

Walker & Weeks site converted to 36 condos

1920s-era building ill-suited for apartment rentals due to expensive finishes, bigger suites

By STAN BULLARD
sbullard@crain.com

The 80-year-old Walker & Weeks building is bringing something new to the downtown Cleveland housing market: a condo conversion aimed at salvaging a troubled rental apartment project.

Chris Ferchill, director of residential development at the Ferchill Group of Cleveland, said the building at 2404 Prospect Ave. has been turned into 36 condos. He said Ferchill Group

received substantial interest in buying the units for condos when the building was included in downtown residential tours over the past year.

Ferchill Group's MJM Management Co. had managed the apartment building since 2005 and had leased just four suites as rentals, Mr. Ferchill said.

David Sharkey, vice president of the Progressive Urban Real Estate Inc. residential brokerage, said the property is suited to condo conversion because it was "overbuilt" for the

rental market, with larger suites and more expensive finishes than the typical downtown loft rehab. Mr. Sharkey's firm is marketing the condos.

The six-story building has a rare distinction: Walker & Weeks was designed by and was home to the famed Walker & Weeks architecture firm, a high-profile Cleveland business in the 1920s. Condos cost between \$129,900 for a lower-level, two-bedroom suite and \$449,900 for a top-floor penthouse.

Ferchill Group, a specialist in historic restoration projects, is the second developer to undertake the project. Mr. Ferchill said the company replaced the original developer, R. Michael Ujcich, as general partner of

the project in April. Mr. Ferchill declined to disclose financial terms.

Mr. Ujcich declined comment on the transaction or the litigation that had surrounded it.

In September 2003, three years after renovation of the building began, Sky Bank sued Mr. Ujcich's Carnegie-Prospect LLC in Cuyahoga County Common Pleas Court for foreclosure on a \$4 million loan.

Construction had been on an on-again, off-again basis, but after the suit was filed contractors resumed work under the supervision of Judge Timothy McMonagle. Court records show he declared the project finished May 25 and closed the case June 29. ■

Market ripe for shopping developer to sell centers

By STAN BULLARD
sbullard@crain.com

The Coral Co., a shopping center developer in Beachwood that has diversified its focus in the past decade to include housing, has sold two of its retail centers and is shopping another one.

Puritas Park Plaza, an 82,200-square-foot center in Cleveland, sold for \$5.45 million, and Stow Workman Plaza, a 51,600-square-foot center in Stow, sold for \$6.8 million, according to two brokers with Sekulovski & Luttner Group at Marcus & Millichap Co.'s Chicago office.

Beyond identifying the new owner of Puritas Park as an investor based in Beverly Hills and the new owner of Stow Workman as a Los Angeles-based investor group, Mark Luttner, a partner in the Sekulovski & Luttner Group, refused to name the buyers.

"Buyers are willing to pay what we think are good returns, and we've owned these assets for a long time."

— David Kornbluth, vice president for capital markets, Coral Co.

Coral also is marketing, again through Marcus & Millichap, its University Corners shopping center in University Heights, said David Kornbluth, Coral's vice president for capital markets.

That 43,000-square-foot retail center carries an asking price of \$10 million.

Mr. Kornbluth said Coral has sold or is offering the other center for sale to "take advantage of market conditions."

"Buyers are willing to pay what we think are good returns, and we've owned these assets for a long time," Mr. Kornbluth said. He said Coral plans to use proceeds to buy different centers or apartments, adding, "We're hoping we can buy at better prices than we are selling at."

Though Coral has multiple housing developments under way, including a new tony townhouse project at Westlake's Crocker Park, Mr. Kornbluth said the sales have no connection to the residential developments or the soft housing market.

Coral does not disclose its portfolio's size, but Mr. Kornbluth confirmed the company still would have substantial retail holdings. Coral's web site lists seven other shopping centers from Shaker Square in Cleveland to City Center in Lakewood, plus office, medical-office and mixed-use properties. ■

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