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Can this man launch Harbor Country 2.0?

DENNIS RODKIN  



Dennis Rodkin

Rob Harte in the model at Beachwalk in Michigan City.

Rob Harte has picked up three distressed development projects in the beachy towns along the southern rim of Lake Michigan. He's hoping to attract a new, younger generation of city dwellers.

When the generation accustomed to ride-sharing and communal restaurant tables decides it wants to buy a vacation home, Rob Harte hopes they look east from their West Loop condos along the relatively rustic Lake Michigan shoreline of Indiana and Michigan.

Harte, who lives in the western suburbs, will launch a reboot this weekend of a Southwest Michigan vacation-home development that someone else failed to finish, his third pickup of a distressed development in the beachy towns along the southern rim of the lake.

He also inked a deal this month to help market an existing development, which isn't in financial distress, in the resort-infused style he's using on his trio of projects. "Now's the time for a 2.0 version over here," said Harte, principal of UpperCross Development Group.

As Harte sees it, the time is right for several reasons: Buying distressed projects at steep discounts means he can charge attractive prices to the homeowners who buy in his relaunched developments. The region's hipness quotient is rising, with a host of new brewers, wineries, distilleries, organic farms and other businesses. And a renaissance of family living in Chicago's downtown neighborhoods could mean those families will be looking for a weekend escape.

Harte's effort comes as the resort towns are starting to emerge from a post-recession slump in second-home buying. So far this year sales in the region are up about 4 percent from the first half of 2016, according to @properties, which is representing all Harte's projects.

On price, "probably 'sideways' is the most accurate description," Eve Noonan, developer of the Michigan City, Ind., second-home community Tryon Farm, said in an email. (Price data for those areas is not available in the same form that Crain's uses to report Chicago-area price growth.) "In the \$300,000-to-\$800,000 bracket, there's not a ton of appreciation recently," said Michael Maremont, a commercial real estate appraiser who this spring moved with his wife, Jill, from Wicker Park to Michiana Shores, Ind., after a deep dive into home prices in the region.

At the same time, contemporary businesses are springing up in the swath of southwestern Michigan and northwestern Indiana (the trademarked term Harbor Country officially applies only to the Michigan portion). Notable among them is the Journeyman Distillery in a former buggy whip factory in Three Oaks and Greenbush Brewing in Sawyer.

Read more: [The wine and craft brew renaissance across the lake](#)

And: [Round Barn buys Tabor Hill Winery](#)

Not only are those places fun, said Eric Ruderman, a Northwestern Medicine physician who lives in Evanston and bought a second home in Buchanan, Mich., 10 years ago, but they brand the area well for a new crew of second-home buyers. "You see all their products on all the bars in the West Loop, and you want to go over and see where it's all made," Ruderman said.

All of this should be like catnip to city dwellers in what Harte calls the Uber generation. "The next generation of buyer out here most likely is a couple who grew up in the suburbs and had access to grass and forest preserves," he said. "They're living in the West Loop or the South Loop and they're starting to realize that their 5-, 7-, 8-year-old is an urban kid without a lot of exposure to open space."

With social media and open office layouts part of the air they breathe, the generation will be counting on a second home to be similarly social, Harte said. "They don't want the stand-alone cottage in the woods that their parents had," he said.

Plans for Harte's latest relaunch, White Pine New Buffalo, include a clearing in the woods called "Adventure Island," a place for social events. There's already a modern barn on the 23-acre property where he plans to host Saturday-night social events in partnership with local brewers starting next week.

At Beachwalk, a throwback development in Michigan City filled with colorful cottages and beachgrass front yards, Harte bought 30 lots (of the original 212) from a foreclosing lender. The model home he's built has double master bedrooms and kitchen windows that open onto a screened porch for informal group dining.

Harte also owns a rental-management firm, and offers the service to owners at his projects that allow short-term rentals. It's like having a built-in Airbnb for your second home, another plus for younger buyers.

None of this is revolutionary. "But anything that exposes this place to a new generation of buyers helps us all," said Chris Crawford, a broker who divides his time between an agent who divides his time between Shore Sotheby's International Realty in New Buffalo, Mich., and Crawford Group Sotheby's in Hinsdale.

In their condos and high-end apartments in the city, Crawford said, the tech-saturated generation "have these big communal spaces where they go hang out," while an older generation "has a lobby that's full of pretty, empty furniture." Crawford, who's not associated with Harte, said catering to that lifestyle could make Harte's developments "wildly successful with the people who like hanging out together in cool spaces."

Harte, who from 1990 to 2007 was a partner at PRM Realty, where he developed a gated beachfront residential community on Maui in Hawaii and both multi-family and single-family homes at the Yellowstone Club in Big Sky, Montanare, started his

reboots at the Peninsula at New Buffalo, where in 2013 his firm bought 12 distressed lots. (Harte declined to disclose his purchase price for any of the three properties.) At that development, at the entrance of the New Buffalo harbor, each lot has its own boat slip. Ten have sold; the two that are still available are priced at \$325,000 and \$375,000. At White Pine, lots are \$75,000 to \$135,000, and at Beachwalk, \$40,000 to \$80,000.

The most recent of Harte's projects is a new agreement, finalized in recent weeks, to help Tryon Farm with its sales effort. Details aren't yet available, he said. Noonan said she found Harte's ideas "invigorating."

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