



Condo and townhouse sales catch fire in Dallas area's surging market



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As hot as the Dallas-Fort Worth home market is this summer, there's one housing sector that's even more blazing.

Condominium and townhouse sales are on fire this year in North Texas.

Through the first seven months of 2013, condo purchases are running almost 40 percent ahead of 2012 levels. And condo sales prices in July were 17 percent higher than in the same month last year.

"Prices and per foot pricing are going up fast, and velocity is stronger," said Dallas housing analyst Mike Puls. "Pent-up demand is meeting demographic trends.

"The whole market has changed."

In past housing cycles, percentage gains in sales of condos tended to lag behind those of traditional single-family homes.

But in the increasingly appealing neighborhoods near downtown Dallas and in Uptown, the majority of buyers don't have the option of a single-family home. So no surprise that condo and townhome sales are up 50 percent this year in central Dallas and Oak Lawn.

But condo sales are also surging in North Dallas. And in East Dallas, they are up a whopping 66 percent through the first seven months of 2013.

Throughout the D-FW area, there are only about 1,600 condos and townhouses offered for sale by real estate agents. That works out to just over a three-month

Real estate agents say prime properties go fast.

"The prices are back up where we thought they would be in 2007," said Dallas real estate agent Jeff Updike, who sells properties in several close-in neighborhoods. "The market is very strong."

A new wave of condo buyers finds the urban lifestyle appealing.

More people who are comfortable living in condos and townhouses are moving to North Texas than ever before, Updike said. "That's one of the reasons we are seeing so much activity."

While townhouse construction is coming back, don't expect developers to ramp up condo projects.

Most builders are sticking to the booming apartment market, where it is easier to finance new construction.

And the exit strategy for apartment buildings, which sell readily to investors, is much easier than the slower unloading of individual condo units.

But if enough Uptown and downtown renters decide they want to own their homes and stay in the same neighborhood, developers at some point will respond with more condos.

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