

From One End Of 121 To The Other, How Class-A Developments Are Changing The Corridor

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From build-to-suit offices in Allen to first-in-region retailers in The Colony, the 121 corridor is ripe with Class-A developments. With increased competition, developers are trying to differentiate more than ever.



The Sam Rayburn Tollway has existed in its entirety for five years, and it is driving the robust real estate market.

“[Sam Rayburn Tollway] is turning into the great connector of people. It connects a lot of communities, like McKinney, Allen and Frisco, that were otherwise isolated.

[Highway] 121 allows them to speak to each other,” Kaizen Development Partners CEO and Managing Partner Derrick Evers said.

Kaizen owns five sites in Allen’s Watters Creek. One Bethany East broke ground in February and will deliver 125K SF of office space in Q1 2018.

“When we first came to Allen, we thought we’d have a log of 3K to 7K SF tenants. We’re pleasantly surprised that we have corporate users, tenants that are looking to take larger blocks of 10K, 20K and up to 90K SF,” Evers said.

Kaizen will break ground on a 145K SF build-to-suit office for one such larger user in August. NetScout will move 500 employees into the three-story office with structured parking in August 2018. Kaizen is courting other BTS users for the remaining three sites.

Even if proximity to other 121 corridor developments is not unique to Watters Creek, it is certainly a recruiting tool.

“In the past, Allen didn’t have a lot of product, but now we have a very aggressive Allen Economic Development Corp. Users who want to go into Class-A space, they consider this location strategic,” Evers said.

All of Allen falls into Legacy West’s desired trade area.



Gensler principal and studio director Barry Hand said a good measure of success for a development like Legacy



West is whether or not locals accept it as their neighborhood center.

“That’s how [a development] becomes an urban node. Legacy West has lots of residential stock around it and people will come from 25 miles around, making it more of a regional node.”

If Legacy's trade area is regional, Nebraska Furniture Mart’s is superregional.

NFM brings in 10 million customers annually, who travel an average distance of 250 miles. To give customers more to do once they get to the store, Grandscape is prioritizing first-to-region (and a few first-in-country) retail concepts.

“Over 90% of our tenants are first-to-market,” Stellar Development founder Steve Graham said. A 300K SF Scheels will co-anchor the \$1.5B development with NFM. Galaxy Theaters will open an 85K SF, 16-screen cinema. A 110K SF Andretti Indoor Karting & Games will have arcade games, racing simulators, laser tag and more.



The 430-acre development will integrate interactive technology. Customers will be able to opt into a Grandscape app to utilize screens within the development that would remember preferences or purchase history, Graham said.

“The screens may know I purchased running shoes at Scheels and then remind me about a sale there. The budget for that technology is significant,” Graham said.

Technology might be a difference-maker for customers visiting Grandscape, but North Texas’ economy first attracted NFM to the area.

“We picked Dallas because of its great economy,” Graham said. “At the time [when we were scouting sites], 121 was just getting the interchange with Dallas North Tollway. We needed to have incredible access and now we have this opportunity with major frontage.”

Hear more from Evers, Graham and Hand at *Bisnow’s* 121 Corridor Development Update on Aug. 8 at the new One Legacy West. [Register here.](#)

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