

DOWNTOWN REAL ESTATE UPDATE

FOURTH QUARTER 2012

DEVELOPMENT MAP

Due to popular request, we have just created a downtown [map](#) of recently completed projects; projects under construction; and developments being planned which have made it to the news media.

RESIDENTIAL

- Plans are proceeding for The Finger Companies' plan for a 397-unit, 7-story apartment property on two blocks next to Minute Maid Park. On December 9th the old Ben Milam Hotel was imploded to make room for the project ([see video](#)). The Finger Companies expects to break ground in 2013 on the project and open in 2015. Location: [Blocks 50 and 51](#). [Chron article](#)
- Novare Group, Inc. will develop a residential tower on Main Street called SkyHouse Houston. This will be a \$60+ million, 24-floor, 336-unit development on [Block 350](#). Financial incentives were recently approved for this project. See [HBJ](#) and [Chron](#) articles.
- Houston First has control of the 1.5 blocks (~110,000 sf) of land directly north of the future convention center hotel ([Block 100](#)) and is seeking developers for the site, with HFF's expertise. Houston First is seeking residential/mixed use/boutique hotel potentially with an office component. Offers are due January 24. See the [offering document](#) summary and [HBJ](#) article.
- Provident Realty Advisors continues its pre-development work to convert 1111 Rusk/Old Texaco Building ([Block 79](#)) to residential apartments. Prime Property [blog post](#) earlier this year.

HOTELS

- Houston First is negotiating with Houston-based Rida Development to develop a second convention center hotel of ~1,000 rooms to be branded Marriott Marquis. The location is adjacent to the GRBCC and Discovery Green. Construction could begin in the first quarter of 2014, and the hotel should open in 2016, prior to the NCAA Final Four. See articles: [Chron](#), [HBJ](#)
- The interior demolition of 806 Main is progressing, as is the removal of the building's skin. This 325-key hotel is being developed by Pearl Hospitality, with plans to have it open prior to fall 2014.

OFFICE BUILDING ACTIVITY

- Skanska is proceeding with pre-development work on Capitol Tower, on the current site of the Houston Club Building. The Houston Club will be relocating (see below), and the day care center, located at Main and Bell, is near completion for an occupancy date in January 2013, which will allow the building's day care center to move out of the Houston Club Building.
- Additional sites are being eyed for new office towers, including Hines' Block 69; Brookfield's Block 902; Block 43; and several others. ([block map](#))

OTHER INTERESTING ACTIVITY

- Future high school: HISD owns a full block ([Block 77](#)) in downtown that currently serves as a parking lot. HISD has officially identified that parcel as the future site of the High School for the Performing and Visual Arts (HSPVA). Funding for HISD's portion was included in the recent successful bond referendum; additional fundraising will take place on the private side. Construction could start in 2014.
- An 1,800-space parking garage will be constructed adjacent to and on the north side of the George R. Brown Convention Center. Approximately 700 spaces will be dedicated to the GRBCC.
- Houston Club is moving: The Houston Club and Plaza Club join forces as the Houston Club relocates to the Plaza Club location on the 49th floor of the One Shell Plaza building. The new club will retain its historic name, "The Houston Club." A \$3.5-million renovation project is now underway, with the first phase completing in May which will include a bar, restaurant, stylish lounge, and technology-equipped meeting rooms of various sizes. The second phase will be completed in September and includes a 200-seat ballroom, upscale dining room and a state-of-the art boardroom. The club will serve its members during the entire renovation process. The new club will offer more opportunities for members to connect, work, host, play and celebrate and will have a dynamic event calendar. Nadia Eloufir, General Manager of the current Houston Club will move to the new location and serve as the General Manager of the new Houston Club.

LARGE OFFICE SPACES BEING MARKETED

Downtown currently has only seven blocks of space of more than 100,000 sf being marketed, as follows:

- 1 Allen Center, 3-20, 490,000 sf (former Hess + Kinder Morgan)
- 2 Allen Center, 25-36, 345,000 sf (currently Devon)
- Pennzoil North, 16-25, 208,600 sf (currently Shell)
- 2 Houston Center, 4-10, 280,200 sf (currently Shell)
- 1600 Smith, 17-22, 142,000 sf (former Continental)
- Travis Place (aka Travis Place Garage), 8-9, 120,000 sf (currently Kinder Morgan)
- Pennzoil South, floors 6-10, 102,200sf (currently Energy Transfer)

If you would like to be put on the regular distribution list, or if you have any questions, please contact Laura Van Ness at laura@centralhouston.org or 713-650-1470.