Housing

> U.S. home mortgage loan applications for the week ended Oct. 6 fell 2.6 percent, the third consecutive weekly decline, according to the Mortgage Bankers Association, a national organization representing the real estate finance industry. Refinancing applications slipped 4.9 percent, following a 44.5-percent gain the week before. The 30-year fixed mortgage rate averaged 5.98 percent last week, the highest since late March.

> While mortgage payment delinquencies nationwide dropped during the second quarter, late payments by homeowners in the Midwest increased, led by those in Indiana, according to the Mortgage Bankers Association. Indiana's 6.66-percent delinquency rate was followed by Ohio at 6.13 percent. Indiana is consistently in the top 10 states for foreclosures.

Market statistics

> The city's central business district had a 13.5-percent office vacancy rate at the end of the second quarter, and the number is expected to fall to 10 percent next year, according to a study by New York-based Cushman & Wakefield, a global real estate services firm. By the second quarter of 2007, the city's CBD vacancy rate is expected to be 7.7 percent, according to the study, which excluded owner-occupied buildings. Slightly higher CBD vacancy rates for second quarter were reported by CB Richard Ellis and Colliers Turley Martin Tucker, both of which include owner-occupied buildings in their statistics. CB Richard Ellis reported a 14.6-percent vacancy rate and CTMT reported a 15.6-percent vacancy.

> Pending home sales for Marion and the surrounding eight counties in September increased 3.4 percent

over the same month last year, according to locally based **F.C. Tucker's Residential Real Estate Services Division**. Year-to-date sales were up 4.3 percent for the nine-county area over 2004. The largest September increase was seen in Shelby County, which had a 38.6-percent gain. Hancock County's 25.2-percent decrease was the largest decline for the month.

People

> **Jennifer Allison** has joined Indianapolis-based Community Development Inc. as an assistant service coordinator. Allison will coordinate service issues between homeowners and CDI, which builds housing communities for buyers age 55 and above.

> Six directors have been elected to the 2006 board of the Builders Association of Greater Indianapolis. They are **Mike Gorman** of Gorman Homes Inc., **Geoff Horen** of The Lifestyle Group, **Wendy McClellan** of G. Brizendine and Associates Inc., **Dan Wolf** of Bedrock Builders Inc., **Curt Gholston** of Airtron Inc., and **Tom Slater** of Timberland Lumber Co.

Other news

Indianapolis-based **Maquina Realty Corp.** has been named property manager for the Bank One Tower in Lafayette. The 76,232-square-foot office building is owned by Bank One Tower LLC. Maquina has also been named property manager for nine Royal Pin Inc. retail centers owned by Indianapolis-based **R.P. Wurster LP**. The centers, all located in central Indiana and Ohio, contain 217,000 square feet of retail space.

Edited by Tracy Donhardt