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A view of the building at 3401 Navigation.

Stonelake may turn huge Houston warehouse into a tech hub

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Austin-based Stonelake Capital Partners, perhaps known best in its backyard for helping to build out the Domain, closed on a 238,125-square-foot industrial property in the East End of Houston that the company is actively marketing to distribution, light manufacturing and e-commerce tenants.

The company bought the industrial building at 3401 Navigation for an undisclosed price, William Peeples, vice president at Stonelake, confirmed to the Houston Business Journal. The seller was Illinois-based CenterPoint Properties, which has owned the building since 2015, according to Harris County Appraisal District records. The property's value was appraised at just over \$14 million as of January 2018.

The warehouse used to service Weingarten's Grocery, a Houston-based supermarket chain that shuttered in the early 1980s.

William Peeples of Stonelake Capital Partners.

Stonelake is actively speaking with several undisclosed prospective tenants, Peeples said. Avison Young's Bob Berry and Grant Hortenstine are leasing the property on behalf of Stonelake.

"With today's consumers frequently requiring same-day/next-day delivery, demand for infill, light industrial space with easy access to dense, urban population centers has become of critical importance to industrial tenants," Peeples said in an email to HBJ.

Stonelake will soon break ground on Park Place Tower, a 15-story office building at the intersection of Westheimer Road and Mid Lane in Houston. The building is the third phase of Stonelake's Park Place River Oaks project.

The first phase, which delivered in 2016, was the James, an eight-story apartment project with 344 units. The James, at 2303 Mid Lane, is currently 95 percent leased, Peeples said. The second phase was the development of the Ivy, a 17-story residential project at 2311 Mid Lane, with 297 units. The Ivy opened in 2017 and is 85 percent leased.

Back in July, Stonelake closed its fifth fund, raising more than \$325 million for investments in Texas real estate. Stonelake has now passed \$1 billion raised from investors since it was founded in Austin in 2007 by a pair of real estate advisers, Kenneth Aboussie and John Kiltz. The firm wants to invest in multifamily, industrial and office buildings in Dallas, Austin and Houston, executives have said.