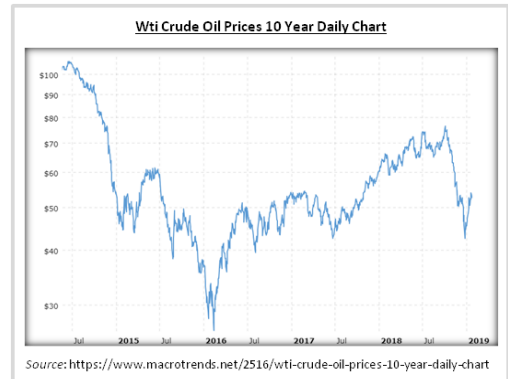


## YEAR-END 2018 DOWNTOWN HOUSTON MARKET UPDATE

### 2018 Year in Review

Downtown Houston ended 2018 on a very positive note across all submarkets and is poised for growth in 2019. Highlights of the market's strong performance in 2018 include: positive *office* absorption and falling vacancy after 15 consecutive quarters of negative absorption and rising vacancy; strong *office* leasing activity including several deals in excess of 100,000-SF and two new office towers under construction already 81 and 33 percent preleased; a robust *retail* market with over 50 retail deliveries (38 new; 12 rebranded or reopened) including the nationally lauded Finn Hall; and over 18 major project completions in 2018, including a new luxury condo tower, and a brand new Kinder High School for the Performing and Visual Arts (HSPVA) downtown campus.

2018 was however anything short of smooth-sailing. Off to a slow start with Hurricane Harvey recovery efforts, activity picked up in the first part of the year as rising oil prices renewed confidence in energy recovery. The year however ended on both a positive and sour note: the downtown office market posted its first positive quarterly net absorption of 294,995-SF<sup>1</sup> since the fourth quarter of 2014, and two consecutive quarters of falling vacancy; but, looming uncertainty plagued the last quarter as oil prices dipped at the end of the year. After two years of steady gains, West Texas Intermediate Crude Oil (WTI) prices peaked at \$76.40/barrel at the start of the fourth quarter of 2018, the highest level since prices dipped to a record low of \$26.21/barrel in the peak of the downturn in 2016. This sign of an inflection point spurred oil and gas investments and hiring during the first three quarters of 2018, albeit very conservatively, but this slowed in the fourth quarter of 2018 as oil prices plummeted by about 40% to a low of \$44.48/barrel on December 28 in response to global oversupply from both OPEC and non-OPEC countries (especially fueled by the strong rise in US shale oil production), mounting fears of slowing global demand, and the U.S.-China trade dispute. Rising uncertainty has since cast doubt on the energy sector's recovery, slowing activity and spending plans in the energy sector. Still, the Federal Reserve Bank of Dallas states that over half of upstream and oil field services companies interviewed still plan to increase their 2019 spending compared to 2018<sup>2</sup>. More so, oil demand optimism has been on the rise as the market moves into 2019: prices have been gradually rising, hovering in the \$50/barrel range as steps towards alleviating geo-political and trade tensions are in play. Many oil companies are able to comfortably break-even and make a profit at this price due to the technological advancements that have made low-cost and efficient oil exploration and production possible.



Despite the high level of uncertainty surrounding oil market fundamentals, and negative total-net-absorption for 2018, the downtown market and the oil and gas industry are in the best state since the downturn in 2014. This year's total net absorption of -101,221-SF is less than a tenth of the previous years' -1,170,841-SF, indicating that the downtown office market has broken out of its trough and is well on its way to recovery. But it is still far from *full* recovery: office vacancy remains high at 21.9%<sup>1</sup>, stemming from the space left by oil and gas companies in the wake of the downturn, sublease space expiring and returning to landlords, new market supply from two office towers under construction, flight to quality accompanied by shrinking footprints. Only about 20 percent of the 86,000-plus oil and gas sector jobs lost in Houston during the downturn have returned. Efficiency gains through automation coupled with other technological improvements, require a smaller workforce; this means that even at full recovery, oil and gas employment is neither likely to be significant nor translate into positive office leasing. Ironically, the industry is also facing a shortage of quality tech talent required to work with new and evolving digital technologies in this evolved energy industry. The good news is that while the oil and gas industry remains the major driver behind the downtown office market, the downtown economy has diversified, and non-oil companies have helped absorb some of the vacant office space. In 2018, downtown posted strong job gains in the professional services, remedial and business services industries, which also accounted for most of the 2

