

Legacy fits reverse commuting to a T

By: Lisa Brown, October 28, 2018



A partnership acquired the 130,371 square-foot Lincoln Legacy II building at 5810 Tennyson Parkway

PLANO, TX—Artemis Real Estate Partners has been an active investor throughout the nation, and Texas remains high on its list as a strong economic region with favorable prospects for continued growth due to rampant job creation. Most recently, Pillar Commercial in a joint venture with Artemis Real Estate Partners acquired the 130,371-square-foot Lincoln Legacy II building located at 5810 Tennyson Pkwy. The Pillar/Artemis partnership acquired the asset from a joint venture controlled by USAA and Lincoln Property Company, which was represented by Jack Crews and Brad Enloe of JLL.

“Legacy has been a top-performing office submarket in the Dallas-Fort Worth region and we envision continued business growth along this corridor,” said Manny Ybarra, founder and president of Pillar Commercial. “With its strategic location and investment potential, Lincoln Legacy II is an ideal asset to add to our joint venture with Artemis.”

Located near the intersection of the Dallas North Tollway and Tennyson Parkway, Lincoln Legacy II provides easy access to DFW International Airport and other major business centers throughout North Texas. The property is surrounded by an abundance of upscale retail, dining and entertainment, such as the mixed-use The Shops at Legacy and the newly completed 250-acre Legacy West.

In addition to its superior location, the property also provides numerous on-site amenities such as a fitness center, tenant lounge and conference facilities.

“Lincoln Legacy II is an ideal corporate location for companies wanting a class-A environment with rich amenities,” said Michael Bernstein, principal at Artemis.

The nearly 2,500-acre Legacy Business Park has evolved into a corporate epicenter, with more than 12 million square feet of headquarters and regional office space. Employers such as Toyota, Liberty Mutual and JP Morgan Chase have recently relocated major operations to the area and are expected to generate more than 20,000 jobs with a projected economic impact of \$11 billion.

“We are excited to welcome Pillar Commercial and Artemis Real Estate Partners to Legacy Business Park,” said Plano mayor Harry LaRosiliere. “Their presence and quality will further enhance the vibrant business community we foster to make Plano a city of excellence.”

The partnership is acquiring Lincoln Legacy II with senior debt financing from MetLife. Curtis Jagers with JLL secured the financing on behalf of the buyer group.

“Lincoln Legacy II is a newly constructed class-A office development. As such, there are no immediate near-term plans for additional capital reinvestment based on the quality and vintage,” Ybarra tells GlobeSt.com. “We do plan on being engaged with the existing tenant base and support these businesses as their future space needs evolve. The property is rich with amenities that include conference facilities, a tenant lounge and a premier fitness center. We remain committed towards enhancing the experience of our tenants and their respective employees by delivering exceptional customer service.”

The acquisition of Lincoln Legacy II is the third investment in less than two years for the Pillar/Artemis joint venture. In September 2016, the group acquired Duke Bridges III, a 160,000-square-foot office development located across the North Dallas Tollway from The Star, the 91-acre mixed-use development anchored by the Dallas Cowboys headquarters, and 12,000-seat training facility and event center. Last year, the partnership also acquired 8222 Douglas Ave. in Preston Center.

Of all the segments of the country, the South, particularly Texas takes the lead at 30% of the US job growth. And, the region surrounding Dallas grew its total jobs by 310,481 between 2011 and 2015, an increase of 14.2%.

To be sure, job growth is happening in both the CBDs and the suburbs. However, educated adults are increasingly city dwellers, seeking walkability, authenticity and collaboration, according to a recent trends and insights report by JLL.

As economic recovery and expansion continue across most sectors and regions, competition for talent is intensifying, increasing pressure on employers to differentiate based on location, amenities and environment. Now more than ever, it's critical that real estate investors, developers and decision-makers understand which cities and suburbs are experiencing job growth and attracting highly educated talent.

Reverse commuting unsurprisingly remains a widespread fact of life across all major regions and has increased in every metropolitan area. Reverse commuting is up 11.6% from 2011 levels, with more than 4.8 million people reverse commuting out of major cities in the 25 largest MSAs. In fact, more than half of Dallas' highly educated population commutes to the suburbs.