

Investor With Track Record in Washington, DC, Makes Its Move in Texas

Exclusive: J Street Buys Land Near the Four Seasons Near Dallas



Stan Ferenc, left, one of the founders of J Street Cos., and Shea Byers, the company's new director of real estate investment and development, plan to take on Texas real estate. Photo: Robert Beary/CoStar

J Street Cos. has made four key hires for its Dallas office as the investment firm embarks on its first development deal outside of Washington, D.C., as part of a big real estate expansion in Texas.

The 15-year-old company, which sold the land for what would become NPR's global corporate [headquarters](#) in Northeast Washington, D.C., has

acquired a 7.78-acre tract adjacent to the 17th hole along the golf course at the Four Seasons Resort and Club Dallas in Las Colinas, Texas, which is about 13 miles northwest of downtown Dallas. The real estate firm partnered with Savannah Developers of Texas on the deal.

The deal was made possible because of J Street's new hire Shea Byers, who leads the firm's real estate expansion efforts as director of real estate investment and development at J Street. He is based in the company-owned Dallas office and most recently worked at PM Realty Group.

"We have a substantial portfolio in office and residential real estate, but we only do deals in the Texas and Washington, D.C., markets," said Stan Ferenc, one of the founders and chief financial officer at J Street, in an interview. "We don't go anywhere else and want to stick close to home. There's plenty of business for everyone and this gives our local expertise to our investors."

Construction is expected to begin by September on the golf course-adjacent parcel for the initial phase of the residential development, which upon completion will bring 64 flat-style homes in two- to three-story buildings alongside the golf course.



A conceptual rendering of the homes planned for the tract along the 17th hole of the Four Seasons golf course. Illustration: J Street Cos.

The land adjacent to the Four Seasons golf course became available after the former owner, the Salesmanship Club of Dallas, decided to sell the acreage after relocating the AT&T Byron Nelson Championship from the Four Seasons in Irving, Texas, to the newly developed Trinity Forest Golf Club in Dallas in 2018. The Dallas golf course was developed, in part, for the AT&T Byron Nelson Championship tournament.

With the relocation to the Dallas golf course, the Salesmanship Club of Dallas, the host organization for the golf tournament benefiting the Momentous Institute, a nonprofit for at-risk children in the Dallas area, no longer needed the land to host spectators of the golf tournament. The off-market real estate deal helped further benefit the charitable organization, said David Watson, the real estate committee chair of the Salesmanship Club of Dallas.

"The 17th hole was a signature hole along the TPC golf course and we had some really popular venues for patrons there," said Watson, who is the managing principal of Dallas-based Direct Development and estimated the

nonprofit group owned the tract for about five years. "With the land not being used, we wanted to maximize benefits to the charity and we knew this was the best thing to do."

The Salesmanship Club of Dallas also owns a 15-acre tract along MacArthur Boulevard in Irving, Texas.

With only 64 homes being part of the \$60 million, four-phase development, Ferenc said the developer is building below-grade garages to keep them as low as possible and unobtrusive to neighboring residents who want to keep their view of the golf course. Each home will range in size from 7,000 square feet to 8,000 square feet of space, with balconies and wrap-around porches.

The initial phase of the project is expected to deliver to residents by December 2020, with the entire project, depending on home sales, finished as early as February 2022.

On the Horizon

J Street, which is backed by family office money, is looking for even more deals in Texas, with the intent of buying, developing and holding onto properties for long-term investments.

"We'll continue to look for infill land," said Ferenc.

In looking at infill properties, Byers said he's looking for walkable neighborhoods to partner with municipalities for future projects, bringing the pedestrian-friendly designs of D.C. to Texas.

"We want to reshape downtown Texas squares and we'll also look at value-add office deals," he said.

He's already got two deals under contract. J Street has 12 acres under contract in downtown Celina, Texas, a city about 40 miles north of downtown Dallas, which it plans to develop into an apartment community.

Another 32 acres are under contract in Roanoke, Texas, a city about 30 miles northwest of downtown Dallas, which J Street plans to develop into a mixed-use development with office, retail and residential components. The two deals are expected to close later this year.

To help J Street build its Texas portfolio, Byers and Ferenc have hired long-time real estate attorney John Neuhoff and a land broker Brandon Palanker to help grow J Street's investment in Texas through acquisitions, as well as build the firm's third-party property leasing and management side of the business.

In the future, the firm generally plans to focus on building apartments, developing mixed-use projects and acquiring value-add apartments and offices to hold as investments. The third-party leasing and management side of the business will focus on apartments and office buildings.

The Dallas area has become a popular place for investors seeking yields as it gets more difficult to find in East and West Coast markets, such as New York and San Francisco. According to CoStar data, that shift is causing sales prices to reach new records in the region, with 1900 Pearl in the Dallas area reaching a nearly \$700 per square foot cost -- the new high watermark for office investments in North Texas.

Even though J Street won't be chasing those high watermark deals, Byers said the company will likely stay away from the areas luring in those out-of-market investors -- and "staying in their lane."



Another view of the flat-style condominium homes expected to be built along the Four Seasons golf course. Image: J Street Cos.



Shea Byers, left, with Stan Ferenc, who are leading the charge when it comes to J Street's decision to grow its real estate operations in Texas. Photo: Robert Beary/CoStar



The entire J Street Cos. team in the company's Dallas-area office. Photo: Robert Beary/CoStar
