

HOUSTON BUSINESS JOURNAL

EXXON'S NEW NEIGHBOR

Developer: HP's new Houston campus 'a terrific deal'

A tech giant's mammoth lease at Springwoods Village is starting 2017, a year predicted to be sluggish for the office market, with a bang.

Palo Alto, California-based HP Inc. (NYSE: HPQ) preleased 378,000 square feet of office space at Springwoods Village, a 2,000-acre mixed-use community in north Houston outside the Grand Parkway. Patrinely Group, alongside USAA Real Estate Co. and CDC Houston, will develop the new two-building, build-to-suit HP campus.

The lease technically closed in the last days of 2016 but was announced Jan. 10 by Patrinely Group. HP's current Houston campus is in northwest Houston near Vintage Park, and all of those employees will be relocated to the Springwoods Village campus once it delivers, sources close to the deal said. HP's new campus will house roughly 2,400 employees.

Construction on the campus will begin in early 2017 and is expected to be complete in the third quarter of 2018.

Robert Fields, president, CEO and principal of Patrinely, said the deal moved at a rapid pace and took place in around four months. Fields said that Patrinely and HP's decades-long history - HP inked a large lease in Patrinely's

Cypress Financial Center in Florida in 1987 - brought a sense of familiarity and trust to the table.

"I think the ABS deal caught their attention," Fields said. "That, combined with the opening of the Grand Parkway, really woke them up to CityPlace and Springwoods Village and what we had to offer."

Fields was referring to Houston-based American Bureau of Shipping's 303,000-square-foot prelease in CityPlace at Springwoods Village. CityPlace is a 60-acre mixed-use development that's also being developed by Patrinely's joint venture. CityPlace is separate from Springwoods Village but when completed, it will include 4 million square feet of Class A office space, 400,000 square feet of retail space, a hotel and CityPlace Plaza, a lake-front public plaza and an amphitheater.

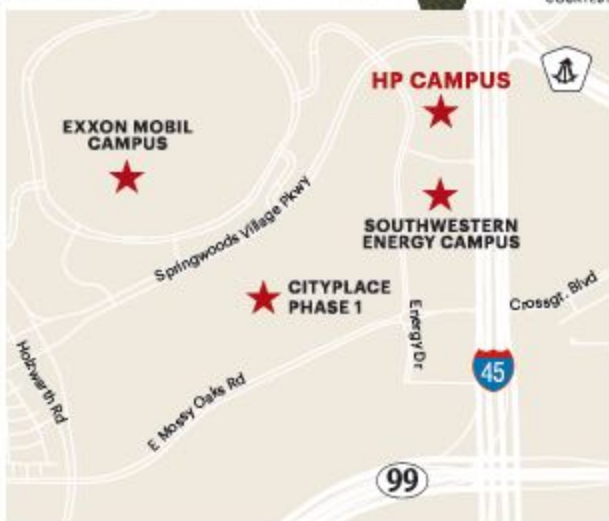
A bridge will connect HP's campus to CityPlace Plaza. HP employees will also have access to CityPlace amenities. Fields called the deal a bright spot in an otherwise slow period for office deals and that interest in Springwoods Village has been "off the charts."

"It's a terrific deal in arguably one of the worst markets of my career," Fields said. "I also think the fact that it's a tech company in Houston, Texas, and it's not

HP's build-to-suit campus will break ground soon.



COURTESY



energy is unique in Houston today."

Some leasing interest from energy companies has trickled in, Fields said, and many of the potential companies are looking to relocate and downsize.

San Francisco-based Gensler is the architect for HP's campus and general contractor information is unknown. Costs associat-

ed with the project weren't made available. Brandon Clarke, alongside Charles Gordon, Alexander Somerville, Ryan Roth and Andrew Zeplain represented HP in the prelease. JLL's Chrissy Wilson and Patrinely Group's Dennis Tarrow represented the landlord. Wilson called the deal "yet another validation" of Springwoods Village's desirability.