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**ROB STONE, VICE PRESIDENT**

#### PROFILE

##### DUKE INC.

*www.dukecompanies.com* / Projected 2013 revenue: \$20 million  
 / Headquarters: Dallas / Employees: 15 / Specialty: Development  
 and construction of luxury multifamily communities

# Design for Life

Duke Inc. is a developer and builder that provides luxury at reasonable prices. **BY RUSS GAGER**

*Aiming its luxury apartment developments at upwardly mobile young professionals, Duke Inc. knows what a market will bear in terms of expenses, such as land costs. The company builds primarily in Austin, Houston, San Antonio and Dallas.*

“The last thing we can afford to do is go into a market that is overbuilt and overpriced,” Vice President Rob Stone says. “I see Dallas as both. There’s so much production going on.”

Stone uses his experience with a project in Dallas as an example. “I was able to offer \$30 a square foot for an apartment site, and somebody came in and paid almost \$50 a square foot for the dirt,” he recalls. “So do the math. That’s pretty aggressive, and the dirt is still sitting there. They haven’t done anything on it. I don’t know if they realized they paid too much. I’m just glad they were able to justify their number. I couldn’t do it. Timing is critical. If I had paid that much money and I wasn’t building on it soon after I bought it, I’d be looking for another line of work.”

Stone does not see those escalating prices elsewhere in Texas. “Austin and Houston have so much demand with corporate relocation, the oil and gas industry, the University of Texas and all the other schools,” he reports.

Duke Inc. develops and builds high-quality multifamily communities. It has built more than 20,000 apartment homes across the Southwest. “In our current form, we are what you would call a merchant builder with an emphasis on design/build,” Stone explains. “We find the dirt and we market the deal. Fortunately, we have an investment group that likes our program. In the end, they own it and they operate it, and we go out and find another deal.”

Based in Dallas and celebrating its 40th anniversary, the family owned business completed luxury garden apartments

named Ten Oaks in Austin last June and Ten Pines in Houston at the end of 2013. "It's basically done, but we're always trying to make it look a little better," Stone adds. "We're tweaking a few things."

Duke Inc. uses 50 to 60 subcontractors for 95 percent of a project's construction. It chooses amenities that ease tenants' lifestyles.

"We call it 'design for life,'" Stone says. "It's so somebody can come home and not worry about going to the gym or getting their package at the post office. Our clubhouses are totally encompassing for the Wi-Fi, the Internet café. You can come in and hang out, socialize and be a part of a community. We want to get people out around the pool. We put in the resort-style pools. We'll have the pergolas placed accordingly to help isolate from the Texas sun."

Among the developments' many amenities are a business center and pet parks. "We'll have grilling areas out at the pool," Stone says. "In one of our most recent developments in Houston, we've got covered parking in either free-standing garages that can be rented on a monthly basis or car ports. On one of our deals, we have actual storage units for people to rent so they don't have to go offsite."

## VISIBILITY AND ACCESS

The motto of "design for life" continually influences Duke Inc.'s developments. "Every site is different," he says. "People live a certain way in Houston, but they live a different way in Austin. So you've got to be able to adapt and design these projects."

One of Duke Inc.'s latest projects is 304 garden-style apartments in Round Rock, Texas. Stone estimates the breakdown of bedrooms in the units will be approximately 55 to 60 percent one-bedroom, 30 to 35 percent two-bedroom and the remainder three-bedroom. Construction is due for completion by the end of 2014.

When locating projects, besides location – such as the types of jobs, schools and amenities in the area – two other factors are of equal importance to Stone. "Access to me is critical – access and visibility," he says. "It can be the most visible location in the world, but if I'm out in farm pasture, that's a hard sell."

For the future, Stone is considering geographic expansion. "I can see us doing something out of state, be it Arizona, Colorado or Oklahoma," he predicts. "We're not averse to going other places. It would just have to be the right opportunity and the right time."

Duke Inc. founder R. Jerry Stone Jr., who is very active in the business, has handed day-to-day responsibilities to his son, who does not see expanding into other types of developments. "That's all I know how to do – apartments," the younger Stone says. "I learned how to ride a bike 22 years ago, and I hope I get to ride that bike for a long time." ■



Every site is different, so Duke Inc. designs according to the way people live in each area in which it builds, and is willing to adapt to the needs of each project.