

DOWNTOWN REAL ESTATE UPDATE

SECOND QUARTER 2012

LEASING ACTIVITY

Multi-floor leasing activity that has taken place since our last quarterly update includes the following:

- Rosetta Resources leased 108,565 sf in Heritage Plaza. With the move, the company will be able to expand from its approximately 70,000 sf in 717 Texas. [HBJ article](#).
- Halcon expanded by 78,000 sf (floors 62-64) in Wells Fargo Plaza. Deal maker Floyd Wilson formed Halcon after he sold PetroHawk, which he also founded, to BHP. [WSJ article](#).
- Cathexis expanded from one floor to three, with their lease of an additional 52,238 sf (floors 65 and 66) in Wells Fargo Plaza.
- PanAtlantic Energy, formerly known as Vanco Overseas Energy Group, leased 50,000 sf in Fulbright Tower, taking floors 23 and 24, which had been leased by Texas Genco. Here's an [Oil & Gas Journal](#) article on the company.

SPACES BEING MARKETED

Downtown currently has only nine blocks of space of more than 100,000 sf being marketed. The following identifies building, floors, space and current/former use.

- 1 Allen Center, 3-20, 490,000 sf (former Hess + Kinder Morgan)
- Pennzoil North, 12-29, 375,000 sf (currently Shell)
- 2 Houston Center, 4-10, 280,200 sf (currently Shell)
- BG Group Place, 11-20, 268,000 sf (new space)
- Kinder Morgan Bldg., 28-32, 150,000 sf (former El Paso)
- 1600 Smith, 17-22, 142,000 sf (former Continental)
- Travis Place, 8-9, 120,000 sf (currently Kinder Morgan)
- 919 Milam, 11-15, 110,000 sf (former US Attorney)
- Pennzoil South, floors 6-10, 104,000sf (currently Energy Transfer)

NEW RESOURCES

- Largest employers: The latest list of downtown's [largest private employers](#) (400+ employees and contractors working in downtown) has been published and is posted on the downtown portal.
- Fortune 500: Twelve Fortune 500 companies are based in headquartered in downtown. Here's [this year's list](#):

- More light rail: When and where? This question comes up often, so we've put together a two-page overview with maps. The answer to "when" is 2014, but for a little more detail, see an [overview](#) we've put together.

NEW HOTELS PLANNED, ONE CHANGING BRANDS

- Houston First continues to narrow the field of developers for the city's next convention center hotel. The organization's goal is the development of a ~1,000-room hotel within two blocks of the George R. Brown, and an ~800-space parking garage. Developers have been asked to consider commercial and residential uses as part of the project, which was included in a recent master plan. See Houston First's [press release](#), and an [HBJ article](#), which includes a short-list of developers.
- The plan for 806 Main, now owned by Pearl Real Estate, (see Upcoming Projects on [Pearl's website](#)) is that the building be redeveloped from an office building to a 250+ room hotel. Financing is being finalized, construction could begin very soon.
- Landry's will rebrand the Inn at the Ballpark as a Westin Hotel. Landry's will continue to own and operate the hotel. Renovations and rebranding will be complete by the end of 2013. See also [HBJ](#).

DOWNTOWN CIRCULATOR RUNNING

Greenlink, Downtown's free circulator (2.5-mile route from George R. Brown to Walker St. to Smith to Louisiana to Dallas to George R. Brown), is up and running. It operates M-F, 6:30 a.m. to 6:30 p.m., with 7-10 minutes between CNG-powered buses. The circulator connects downtown workers and visitors with destinations such as Macy's, Houston Pavilions, Discovery Green, City Hall, park & ride and light rail stops, and hundreds of restaurants. The program is sponsored by BG Group, the Downtown District, and Houston First. Here's the [map](#) of the route, and here's a link to the downtown portal's [Getting Around](#) section.