



JLL's New Houston Tower Move Shows Flight-to-Quality Office Demand Withstands Pandemic

Stonelake's 200 Park Place Seeing Strong Leasing Activity Even Amid the Coronavirus



Construction on 200 Park Place was completed this spring. JLL has leased nearly 82,000 square feet in the building to consolidate its Houston-area offices. (CoStar)

By [Marissa Luck](#)

CoStar News



December 16, 2020 | 6:24 P.M.

JLL is relocating its Houston regional headquarters and consolidating its employees into a new 15-story office tower in a move that indicates the flight-to-quality office trend is holding up even in the pandemic.

The commercial real estate brokerage is expecting to move next summer into an

81,999-square-foot lease at [4200 Westheimer Road](#), JLL said, with its logo on the top of the tower as part of the deal. The 210,000-square-foot office tower called 200 Park Place is in a development by Stonelake Capital Partners in the relatively small Post Oak Park area bordering the Uptown-Galleria area and Greenway Plaza.

The size of the lease is significant in a year when office leasing volume has slowed to a crawl and questions about the future of office space continue to bubble up as Houston battles the highest office vacancy rate in the country. The JLL lease at 200 Park Place represents the sixth-biggest local new office lease signed this year, after EDP Renewables 92,500-square-foot lease at Hess Tower in downtown and just ahead of Universal Plant's 80,600-square-foot sublease in Deer Park, according to CoStar data.

The lease is also the largest new office lease signed this year among buildings that were constructed in the past three years, according to CoStar data. The second-biggest new lease among new buildings was Sempra Energy's 68,000-square-foot sublease signed in June at 1500 Post Oak Blvd., according to CoStar data.

Despite the pandemic softening demand for office space, William Peeples, principal at Stonelake, said the company is seeing strong activity with prospective tenants touring spaces and entertaining new deals to lease up the rest of the office space available at 200 Park Place.

“There is a massive flight to quality. I can only speak to 200 Park Place, but we’ve been very pleased with the activity we’re seeing from groups with a desire to be in a brand-new building in a development ... with a true live-work-play environment,” Peeples said.

The new tower will eventually bring all of JLL's Houston employees under one roof as it consolidates three offices totaling roughly 100,000 square feet into 200 Park Place. JLL expects to leave its offices at [1400 Post Oak](#), where it leases about 42,105 square feet; [9 Greenway Plaza](#), the former HFF offices where the firm leases 46,798 square feet; and [5 Riverway](#), where it leases 12,900 square feet. All three of those buildings

are late 1970s and 1980s-era buildings that have undergone renovations over the years.

By building out new space in a new tower, JLL can accommodate its larger headcount and the future of the post-pandemic office design.

“This consolidation keeps us ahead of our ever-expanding clients’ needs and continues to foster JLL’s core value of teamwork,” said Dan Bellow, president of JLL’s Houston operations, in a statement. “This physical integration of all our business lines will benefit both employees and clients as we work together to provide expert advisory services and client-focused solutions for the full range of real estate needs.”

The brokerage currently has about 680 employees throughout the Houston area, a spokesman said in an email. At first, the new headquarters will house 370 employees, the spokesman said. Most employees work in the office although the company does also offer a flexible work-from-home schedule, he said.



An outdoor terrace and meeting area at 200 Park Place. (Stonelake)

Stonelake's Peeples declined to disclose the terms of the JLL lease but said it was a long-term lease agreement for over 10 years. The starting asking rates in the building are \$37 per square foot triple net, meaning not including operating expenses, he said. That rate is on par with rents in downtown Houston and slightly above the average asking rent of about \$33 per square foot in the Uptown-Galleria area, according to CoStar data.

“The JLL lease is an exciting one to for Stonelake, not only to get a significant lease transaction done in a very interesting year in this office environment but also having a company like JLL, who specializes in office leasing and who are absolute pros at office and advise clients every day on new offices, to have them select 200 Park Place as their Houston headquarters is an honor and a vote of confidence in the building and the project,” Peeples said.

Stonelake completed construction on the tower in April. The developer broke ground on the project at the beginning of 2019 when about 30% of the building was preleased. With the JLL lease, the project is roughly 65% leased, according to JLL. Other tenants include the residential real estate brokerage Compass, Charles Schwab and Veritas Title. Stonelake itself is a tenant in the building. JLL's property management team manages the building.

The office building is part of the second phase of Stonelake's Park Place development, which also includes two apartment towers, The Ivy and The James. Adjacent to 200 Park Place, Stonelake is in the early stages of planning a sister office tower expected to be of similar size and scale to 200 Park Place, Peeples said. That additional office project would be called 100 Park Place and be located at 4100 Westheimer, but the timeline on ground breaking and the exact square footage has not been finalized, Peeples said.

The project is adjacent to the River Oaks District, a 650,000-square-foot open-air retail center with high-end tenants such as Cartier, Harry Winston, Baccarat and Dior.

For the Record

Ronnie Deyo and Beau Bellow with JLL represented JLL in the lease. Peeples represented the property ownership. Cushman & Wakefield previously represented Stonelake in office leasing for 200 Park Place.