

Lombard building wins 31,000-square-foot tenant

By: Eddie Baeb December 03, 2010

(Crain's) — A company that handles utility billing for apartment buildings and advises on energy usage is moving to Lombard from Oak Brook in an expansion.

American Utility Management Inc. leased 31,000 square feet at Highland Pointe I, 333 E. Butterfield Road, and plans to move to the western suburb in July. The 16-year-old company, which has more than \$20 million in annual revenue, currently leases about 21,000 square feet at the Drake Oak Brook Plaza, 2211-2215 York Road in Oak Brook.

The firm, known as AUM, has been growing steadily and now works for some 2,400 properties in 40 states, says Robert Malpasuto, AUM's chief financial officer. The headquarters headcount is now 125 and growing, he says. The firm is taking the entire third floor at 333 E. Butterfield and a portion of the second floor, with expansion options for the second and fourth floors.

Mr. Malpasuto says AUM still has more than a year left on its lease at Drake Oak Brook, but the low rents available in today's high-vacancy market prompted the company to start looking early for a new home. Though he wouldn't disclose financial terms of the 13-year lease, Mr. Malpasuto says the results didn't disappoint.

"We essentially are adding almost 50% more space and it's not going to cost us any more," he says. "The new space is significantly less expensive."

Asking rents for the space are listed at \$13.75 net per square foot on real estate data provider CoStar Group Inc.

Mr. Malpasuto says in addition to the economics, AUM also liked Highland Pointe's location and nearby amenities, including restaurants and hotels — something the Drake is now lacking as its on-site hotel remains closed.

AUM was represented by Chicago-based Steinco Inc., while Jones Lang LaSalle Inc. represented Highland Pointe. The two-building, 367,108-square-foot complex was acquired in June by a fund of LaSalle Investment Management Inc., the investment arm of Chicago-based Jones Lang.
