

Straight From the Experts: The latest **BUZZ** in Commercial Real Estate

## The Bivins Report

### Condo Site Shuffle

If you can't make a deal on one of the finest parcels of land in Houston's Uptown area, just move up Interstate 45 to Dallas - lock, stock and barrel.

That's the strategy of well-known condo developer Randall Davis, who recently scrapped plans to develop the 25-story Titan on the McDonald's tract near San Felipe and Post Oak Boulevard.

The Titan sales center building will be transported northward to the upscale Park Cities area of Dallas where Davis is developing the Terranova condo in partnership with Hines.

Condo sales are doing fine in upscale areas in certain parts of Dallas, says Kyle Crews of Allie Beth Urban, the leading high-rise condo marketer in Dallas. The Terranova project will be built in the exclusive Preston Hollow area about a half-mile from where President George and Laura Bush will live after leaving the White House, Crews said.

The Titan is not the only project being halted. Several prime parcels near Houston's Galleria area are returning to the market on the sites where high-rise residential projects were planned, including a 3-acre tract adjacent to the Water Wall park.

### Counseling Network

Lewis Realty Advisors, a leading eminent domain advisory firm, has announced the formation of its Acquisition Counseling Network. The new unit will assist public agencies in acquiring

property, right-of-way for road expansion or land for other public growth projects.

As Lewis expands this program nationally, the Acquisition Counseling Network will, when necessary, work in conjunction with colleagues from the Counselors of Real Estate, the highly respected counseling association affiliated with the National Association of Realtors. Company founder David M. Lewis has been a leader in the Counselors of Real Estate, an elite 1,100-member association.

### Jones Lang LaSalle

Houston investment sales dropped sharply in 2008 and more declines are on the way in 2009. The city's office building sales totaled \$1.5 billion in 2008, down from \$3.4 billion in 2007, according to the Jones Lang LaSalle firm.

The 2008 sales total was the lowest since sales volume totaled \$1.1 billion in 2003, according to Jones Lang LaSalle. The credit crunch and the nation's economic downturn have deflated investment sales.

Richard Rudd, managing director of Jones Lang LaSalle, said activity will remain sluggish for most of the year, before an uptick late in 2009 leads to real improvement in 2010.

A significant number of investors and equity funds are waiting on the sidelines for the market to hit bottom and when they do

decide to re-enter the market the surge will be swift, said Mary Carolan, managing director of Jones Lang LaSalle (JLL). She was among several speakers at a recent media briefing at the JLL offices in One Riverway.

"There are a lot of investors out there ready to go. They are waiting for the bottom," Carolan said.

Overall, Houston real estate market will be soft in 2009, although it will perform better than most parts of the country. The market will begin to turn upward again at some point. When the unemployment rate begins to improve, that will be a sign that the commercial real estate market is about to rebound, said JLL's Dan Bellow.

### ULI Pep Talk

Robert Duncan, chairman of Transwestern, has seen plenty of ups and downs in the real estate market since he founded the company in Houston in 1978.

Duncan offered some wisdom in a speech to the December ULI Houston District Council luncheon as 2008 came to an ugly close. "Face the brutal facts," Duncan said. "Shake hands with reality." And don't shelter your employees from the truth, either."

In other words, take off your rose-colored glasses and stop pretending the market is great when it isn't. In a troublesome economy, stabilize your assets and your company and form a growth plan for the future, Duncan said.



Ralph Bivins, editor of RealtyNewsReport.com, is the dean of Texas real estate news writers. He is former president of the National Association of Real Estate Editors.



Jack Crews (left), Mary Carolan, Dan Bellow and Kent Peters, all of Jones Lang LaSalle, were presenters at a press briefing at Jones Lang LaSalle offices in the One Riverway building.

## Newsworthy Headlines

The following are excerpts from articles that impact the commercial real estate industry.



### TransTexas Corridor Canceled

Six years after being introduced, Governor Rick Perry's plans for a Trans-Texas Corridor have been canceled. However, TxDOT

Executive Director Amando Saenz said the agency will continue seeking private partnerships for some of the individual projects that were once part of the TTC.



Circuit City Stores, Inc. is planning to liquidate its remaining US assets, the company reported January 17th.



A growing number of Houston commercial real estate brokers are becoming LEED certified. Currently there are approximately 1000 real estate professionals with the designation, of which approximately 10% are commercial real estate brokers, according to the US Green Building Council Greater Houston Area Chapter. That number is expected to double in five years.