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## Real estate developers spruce up Dallas' Lemmon Avenue

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Lemmon Avenue crosses the line from chic to shabby. In Uptown and near Turtle Creek, posh condos and trendy watering holes line the Dallas thoroughfare. But past the Dallas North Tollway, the Lemmon strip has long been lined with scruffy car lots, bars and faded retail.

Now a new wave of Lemmon Avenue redevelopment is aiding a turnaround. The auto dealerships have been fancied up, and new housing is in the works.

"Hopefully, the neighborhood will come along," said Todd Cook, vice president of investments for Inland American Communities Group. "It's been a real blighted area that is now emerging."

Inland American has opened the doors on the first phase of its Cityville Oak Park development on Lemmon at Mahanna Street. It's one of three projects the builder is working on in close-in Dallas neighborhoods.

The apartment and retail complex replaces a hodge-podge of rundown rental units and commercial buildings on about six blocks east of Lemmon.

"About five years ago, we were evaluating development sites and saw a unique opportunity to amass 20 acres right next to Highland Park," Cook said. But first, Inland American – which previously operated as FirstWorthing Group – had to buy more than 600 apartments, knock down the old buildings and get the land rezoned for new development.

Construction started last year.

The first tenants are moving into Oak Park, which has 372 apartments and 18,300 square feet of retail space. There's room on the site to build more apartments and townhouses later.

The four-story building of ground-floor shops and rental homes faces Lemmon Avenue and has views of the downtown skyline.

"Even though you are not in Uptown, it's an emerging urban area," Cook said. "And we wanted to offer rents priced slightly less."

Apartments in the Oak Park community start around \$850 and go up to \$2,500 a month.

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Photos by KYE R. LEE/DMN

**Cityville Oak Park has taken** the place of rundown apartments and commercial buildings along Lemmon Avenue. West of the tollway, auto dealerships have been fixed up, and new housing is in the works.

## Getting attention

Staying below prices in the nearby Uptown and Oak Lawn neighborhoods is a smart plan, said apartment analyst Greg Willett of M/PF YieldStar.

"Most of the Dallas apartment projects that have come online in pioneering locations have proved successful as long as rents stay a little under the levels seen for product of comparable quality in the better-established neighborhoods nearby," Willett said. "Timing, more than anything, seems to impact short-term results for these developments.

"Demand for this sort of community isn't especially deep, so it's important not to have too much high-end product in secondary locations at any given point in time."

Inland American plans to complete apartments in its Oak Park project in several phases between now and September.

"We just opened the doors last week and have had tremendous traffic," Cook said. "We also have had a lot of interest in the retail."

The developer is talking to prospective tenants, including restaurants, dry cleaners and other service businesses.

A block next door that was previously occupied by a hamburger stand has been developed into new strip retail. A corner liquor store building at Mahanna and Lemmon is also getting a face-lift.

"I've had probably 30 people already call about the building," said real estate agent Ian Russell. "I'm trying to gauge interest from potential tenants."

Illinois-based Inland American is also working on two other close-in Dallas apartment and retail projects.

## Two more

Construction began late last year on a project at Lemmon and Carlisle Street near the West Village. The project will have 227 apartments and 8,000 square feet of retail.

"Cityville Katy Trail will deliver first units in late spring of 2010, with project completion by end of the third quarter of that same year," said Inland American executive vice president John Allums. "The units will be priced higher than Oak Park due to the type of construction – underground parking – and the units will have a finish-out that is commensurate with the new product in the Uptown neighborhood."

Inland American is still designing a retail and rental housing building it plans to build on Haskell Avenue at Capitol on the site of the former Loews movie theater. "We are currently working on revisions to our overall development plan to accommodate potential retail tenants," Allums said.