<sup>1</sup> JLL, Houston office insight - Q4 2018

<sup>2</sup> Federal Reserve Bank of Dallas Fed Energy Survey: Growth in Activity Stalls amid Oil Price Decline, January 3, 2019

million-plus-SF of new, expansion and renewal deals signed in downtown office buildings. Five of the top 10 largest office leases signed in the region in 2018 were for downtown properties. Downtown’s rapidly expanding tech and innovation ecosystem has and will also continue to help absorb some of the space glut. In 2018, out-of-town coworking companies, WeWork and Bond Collective leased over 100,000-SF of office space downtown. Additionally, several energy companies have reiterated growth commitments for 2019.

Looking forward to 2019, the market will remain cautiously optimistic due to increased oil price volatility, rising interest rates, and uncertainty around geo-political events. As downtown continues to rapidly transition into a true live-work-play 24-7 urban core, regional job and population growth, robust office leasing activity, exponential multifamily and hospitality growth that supports retail activity, and expansion of parks and other quality of life amenities that attract and retain firms and residents, are expected to amplify demand and propel and sustain strong growth in the downtown economy in 2019.

Sources: GHP, CHI, JLL, RNR, Bisnow, HBJ, Colvill, GHP, Berkadia.

<p><b>Q4 KEY HIGHLIGHTS</b></p> <p><b>18</b></p> <p>New retailers added in Q4</p>
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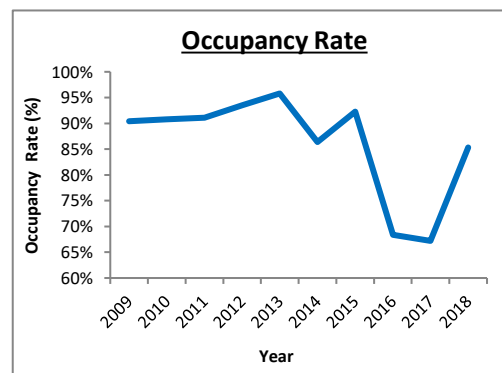
## RESIDENTIAL

Downtown’s residential population is close to reaching the 10,000-mark. At the end of 2018, Downtown had an estimated 9,395 residents, up from 3,021 in 2010 (a 211% increase). Downtown also had strong rent growth, averaging the highest monthly rent in the region, at \$2,032, reflecting robust interest in downtown living. 2018 heralded a turning point in downtown’s multifamily market. Downtown went from having the lowest occupancy rate in the region in 2017 to being named the hottest submarket by Apartmentdata.com, Marcus & Millichap, and Berkadia, recording a massive year-over-year jump in occupancy from 62.3% in Q3 2017 to 83.9% in Q3 2018 (Berkadia, 2018). The peak of the energy downturn in 2017 coincided with the delivery of over 3,000 residential units galvanized by the Downtown Living Initiative (DLI). Even with the rise in inventory, leasing activity exceeded deliveries buttressed by a combination of strong population growth, a robust national economy, Harvey-displaced residents, and more recently, the energy sector recovery. As a result, the residential market weathered the negative impacts of the downturn, making this oversupply short-lived. Inventory stabilized throughout 2018, allowing for new properties to fill up. Occupancy rate in downtown grew by over 15 percentage points, from 70 percent at the beginning of the year to 85.3 percent by year-end, making Downtown one of the region’s fastest growing residential markets by occupancy.

