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David Woo/Stefi Photography

Luxury home Realtor Ellen Terry stands inside a residence for sale on Windsor Lane in University Park. The price: \$11.9 million. Sales of higher-priced homes in North Texas are up significantly this year.

## Home sales heating up in D-FW's high-end markets

Affluent buyers armed with cash hunt for marked-down manses

By STEVE BROWN

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Housing slowdown? What housing slowdown?

Sales of higher-price homes in North Texas are rising this year while the overall market is still in the tank.

Affluent buyers, many armed with cash, are scouring the market for marked-down mansions in the Park Cities, North Dallas and other exclusive neighborhoods.

"There are a lot of people with money who have been waiting to buy," said veteran Dallas luxury home agent Ellen Terry. "There is renewed energy in the market."

"2010 was very difficult," Terry said. "But I'm having a fabulous 2011."

While overall home sales in North Texas were down 13 percent in the first quarter, sales of homes priced above \$500,000 were 18 percent higher than a year earlier.

And purchases of million-dollar homes are up 6 percent in the Dallas-Fort Worth area from first quarter 2010.

Terry, who has been peddling high-end Dallas houses since the 1970s, said many of the buyers she's seeing had put off a purchase in recent years because they were worried that prices would continue to fall.

"But now they are in the market," Terry said as she toured an \$11.9 million Park Cities manse she recently listed for sale.

The house sits on about 1.5 acres right on Turtle Creek Boulevard and has been owned by the same family for more than 30 years.

"This is one of those special properties that don't come on the market often," Terry said.



The home up for sale on Windsor sits on 1.47 acres of land. Affluent buyers, many armed with cash, are scouring the Park Cities for markdowns on mansions.

"They are selling to move to a high-rise in Uptown."

At the Ritz-Carlton Tower Residences in Uptown, prices in the condo high-rise start at \$796,000. But the skyline views and walkable neighborhood are bringing moneyed buyers in the door.

"This year we have sold six so far, and we have another five under contract," said Joseph Pitchford, Crescent Real Estate Equities' senior vice president of development. "These homes have a sales value of \$8.2 million."

"Beyond the general improvement in the economy, the specific improvement in the luxury home market benefits us," Pitchford said. "Our buyers value and can afford the Ritz-Carlton lifestyle and are not willing to sit on the sidelines any longer."

### Pent-up demand

Indeed, housing analysts say that homebuyers who've put off purchasing, some because they couldn't sell a current property, may be ready to make a move.

"We've got almost four years of pent-up demand out there,"

said Mark Dotzour, chief economist for the Real Estate Center at Texas A&M University. "People just went on hold about July of 2007, when the credit markets started freezing up."

"Businesses and consumers have been postponing decisions."

More than a third of U.S. homebuyers are paying cash for properties, according to the National Association of Realtors. "The mortgage market is so constrained right now from underwriting and appraisal concerns that cash buyers are the dominant buyers in some markets," Dotzour said.

Many high-end homebuyers are shifting wealth from other assets to take advantage of depressed real estate prices, just like they rode the stock market up from the lows of a few years ago.

"The resurgence of the equities market has rekindled the wealth effect that is essential in providing confidence for luxury buyers," said Ted Wilson of Dallas housing analyst Residential Strategies. "I would also imagine that the recent surge in commodity prices, especially oil, has led to the creation of some new fortunes."

"Many of these households are realizing their wealth with the purchase of a luxury home."

### Cash works

But that doesn't mean wealthy buyers will overpay.

"One sale I'm working on right now, I've been back and forth seven times with contracts," said top Dallas-area residential agent Allie Beth Allman. "The buyers want to be sure they are not leaving anything on the table."

Allman said that in the first quarter, her Allie Beth Allman & Associates sold 73 houses priced at \$1 million or higher.

"Last year at this time, we'd sold 58, and 32 at this time in the year before," Allman said. "It's been unbelievable how much I've gotten under contract in the last two weeks alone — big, big properties."

And most of her well-to-do purchasers aren't worried about the tougher lending standards that bedevil more moderate-income homebuyers.

"Several of them are using all cash, and the ones that aren't are getting only very small loans."

"Diamonds are a girl's best friend," sang Marilyn Monroe, whose iconic image graces the wall of the Windsor house. She would probably agree that high-value real estate makes a good companion, too.

