



OFFICE RICHARDSON-PLANO

Pillar Commercial Acquires Former Nortel Campus For \$43 Million

By Christine Perez | May 24, 2011

Dallas-based Pillar Commercial has acquired the former Nortel HQ in Richardson for about \$43 million. The two building, 807,000-square-foot campus was purchased from a group of creditors who had taken over the facility as part of Nortel's bankruptcy's proceeding's.

The campus was developed in 1991 at 2201-2221 Lakeside Blvd. in Richardson as the U.S. corporate headquarters for Nortel. It includes a 16-story office tower and a three-story R&D facility.

The Nortel campus is the largest acquisition to date for Pillar, which was formed in 2004 by Manny Ybarra to specialize in the repositioning of under-performing real estate assets. The deal brings its total portfolio to about 3 million square feet of office space. Pillar has been pursuing the Nortel asset for months. The company beat out several other contenders and was selected by creditors as the buyer in March. The transaction won approval from the bankruptcy court on May 10, with closing slated for June 3.



Manny Ybarra

In an interview with RealPoints, Ybarra said he believes Richardson's Telecom Corridor is poised for a significant rebound, and that a number of tenants will be interested in the high-quality space that the former Nortel campus offers.

"I believe the ideal corporate user for this campus will be an international, *Fortune 500* organization needing a prominent location in which to house thousands of employees, most likely a technology-oriented company that can use the existing infrastructure," he said. "It will inevitably go to a tenant who wants to make a statement in the market. It is a high-profile Richardson address."

The CB Richard Ellis team of Gary Carr, Russell Ingram, Eric Mackey, Jack Fraker, and Josh McArtor represented the creditors who sold the property. According to a statement from Carr, the campus offers "the largest block of quality contiguous space in the suburban marketplace. The improving dynamics of the submarket, combined with the past track record of Pillar Commercial, should make this acquisition work out very well for them."

Brian Carlton with Holliday Fenoglio Fowler was tapped to secure financing, which was provided by ViewPoint Bank.

In a March feature in D CEO, Ybarra said he expected Pillar to make several big purchases this year. "The biggest challenge the last three years has been limited opportunities to expand our platform through acquisitions," he said. "So many variables are outside of our control, but we haven't let that diminish our appetite. We are very optimistic about 2011."