

Tech-Savvy Offices Coming to Historic West End Building

\$15 Million Redevelopment Will Capitalize on the 'Smart Cities' Initiative Underway in Dallas' West End



Years before Texas billionaires or real estate investors set their sights on Dallas' historic West End neighborhood, a Dallas real estate investor with a knack for finding real estate treasures in neglected neighborhoods purchased the historic Italianate-style Purse Building in hopes of helping transform the neighborhood.



Tanya Ragan didn't immediately pick up redevelopment plans left by the former owner to convert the six-story, century-old brick building into loft-style residences. Instead, she watched the neighborhood evolve from one

with historic warehouse and manufacturing buildings with ties to the early 20th century into a hub for Dallas' Smart Cities initiative to create a neighborhood with tech-savvy infrastructure that gives office tenants a well-connected and mobile environment.

Real estate investors, along with community stakeholders, have seen a spiked interest in the West End's real estate since beginning to make these investments. And, Ragan said, that is one reason why she wanted to convert the 113-year-old Purse Building into a tech-savvy office space with ground-floor shops.

"With the revitalization of the West End, businesses with a concentration on innovation and technology want to relocate here from other parts of the country," Ragan, president of Dallas-based Wildcat Management, told CoStar News. "And there's really not a lot of stuff like this to buy. It fits a niche that just isn't available for investors right now."

In 2014, Ragan purchased the Purse Building, which, contrary to its name, did not actually manufacture or sell purses but instead furniture in the 1920s, and within a few short years real estate investors and developers with plays throughout the United States began buying up pieces of the West End neighborhood.

From Fort Worth-based Crescent Real Estate LLC, led by billionaire John Goff, to Plano-based Granite Properties Inc. to Dallas-based Lincoln Property Co., the West End landed some serious investors banking on the future of the neighborhood to deliver sought-after office space for creatives looking for the next big idea.

"When Crescent and Granite came in, you started to see this shift happening in the district," Ragan said. "We saw wonderful collaboration of the new ownership in the neighborhood. It was then we felt an office use was the best use for the building."

Ragan, who has also been a long-time property owner in the Dallas Farmers Market, purchased the historic six-story, 70,000-square-foot Purse Building at 601 Elm St. in 2014. Since then, she has put together plans to transform the vacant property, last housed by Dallas County in the

early 1990s, into a boutique office building with ground-floor retail space and a rooftop deck overlooking downtown Dallas' skyline.

"With such a limited supply of this type of product, businesses are willing to pay a premium to be in a Smart City neighborhood," she noted.

For the Purse Building, Ragan plans on converting the first floor into nearly 9,000 square feet of retail space, with office space on the second floor through the sixth floor of the building. A rooftop deck will overlook downtown Dallas and serve as a tenant amenity.

The \$15 million redevelopment of the Purse Building will benefit from \$4.5 million of historic tax credits for the preservation of the building, which was originally constructed in 1905. Ragan added the project would have been impossible without the tax credits.



Rendering of redeveloped Purse Building.
Rendering Credit: Wildcat Management