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For 9 May 2003
 Compiled by Ellissa Brewster

PURCHASE LOAN APPLICATIONS BREAK RECORDS

WASHINGTON, D.C. (mbaa.org) – The Mortgage Bankers Association of America's (MBA) se adjusted Purchase Index increased to a new record high of 416 from 356 the previous week. 1 previous record of 414 was reached in May 2002.

“Applications activity for home purchases is typically strong at this time of the year as consumer applications for home purchases that occur in the summer,” noted MBA economist Phil Colling record low interest rates and an upturn in consumer confidence are also likely to have contributed to the record high purchase index.”

The seasonally adjusted refinance index increased to 6077.8 from 5092 one week earlier. Ref activity increased to 68.7 of total applications from 68.4 percent the previous week. The share of adjustable rate mortgage activity decreased to 13.1 percent from 14.3 percent the previous week.

BILL CREATING RESIDENTIAL CONSTRUCTION COMMISSION AMENDED

AUSTIN, Tex. – House Bill 730, which sets defined standards for residential construction and a process for consumers to resolve disputes with a homebuilder, has been passed by the Texas House and is now before the Texas Senate Business and Commerce Committee.

The bill is supported by the 10,000-member Texas Association of Builders (TAB).

The bill sets comprehensive construction performance standards and requires that Texas builders be registered. It also provides a third-party inspection process to define problems and determine what should be done when there are complaints. One of the bill's primary components is the creation of the Texas Residential Construction Commission. The nine-member state commission would be approved by the governor.

The bill has been amended by the Texas House of Representatives. In the latest version, the commission would include four registered builders, three public members, one licensed professional engineer and one licensed architect.

TAB would like the commission to be self-funded by a fee paid by homebuilders at each homebuilder lobbying the Senate for this provision.

For more information about HB 730, please visit [website](#).

RENOVATED HOUSTON BUILDING FINDS FIRST TENANT

HOUSTON, Tex. – Grubb & Ellis Company has negotiated an 11,700-square-foot lease for Ko Investments Corporation's recently remodeled office building at 1455 West Loop South. The building's first tenant will be Southern American Title and George M. Shanks, Jr., a law firm specializing in real estate.

Improvements to the 194,000-square-foot building include new granite lobby walls and floors, reflective glass exterior, skywalk, new air conditioning system and an on-site property manager.

CLEAR LAKE CENTER FINANCED

WEBSTER, Tex. – NorthMarq Capital, Inc., has arranged financing of \$12 million for the acquisition of Clear Lake Center, a retail center in Webster, approximately 20 miles southeast of downtown Houston.

The Clear Lake Center is situated on 28.5 acres and contains 388,000 square feet of net rentable retail space. The project, anchored by Garden Ridge, Burlington Coat Factory and The Rock Center, is managed by the Houston-based, United Equities, Inc.

TAR MEMBERSHIP BOOMS

AUSTIN, Tex. (Realtor Magazine Online) – Job layoffs in the high-tech and telecom fields led to a surge in the Texas Association of Realtors' (TAR) membership as people turned to real estate to make a living, says Benny McMahan, TAR's president and CEO.

TAR's membership has risen 33 percent, from 45,000 in 2001 to a current 60,000.

"We've seen nominal membership increases for eight years, but we saw a real jump starting in 2001," says McMahan.

A healthy residential real estate market and Texas' growing population and development have increased interest in real estate.

NEW TEXAS BOMA PRESIDENT

FORT WORTH, Tex. – Joe Dobbs, Crescent Real Estate Equities Company vice president of operations, has been named president of Texas Building Managers and Owners Association (BOMA) for 2003-2004.

Dobbs has served on the Texas BOMA board from 1990 through 1994, was re-elected to the board in 1998, and has served as an officer since 2001. Dobbs begins his one-year tenure as president of Texas BOMA in May.

Additionally, Dobbs has been named BOMA's Southwest Conference Member of the Year and BOMA's Local Member of the Year.

INDUSTRIAL MARKET REVIVAL EXPECTED

ENCINO, Calif. – Vacancy rates have increased and decreases in rents declined in the industrial property sector as tenant demand collapsed in recent years. However, Marcus & Millichap's 2003 National Industrial Research Report indicates a brighter future as growing strength in the manufacturing, distribution and trade sectors fuel demand for industrial space and support improved market vacancies and rents in 2004.

