


Colliers International poised for move to Granite's Uptown tower Firm expected to be among first tenants in Granite's Park Seventeen

 Premium content from Dallas Business Journal by Bill Hethcock, Staff Writer

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Commercial real estate firm Colliers International appears to be among the first office tenants heading into a sleek Uptown tower that's nearing completion.

Granite Properties and **Gables Residential** are co-developing a \$200 million, 2.2-acre mixed-use development in Uptown comprised of two towers.

Called Park Seventeen, the project includes 362,000 square feet of office space developed by Granite in one tower and 292



luxury Gables apartments in the other.

Granite Chief Operating Officer Greg Fuller and Colliers Managing Director Mark Noble declined to confirm or deny that Colliers is heading into the building, but reports of the pending lease are widespread in commercial real estate circles. Colliers is said to be looking for about 40,000 square feet.

Fuller said he's getting close to signing a handful of tenants. "The good news is we have three tenants that we are in active negotiations with totaling 100,000 square feet," Fuller said. He declined to name any of them because the leases have not been signed.

Leasing prospects are indeed welcome news for the project's developers, whose office tower is delivering at a time when demand for office space has been dampened by layoffs, an uncertain economy and difficult credit markets. The Granite building was one of the last major projects to get started in the Dallas-Fort Worth area before office-building construction in the region screeched to a halt.

Apartments ready in April

The 19-story Granite office tower, called 17Seventeen McKinney, is at the northwest intersection of McKinney Avenue and North Akard Street. Space leases for about \$34 per square foot plus electricity.

The high-rise apartment building being developed by Gables Residential, at 1700 Cedar Springs, has 20 stories of living space over six levels of parking.

A 1-acre landscaped deck on the seventh-floor level between the towers connects the office and residential sides. The architect for the project is **Good Fulton & Farrell** and the general contractor is Austin Commercial.

The tower, called the Gables at Park Seventeen, will begin showing units in mid-March and have apartments ready for move-in in early April, said Tom Bakewell, regional vice president of Gables.

Prices for the apartments start at about \$1,700 per month and rise to \$5,000 to \$6,000 monthly for six penthouse units, Bakewell said. The average unit size is about 1,100 square feet, and the penthouses range from 1,800 to 3,000 square feet, he said.

Bakewell said he's optimistic that the apartments will fill up fast now that construction of residential space has slowed in Uptown.

"The high-rises are all getting close to stabilization now, and very little new supply is coming on line," he said.

Apartment demand is holding up relatively well in Uptown in contrast to the feeble demand in most of the Dallas-Fort Worth area, said Greg Willett, vice president of research for Dallas-based apartment analysts MPF Research.

"The challenge is there's a lot of product competing for that demand," Willett said.

About 2,000 apartment units were built last year in Uptown, and about 600 were completed last year in the Design District nearby, Willett said. Of those 2,600 units, about 2,000 have leased, he said.

Offering high-rise units will distinguish the Park Seventeen apartments from others in the immediate area and give Gables a good chance to succeed even though they're priced at the high end compared to their competitors, Willett said.

If Colliers moves, it will be the second tenant to leave 4311 Oak Lawn Ave. in recent months. Late last year, D Magazine and several related publications moved from the Oak Lawn building to 23,000 square feet in the St. Paul Place building in downtown Dallas.

Colliers' North Texas office is one of 480 Colliers offices in 61 countries. It has grown from seven to 108 employees in the last six years, mostly through acquisitions. With 43 licensed brokers in North Texas, Colliers ranks as the eighth-largest commercial real estate brokerage in the area, according to Dallas Business Journal research.

Colliers' North Texas office handles office, industrial and retail leasing, commercial property sales, property management, valuation, appraisal, financing and project management services.