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UPDATED 2 HOURS AGO


## Mormons buy South Loop apartment tower


An investment arm of the Mormon church has bought a 40-story high-rise at 1001 S. State St. from Golub and CIM Group, the developers that want to build the city's second-tallest skyscraper next to Tribune Tower.

ALBY GALLUN  

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it as an investment arm of the Mormon church, a newcomer to the Chicago apartment market.

The sale reduces Golub and CIM's exposure to the Chicago residential market, if only temporarily. The two developers are pushing forward with plans to [redevelop the Tribune Tower](#) on North Michigan Avenue into luxury condominiums and build a high-rise next door with condos, apartments and hotel rooms that would rise 1,422 feet—just 29 feet shorter than the Willis Tower, the city's tallest skyscraper.

Apartment developers in downtown Chicago have raked in big profits from apartment sales in recent years, capitalizing on [rising rents](#) and property values. The multifamily investment market has cooled a bit in the past year amid concerns about overbuilding, but a glut hasn't materialized yet.

Still, owning an apartment building in the South Loop will get riskier in the next couple years. Developers will complete nearly 2,900 apartments in the neighborhood in 2018 and 2019, including [NEMA Grant Park](#), a 792-unit tower at the southwest corner of Grant Park, according to consulting firm Integra Realty Resources. The Golub/CIM tower will face competition from a 479-unit project under construction at 808 S. Michigan Ave., about two blocks away.

The statement from Golub and CIM did not include a sale price for 1001 S. State St. and offered no specifics about the transaction. Both firms declined to comment. What is peculiar about the sale is that the Golub/CIM development venture refinanced the project last December with a \$148.8 million loan from an affiliate of Property Reserve, a Salt Lake City-based investment arm of the Church of Jesus Christ of Latter-Day Saints.

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The loan was actually part of a deal to transfer ownership of the property to the Mormons, according to people familiar with the transaction. Representatives of Property Reserve and Farmland Reserve, another Mormon investment vehicle, did not respond to requests for comment.

Property Reserve owns 31 assets around the world with a value of \$912 million—but none in Chicago, according to Real Capital Analytics, a New York-based research firm. The firm did not have any data for Farmland Reserve.

**Earlier:**

[Trib Tower owners plan Chicago's second-tallest skyscraper](#)

[Golub, Block 37 developer start South Loop apartment tower](#)

[In landlord's market, downtown apartment rents hit new high](#)

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