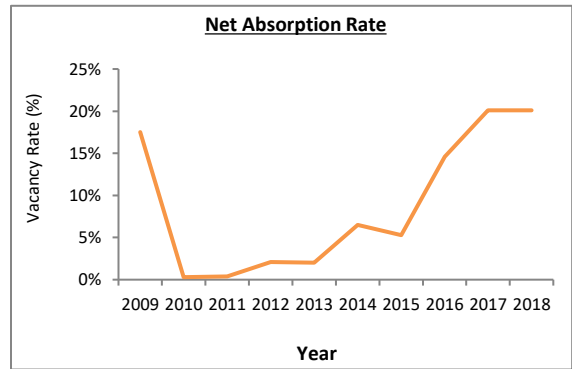
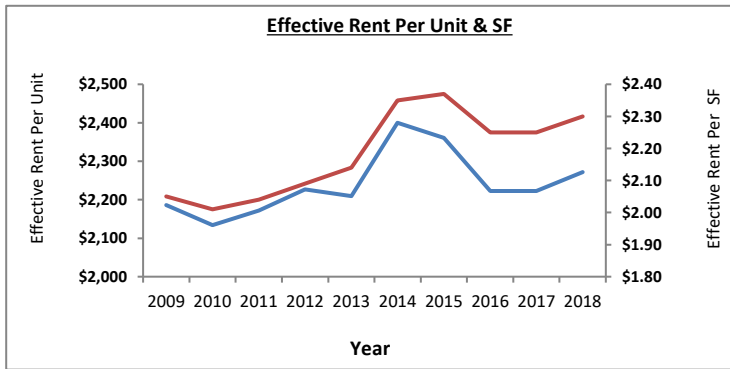
On the supply side, Downtown delivered 314 units in 2018 in two multifamily properties – Marlowe, a 94-unit high-rise condo and 1711 Caroline; and a 220-unit mid-rise, bringing the total number of units to 6,086 units in 41 properties. A clear response to the demand for downtown units, in 2018, the first non-DLI project since 2016, The Regalia at the Park, broke ground.

On the demand side, Hurricane Harvey produced a boost in occupancy and rents in the first quarter of 2018, but even as this artificial bump stabilized, occupancy remained healthy throughout the rest of year.

More permanent gains and the strong performance of the downtown residential market have stemmed from demand drivers including: Baby Boomers opting out of the suburban lifestyle, downsizing and moving back to the urban core; robust population growth particularly among millennials, who prefer renting; robust hiring by professional and business services companies supporting strong multifamily demand; and the vast art, cultural, entertainment, restaurant and retail offerings downtown. Also notable are the quality of life amenities for residents and their pets alike, plethora of parks and

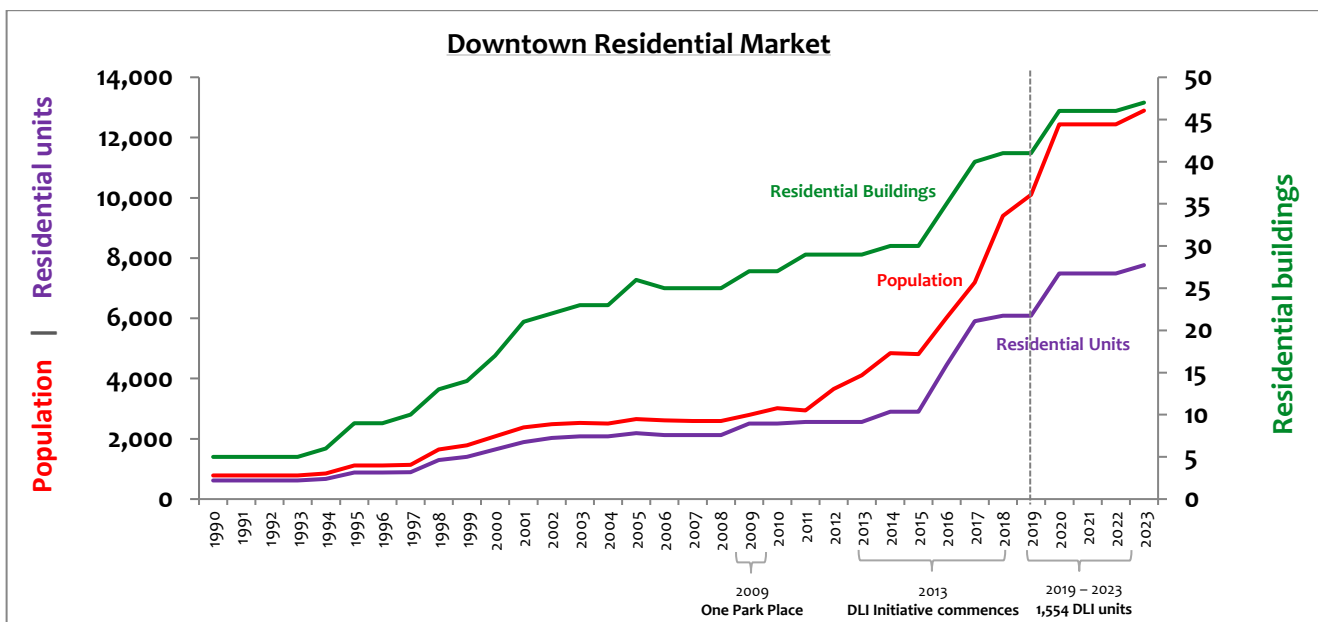


Downtown’s walkability. The addition of the Southern Downtown Park and future green spaces in the works will only further



improve the quality of life of downtown’s current and future residents.

