

**EXCLUSIVE** Last updated: October 2, 2008 08:01pm

## Superior Energy Taps CBD for HQ, 94-Month Pact

*By John McCloud*

NEW ORLEANS-Equastone has signed Superior Energy Services to a 94-month lease for 38,942 sf at Pan American Life Center in the CBD. The company will use the 28-story, 680,000-sf office tower as its corporate headquarters.

Equastone executive vice president Clint Harrington says the lease for 601 Poydras St. affirms both Equastone's and Harvey, LA-based Superior Energy's commitment to investing in the future of New Orleans. "Signing a significant office lease with one of the nation's most exciting oilfield services and equipment companies is a major vote of confidence for the area," he says. "We worked diligently with Superior Energy Services to structure a win-win-win lease deal for the company, the building and Downtown New Orleans."

Although Harrington would not specify Superior Energy's rent, he quotes asking rents in the building at \$18.50 per sf, full-service gross. The Downtown class A average is about \$17.75 per sf.

"Rents have been on the rise for the last two years. The city continues to experience growth from the expansion of the energy sector," Harrington tells GlobeSt.com. "The demand for space by energy firms is occurring organically from existing tenants and externally from other firms relocating to the region. New Orleans remains a less expensive alternative to its closest competitor city, Houston."

San Diego-based Equastone, whose affiliated funds own 59 office and flex buildings encompassing nearly 9.4 million sf in the US, acquired the Pan American Life Center in December 2006. The landmark deal was the first acquisition of a New Orleans high-rise office building by an out-of-town buyer after Hurricane Katrina. In August, Equastone signed a 10-year deal with law firm McGlinchey Stafford for 68,000 sf, which was the city's largest post-Katrina lease.

The two leases bring the high rise to 91% occupancy, a 16% increase from the time of its purchase. Other tenants include Pan American Life Insurance Group, Iberia Bank, Merrill Lynch, Halliburton, Tidewater Marine and law firms Christovich & Kearney and Lemle Kelleher. Amenities include the Pan-American Life Conference and Media Center, various retail operations and a 795-vehicle public parking garage. The building adjoins the Hotel InterContinental.

In regard to the future, Harrington says New Orleans is seeing the migration back of firms that left during the rebuilding of the city post-Katrina. "As their leases in Baton Rouge, Lafayette, Houston, Dallas and Atlanta expire, they are returning to the city," he observes. "Firms that have done business for generations in New Orleans want to come back to their roots."

**Beth Cristina of Stirling Properties Inc. in New Orleans represented Superior Energy Services in the transaction.** Greg Riera of Jones Lang LaSalle represented Equastone.

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