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Dallas Business Journal

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Quick rebound forecast for ailing condo market

Dallas Business Journal - by [Bill Hethcock](#) Staff Writer

The inventory of condominiums in the pipeline in Dallas has crossed into unhealthy territory, but the condo market should rebound quickly, according to a top real estate analyst.

Dallas has a 36-month inventory in the construction pipeline, said Greg Leisch, chief executive of Delta Associates, an Alexandria, Va.-based real estate information firm. A 24- to 30-month supply is considered healthy, Leisch said at an Oct. 11 seminar sponsored by Transwestern.

"That 24-30 month threshold has been crossed, so prices are no longer increasing," he said.

Leisch predicts condo supply will fall back into the healthy range within a year as developers of planned condo projects convert them to rental projects.

On the demand side, Dallas' condo market peaked in 2005 at just under 1,200 new units sold. Since then, speculative investors have left the market, cutting volume by 10% to 20%, and contract cancellations have climbed, Leisch said.

Dallas-Fort Worth is the 16th largest condo market in the United States, with about 51,000 units. Condos make up a relatively low 4.4% of the housing stock in D-FW, compared to 7.4% of the stock in the 50 largest U.S. metros, according to Delta Associates, which is Transwestern's research affiliate.

Other Leisch forecasts:

- D-FW office rents will rise 3% to 4% annually in 2008 and 2009.
- Industrial rents will rise 2% in 2008.
- Apartment rents will rise about 3% in 2008.

Personnel notes

- [Henneman Engineering Inc.](#) has established an office in Dallas and named Senior Vice President David C. Mauck to lead it. The goal of the Dallas office is to beef up the company's presence in Texas.

Mauck has more than 35 years of mechanical engineering experience and has spent most of his

career with Chicago-based Henneman. He has directed many of the firm's projects and was instrumental in establishing Henneman's ISO 9000 Quality Program.

Karen K. Rogers, vice president of business development, will be responsible for developing and maintaining client relationships for Texas projects. Rogers has more than 20 years of experience as a principal and marketing professional in the architecture, engineering and construction industry.

The Dallas office is in Wellington Centre at 14643 Dallas Pkwy., Ste. 750.

- Richard L. Elam has joined Real Estate Talent Solutions as managing director for Texas. The company provides commercial real estate outsourcing and interim staffing for development, asset and property management, underwriting, project management and related real estate needs.

A 12-year veteran of Dallas-area commercial real estate, Elam is the incoming president for the Dallas chapter of the **Institute of Real Estate Management**. Before joining Newport Beach, Calif.-based Real Estate Talent Solutions, Elam was president of Dallas-based **Regis Property Management**.

Done deals

- Allied Enterprises has purchased a 60,000-square-foot building at 1208 Viceroy Drive in Dallas. Sean Porter and Chris Stout of Capstone Commercial represented the seller, Fadality Real Estate, and Sanders Thompson of Transwestern represented Allied.
- Erecycler purchased a 45,000-square-foot office/warehouse at 2747 Oakland in Garland. Chris Stout of Capstone Commercial represented the purchaser, and Don Reichert was the seller's broker.
- [Proform Industries Ltd.](#) has leased 72,900 square feet of industrial space at 2400 Skyline Drive in Mesquite. Ken Wesson and Joe Whitmer at Lee & Associates represented the tenant, while the landlord, [Industrial Property Fund VIII LP](#), was represented by John Leinbaugh of IDI.

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