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Pandemic pushes real estate boom across the lake

Southwest Michigan and northwest Indiana are seeing astounding increases in sales over last year.

DENNIS RODKIN



John R. Boehm

Rick and Nicole Zalewski sold their St. Charles home and are having a house built in New Buffalo, Mich.

In the first 2½ years of selling buildable home lots at a woodsy southwest Michigan development called White Pine New Buffalo, [Rob Harte](#) sold 11 of the 25 lots.

Then came the pandemic, which among other things has shifted homebuyers' preferences toward open space and away from congestion. In the first five months after

Michigan's governor [lifted a spring 2020 prohibition](#) on real estate sales, Harte sold nine lots, or nearly as many as he'd sold between June 2017 and December 2019.

"People are reinventing their lives this year," says Harte, whose Michigan City, Ind., firm UpperCross Development Group has development projects and a rental management wing. "They're coming my way."

Home sales doubled this summer in [Lake Forest and the Barrington area](#), places where big houses and long commutes had been out of style until everybody wanted more space for work and school from home and commuting became a nonissue.

There's a similar effect along the crescent of Lake Michigan shoreline in southwest Michigan and northwest Indiana, where quiet, beachy towns lie less than two hours' drive from the city.

"Who would have thought that a pandemic would have pushed us into a real estate boom?" says Ali Fowler, an agent with Seramur Properties, based in Valparaiso, Ind., who focuses on Indiana's lakefront towns. "We list something, and it's crazy busy with people who want to see it."

In southwest Michigan, home sales were up about 85 percent year over year in both July and August, according to Liz Roch, an @properties agent there, citing data from the Southwest Michigan Association of Realtors.

Data on where buyers come from isn't available, but Roch says it's her impression that purchases by Chicago-area people made up at least half the increase. The region also draws from cities in Michigan and Indiana.

In northwest Indiana, sales were up about 48 percent in May through September, compared with a year earlier, according to Mike Conner, an @properties agent in Michigan City, citing Greater Northwest Indiana Association of Realtors data.

"During lockdown, they started wondering where they could get away from it," Conner says, "and they found out it was possible 55 miles from downtown Chicago."

Nicole and Rick Zalewski had been visiting southwest Michigan for more than a decade and daydreaming of getting a place there for breaks from their full-time life in west suburban St. Charles.

"We're not in a position to buy a second home," Nicole Zalewski says. She's a yoga instructor, and her husband is a corporate executive recruiter. There was a second reason they didn't move past the daydream stage: They have two school-age daughters "who wouldn't want to leave all their friends," she says.

Months of virtual schooling isolated from their friends made the girls "more willing," Nicole Zalewski says. On a visit to New Buffalo late this summer, she and her husband "thought about what we could do to make living there work" and ultimately bought a lot

at White Pine New Buffalo. Their house in St. Charles sold fast, and the family is living in a rental home there for about a year while their New Buffalo house gets built.

The sales boost from the pandemic hasn't been as strong in the other cluster of second homes a short distance from Chicago. In Wisconsin's Lake Geneva/Walworth County, the number of sales so far this year, 1,674, is up only a tad from 1,666 at the same time last year, according to David Curry of Geneva Lakefront Realty.

One reason, Curry says, is that many people with second homes in the area shifted to full-time living there early in the pandemic and are holding onto them. Curry says the impact has been felt in other ways: For-sale homes are attracting multiple offers and selling fast, resulting in tight inventory.

That in turn has led to increased buyer interest in Walworth County's "second-tier" areas, Curry says. Among them: Delavan, Twin Lakes and Lauderdale.

Chicago buyers are also looking at Indiana's second tier, the inland areas not on or near Lake Michigan, Fowler says. One of her listings, a 12,000-square-foot house in the Sand Creek golf course community in Chesterton, had been on and off the market since October 2014. It sold in early September for a little under \$1.85 million. Fowler says the buyers were from Chicago, though she declines to identify them.

Farther afield, in Culver, Ind., 101 miles southeast of Chicago, Fowler is representing a \$2.5 million listing on the shore of Lake Maxinkuckee. Ordinarily the area appeals mostly to Indianans, from South Bend, Indianapolis and such. But this summer, Fowler says, "people have been coming down from Chicago to look at it."

The house, 4,440 square feet on eight-tenths of an acre, hasn't yet sold.