



UPDATES TO HISTORIC RIVER OAKS BUILDING PROVES VITAL TO RE-LEASING EFFORTS

OVERVIEW

- ▶ River Oaks Bank Building
2001 Kirby Drive, Houston, TX 77019
- ▶ Office Building
- ▶ ± 170,233 SF
- ▶ Landlord Representation
- ▶ Sale Price: Confidential
- ▶ Lease Rate: \$28.00 SF/Mo. (NNN)

"Lee & Associates served as leasing agent for River Oaks Bank Building and, despite challenging market conditions, was successful in securing new leases at favorable rates to increase building occupancy over 10% during the 18 months prior to disposition. In addition, Lee and Associates personnel maintained strong relationships with the existing sophisticated tenant base and finalized numerous renewals over the same time period. The firm's efforts resulted in increased building revenue and value."

- Tracie Forsythe, Director
L&B Realty

For more information regarding this case study, please contact:

JILL NESLONEY

Principal
(713) 744-7411
jnesloney@lee-associates.com

OBJECTIVE

After the state of Florida Teacher Pension Fund purchased the River Oaks Bank Building from BBVA in 2010, Lee & Associates worked closely with L&B Realty Advisors to renovate and reposition the historic building. In addition to the cosmetic updates, Lee & Associates had to increase the rent and re-lease the building before selling it for a profit.

CONCERNS

The River Oaks Bank Building had not been updated since it was originally constructed in the 1960s. In 2013, BBVA relocated its office, leaving about 40 percent, or 60,000 SF, of the building vacant.

Existing tenants were also used to paying a certain rate for rent and a different rent structure, so Lee & Associates had to retain tenants, despite the price increase.

RESULTS

Lee & Associates was able to re-lease the building to 90 percent occupancy. The building's rent was converted from \$23.00 gross to \$28.00 NNN plus \$14.64 in opex (totaling to \$42.64 per square foot gross).

Space was leased to tenants like Donnelley Financial, Nine Energy Service and Douglas Elliman. The ownership made about a 30% return on their investment.