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## Price Cuts May Heat Up This Fall With More New Condo Developments

Let us hear your comments!

August 23, 2010 - With last week's news that [Lincoln Park 2520](#) now has construction financing in place and should start delivering in early 2012 and be completed by summer 2012, most would consider it a positive sign for the Chicago real estate market. So far Lincoln Park is the only major development set to deliver in 2012, with the next closest being the [Ritz-Carlton Residences](#) with 86 luxury Chicago condos in 2011. But a recent article in the Tribune points out that the latest report from Appraisal Research Counselors notes that 25% off all downtown Chicago condo projects experienced contract walk-away (negative sales) from April through June of this year and 21% of them made no new sales at all during that time. Adding another 229 units to the mix could have mixed results.

As far as the amount of unsold new construction Chicago condos and townhomes on the market right now, ARC reports that the number is the same as it was in 2000. There are over 2,200 condos and townhomes newly constructed and unsold right now and 550 that are still being built but haven't yet sold. The article states that an important difference between now and 2000 is that in 2000 the unsold units were only on paper and now they are already built.

ARC vice president Gail Lissner was quoted in the Tribune article as saying that, "There's just not a lot pushing people to buy right now. The surge was last quarter. I think the developers were really sitting back (in the second) quarter and seeing how it played out."

Second quarter 2010 sales data from ARC showed that there 150 condos and townhomes were either under contract or closed. The number was higher in the first quarter of 2010 with 256 sold or closed and 313 sold or closed in the last quarter of 2009.

But the bright spot is that there were 406 Chicago condos and townhomes either contracted or closed during the first six months of 2010. There were only 572 sold during all of last year (2009).

With so many [Chicago homes for sale](#), developers may start heating up the competition with price reductions or incentives to entice buyers so sales won't cool down this fall.

Technorati Tags: [Chicago Homes For Sale](#), [Chicago Condos](#), [Chicago Real Estate](#)

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