

Oil firm expands with new tower near Galleria

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Nancy Sarnoff



BHP Billiton Petroleum / Pickard Chilton

An artist's rendering shows the new BHP building to be constructed at 1500 Post Oak Blvd.

BHP Billiton Petroleum said it could hire more than 1,000 employees over the next few years and will lease a new 30-story office tower near the Galleria to help house them, representing the latest local corporate expansion involving a major real estate development.

The Houston-based oil and gas are of Melbourne, Australia-based BHP Billiton Corp. has been

growing for several years. That growth streak continued in 2011 when the company entered the booming shale business.

BHP, which has roughly 1,750 employees in Houston, anticipates that figure to grow to as many as 3,000 by 2016.

To accommodate that expansion, the company has agreed to occupy 560,000-square-foot tower that's expected to open that year. Construction is scheduled to begin later this year at 1500 Post Oak Blvd.

Four Oaks Place

The site, which currently houses a shuttered health club, is next to BHP's current office tower in the Four Oaks office complex.

The buildings will be connected by a glass sky bridge, creating a two-tower campus with around 1 million square feet.

BHP is one of a growing number of companies

expanding in the Houston area and investing major dollars in real estate.

Most of those firms are in the energy industry, and many are clustered on the west side of town where companies like BP, Shell and ConocoPhillips occupy campuses, some of which are being expanded.

To the north, Exxon Mobile Corp. is developing an expansive complex for some 10,000 employees.

Strategic tool

Real estate has become a strategic tool for corporations, said architect Jon Pickard of New Haven, Conn.-based Pickard Chilton, which is designing the new BHP building and is also involved in the Exxon Mobile project.

Energy companies often cite recruitment and retention as reasons for building new campuses or leasing new buildings with high-end cafeterias, fitness

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centers and health-care facilities.

“It’s a very competitive world, and they need to attract the best of the best,” Pickard said. The Gensler architecture firm is also involved in the BHP building.

BHP’s expansion is largely a result of its shale activities. It entered the shale business in 2011 with the \$4.8 billion Fayetteville Shale acquisition. Late that year, it paid \$15 billion for Petrohawk Energy, giving BHP major stakes in the Haynesville, Eagle Ford and Permian basins.

The company credits Houston for some of its growth.

“Part of our success has been because we chose to be in Houston,” J. Michael Yeager, BHP Billiton Petroleum’s chief executive, said at a news conference Monday, noting the city’s employee base, educational system

and status as the world’s energy capital.

Consolidation

The new building, which will be developed by Transwestern, will allow BHP to consolidate employees from other Houston buildings, including space it leases in other parts of the Four Oaks Place complex.

Employees will also be brought over from downtown. BHP occupies about 150,000 square feet in Wells Fargo Plaza.

TIAA-CREF owns Fours Oaks and will own the new building.

Tim Relyea with Cushman & Wakefield and Bracewell & Giuliani were involved in BHP’s lease negotiations.