

# AUSTIN BUSINESS JOURNAL

## As it builds out The Domain in Austin, Stonelake celebrates big project in Houston

It's building a new home for Charles Schwab, others in the Bayou City

JEFF JEFFREY  
REPORTER  
HOUSTON BUSINESS JOURNAL

Texas real estate private equity firm Stonelake Capital Partners recently celebrated the topping out of a 15-story office tower called 200 Park Place in Houston.

The 210,000-square-foot, class A building is located at 4200 Westheimer Road between the River Oaks District and Highland Village.

It is the latest addition to Stonelake's Park Place River Oaks development, an 11.5-acre mixed-use development in the Bayou City. Phase one of the development, an eight-story, 344-unit multifamily building dubbed The James, was completed in 2016. Phase two, a 17-story, 297-unit multifamily tower known as The Ivy, opened in 2017.

As it fills out that site in Houston, Stonelake is busy fleshing out Austin's second downtown – The Domain. During the past few weeks, construction has started on two additional Stonelake towers: The Bowen, which will be the first apartment high-rise at The Domain, and Domain Tower 2, which at 24 stories will be the tallest building in The Domain when completed in 2021.

Founded in Austin in 2007, Stonelake has raised more than \$1 billion across five private equity funds. The company owns, is developing or has developed more than 5,000 multifamily units, 2.5 million square feet of offices and 8.7 million square feet of industrial space, according to its website.

Construction on 200 Park Place in Houston, which was previously known as Park Place Tower, is scheduled to be completed in April 2020. The tenants are expected to begin moving in by June 2020 and will include Compass Real Estate, Charles Schwab and Stonelake itself.

Plans for the office building include a number



Construction of 200 Park Place is scheduled to be completed in April 2020.

of top-tier amenities, including a ground-floor restaurant, a landscaped terrace on the ninth floor, a conference center and a tenant lounge. Tenants also have access to a landscaped park in the center of the development.

200 Park Place was designed by Dallas-based Beck Architecture. Houston's Harvey Builders is serving as general contractor for the project.

Construction crews broke ground on the building in February. Stonelake has not said how much it is spending to develop the office tower, but Texas Capital Bank provided construction financing on the project.

Harris County Appraisal District records show that the 3.77-acre parcel at 4200 Westheimer was valued at \$16.4 million as of Jan. 1.

200 Park Place is the largest office building under development in the Uptown/Galleria submarket, according to data from real estate firms.

While Chicago-based JLL (NYSE: JLL) reports that the Uptown/Galleria area's 20.6 percent office vacancy rate is relatively low, the city's office market as a whole has remained stagnant in recent years.

In June, the Houston Business Journal hosted the "Commercial Real Estate Breakfast Panel: Uptown/Galleria," where real estate experts discussed office leasing trends in that submarket.

At the time, Lesa Nickelson French, a vice president in JLL's Houston office, said the submarket had about 930,000 square feet of office space available to lease. She said it's going to be years before much of that space is absorbed by the market.

JLL reports that during the third quarter, the Uptown/Galleria area saw total net absorption of negative 214,429 square feet. The average asking rent in the area last quarter was \$35.77 per square foot, JLL reports.