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Pillar adds buildings to RE holdings

Dallas' Pillar Commercial has added 300,000 square feet of office space to its investment portfolio – the latest in a string of additions.

The investment firm, launched by former TPMC executive Manuel Ybarra, recently acquired a 188,000-square-foot office building at 7920 Belt Line Road in Dallas and the 101,000-square-foot Wells Fargo Tower in Addison, for \$14.5 million.

Ybarra says the company has two and three year plans, respectively, in place to stabilize occupancy in both towers at 90%. The Belt Line Road building is 33% occupied, and the Wells Fargo Tower is 60% occupied.

“We bought them as one package, one acquisition,” Ybarra said. Pillar acquired the properties from Fobare Commercial, a Dallas commercial real estate firm. “We’ve staffed both with property and asset management teams and engineers who will be dedicated to each of the assets.”

Ybarra launched Pillar Commercial in 2004 by taking over the leasing and management for 1 million square feet of Dallas office inventory owned by LandGem, a private limited partnership based in Dallas. LandGem’s portfolio consisted of One Glen Lakes, 7515 Greenville, 6500 Greenville, Northcreek Place (which has two office developments, Chase Bank at LBJ and Forest Abrams Place.

“We’ve had our head down, working on getting those projects stabilized,” Ybarra said. “Now occupancy is at 90% across the board.” The portfolio had an occupancy of 56% when Pillar acquired it. To date, Pillar has filled 250,000 square feet of space. Ybarra says Pillar’s new acquisitions fit into the company’s overall strategy of acquiring Class B mid-rise office developments that are between 100,000 to 200,000 square feet.



PACKAGE DEAL: Manny Ybarra, left, is the founder of Dallas-based Pillar Commercial, which recently added 300,000 s.f. to its office portfolio. He is seen here with Matt Wieser, Pillar Director of Leasing.

“We also like the location, especially in light of the LBJ (Interstate 635) expansion,” Ybarra said. “We feel we’re well-positioned to capture prospect activity from tenants who don’t want to live with the expansion but still want to be within a few miles of LBJ.”

The expansion involves an addition of six tolled lanes between High Five and Interstate 35E interchanges. Pillar’s also pulling potential tenants from its database of prospects for its other buildings who have expressed an interest in moving further west.

In the meantime, Pillar’s reinvesting \$1.5 million in the common areas and lobbies of both buildings and has plans to start building speculative office suites at 7920 Belt Line, creating ready-to-occupy suites.

Gary Carr and Darrin Roberts of CB Richard Ellis brokered the transaction for the new office buildings with Pillar. “Private capital is driving the Dallas-Fort Worth investment property market,” says Russ Ingram with CB Richard Ellis, Inc.