

Westmount Realty Makes DFW Industrial Play

By Jennifer D. Duell, Senior Editor

Westmount Realty Capital Inc. expanded its Dallas-Fort Worth real estate portfolio with the acquisition of Great Southwest #1, a three-building industrial complex consisting of 569,287 square feet in the Great Southwest Industrial Park just south of DFW International Airport

"The leasing market is improving and these are buildings with some upside," said Larry McCorkle, a senior vice president of investment services for Bradford Cos. who brokered the deal along with Bradford president & CEO Kevin Santaularia.

Of the three buildings, which were owned by Northwestern Mutual Life, only one building was occupied, according to McCorkle. "We had it on the market for several months and thought it would sell to an owner-user," he said.

McCorkle declined to disclose the price, but noted that few "nearly-vacant" buildings have sold in the Great Southwest submarket. However, Westmount is actively seeking industrial investments in the submarket, which is one of the softest in the Metroplex, according to CB Richard Ellis.

The overall industrial vacancy rate in the Metroplex climbed from 9.9 percent at the end of 2003 to 10.4 percent for the first quarter of 2004. With the exception of last quarter, the vacancy rate has steadily increased over the past two years.

Moreover, last quarter the market posted negative net absorption of 559,487 square feet, most of which was in the South Stemmons, Northwest Dallas, and Great Southwest submarkets, which registered negative net absorptions of 560,295 square feet, 407,598 square feet and 451,790 square feet, respectively.

Only one notable lease has been signed in the Great Southwest submarket this year -- Pepsi expanded into an additional 292,446 square feet and renewed 452,000 square feet at 735 E. Trinity Blvd.

Westmount, which was not available comment, retained Bradford to manage and lease GSW #1.

