

# DOWNTOWN REAL ESTATE SUMMARY

FOURTH QUARTER 2014

**FAQ:** [Current Projects Map](#) (Nov 2014) and [updated PPT](#) (Jan 2015)

*(The maps are updated about monthly. If using it a month or so from now, check the [Maps](#) section of the downtown portal to see the latest version).*

## OFFICE CONSTRUCTION ACTIVITY

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- Hines' 1.05-million-square-foot, 48-story tower, 609 Main, is on track for December 2016 occupancy. See [website](#) and [webcam](#)
- 1111 Travis, the 23-story, 475,000 sf office tower, which will be an owner-occupied building, will begin occupancy 4Q15, with est completion 1Q16.
- Skanska plans at a future date to construct Capitol Tower on the former Houston Club Building site. In the meantime, construction continues on a 7-story parking garage with est completion of 4Q15. After a decision to proceed with the new tower is made, Skanska will expand the garage to ten floors and build the tower. See [website](#) and [video](#)
- Shorenstein will begin the redevelopment of 800 Bell in March. Plans are for the building to be ready for tenant improvements in July 2016 and for occupancy in 1Q17. See [video](#), [Shorenstein](#), [HBJ](#)

Additional office news:

- 1000 Main: It has been reported that 1000 Main is being purchased for \$450 million, or \$537/sf by LaSalle Investment, exceeding Houston's record of \$524/sf. See Realty News Report [10/29](#) and [12/9](#) and [HBJ](#)
- 600 Jefferson was sold with HFF as the broker to Stream Realty. See [Culture Map](#), [Chron](#) and [HBJ](#)

## RESIDENTIAL

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One property (SkyHouse Houston) opened in 2014 (and it's ahead of pro forma). 6 are under construction, and 9 are planned and announced (more are planned but not announced). Each announced property is identified on the [Downtown Development Map](#).

Under construction:

- 500 Crawford by The Finger Companies. 397 units, 7 stories on two blocks next to Minute Maid Park. Est completion May 2015.
- Alliance Residential's 5-story, 207-unit property called Block 334. Est completion 2Q15.
- Old Texaco Building (1111 Rusk), which is in the process of being converted to 323 residential units plus a new adjacent parking garage. Est completion 4Q15.
- The Hamilton, which will be a 5-story, 148-unit residential apartment building located in the far southeast corner of downtown. The developer is Resolution Real Estate, and the est completion is 2Q16. See [Swamplot](#) and [REBUSINESS Online](#)

- Catalyst, a property being developed by Marquette Companies. It will be a 28-story, 386-unit property with est completion 4Q16. See [HBJ](#) and [Ziegler Cooper](#)
- Market Square Tower, which will be downtown's tallest residential property at 40 stories. 463 units, est completion 1Q17. The property is adjacent to the parking garage formerly and informally known as the Kim Son Garage in the Historic District. The developer owns the entire block and will utilize the garage for resident parking. See [Realty News Report](#) and [WSJ](#)

The Downtown Living Initiative (DLI) was created to spark an increase in the development of residential units in downtown. DLI provides a subsidy of up to \$15,000 per unit through a tax rebate (of incremental property value). The program can apply to no more than 5,000 individual units. As of 1/1/15: 9 projects totaling 2,690 units are under executed agreement and 5 totaling 1,509 units are authorized under the program with agreements pending. This totals 4,199 units. Additional applications and authorizations are anticipated this and next month. See [program details](#) and a memo regarding [closeout](#) procedures.

Additional articles on residential:

- Luring downtown dwellers, [WSJ](#), 12/30/14
- Flashy projects rise near ballpark, [Chron](#), 11/29/14
- More residential projects added to downtown tax rebate program (includes new rendering of Camden's project), [Chron](#), 11/14/14
- Downtown Houston sees demand for condos, [Chron](#), 11/5/14

## **HOTEL**

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The 328-key JW Marriott opened in November, to rave reviews. More: [Commercial Property Executive](#), and Chron: [More boutique than chain](#)

Under construction:

- The 1,000-room Marriott Marquis, being developed by Rida, with est completion 3Q16. See [website](#), [webcam](#)
- Hampton Inn (168 keys) and Homewood Suites (132 keys) by American Liberty Hospitality. Est completion 2Q15. See [HBJ](#)
- Holiday Inn, which is the redevelopment of the former Savoy Hotel, by K&K Hotel Group. To have 215 keys.
- SpringHill Suites, which is the redevelopment of the Humble Tower Apartments by hotel company RLJ Lodging Trust. 166 keys, est completion 3Q16.

## **OTHER TYPES OF PROJECTS UNDER CONSTRUCTION**

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- Light rail expansion. In April Metro will begin service on Southeast Line (Purple Line, 6.6 miles) and all but the very end of the East End Line (Green Line, 3.3 miles) to its current

12.8-mile light rail line. In FY2014, the Red Line (current line) averaged 42,652 boardings per weekday.

- HSPVA, which broke ground in December. HSPVA will be downtown's second high school, joining Incarnate Word Academy. See [Chron](#), Chron with [renderings](#), [Swamplot](#) and HISD [presentation](#) and [ground breaking](#).
- The Nau Center for Texas Cultural Heritage, which broke ground in November. See [KPRC](#), [HBJ](#), [Chronicle Lifestyle](#), [CultureMap](#).
- A new Welcome Center/Garage at the University of Houston-Downtown. This will be a three-story garage with one occupied floor above, to include offices for admissions, testing, veteran, disabled student and tutoring services, along with a new, adjacent state-of-the-art welcome center. Completion 3Q15. See [UHD](#) and [CultureMap](#).
- Buffalo Bayou Park. Another milestone: the Johnny Steele Dog Park opens January 17. All improvements are expected to be complete mid-year, including Water Works, Lost Lake, The Dunlavy and lunar lighting. See [Houston Press](#) and the Buffalo Bayou Park [website](#).
- The Sunset Coffee Building (at Allen's Landing) is being restored and will provide event space and recreational rentals. Est completion May 2015. See [Chron](#)
- The Alley Theatre, which is getting a major renovation of its performance hall. Est completion 3Q15. [Improvement details](#), Texas Society of Architects [award](#)
- The George R. Brown [Convention Center](#), which has substantial renovations underway, including the addition of a grand entryway, new retail and the narrowing of Avenida de las Americas to two lanes, northbound only.

## MORE NEWS

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- The Houston Chronicle Building is for sale, with HFF as the broker. [Realty News Report](#)
- "Houston Haven [Petroleum Club] for Oilmen Bows to the Times," [WSJ](#); see [Chron](#) regarding the auction
- Don't call it Two Shell Plaza (new name), [HBJ](#)
- Summary of downtown's eastern edge development, [Chron](#)
- Gritty Warehouse District could see an upswing, [Chron](#)