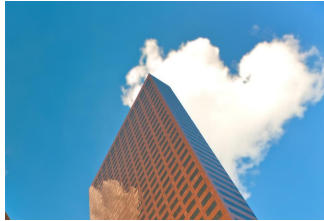


Marathon Oil Tower The Latest Houston Office To Change Hands

December 7, 2017 | Kyle Hagerty, Bisnow Houston

Join Cawley Partners CEO Bill Cawley, Midway CEO Jonathan Brinsden and more at the **biggest Texas office event of the year!**



Last year was wait-and-see for Houston office investment. This year has been anything but. The latest deal is Marathon Oil's 1.2M SF office tower on the Northwestern side of the Galleria area. A partnership of M-M Properties of Houston and Baupost Group of Boston is expected to purchase the 41-story asset for \$175M, [Real Estate Alert](#)

[reports](#).

The tower has been a prime example of the state of Houston's office investment. CBRE Global Investors bought the building in 2013 for \$249M. The next year, oil prices plummeted and CBRE looked to offload the building but has been unsuccessful. Three different brokerage firms have listed the asset since 2015, but with investors wary of Houston, have struck out. HFF's Jeff Hollinden, Scott Galloway and Trent Agnew secured a buyer, capping a lengthy on-again, off-again marketing campaign.

The floodgates have opened this year for Houston's office investment. Office sales are up more than 430% from 2016, according to JLL research. Mega-deals like [Houston Center](#) and a [Greenspoint](#) portfolio alone account for 6M SF of office investment sales. The surge of investment is driving competition for deals. [The thought is that Houston has seen the bottom](#) (or close to it) and now offers better yields than other major metros.

Marathon Oil Tower is 90% occupied, 60% of which belongs to the tower's namesake tenant until 2021. Other tenants include Baker Hughes and Duke Energy.

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