



The Victor amenity deck and pool, street view. Rendering courtesy of Hines

COMMERCIAL REAL ESTATE

Hines Breaks Ground on New Victory Park Tower

39-story luxury apartment development to deliver in 2021, target baby boomers.

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Work has begun on a major residential project on one of the few remaining parcels in Victory Park. Called The Victor, the 39-story, 344-unit luxury high-rise is being built on a roughly 1.5-acre tract abutting the American Airlines Center and the W Dallas-Victory Hotel. Developed by Hines, it will be the tallest for-rent community in the Victory Park/Uptown submarkets.

It's the second project in the neighborhood for Houston-based Hines, which was a partner in the One Victory Park office tower. "We look forward to committing more capital in the area," Hines Managing Director Ben Brewer said in a statement.

The Victor is one of a handful of a growing comp set of ultra-luxury residences popping up in Dallas marketed toward downsizing baby boomers. For these buildings, the strategy is to make a play for renters who will to renew their leases for years by giving them an apartment to brag about, offering exclusivity and import. These assets (think AMLI Fountain Place and The McKenzie) benefit from a late entry to their markets and spare few expenses to stand out as the premier residential project in their respective submarkets.

At this point, Hines is targeting rents of at least \$3 per square foot. The developer is approaching The Victor as a long-term hold, said Corbin Eckel, associate at Hines. Hanging on to the property for 10 years or more helps mitigate risk, as the market approaches the end of a very long up cycle.

"We're not necessarily having to hit the exit button as soon as we stabilize because, for all we know there could be a downturn in the economy," Eckel told *D CEO*.

Despite building in a market with the largest multifamily pipeline in the nation, Hines feels good about The Victor's prospects, as it is expected to deliver after most other properties stabilize and the Victory Park neighborhood fully activates.

"We're 27 months away from actually delivering our first units here," Eckel said. "So, when you think about how much time that is for a lot of the new projects, which frankly have just delivered ... our bet is that they will essentially have stabilized."

The first units at The Victor will deliver in the first quarter of 2021, and the rest are slated to come online in the subsequent quarter. By then, Hines hopes the market will have calmed down a bit. “It would be very tough to deliver a building in this market, right now,” Eckel said. “Concessions are up; landlords are fighting to try to get people in their building; you’re seeing anywhere from six to eight weeks free almost everywhere. It’s tough out there.”

The Victor will sit at 3039 Olive Street, on the northeast corner of Olive and Victor Park Lane, with easy access to an on-site DART rail line stop. It will total more than 445,000 square feet, including 9,500 square feet of street-level retail space. Hines is shooting for a WalkScore of 91 by 2019, after the retail is up and running.

Unit sizes will range from 538 square feet to 3,000 square feet, with an average size of 1,294 square feet. Amenities include an amenity deck on the 36th floor, 24-hour concierge and valet, and a second amenity deck on the ninth floor with a resort-style pool.

Along with Hines, key players include architect Jorge R. Munoz, principal at Munoz + Albin Architecture & Planning; interior architect Erick Ragni, principal at MaRS; landscape architect TBG Partners; general contractor Archer Western; and Lance Fair, vice president of Victory Park and CEO of Estein USA.