



ENERGY CENTER THREE, FOUR & FIVE
1.67M SF OFFICE CAMPUS
LOCATION: HOUSTON, TX

ARCHITECT: KIRKSEY
CONTRACTOR: BALFOUR BEATTY CONSTRUCTION
PARTNER: PRINCIPAL REAL ESTATE INVESTORS (PREI)

In 2012, the Class A Houston office market registered impressive gains despite a sluggish national economy. Energy and energy services companies began to expand as a result of the overall expansion in the domestic and offshore energy upstream industry. Large energy related tenants requiring high-end Class A space had very limited choices around the city. The Energy Corridor submarket, which is consistently one of Houston's top performing markets, was around 97% occupied with very few large blocks (>100,000 SF) of space available for lease.

Additionally, due to the overall national economy, speculative office construction had not returned in any market across the country, and lenders and equity partners were reluctant to begin the first new speculative construction project coming out of the recent recession.

Due to the expansion requirements of energy and energy services tenants, developers in Houston began to identify and source raw land sites in the Energy Corridor submarket for future office development projects. TCC and PrinREI (having previously developed and acquired 5 successful speculative office projects since 2006) partnered together to acquire one of the last, remaining prime development sites within the Energy Corridor submarket.

In December 2012, TCC and PrinREI closed on a construction loan and began construction of Energy Center Three. As a result of TCC and PrinREI's speed to market, multiple tenant prospects engaged in discussions to lease the entire building.

In April 2013, ConocoPhillips signed an 850,000 sf lease for 100% of Energy Center Three and 50% of Energy Center Four. In November 2013, ConocoPhillips signed a lease for the remainder of Energy Center Four taking the building to 100% occupancy prior to construction start.

Energy Center Five was completed in March of 2016.

