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Developer buys site, courts tenants for Oak Brook office project

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Ryan plans to tear down this building on the site at 2000 York Road.

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Minneapolis developer Ryan Cos. paid more than \$10 million for an Oak Brook property where it plans a major office development.

Ryan is courting prospective tenants for the 11-acre site at 2000 York Road, which abuts the I-88/I-294 interchange, said Jim McDonald, vice president of development for Ryan's Great Lakes Region. Depending on the tenants that commit to it, the multi-building development could encompass 300,000 to 400,000 square feet and cost more than \$70 million, he said.

The recession and financial crisis hit suburban office landlords hard, but the market has returned to health. The suburban office vacancy rate **fell to its lowest level** in 14 years at the end of 2015, according to Jones Lang LaSalle.

Oak Brook landlords are faring better than most. The East-West Tollway submarket, which includes Oak Brook, had a 17.4 percent vacancy rate in the fourth quarter, second-lowest among six suburban submarkets, according to CBRE. And it's slim pickings for tenants that need large chunks of space, McDonald said.

"There isn't enough contiguous big-block space to go after for someone who needs 100,000 square feet or more," he said.

Ryan's purchase of the site generated a big gain for the seller, Tampa, Fla.-based Convergent Capital Partners, which paid \$8 million for the property in 2013. The property includes a 203,000-square-foot industrial building that Ryan plans to tear down.

Some office and medical-office tenants have expressed interest in the site, McDonald said, declining to identify them. Ryan would lease at least some of the space in the development before breaking ground, he said. Because of the size of the proposed development, Ryan also needs to go through the planned development process with the village of Oak Brook.

There's not a lot of available land for office development in Oak Brook, but

Ryan isn't the only game in town. Just on the other side of the expressway, Milwaukee-based Irgens Development Partners has a site for a 100,000-square-foot development that it's marketing to medical office tenants.

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