

TEXAS - Dornin Acquires Two Value Add Office Buildings in Houston, TX

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Dornin Investment Group has acquired two well located, Class B office buildings located in the prestigious Energy Corridor office submarket in Houston. The buildings, totaling 165k sf, were purchased in an off-market transaction. The price was not disclosed.

The properties are situated near the northwest corner of Kirkwood and IH-10 in close proximity to the world headquarters of ConocoPhillips and Shell Oil North American Exploration & Production Group as well as other global energy and engineering firms, in the fastest growing metro area in the United States.

Built in 1982 and 1984 and located at 1250 Woodbranch and 11931 Wickchester, the buildings were approximately 85% leased at below market rents at the time of sale. Dornin plans to invest a substantial amount of new capital for leasing costs and some minor property upgrades.

The buildings are situated in the middle of the Energy Corridor office submarket where they are surrounded by some of the most influential and important energy-related companies in the world. They are less than a five-minute drive from exploration and production companies such as Conoco, Shell Oil, BP America, Citgo, Cabot Oil & Gas and Murphy Oil. Major energy service companies in the same area include Technip, the Wood Group, KBR, Schlumberger, Diamond Offshore, Transocean and McDermott International.

"This is an attractive investment for Dornin Investment Group due to the vacancy and rental upside potential of these buildings against the backdrop of exceptionally strong market fundamentals in the Energy Corridor," said Chris Dornin, President of Dornin Investment Group. "Our all-in basis in this investment is approximately 40% of projected replacement cost and the gap between A and B rents has never been so great."

The purchase, Dornin's second office acquisition in Houston in the last 45 days, was arranged by Dan Miller and Martin Hogan of HFF. Financing was arranged in-house by Scott Botsford and funded by locally-based ViewPoint Bank.

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