



*Crain's Chicago Business*

## Cape Horn to try leasing on Wacker

By Andrew Schroedter · October 19, 2009

With office-condominium sales slowed to a trickle, Cape Horn Group is ramping up leasing efforts at the two downtown office buildings where it sells space.

The Miami-based firm has hired Lincoln Property Co. to find tenants for the two buildings, 55 W. Wacker Drive and the LaSalle-Wacker Building at 121 W. Wacker, where the firm has been selling smaller chunks of space to companies that want to own their offices and to investors.

While Cape Horn will continue marketing units for sale, the company also is offering short- and long-term leases for the roughly 90,000 square feet of space available in the two towers, says Juan DeAngulo, the firm's regional manager.

"It allows us to be patient and keep good valuation of our assets," Mr. DeAngulo says.

Lincoln's challenge will be to scrape up new tenants amid a soft office leasing market, where there's scant demand and plenty of available space. The downtown vacancy rate spiked to nearly 15% in the third quarter, the highest level in three years, according to data from Jones Lang LaSalle Inc.

"Everything is tough today," says John Grissim, an executive vice-president and head of Lincoln's Midwest office. "But these are nice buildings and if you offer the right terms, I think they'll make market deals."

Veteran landlord representative Kim Robare, who recently left CB Richard Ellis Inc. to join Lincoln, leads the leasing team.

In addition to LaSalle-Wacker and 55 W. Wacker, Lincoln is also charged with leasing another Cape Horn property, 205 W. Wacker Drive, which never was converted to individually owned units.

The 209,000-square-foot 55 W. Wacker is about half sold, while buyers have taken just 20% of the 416,424-square-foot LaSalle-Wacker, Mr. DeAngulo says. Some of the unsold space is already leased.

Cape Horn's 205 W. Wacker, which is 244,000 square feet, is about 80% occupied.

Matthew Ochalski, president of tenant-rep firm GD Realty LLC, says Cape Horn is turning to Lincoln for help with leasing because a core group of office-condo buyers — small entrepreneurs — are avoiding such capital expenses.

"Everyone is waiting for something to happen with the economy before they make that type of commitment," says Mr. Ochalski, whose Chicago-based firm has represented buyers of office space, including units in 55 W. Wacker.

Lincoln manages the three Cape Horn buildings, one reason they got the assignment, Mr. DeAngulo says. But the firm's ties to the properties don't stop there. At CB Richard Ellis, Mr. Robare handled leasing at 205 W. Wacker. And Dallas-based Lincoln owned 55 W. Wacker for six years before selling the 15-story property to Cape Horn in 2006.