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Does Dallas need more \$1 million+ condos?

Dallas Business Journal by Bill Hethcock, Reporter

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Condo market analyst [Mike Puls](#) likes the location of Museum Tower. He loves the high-rise's sleek look. And the fact that it's launching at a time when construction costs have dropped can't hurt, either. But even so, Puls, of Dallas-based **Foley & Puls**, is not so sure demand will be strong for more than 100 condo units that start at \$1 million, or about \$800 per square foot. "That's a lot of money for Dallas," Puls says. "The loans and the appraisals are the issue."

Developers Brook Partners and Turtle Creek Holdings have gotten financing and plan to break ground next week on the \$200 million, 42-story Museum Tower in the heart of the Arts District. It will be funded by the **Dallas Police and Fire Pension System**.

Museum Tower's plan to add about 120 high-rise condos to the city's current supply of about 1,000 high-rise units existing or under construction may be more than the market can handle, Puls says. And condo developers and financiers typically don't make money until the last 20 percent of the units sell, he says.

"120 of anything is a lot," Puls says. "Very few homebuilders try to build 120 homes in the same subdivision. That's the thing they have to grapple with. It's really big."

Analyst [Ted Wilson](#), principal of Residential Strategies Inc., which consulted on the project,

has a different view. He sees a rally in Dallas' \$1-million-and-up condo market. "They're catching the next wave that's forming," Wilson says. "We expect these price points to continue to recover."