"The worst is over," states Harvey E. Green, Marcus & Millichap's president and CEO. "The near-term industrial market will strengthen over the next two years. We expect vacancy rates to descend from their peak of 10.5 percent at year-end 2002 to approximately 8.6 percent at the end of 2004."

Vacancy rose 1.2 percent last year, to 10.5 percent, the first time it has entered double-digits since 1992. Asking rents were down 2.9 percent in 2002 after falling 3.3 percent in 2001. However, in 2003, rents are projected to increase by 4 percent in 2004.

Sales prices in the investment market, however, have continued to climb, defying the weak rental market fundamentals. A surge of investment capital allocated to real estate, sub-par returns for alternative investments and low interest rates are driving investment demand. The supply of affordable industrial properties is limited, creating competitive bidding for available properties. The median price per square foot has jumped 7 percent over the past 24 months, to \$54.76.

For additional property market research on individual markets nationwide, [visit our website](#).

MOLD MEETS ITS MAX

COLLEGE STATION, Tex. – Max, the state's first mold-sniffing dog, and his owner, Eric Voss Houston, gave a demonstration Thursday at Texas A&M's College of Veterinary Medicine on mold Thursday. When Max smells mold, he sits, wags his tail and points to the source with his

Max is a mixed-breed, one-year-old border collie that has received 1,000 hours of training at the Canine Academy to learn his specialty, which explains his \$12,500 price tag. Voss is the owner and president of Mold Detection Dogs of Texas and the founder of The Allergy & Health Store in H

Although the cost of training dogs is expensive, Voss says that using dogs in mold detection is effective because dogs' ultra sensitive smelling capabilities allow them to more accurately detect mold than is possible with current technology. Voss plans to charge \$500 for a household mold inspection done by Max and himself. Max does not differentiate between types of mold. He smells gases, spores emitted by mold.

Texas has the worst mold problem of any state, with more than \$1 billion in insurance claims filed in 2001 for mold damage to structures. Nationally, 70 percent of all mold claims have been filed in Texas. For a photo, [see website](#).

CRESCENT REPORTS \$19.3 MILLION FIRST QUARTER LOSS

FORT WORTH, Tex. (Star-Telegram.com) – Crescent Real Estate Equities Co., a real estate investment trust that owns 25 million square feet of office space primarily in Dallas, Houston and Denver, reported a \$19.3 million loss for first quarter 2003.

Lower office occupancies and declines in revenues from resort and residential properties were contributing factors. The loss amounted to 19 cents per share compared with a net income of 10 cents per share in first quarter 2002.

Income from office properties declined 10.1 percent and income from resort properties dropped 10 percent from a year ago.

BIOTECH FACILITIES SUMMIT

SAN FRANCISCO, Calif. – The Second Annual Building Owners' & Tenants' Summit on Biotech Medical & Pharmaceutical Lab Facilities will be held in San Francisco on June 25-26. More than 100 developers, property owners, tenants and service providers attended last year's forum.

This year's topics include architectural design; leasing, subleasing and shadow space issues; working with hospitals, universities and government partners; owning and managing business parks; biotech building development, construction and conversions; and financing options.

For more information or to register, go to <http://www.imn.org/2003/a471/index.dhtml>.

POSTCARDS FROM TEXAS PHOTO CONTEST

COLLEGE STATION, Tex. (recenter.tamu.edu) – The Real Estate Center wants your scenic Texas photos for this year's contest. Twelve winning photos will be featured in the Center's next annual calendar. The theme is "postcards from Texas." For rules and an entry form, [click here](#).

SAN ANTONIO INDUSTRIAL STATS

SAN ANTONIO, Tex. (TrammellCrowCompany) – The San Antonio industrial market continued its upward trend from 2002 during the first three months of 2003. The percentage of space leased increased approximately 1 percent from the previous quarter to nearly 80.8 percent. Asking citywide rent on an annual triple net basis declined slightly during the first quarter to \$5.01 (weighted by available space).

