



BRIAN HARKIN/Special Contributor

The Kessler Woods community got off to a slow start, but now, striking modern homes ranging from \$500,000 to \$1 million fill lots in the first two phases. Developers hope to appeal to middle-income buyers by adding close to 100 houses, townhouses and condos in the third phase of the urban project.

Building on success of Kessler Woods

Developers plan large expansion of N. Oak Cliff project

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"We are inner city, and from an economic point of view you have to have a diversity of housing."

Kessler Woods developer
Matt Holley

Three years ago, when Matt Holley began work on his Kessler Woods community in Oak Cliff, the project got off to a measured start.

Just getting folks to look at the custom home development proved a challenge.

"People didn't know what to make of it," Mr. Holley said. "Bankers tried to discourage it."

"But by the time we got to the second phase, the banks were lining up to do financing."

These days business at Kessler Woods is anything but

slow. A visit to the neighborhood reveals a traffic jam of construction vehicles and — on the weekends — prospective buyers.

Mr. Holley has sold all 11 lots in the first phase to homeowners and builders who put

up a series of striking modern homes.

The 19-lot second phase is all but sold — only two lots are left.

The Kessler Woods community has received national attention as a neighborhood that injects cutting-edge style into an old urban area.

Building on the success so far, Mr. Holley and his new partners are dramatically increasing the size of the project.

A third phase of construction will bring close to 100

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Oak Cliff project set for growth

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houses, townhouses and condominiums to Kessler Woods, making it one of the biggest urban redevelopment projects south of the Trinity.

"The longer you do something, the more opportunities you see," said Mr. Holley, who left a career in the telecom business to try his hand in real estate.

When he bought the first small piece of vacant property off Oak Cliff Boulevard in 2002, "I didn't know what to do with it," he said.

He decided to build residential lots on the tract, but several lenders rejected his plans. Mr. Holley remembers financial institutions that told him "Oak Cliff is not where we do business."

Potential lot buyers couldn't even find the property, which is tucked away next to Stevens Park Golf Course. "You had to get people out here before they could understand it," Mr. Holley said.

Everyone understands now. Dallas architect Lionel Morrison — who designed the new One Arts Plaza building downtown — plans to build a house in the neighborhood.

"It started out to be a house to sell," said Mr. Morrison, who just moved into his new office in the Arts District. "But as we have gotten further into it, my wife and partner decided we would really like to live there."

"I'll be able to take the new Calatrava bridge to and from work. How cool is that going to be?"

Residents that have looked at homes in Uptown and other close-in Dallas neighborhoods in the past didn't think about Oak Cliff. That's changed, Mr. Morrison said.

"They see rolling hills and gigantic trees and creeks and say, 'Tell me what is wrong with this,'" he said.

Houses in Kessler Woods are



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Developer Matt Holley's home features an outdoor waterfall and fish pond. But the natural beauty of north Oak Cliff has drawn homebuyers to Kessler Woods, said Dallas architect Lionel Morrison, who's building a house in the neighborhood.

valued anywhere from \$500,000 to more than \$2 million.

"The last three lots we sold were to people from the Park Cities," he said. "About half of the households here are physicians."

"We have families with small children and a lot of empty-nesters."

But in order to get homes that teachers and police officers and other middle-income buyers can afford, Mr. Holley is planning higher-density housing in the next phase.

He's partnered with INCAP Fund, a Dallas-based real estate developer that's buying up hundreds of old apartments in north Oak Cliff.

One of the complexes INCAP recently acquired is an apartment

community that faces West Davis Street and is adjacent to Kessler Woods.

"The people at INCAP were intrigued by our projects, and they were going to buy this property," Mr. Holley said.

Instead of competing, the two developers teamed up. Late this summer, the apartment complex will be knocked down to expand Kessler Woods.

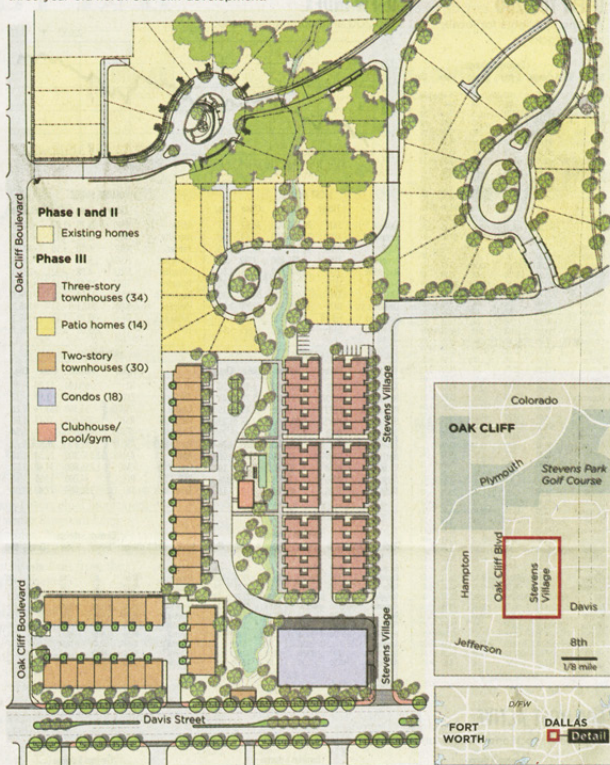
Part of Kessler Woods is already built on the former site of a crime-ridden apartment complex.

"I was so amazed he was able to build that type of high-end product there," said INCAP's Alan McDevitt. "That was the site of probably the worst apartment property in Dallas."

"I was impressed that Matt had

KESSLER WOODS EXPANSION

The planned expansion of the Kessler Woods community will more than quadruple the size of the three-year-old north Oak Cliff development.



the vision to do it and the willpower to get it done. I thought we ought to figure out a way to work with him."

"The result will be a mix of more affordable housing, with the cheapest units starting close to \$140,000."

"We are inner city, and you have an economic point of view you from a diversity of housing," Mr. Holley said.

The next phase of Kessler

Woods will have everything from single-floor condos to three-story townhouses and patio homes.

There may also be the potential for a small amount of retail space on Davis, Mr. Holley said. But Mr. Holley bristles at the notion that developers working in north Oak Cliff are trying to emulate the successful neighborhoods north of downtown.

"This will never be like Uptown," he said. "We don't want this

to be like Uptown."

Dallas real estate agent David Griffin, who recently bought a lot in Kessler Woods to build on and whose company is marketing the project, agrees that there is no easy comparison.

"Kessler Woods is a very different kind of community than Uptown," Mr. Griffin said. "It is close to downtown, but more of a retreat than the bustling Uptown neighborhood."