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## Centex is making waves

Firm's merger could free up 300,000 square feet in Uptown

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

The anticipated consolidation of **Centex Corp.**'s Dallas corporate office into **Pulte Homes'** Michigan operations likely will put into play almost 300,000 square feet of prime Uptown office space as well as potential naming rights for one of the area's most prominent buildings in what has been one of North Texas' strongest office submarkets.

Accounting firm Deloitte LLP and several other large prospects, including corporations considering relocating from outside the state, are known to be interested in the space, according to Uptown office brokers familiar with the prospective deals.

The leasing agent at the buildings Centex is expected to leave said she's optimistic about the chances of finding a new tenant or tenants to fill the space quickly, despite the overall slowing market for office space.

"This is a great opportunity for us. We have great demand right now on the buildings," said Jihane Boury, vice president of development and leasing for Harwood International.

Centex declined to comment about its future North Texas space needs.

It now occupies 170,000 square feet, or all except about 6,000 square feet, in the building that bears its name at 2728 Harwood St., Boury said. Upscale restaurant Marie Gabrielle takes that building's remaining space. Centex's lease runs through the end of 2011, Boury said. The company has been the building's name tenant since it was constructed in 1996.

In the building next door, at 2828 Harwood St., Centex recently moved out of five floors totaling 114,000 square feet, or about half of the building. That lease is up at the end of this year, Boury said.

In early April, Centex announced plans to merge with Bloomfield Hills, Mich.-based Pulte Homes Inc. in a deal that company officials said would make the merged firm the nation's largest homebuilder. At the time of the announcement, officials said the surviving entity would be called Pulte Homes and its headquarters would remain in Michigan.

Neither Centex nor Pulte has notified Harwood about plans to renew Centex's leases at Harwood properties, so Boury said Harwood is proceeding as if the company is leaving when its lease is up.

Boury declined to name companies that have looked at the space, but said the prospects include two out-of-state corporations looking to relocate to North Texas, as well as potential tenants from downtown Dallas, North Dallas and elsewhere. The prospects' size requirements range from a couple of floors to more than 200,000 square feet spread across the two buildings.

The Centex buildings at 2728 and 2828 Harwood currently have asking lease rates of about \$35 per square foot per year.

In addition to the interest in the Centex space, Harwood last week signed a letter-of-intent with a company that will lease a full floor at Saint Ann Court, a 320,000-square-foot luxury office building that Harwood International is developing nearby. Scheduled to be complete this fall, Saint Ann Court will be the newest addition to the Harwood District in Uptown, a 17-city-block development of office and residential towers, retail, restaurants and gardens. Saint Ann's asking lease rates are \$35 to \$40 per square foot annually.

One of the prospects interested in the Centex space is Deloitte, which has toured multiple locations across the Dallas-Fort Worth area during the past year and narrowed its search to the Las Colinas area of Irving and Dallas' Uptown and downtown districts, brokers familiar with the search say.

For its part, Deloitte said no decision has been made regarding a possible office move from its current Chase Tower location. The company, whose main North Texas office is now at Chase Tower at 2200 Ross Ave., is looking for about 200,000 square feet, said Carl Ewert of the commercial real estate firm Jones Lang LaSalle, which is assisting Deloitte in its search. Ewert declined to reveal other specifics about Deloitte's search, saying only that a final decision on a building will come within the next 60 days.

If Deloitte chooses to remain in Dallas, the company either will renew its lease and expand by about 50,000 square feet at Chase Tower, lease former Centex space in the Harwood District or lease space in a 19-story office tower being built by Plano-based Granite Properties at 1717 McKinney Ave. in Uptown, office brokers say.

In an unrelated move, Deloitte LLP has announced plans to build a 750,000-square-foot, \$300 million training center on 107 acres in Westlake that will include 800 guest rooms for visiting employees. The center is expected to open in 2011.

### Opportunities in Uptown



File photo

**PIQUING INTEREST:** Leasing interest has been high on the buildings at 2728 and 2828 Harwood St., where Centex Corp. is expected to vacate about 284,000 square feet.

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The space Centex will vacate in Uptown will open doors for tenants who haven't been able to afford office space in what has historically been one of North Texas' most expensive submarkets, said Lee Wagner, senior vice president in the Office Services Group for the commercial real estate firm Grubb & Ellis Co.

More Uptown space is available and rental rates are coming down, he said.

"Uptown has traditionally been a tighter market," Wagner said. "This is a great opportunity for a bigger tenant to potentially be in a submarket that may have been out of reach for them before now."

Both Pulte and Centex have been working on integration plans, but it's too soon to analyze the implications of the merger on Centex-Pulte's future real estate space needs or job numbers in North Texas, said Centex spokesman Ken Smalling.

"I'm sure as we move further into the integration process some of those decisions will be made, but I don't think any of that has played out yet," he said. The plan now is to maintain a regional office in Dallas, he said, where Centex currently has 350 employees, he said.

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