

THE FALOR COMPANIES: HOTEL 71

Chicago, Illinois

The Falor Companies retained RCLCO to provide a third-party market evaluation for a condo-hotel development in Chicago, Illinois. The project site is the existing Hotel 71 on Wacker Drive, and Michigan Avenue, "the Magnificent Mile." As conceived, the concept is to convert the current 454 guestrooms into upscale, luxury boutique hotel units. The hotel will be operated by Regent International Hotels. Typical unit sizes are 500 square feet for standard rooms, and 900 square feet for suites. Against the above background, our involvement was to prepare the market evaluation comprised of the following elements:

- An assessment of the competitive landscape of condo-hotels in Chicago, including planned and proposed developments that are likely to pose direct competition to the subject project.
- An evaluation of the market demand potential for condo-hotel units based on an understanding of competitive condo-hotel supply, local and out-of-area buying power, and competitive positioning.
- Provide project positioning, pricing and absorption recommendations in light of the above.

Our overriding conclusion was that the subject property represented a unique opportunity as a contemporary, "cosmopolitan-luxury", branded condo-hotel development with several competitive advantages including:

- Proposed branding with a proven concept (i.e., Regent);
- Excellent location adjacent to the employment concentrations in the Loop and other downtown locations;
- Myriad high-end shopping options, including proximity to the Magnificent Mile, one of the premier shopping districts in the world.

