

Special Features

A View From The Field: Hines North

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Over the last ten years, Ken has successfully closed 357 transactions representing over \$130 million in market value. Notable clients include EastGroup Properties, Cabot Properties, Northwestern Mutual Life; New York Life, RReef, and Utah Retirement Systems. Ken was awarded Bradford's Top Producer Award for Marketing Excellence in 1999, 2000, 2001, 2002 and 2003.

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LOCATION! LOCATION! LOCATION! I know it sounds trite, but in this case it's true. Hines North, as loosely geographically defined as I-635 (LBJ Freeway) to the north, Denton Drive to the east, Luna Road to the west and Northwest Highway to the south, is smack in the middle of Dallas/Fort Worth's 580,000,000 square foot industrial market and consistently boasts one of the lowest vacancy rates in town. As of year-end 2004, the combined vacancy rate was a mere 6.2%, roughly half of the overall market's vacancy rate.

It's hard to go wrong when the major roadways servicing this area are I-35 (Stemmons Freeway) and I-635 and you're only a stone's throw from both Love Field and DFW International Airport. It's also helpful that the area for all intents and purposes, is fully built out and what little land is left has been designated for office-type usage. Not even such limiting factors as poor interior roadways (most notably Denton Drive); hard-to-find modern building amenities (such as reasonable clear heights, sprinklered buildings, and truck courts that are larger than today's SUVs); and the lack of minor conveniences such as restaurants can stop this submarket. In spite of these and a few other idiosyncrocies that I will fail and neglect to discuss, I still love Hines North!

In fact, the only challenge that seems tough to solve in Hines North is the difficulty in finding a willing property seller. Obviously, they have long ago figured out these are stable cashflowing properties.

Other changes to this pocket that we have all witnessed include the development of the widely-successful Sam Moon Center, the newest incarnation of which opened late last year at the northeast corner of I-635 and I-35, and has continued to fuel the growth of an unbelievable amount of import/export businesses along Harry Hines between I-635 and Royal Lane. This trend shows no sign of slowing down.

Hines North will continue to do well over the years as we are again reminded that having the sustainable advantage of location and barriers to entry for new construction often outweigh the area's lack of modern building features and efficiencies.

I promise you one last thing there are a lot of property owners in the market who are getting 12-16% return on these properties and couldn't care less what the clear height is!