



Ron Baselice/Staff Photographer

Robert De Bruin (left), Tom Bakewell, Doug Chesnut and Paige Close at the StreetLights Residential office in Dallas. The company is planning a 17 story apartment building in Uptown

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Published: 05 April 2012 09:24 PM

Doug Chesnut and Tom Bakewell have done some big apartment projects.

The two Dallas developers turned downtown's 36-story Republic National Bank building into rental homes, and they built the 26-story Park 17 high-rise in Uptown.

But their biggest deal was starting their own company last summer.

"Our industry has its best demographics in 30 years," said Chesnut, whose new StreetLights Residential is already working on three projects. "If you were ever going to start a company, this was the time to do it."

Other builders are thinking the same.

With apartment starts booming in North Texas and across the country, the number of startup development firms is growing.

Even some developers that previously stuck to offices and retail are making a play in the expanding apartment building business.

"They are being opportunistic in the sense that there's a need and opportunity to build more apartments," said Dallas apartment industry consultant Ron Witten.

"Given the effort and risk involved with starting a development company, I suspect they plan on being around for the foreseeable future.

"The industry's capacity to build was reduced dramatically during the recession as private companies and public companies both laid off development staff in 2008 and 2009," Witten said. "To some degree, the new startups are just rebuilding the industry's capacity that was lost then."

Other new companies that don't have a history in apartments may be short-term players.

"Some of them probably won't be around for the long haul, as they are likely to shift their focus back to their traditional specialties once other real estate products gain some traction," said Greg Willett, vice president of Carrollton-based MPF Research.

Austin and Houston

Chesnut and Bakewell formed StreetLights Residential after working for years for nationwide apartment developer and investor Gables Residential.

When Gables scaled back its Dallas development operations early last year, the two veteran apartment execs hit the ground running.

“There were a couple of firms that wanted to take us in, but we decided to start our own company,” said Bakewell.

StreetLights formed an equity investment partnership with Dallas’ Hill family and tied up a prime Uptown building site on Carlisle Street for its first deal.

“We put that Carlisle property under contract before we even had our equity venture complete,” Bakewell said.

The nascent developer has begun knocking down the old low-rise office buildings on the property to make way for their apartment tower.

Paige Close, formerly of Looney Ricks Kiss architecture, has joined StreetLights as director of development. Robert de Bruin, another Gables alum, is the president of construction.

Along with the Dallas project, StreetLights is working on two developments in Austin. The first will be a suburban rental project on the city’s north side.

“We have an Austin central business district high-rise site we hope to start before the end of the year,” Chesnut said. “We have also looked at some opportunities in Houston.”

Top market

With about 12,400 apartments under construction in the Dallas-Fort Worth area, developers from across the country are looking at North Texas for expansion. D-FW is one of the top apartment building markets in the nation.

Matt Segrest developed apartments on the West Coast before recently forming a company in Dallas.

His Alamo Manhattan LLC has two urban-style rental projects in the works in Dallas and has looked at a deal in College Station.

“The company is made up of the former leadership team from Simpson Housing’s West Coast development office, based in Seattle,” Segrest said.

“While at Simpson, the team developed over \$500 million in urban mixed-use apartment projects in San Diego, Portland and Seattle.

“I am a native Texan and always had plans to move back to the great state,” he said.

Alamo Manhattan has a 250-unit apartment complex in the planning stages on Harry Hines Boulevard on the edge of the Victory Park project.

And on the Katy Trail on Carlisle Street, the developer is working on a midrise rental building.

“We are focused on urban Texas deals,” Segrest said.

CMC Commercial, long a North Texas office and industrial developer, broke ground early this year on its first apartment project, a 308-unit development in Austin.

“We broke in February and will be finished sometime in the summer of 2013,” said CMC’s Steve Huff. “Everything is going well — very much on schedule.”

The developer is hunting apartment deals closer to home and in other big Texas markets.

“We have been looking in San Antonio, Austin and Dallas,” Huff said. “Apartment building has become quite the thing, and sites are difficult to locate.”

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