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Stonelake Capital starts construction on new Uptown tower, eyes 2028 occupancy

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Construction on 2626 McKinney is officially underway. The 17-story, 180,841-square-foot tower will consist mostly of office space.

Work on one of the most highly anticipated towers in a busy part of Dallas' Uptown district is officially underway.

Stonelake Capital Partners LLC broke ground July 23 on 2626 McKinney, its new 17-story office building on McKinney Avenue.

The tower will have 173,774 square feet of top-tier office space along with 7,067 square feet of ground-floor retail space in Uptown, located next to a Whole Foods grocery store and a short walk from The Crescent, The Ritz-Carlton, S&D Oyster Bar and other popular restaurants, shops and amenities.

The building will feature a hospitality-style valet area, landscaped outdoor areas and an 11th-floor amenity level with a terrace overlooking the Dallas skyline.

2626 McKinney is expected to be delivered in early 2028, allowing for tenant occupancy by the fourth quarter of 2028, according to Stonelake. The Dallas-based real estate investment and development firm announced in June that it secured construction financing for the tower from Bank OZK. Financial details of the loan were not disclosed.

Alabama-based Brasfield & Gorrie will serve as the general contractor for the 180,841-square-foot tower. The firm is no stranger to high-end projects in North Texas, as it was the general contractor for both Old Parkland and Omni PGA Frisco. Stonelake is providing 100% of the equity for the tower.

Kenneth Aboussie Jr., Stonelake's managing partner, said the firm is negotiating with "multiple tenants" and expects to announce leases in the coming months.

Stonelake bought the Uptown site in 2021. In 2023 it revealed plans for a tower of roughly the same size that the firm said could open in 2025, but construction never began. Then in 2024, Stonelake demolished the existing office building on the site.

Stonelake has developed about 1.45 million square feet of office space across Texas, including numerous high-rises in Austin like the 15-story Domain Tower leased entirely by Indeed, the 24-story Domain Tower 2 leased to PayPal and Samsung, and the 47-story 415 Colorado in downtown Austin.

Stonelake is heavily active in other asset classes, as well. It owns, is developing or has developed more than 34 million square feet of industrial warehouses and 8,155 multifamily units. Last year, the firm sold an industrial portfolio with 91 properties across the U.S. totaling nearly 7.6 million square feet for $920 million.

2626 McKinney is the latest of multiple major upscale office projects rising or planned in Uptown.

A couple of blocks south, Morgan Stanley is eyeing a site for a more than $1 billion high-rise at 2401 McKinney Ave. Dallas city leaders voted last month to support the investment banking giant, approving $18.5 million in incentives for the potential project. The site is currently home to a Truluck's seafood restaurant and a closed Gold's Gym.

In the Knox Street area to the north, a joint venture that includes BDT & MSD Partners, Trammell Crow Co. and The Retail Connection broke ground in April on Knox & McKinney, a 300,000-square-foot office and retail project at a site that was a longtime Chuy's Tex-Mex restaurant. Two blocks west, the same group is developing a 1 million-square-foot mixed-use development with multiple towers with office space, a hotel and condos and 20,000 square feet of retail and restaurant space.