

# The \$1 million teardown

## ■ River Oaks land goes for a bundle because so little is on the market

Lots in River Oaks continue to sell for far more than most people would even dream of paying for an actual home.

Last month, a property at 3747 Chevy Chase sold for \$1 million. That comes to about \$80 per square foot for the land.



**NANCY SARNOFF**

There's a house on the 12,416-square-foot lot, but the new owner plans to tear it down to build a new one there.

"It is

certainly livable, but the value was more in the land," said Walter Bering of Martha Turner Properties, who was involved in the sale.

Another recent land sale eclipsing the \$1 million mark was a 52,360-square foot lot at 44 Tiel Way.

This River Oaks parcel, which backs up to Buffalo Bayou, sold for \$1.05 million, or about \$20 a square foot. Because it's on the water, not all the land can be built upon.

"There's been so little on the market in River Oaks, and as usual, that's what drives the prices up," Bering said.

Forty-four homes are on the market in River Oaks, compared with 50 this time last year.

And that's in a suburb of some 1,700 homes.

Because of the limited selection of properties, more buyers are turning to new construction.

"In that price range, I think people are particular with what



**THE BELLAIRE:** Located just outside the Loop, units in the condo development start at \$250,000.

they want. They can afford it and aren't going to make any sacrifices," Bering said.

Home builders are snatching up lots, too.

Of the four homes that are pending sales, two are under contract to builders.

### More condos coming

Sales of townhomes and condos have been flat recently, but that's not stopping developers from building new ones.

An architect-turned-developer is planning a project on the outskirts of Bellaire.

Mort Mehdi of Rain Properties said he plans to break ground on the 27-unit project in November.

This comes at a time when sales for these types of properties have been flat.

Last month, 614 units were sold, about the same as in April 2004, according to the Houston Association of Realtors.

The median price for this type of housing even declined

slightly last month when compared with the same period in 2004.

The median price — the price at which half of the properties sold for more and half for less — was \$110,000 in April, according to the association.

Developers continue to buy land for townhome projects around the area.

At the same time, so-called condo converters are turning apartment complexes into for-sale condominiums, adding thousands of units to the market.

A company recently purchased the Bristol, a 20-year-old high-rise apartment building at 3350 McCue Road near the Galleria mall.

Choice Condominiums bought the 27-story, 96-unit tower and plans to sell units in the building starting at around \$340,000.

While Mehdi recognizes the abundant supply, he thinks the Bellaire-area location will set his project apart.

He's even calling it the Bellaire.

The largest of these projects will be in northwest Houston.

The Bondesen North Business Park will have more than 215,000 square feet of space at the northeast corner of Beltway 8 and West Little York.

In the southwest part of town, the company is building two projects — Southwest Crossing and Beltway 8 Business Center — both near Beltway 8 and U.S. 59.

Vantage has developed in these areas before, and last year the company sold those projects to investors.

It's also building Hobby Commerce Center near Hobby Airport and Battleground Distribution Center II in Deer Park. Both projects are joint ventures with Clay Development.

In addition, the company also has 25 acres under contract in La Porte, where it plans to build another 560,000 square feet of industrial space.

### Who's moving?

■ The Houston office of Alvarez & Marsal has relocated to 30,000-square-foot of space