

# Dallas Business Journal

# Luxury condo market finds plenty of buyers

**Strong economy among factors spurring growth in inner-city areas**

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UPTOWN -- Market maturity is bringing changes to urban living in Dallas.

As increasing numbers consider relocating to neighborhoods such as Uptown, Deep Ellum, Turtle Creek and Oak Lawn since the first wave in the early-to -mid-1990s, developers are responding by building apartments and condominiums that offer more options in pricing, quality, amenities and locations.

Condos, for instance, can range from \$150,000 to \$1.5 million and square footage goes from 1,200 to 6,000 or more per unit. Some may have all the amenities like a concierge, housekeeping services and inner courtyards, and others may provide primarily basics like 24-hour on-site security and parking garages. The proximity to trendy shopping areas, historic districts or dining and entertainment venues also must enter the decision-making process.

"New products are emerging, and some hybrids, but we're catering to clients by giving them investment options," said Andrew Adler, president of CityHomes, a player in the city's urban residential development.

Some developers report that the market is so primed for

growth that traditional condo presale requirements for financing the projects are being waived by banks.

"That's good for buyers," said Robert Shaw of Amicus Partners, "because it means they can invest and know they'll get into the property in the time they want."

The demand, when land is quickly disappearing, has also created an increasingly common sight on the landscape: high-rise apartments and condos.

"The concept of intown housing is growing in popularity, but due to limited amounts of land, you have to go up," said Greg Willet of M/PF Research, an apartment market analyst.

Apartments edging up the skyline include the 603-unit 3225 Turtle Creek with completion expected in November and the super-luxury 34-unit Gallery of State-Thomas at 3006 Woodside, which opened last year. Other apartments on the horizon are the 420-unit Jefferson at Bryan Place, the 331-unit Turtle Creek Villas and the 305-unit The Park at Turtle Creek.

Also, some apartment builders such as Gables Residential and Post Properties are getting into the condo market, Willet added.

A longtime developer of intown apartments, Shaw's new focus with new company Amicus is The Travis, a 17-story condominium currently under construction at 4611 Travis. The 64-unit structure offers views of downtown, shops and restaurants in walking distance and greater security than typical low-rise condos provide. Prices start at \$235,000.

Grenadier Homes is now showing and selling Belvedere, located in the State-Thomas area. The 104-condo development could have ended up as either luxury apartments or competitively priced condos.

"In 1998, we drew up plans for the Belvedere as apartments with condo quality so we could go either way, but the expanding urban market proved that people were ready to buy," said John Egnatis of Grenadier. All the high-rise condos could sell by late spring 2001. Its smaller units knock some 800 square feet off other conventional small, 2,000-square-foot condos, and the prices, starting at \$150,000, are touted as some of the lowest for new condos in the market.

Responding to another market segment, CityHomes views its customers today as serious buyers who have already tasted big-city living and want to invest in the next level of quality residential living.

"Our customers started out as single young urban professionals and rental property was fine, but today people

have lived down here for awhile and they want larger units and higher quality," Adler said.

CityHomes is building urban residences at a rate of about 200 units a year and plans to double that next year. Recent projects include The Blackburn, The Cascada and The Terraces.

The economy is credited with causing the flight to the inner city. High interest rates for single-family homes draw in people who prefer to rent for awhile, and they in turn stay downtown and buy condos. Some 2,200 more apartment units are slated for construction, while this year's midyear occupancy rate hovers at 95%, despite the addition of 1,800 new units, Willet said.

Resale values for condos are healthy as well, developers say.

"We've seen resales show a 25% increase," said Frank Giannone regarding FRAMAmerica's The Mayfair, a 23-story condo at Lemon Avenue and Turtle Creek. "The concern people had three years ago when the Mayfair opened are largely dispelled. There's a steady demand for condo living and people want to be near downtown and near entertainment."

Market watchers say look for possible development in untested areas as well. They cite two areas: south of Interstate 30 and between 75 Central Expressway and Deep Ellum.

Freeman is a free-lance writer.