All product types declared positive net absorption during the quarter. Net absorption does not include sublease space, which totals 241,807 square feet. The R&D-Flex product type posted the largest absorption (163,851 square feet) of the three classes. The top performing submarket, North Central, accounted for nearly 60 percent of total absorption.

The North Central (NC) submarket rebounds after a tough year in 2002. This sector was the strongest in the city during the first quarter of 2003, which is shown by the solid absorption figure posted 133,923 square feet and an improvement in occupancy from last quarter to 85.9 percent.

The industrial market should be tested during the 2nd quarter of 2003 as H-E-B vacates more 300,000 square feet of third-party warehouse/distribution space.

HILLWOOD SEEKS TO LEASE D/FW AIRPORT SITE

DALLAS/FORT WORTH AIRPORT, Tex. (Star-Telegram.com) – Hillwood asked the D/FW Air Board if it can lease 12 acres on the north side of the airport. Hillwood plans to lease the space for Network Distribution, a shipping firm. Advantages of the airport site are proximity to a customs inspection site and a rail line. The company's current warehouse is in Carrollton.

HOUSTON OFFICE LOSING TENANTS AT SLOWER PACE

HOUSTON, Tex. (Grubb&Ellis) – Houston's office overall vacancy rate moved up a full point in the first quarter 2003 to 18.2 percent, the highest since 1995. The prolonged economic downturn has depressed demand and allowed high vacancy rates to become commonplace.

Houston's office market had negative absorption of 315,021 square feet in the first quarter. That is an improvement over last year, when negative absorption averaged 727,000 square feet per quarter.

Uptown-Galleria area had the greatest increase in vacant space as Phillips Petroleum Company vacated 260,000 square feet of sublet space.

Tenants are taking advantage of market conditions by upgrading their space, locking in lower rents and negotiating longer lease terms.

MORTGAGE RULES RELAXED FOR ACTIVE MILITARY PERSONNEL

WASHINGTON, D.C. (fanniemae.com) – A group of mortgage finance companies, including Fannie Mae and many of its lender partners, have made it easier for military personnel to handle their mortgages while on active duty.

Effective immediately, military personnel will be required to submit their active duty orders as the needed proof of hardship, instead of the full range of financial statements.

Fannie Mae will ask its lender partners to report military indulgence, rather than forbearance, to the credit bureaus, thus protecting the borrower's credit history. This enhanced special forbearance is a temporary change to Fannie Mae's guidelines and may be requested by borrowers through December 31, 2003, unless otherwise extended by the company.

SUGAR LAND BUSINESS PARK SITE SOLD

Sugar Land, Tex. - Riba Foods, Inc. purchased a three-and-a-half acre site within Sugar Land Business Park with a contract to start building within the next three years.

Riba Foods will use the Sugar Land Business Park property for the production, canning, bottling and distribution of its products, which include salsas and picante sauces, Italian sauces, barbecue and other condiments.

REAL ESTATE OPPORTUNITY INVESTMENT FORUM

NEW YORK, N.Y. – Information Management Network is hosting the Fourth Annual Real Estate Opportunity Fund Investing Forum at Crowne Plaza Times Square in New York City on May 21.

This year's event will showcase real estate investment strategies used by real estate funds and investors during tough times. Repositioning and turnaround strategies, deal structuring and over investing will be addressed. Panel discussions include 20 percent return deals (do they still exist), outlook for multifamily and office sectors and investing in real estate debt, mezzanine and preferred equity.

To view the program or to register for this event, [see website](#) or call 212-768-2800 ext. 1.

REAL ESTATE CENTER'S COMMUNICATIONS WINS BIG

COLLEGE STATION, Tex. (recenter.tamu.edu) – Last night, the Real Estate Center took home communications awards from the annual Brazos Bravo banquet, an event sponsored by the IA Brazos Valley. This 71-member chapter of the International Association of Business Communicators won an award this year for being the best chapter in the world.

The Center won three Brazos Bravo awards, the highest honor. Brazos Bravos went to *Tierra* in the printed communications, magazine category; an article, "Going Once, Going Twice, Sold" in the editing category; and a magazine ad, "And It Has a Lovely Whatchamacallit" in the sales, promotion, marketing or advertising writing category.



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