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Beating the cycle: Amend, other RE firms, see growth

Dallas Business Journal - by [Bill Hethcock](#) Staff writer

Despite the downturn in commercial real estate, business is booming for The Amend Group, prompting plans to hire more brokers as the firm sees a surge in companies seeking help with tasks such as subleasing office space and renegotiating leases.

The Dallas-based commercial real estate brokerage has experienced a 300% increase in the number of deals across the company in the last three months, said John Amend, the company's president. The firm, which specializes in tenant representation, now has about 75 projects going on at any one time, with about five new ones coming in each week, he said.

Amend projects revenue growth of 300% to 400% this year and again in 2010 as the recession, the financing freeze and the generally horrible global economy continue to create real estate crises for the corporate clients he serves nationwide. The company does not release revenue figures.

"When the economy tanks and problems abound, we get a lot of calls," Amend said. "There's a need to save money, to consolidate, to be more efficient, to renegotiate, restructure or downsize into a different building. So they call the lease doctor."

Amend calls the downturn the worst to hit commercial real estate in the 30 years he's been in the industry, and he thinks it will get much worse before it gets better.

His tenants' changing needs have meant 15-hour workdays for Amend and a minimum of 12-hour days for his brokers, he said.

The "tsunami" of new work is prompting Amend to hire 10 to 15 brokers "virtually immediately," he said. The Amend Group has 25 employees, including four brokers now, he said.

"If you're going to be a success in this business, you've got to respond to the demands of the marketplace," he said. "When the clients want help, they need it now."

The national recession and capital-markets collapse have caused leasing and construction to slow and vacancies to rise as companies shed workers and, in turn, shed space.

The Amend Group's attempt to hire brokers is unusual in this economy, said Rick Gillham, a commercial real estate executive recruiter. Many firms are laying people off or putting positions on hold because of the slowdown, said Gillham, founder of the Dallas-based executive search firm Gillham, Golbeck & Associates Inc.

He estimates the number of commercial real estate industry employees who have lost their jobs across North Texas is in the hundreds.

Other firms are finding opportunities from the downturn as well.

Dallas-based Stream Realty Partners LP launched a retail division in January to advise owners of retail property dealing with store closings and other challenges brought on by the recession.

The division will provide leasing, property management, sales and acquisition services to retail property owners, tenants and investors, said Lance Taylor, who is heading up the group with Robin Smith. Taylor and Smith are considering expanding Stream's retail services to Austin and Houston.

Stream Realty opened an Atlanta office this month and plans to add an office in Orange County, Calif., soon, marking the firm's first offices outside of Texas, said Jon Altschuler, president of Stream's Dallas office.

"We're trying to play offense while others are maybe thinking a little bit more defensively," he said.



Jake Dean

COST COMPRESSION: John Amend, standing outside his Dallas office, says his firm's business is surging as companies look to contain real estate costs.

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Plano-based Spencer Commercial Real Estate, a 3-year-old startup, is also finding ways to grow despite the economic conditions, said Kathy Hansen, president. She declined to release her company's revenue, but projected growth of 20% to 25% this year.

Unlike a tenant representation firm, Spencer Commercial operates as the outsourced corporate real estate department for companies, Hansen said. More companies are outsourcing their real estate decisions, she said, and the tumultuous times mean there are plenty of decisions to be made.

"For the first time in a long time, people are extremely focused on efficiencies and how to do more with less, and that's what we're all about," Hansen said. "We help companies figure out how to effectively use less space."

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