



JAKE DEAN

The epitome of Uptown living: 3700M, the 21-story tower and pair of five-story buildings at 3700 McKinney Ave.

HOT NEIGHBORHOOD

Upping the ante in Uptown

When Brian Ratner was searching Dallas for a place to call home, he looked no further than Uptown. The neighborhood is known for its luxury living, stores and restaurants all within walking distance of each other.

And so far, he loves the neighborhood.

When Ratner loves someplace, it really counts. He's president of Forest City Texas Inc. and an executive vice president and director at Forest City Enterprises Inc. (NYSE: FCEA and FCEB). Maybe it's his affection for the area that made the developer decide to place a big bet on Uptown.

So far, those bets on luxury digs, either on the drawing board or in the works, have topped \$1 billion. With developers like him willing to ante up that kind of money, it's no wonder Uptown is a boomtown.

Ratner's firm, through partnerships with AIG Global Real Estate and Cityplace Co., is finishing one of the most high-profile residential and retail developments in the neighborhood — a \$100 million, 21-story tower adjacent to the West Village.

The first luxury apartments in the 381-unit, 472,000-square-foot high-rise at 3700 McKinney Ave., known as 3700M, have opened to residents. Forest City has already leased 25 percent of the property within weeks of opening.

"The ability to walk to everything, from the Katy Trail to the movie theater, is appealing," said Ratner, who lives two blocks from the new development. "And we are getting a big range of ages. We are getting residents from their mid-20s to their 50s or 60s."

The 3-acre development includes about 37,000 square feet of ground retail and restaurant space, which is owned by Cityplace Co. Recently, J. Crew opened its latest boutique at 3700M, and the retail space is expected to fill up quickly.

"We'll fill up the retail by the end of the spring," said Neal Sleeper, president of Cityplace Co., who has so far leased 80 percent of 3700M's retail space. "J. Crew opened ... and they were really happy with their opening day. The store looks

good and I think they'll do well."

Cityplace has also signed European men's apparel shop Suitsupply, burger restaurant Eureka, Bisous Bisous Patisserie, ballet workout chain Pure Barre and framing store Aaron Brothers, among other tenants.

Those amenities help enable Forest City to charge a premium for the apartments, Ratner said.

"People understand the pricing and they want to be here," he added. "We are really integrating the community."

At \$2.35 per square foot, the tower's units are priced above the market average. Forest City's downtown apartments hover at \$1.60 per square foot. Right now, the firm's downtown projects, which include the recently completed Continental building, are 94 percent leased.

Typically, new apartments near Uptown and in the city's urban core surpass \$1,800 a month, according to Carrollton-based MPF Research.

It's a case of simple economics. Developers need to charge more rent to keep up with rising land costs. With no slowdown of residential demand in sight, developers continue their frenzy to build high-end housing in the neighborhood.

The apartments in 3700M range from one- to two-bedrooms measuring from 640 square feet to 1,500 square feet in 31 floor plans. Most units include a terrace and all feature stainless steel appliances, as well as washers and dryers.

Good Fulton & Farrell is the project's architect. Faulkner Design Group was the interior designer that worked on the common areas and model homes in the residential tower. TBG Partners designed the rooftop terrace pool and garden.

3700M was one of the first buildings that went vertical before the economic recovery took hold, said Jim Truitt, a senior vice president at Forest City Texas.

"We like West Village because it's one of the few areas in Dallas that has the 24/7 environment," he said. "And we also liked that Cityplace controlled all the retail and that was positive. There's 250,000 square feet of retail in this area and there's no place else in town to do that."

▶ DEAL OF THE WEEK

STATE FARM ANCHORED OFFICE PORTFOLIO

The Deal: San Francisco-based Spear Street Capital has purchased the State Farm-anchored office portfolio in Richardson, which totals 800,000 square feet across four office buildings.

Location: Two buildings at 2375 N. Greenville Drive, as well as one each at 2380

Square Feet: 800,000

Leasing Brokers: Chris Taylor of Cassidy Turley and Russ Johnson of Dallas-based Peloton Commercial Real Estate

Seller Brokerage: HFF

Seller: Dallas-based Cityplace Co.

On Background: The Galatyn Park office portfolio has one of the largest blocks of vacant Class A office space in North Texas, with 600,000 square feet available for lease. Spear Street Capital plans to invest a significant amount of money into the property's common