

# DOWNTOWN REAL ESTATE UPDATE

SECOND QUARTER 2013

Summary resources: The downtown [Current Projects Map](#) has been updated with new development announcements. Check back for updates in the [Maps](#) section of the downtown portal. We've also posted a downtown update in [PowerPoint/PDF](#) format to the portal's Resources / Development section. And don't hesitate to contact the newest addition to our staff, Angela Gonzalez, [angela@centralhouston.org](mailto:angela@centralhouston.org), 713-650-1470, who is working with me in business development. Welcome, Angela!

## OFFICE ACTIVITY

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- Chevron will expand its presence in downtown Houston with a new tower, announced July 3. The 50-floor office building will include 1.7 million sf of space at 1600 Louisiana. When completed, Chevron will own and occupy three downtown towers: 1400 Smith, 1500 Louisiana, and 1600 Louisiana. Chevron's plan is to make its final investment decision in 2Q14, followed by groundbreaking, and potential occupancy in 4Q16. With this new development, Chevron is developing not just another building, but an urban campus, to include the addition of indoor and outdoor common areas, enhanced dining facilities, a fitness center, training and conference facilities and additional parking. With its campus in downtown, Chevron's employees are able to take advantage of company facilities as well as amenities within walking distance of the campus, including restaurants, hotels, transit, and more. Central Houston is excited that Chevron has chosen to expand its presence in downtown with this major project. See also: [Chevron's press release](#), [Governor Perry's release](#), [Chronicle](#), [HBJ](#).
- CultureMap/Ralph Bivins reports that Hines is going ahead with 609 Main and a quote from John Mooz, [See article](#).
- Skanska, working with Gensler, has released renderings for Capitol Tower, to be built on the site of the current Houston Club building. See CultureMap's 6/1/13 [article](#).
- Several other office buildings have been announced. See the [development map](#) and/or [PowerPoint](#) for more information.

## HOTELS

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Downtown's stock of hotels is about to jump from 16 hotels to potentially 22 or more in 2016, with the hotel room count potentially rising from 5,096 to about 7,350. Previous announcements have included the conversion of Humble Tower Apartments to a 166-key SpringHill Suites Hotel, the 325-key JW Marriott (see our [last report](#) for details), and

the 1,000-key Marriott Marquis to open in 2016. Four additional hotels have been announced:

- Two hotels will be paired on half of a block: American Liberty Hospitality will develop a 14-story building which will be home to a 168-key Hampton Inn *and* a 132-key Homewood Suites. Construction will begin early next year, and estimated completion is September 2015. The site is the eastern half of Block 75 (one block south of the Inn at the Ballpark). See [Chron](#) article.
- Hyatt Place will be developed by Oldham Goodwin Group and Phin-Ker. Construction will begin on the 11-story, 261-key property in January, and it will open in the summer of 2015. Hyatt Place will be on the western half of Block 75. See [Chron](#) article.
- The Savoy Hotel is being converted to a Holiday Inn. Here's a [Swamplot](#) article, and from the Chronicle, an [article](#), [pictures](#) of the inside of the building, and a view of the property by [skycam](#) (click on *Houston*).

## RESIDENTIAL

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- Hines is conducting its analysis of a potential new residential tower at the southeast corner of Travis and Preston. See [Chron](#) article.
- Alliance Residential is planning to develop a 207-unit apartment complex one block north of SkyHouse Houston. Alliance plans to close on the land in September and begin construction shortly thereafter. See [Chron](#) article.
- Construction continues on Novare Group's 336-unit, 24-floor SkyHouse Houston, with an expected opening in June 2014. Once construction begins on the floors, they'll build at the rate of a floor about every three days. Watch the construction of the property (and other Novare developments) from their [skycam](#).
- Site work continues on the two blocks next to Minute Maid Park for The Finger Companies' 397-unit, 7-story apartment property. Construction should start in July or August, with an opening in 2015.
- Responding to demand and the temporary program to incentivize up to 2,500 units in portions of downtown, additional developers have expressed an interest in downtown residential. Here is [more information](#) on the program.

## ALSO OF INTEREST

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- When does light rail open? METRO issued a press release in April announcing the line extension work was [72% complete overall](#) (80% North, 68% East End, 68% Southeast). The North Line extension should open in December – this December. The Southeast Line will likely open in August or September 2014. The East End Line will likely open in August or September 2014, but without the Hughes Underpass (at the far east terminus), which will be completed later. The heavy-duty construction in downtown should be finished this year, with stations, finishing touches, and testing being completed next year.

- Gensler has been selected to be the design architecture firm for the new High School for the Performing and Visual Arts (HSPVA). Construction starts next year on this high school, to be built on Block 77 (Capitol/Rusk/Caroline/Austin).
- The Historic District is hopping. Joining OKRA's Charity Saloon, Batanga and Goro & Gun will be two new bars from Bobby Huegel, Pastry War Tequila and Mexical Bar and Trigger Happy, as well as Fusion Taco, El Big Bad (sister to El Gran Malo in the Heights) and others. See Eater [article](#) and/or the [PowerPoint](#) update for more.
- Buffalo Bayou improvements are well underway from Sabine to Shepherd. See a recent feature article in [002 Magazine](#).
- [Southeastern Downtown development report](#). ULI Houston released a Technical Assistance Program Panel Report on June 13 which focused on the southeastern quadrant of downtown. The report provides advice on land use and real estate issues which can be incorporated into a redevelopment program for the area and for specific blocks.

## **GETTING AROUND**

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One president/CEO told me two weeks ago that he loves "that Green bus," and uses it to go to some of his downtown meetings. He added that some of his employees are riding them to meetings or using them to take a break and get some exercise. These two programs are useful amenities for downtown workers/visitors, and help make downtown an even better, active, connected environment.

- [Greenlink](#), downtown's free weekly circulator, celebrated a successful first year of service in June with more than 225,000 riders. Ridership has been very consistent, averaging 895 boardings/day, and the number is gradually increasing. Ridership is highest at lunch time, later in the week, and with large conventions. A second route? A new Convention Route will be tested this summer, connecting activity centers such as the Theater and Historic Districts and GreenStreet to the GRB and major hotels downtown. If successful, the service can be offered to large conventions and conferences, and will support large-scale events such as NCAA Final Four in 2016 and Super Bowl LI in 2017. Watch [Bob Eury and KUHF's](#) Gail Delaughter roll through downtown.
- Houston B-cycle, Houston's bikeshare program expanded this past April to 23 stations located in downtown and the surrounding neighborhoods. Bike checkouts have soared averaging 1200-1400 per week with the Sabine Bridge continuing to be the number one station and the Houston Zoo a close second. Bikeshare Houston expects to add six to eight more stations by September of this year. For more information on Houston B-cycle, visit [houston.bicycle.com](http://houston.bicycle.com) or read more about the program in a recent [Chron](#) cover story.

That's a lot of development and activity! And there's more to come.