

# Morning Calm Buys 875 KSF Dallas Office Campus

**November 28, 2022**

Commercial Property Executive  
By: Gabriel Funk

Morning Calm Management has acquired Towers at Park Central, a three-building Dallas office campus totaling some 875,000 square feet. The previous owner was TPG, according to CommercialEdge data. Morning Calm plans a series of property upgrades and renovations, alongside the addition of amenity space, and has tapped a Newmark team to handle all leasing activity.



Mukang Cho, principal & CEO of Morning Calm, contextualized the purchase further in regard to the city’s growing demand for Class A office space. “These buildings will thus outperform in Dallas versus their peers much like they have in other parts of the country,” Cho told Commercial Property Executive.

“Our track record in the office sector has consisted of acquiring quality assets which underperformance we believed could be turned around by offering a product to the market that is affordable, accessible and well amenitized—this is what we refer to as the three A’s. Demographic trends continue to tilt in favor of markets like Dallas and those are tailwinds that will have legs, even if the broader economy slows down,” he added.

The statement was qualified by Senior Managing Director Bryan Zenchyk, who sees the sale taking place during a widespread relocation of corporate offices to the city as reflective of the strength of the market. “Dallas has been a leader in attracting corporate relocations alongside the many companies choosing to grow in the area. The business-minded environment is expanding an already diverse economy poised for continued growth,” Zenchyk explained for CPE.

## **A Class A office campus**

Located at 12750, 12770 and 12790 Merit Drive, the office buildings came online in the early 1980s and underwent complete renovations in 2007, CommercialEdge data shows. The LEED-certified assets range between eight to 14 stories and feature various amenities including conference and training rooms, a fitness center, tenant lounge, cafeteria, as well as private parking with EV charging stations. Morning Calm

intends to further upgrade the campus, building on the \$7.5 million investment from the previous owner.

Towers at Park Central was roughly 70 percent leased at the time of sale to a variety of tenants, including SCP Health, Arthur J. Gallagher, Milliman and Daisy Brand, among others. Newmark Executive Managing Directors Nathan Durham and Duane Henley, together with Associate Natalie Serio, will spearhead leasing at the property going forward.

The campus is situated alongside Interstate 635, some 12 miles north of downtown Dallas. The location is close to DART bus stops, North Central Expressway and the Dallas North Tollway, allowing for an easy commute.

### **Dallas' flight to quality**

The Dallas office market has been actively implementing the nationwide flight-to-quality trend, emphasizing the importance of Class A amenities and building features in the employees' return to in-person work. According to data from a third quarter 2022 report from JLL, the city has seen two consecutive quarters of positive Class A space absorption, with direct rents averaging \$38.45 per square foot.

On a macro scale, Dallas has seen nearly \$3.95 billion in sales year-to-date as of October, a recent CommercialEdge report reveals. According to the same data provider, Towers at Park Central was the largest office property that has changed hands in the North Dallas submarket since the beginning of the year.

In another recent deal, Wells Fargo acquired a property in the Dallas suburb of Irving, Texas, where it plans to build a \$200 million regional office campus totaling more than 800,000 square feet. The multi-phase project is set to become one of the largest office developments in North Texas.

<https://www.commercialsearch.com/news/morning-calm-buys-875-ksf-dallas-office-campus/>