

OFFICE DEAL OF THE YEAR - 2011

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BEST REAL ESTATE DEALS



Ericsson Office Lease

BY JEFF BOUNDS

WINNER

Manny Ybarra does a lot of things well. And he does them fast.

Last year, the principal and founder of the Dallas commercial real estate firm, Pillar Commercial rounded up \$43.1 million to buy the former U.S. headquarters of bankrupt Nortel Networks in Richardson.

Within a month of the June 3 closing of purchasing the one-time Nortel digs, Pillar and telecom equipment maker, Ericsson announced an agreement on roughly 460,000 square feet of the roughly 800,000-square-foot campus at 2201-2221 Lakeside Blvd.

Ericsson renewed a 200,000-square-foot lease in a low-rise research-and-development building, plus an additional 60,000 square feet there. And in the main tower of the campus, Ericsson leased 200,000 square feet.

Although employees shuttle between the Lakeside campus and Ericsson's North American base in Plano, the company has about 2,000 people working at the Richardson location.

The Richardson lease transaction, which runs through September 2016, accommodated Ericsson's growth in one location. The leases allowed Ericsson to avoid having to secure a series of smaller leases in the North Texas area, according to Vickie Bunch, director of business operations support.

"We were looking to do some expansion to accommodate our growth," Bunch said. "Expanding at the Lakeside property was a good solution for us."

Getting a massive lease like Ericsson's done in a short time was challenging. "It was the fastest transaction I've ever done," Ybarra said.

Although it was Bunch's first time with Ybarra, she had a couple of trusted advisors in her corner in the form of Mike Wyatt and Ken Johnston of Cushman & Wakefield.

"It's a pretty solid relationship," Bunch said of her ties with Wyatt and Johnston.

Pillar and Ericsson made it happen partly by starting early. They were talking about Ericsson's space needs even while Pillar was hammering out the purchase agreement for the campus with Nortel creditors. And landlord and tenant managed to get the lease completely negotiated while Pillar was doing due diligence on the property.

"We were interfacing with the Ericsson and Cushman & Wakefield team on a daily basis," Ybarra said. Meanwhile legal representatives of both sides were hard at work. "It was a coordinated effort," Ybarra said.

When Pillar closed on its campus purchase, the lease was ready to be signed. Bunch praised what she said was Pillar's "openness" in working with Ericsson.

"Manny's a professional guy. He has a good bedside manner, if you will," she said.

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