

Friday February 01 2008

Interstate 355 extension tabs New Lenox as suburban Chicago hotspot

Big influxes of residential, retail and industrial development look to contribute to southwest suburban sprawl.

Mark Thomton Staff Writer

Suburban sprawl is at a standstill in many outlying Chicago areas, but New Lenox seems almost impervious to market trends as the completion of the Interstate 355 extension has opened the floodgates of development in the southwest.

The I-355 extension connects the major roadways of Interstates 55 and 80. While commuting from areas in between these highways previously was a challenge, the extension will allow area travelers to cut a significant amount off of established commute times.

Because of the lack of an arterial highway, population density in the area between New Lenox along I-80 and Bolingbrook along I-55 has been sparse when compared to other suburban markets in DuPage, Lake and Cook counties. The extension is expected to change all of that.

Much like the extension of I-355 north to Schaumburg changed that region into a commercial and retail destination in the 1980s, New Lenox is expecting the same outcome now. The area's economic developers are planning for large influxes of residential housing that will bring 3 million square feet of retail.

"Last year our population was 24,900," says Randall Lowman, economic development director for New Lenox. "The population is projected to be 101,010 by 2030. Some of the faster-growing communities have put moratoriums on banks and commercial development. That is not our position in New Lenox. We welcome it."

Lowman adds that area demographics add even more appeal to retailers: The median family income of New Lenox residents is more than \$95,000 per household and the average household price is \$310,000.

This will change however as builders introduce new housing units in mixed-use developments. GV Development has plans for a 34-acre retail and residential site named Village Station. The project is a transit-oriented development that will support the city's Metra line.

"This is a high-density development," says Matt Ishikawa, associate for CB Richard Ellis, which is handling the project's marketing and leasing. "There will be a big-box retail element."

The project will include 551 condo units, 270 brownstones and 100 single-family units, says Ishikawa. However, because of the housing market slowdown, retailers are becoming cautious and none have yet committed to the project, he adds.

Developers are betting on the fact that housing units like those offered in Village Station don't currently exist in the primarily single-family dominated area and potential buyers will be attracted by the opportunity. The extension of I-355 has also spurred interest.

"The extension will open a lot of things up," says Ishikawa. "Demographics are strong to begin with in New Lenox. The project should begin this fall and be completed by the third or fourth quarter of 2009."

The Zaremba Group LLC is developing a 1 million square foot retail shopping center on the southwest corner of I-355 and Route 6 called Cedar Crossings. Construction has not yet begun and no retailers have been announced, but company officials still plan to complete the project in 2009. The project will cost more than \$100 million.

"I think it's safe to say that New Lenox and Will County is uncharted territory," says Kelly Mize, spokesperson for Zaremba. "The I-355 extension is the big factor for the area growth. Right now, there is an absence of convenient local shopping."

The Zaremba development will change some of this with plans for large scale retailers that will be convenient for local shoppers and upscale specialty shops that will act as destination retail stores aided by I-355, says Mize.

Forest City Commercial has planned a development in New Lenox that will be similar to its Bolingbrook Promenade, a 1.1 million square foot lifestyle center.

Midwest Real Estate News

415 N State Street

Chicago IL 60610

1-888-753-7828

<http://www.mwrealestatenews.com/story.cfm?Market=MW&StoryID=15545>