

REAL ESTATE

Trendmaker Homes going to the country

■ Company launches a line of casual cottages

In doing research for a new line of country homes, Trendmaker found 3,400 parcels of land in the Round Top area that hadn't been built on and whose owners lived in other cities.

It was part of what gave the builder the confidence to enter the rural central Texas housing market.

"With baby boomers retiring and Texas leading national population growth trends, we see tremendous potential in the second-home market," said Will Holder, president of Trendmaker Homes.

The company is launching a line of manufactured homes called Texas Casual Cottages for buyers who own their own property in country settings where it can take longer to build a second or retirement home because the locations are so remote.

"You don't have to worry

about it getting framed and then deer season comes and it sits for a month, and it's out in middle of the woods and stuff gets stolen," Holder said.

The homes are being built off-site by GroundForce Building Systems of Navasota. Trendmaker will deliver and assemble them at the home sites, as well as build porches and handle other infrastructure issues.

They will have metal roofs, large porches, pine floors and wood walls, along with modern finishes like open family room and kitchen combinations, large bathrooms and walk-in closets.

Floor plans will range from a 450-square-foot guest cottage to a 4,500-square-foot farmhouse. And prices will start in the \$50,000s for a small cottage and reach more than \$300,000.



NANCY SARNOFF

A model home will open in Round Top next month on Texas 237 across from the Big Red Barn, a well-known antiques center.

If sales go well, Holder said, he would like to expand the product into other parts of Texas, including Corpus Christi, the Canyon Lake and Lake Livingston areas, Galveston and Bolivar.

Longtime Houston real estate agent Sandy Reed, who moved to Round Top in 1990 to renovate and sell historic houses, will serve as sales manager and design consultant for the new home line.

Downtown tower

Downtown's newest office building topped out last week, meaning the contractors completed the structure, though work continues on the facade and interiors.

The building, MainPlace, is being developed by Houston-based Hines at 811 Main along the Metro rail line.

The 46-story tower will have 972,000 square feet

when it's completed in January, but so far just four of the floors have been leased.

Two years ago, KPMG signed a deal to take the building's top levels, but Hines hasn't announced any new tenants since then.

MainPlace has been pre-certified at the Silver level through the U.S. Green Building Council's Leadership in Energy and Environmental Design program.

Medical office leasing

The weak economy has battered parts of the commercial real estate market. But a specialized segment of the office sector is outperforming its traditional counterpart.

In the first quarter, Houston's medical office leasing market posted 210,741 square feet of positive absorption, meaning doctors and other medical specialists occupied more space than they vacated, according to a report from commercial real estate firm Grubb & Ellis.

In comparison, the traditional office space sector experienced 729,633 square feet of negative absorption during the first three months of the year. This area's medical office building vacancy rate was 11.8 percent at the end of March, up a slight 0.2 percent from the previous three-month period.

The vacancy rate for traditional office space in the area was 16.8 percent, up 1.1 percent from the fourth quarter of 2009.

"We've seen some decline, but nothing like the typical office market," said Beth Young, a broker in the company's Houston office.

The increase in medical vacancies primarily was due to construction deliveries. More than 300,000 square feet of medical buildings were delivered during the first quarter of 2010.

Medical office properties tend to have high occupancies, low tenant turnover rates and long lease terms. Doctors' offices cost more to

build out because each one requires plumbing, built-in cabinets and higher electric capabilities.

"They can't move around as much as office tenants," said Henry Hagendorf of Grubb & Ellis. "It costs them a lot more money."

Asking rents for top-class medical office space averaged \$29.92 per square foot in the first quarter, 27 cents higher per square foot than the average asking rates of traditional space — \$29.65 per square foot.

As an investment, medical real estate is expected to remain one of the most popular property types.

That's related to the recent passing of the federal health care bill, an aging population and the migration of procedures from hospitals to outpatient settings, according to the report.

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