



Peppercorn Capital CEO Phil Denny shifts focus west to the industrial corridor

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Peppercorn Capital's Philip Denny and 945 W. Lake Street

A West Loop real estate investor is looking to sell a single-story building near the heart of Fulton Market.

Peppercorn Capital hired CBRE to sell the building at 941-945 West Lake Street, Crain's reported. The 15,000-square-foot building doesn't have an asking price, but people close to the deal said it could sell for close to \$15 million.

The building cost Peppercorn \$2.3 million in December 2012, only six months before Google said it would move into the historic meatpacking district. Since then, the area has transformed into a corporate hub with some of the highest property values in the city.

CBRE is marketing the property, which is surrounded by multiple ongoing projects, as a "covered land play," meaning the buyer would likely use the building in its current state with the end goal of redeveloping the site. The building is fully leased to a single tenant for just over five more years with no renewal options.

Nearby projects include Related Midwest's 43-story apartment tower, which is rising at 900 West Randolph Street and Sterling Bay's 30-story apartment tower, which is a block west of the Peppercorn property.

Two blocks north of the site, wholesaler Nealey Foods owns the largest development site in the neighborhood. The parcel, just over two acres, runs along the west side of Peoria Street and the Metra tracks.

Peppercorn's CEO Phil Denny told Crain's he wanted to cash out his development sites in Fulton Market so he could redirect his finances further west, where he owns multiple industrial properties along the much less dense Kinzie Industrial Corridor.

Denny recently sold two other Fulton Market development sites, at 1217 West Washington Boulevard and 400 North Elizabeth Street.

"Fulton Market is kind of a once-in-a-lifetime success," Denny told the *Real Deal* in May. "It's not that I'm departing it, it's that the rate of growth will continue westward."