As the energy sector recovers, fueling employment growth, we are poised to see steady growth in multifamily demand. With no deliveries scheduled for 2019, the market should absorb significantly more units in 2019, in light of the positive economic climate and growing baby-boomer population. The development pipeline remains very active. Downtown is on pace to deliver 500 units in 2020. Camden Property Trust is building *Camden Downtown*, a \$57-million, 21-story, 271-unit apartment tower at 1515 Austin. DLC Residential is building *Regalia at the Park*, a \$54 million, 229-unit apartment project at 100 Crawford. Both are on track for delivery in the second quarter of 2020. An additional 1,179 new residential units are planned for future delivery.



### Market Highlights

- Ownership of Alexan Downtown has changed hands. Developed by Trammel Crow Residential in July 2017, the residential building has also undergone a name change, and effective December 2018, is now known as **1414 Texas Downtown**. ([Website](#))
- Downtown’s latest condo tower, **Marlowe**, has been completed. Move-ins for the downtown property near Discovery Green started in October. The building is 84 percent sold and has 16 out of 94 units remaining. ([HBJ](#), [Marlowe](#))

### RESIDENTIAL HIGHLIGHTS

<b>6,083</b> RESIDENTIAL UNITS	<b>320</b> UNDER CONSTRUCTION	<b>1,450</b> PROPOSED
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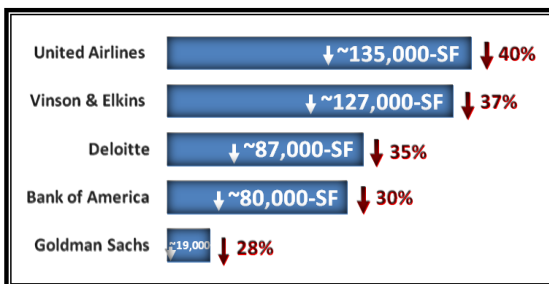
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## OFFICE

Following a two year streak of consistently negative net absorption, Downtown office absorption swung in a positive direction, albeit slightly. Improving key market fundamentals, including positive net absorption in the fourth quarter, declining vacancy over the last three quarters, the volume and size of lease transactions, and consistently strong job growth, indicate that the office market has hit bottom and is on the path to recovery. The office market is still however in the early stages of recovery and stabilization, and still has a long way to go before full recovery, particularly in light of the recent drop in oil prices and 21.7% vacancy that still needs to be back filled.

Downtown dominated leasing activity in the region, posting a little over 3 million-SF in office leases that contributed to solid absorption. Leases were distributed primarily among oil and gas and legal firms. Nine of the 17 largest office leases signed in Houston were in downtown, the most from any one submarket. The largest leases downtown were for TOTAL (305,780-SF); Waste Management (284,331-SF), Vinson & Elkins (208,000-SF), and Deloitte (204,210-SF), Hines Interests (155,356-SF), EY (Ernst & Young) (120,827-SF), and the Harris County Veterans Services (118,896-SF). Thanks to a tenant-friendly market, tenants leveraged competitive rates and major concessions in their new or renewal deals, allowing them to move to newer Class-A product for a fraction of the market price. The massive flight-to-quality trend to new, high-quality, modern and efficient buildings continued into 2018. New construction trophy towers and other newer and recently renovated Class A buildings captured the bulk of the deals, and occupancy and rental rate gains, and will continue to outperform the other building classes. Underscoring the demand for new, amenity-rich trophy towers for recruitment and retention of top talent, the new buildings under construction are leasing up. Hines' "office of the future" tower at 801 Texas is already 33 percent preleased to Vinson & Elkins and Hines. With five months to delivery, Skanska's Capitol Tower at 800 Capitol St. is already 81 percent preleased, with tenants including Waste Management, relocating its headquarters, and consolidating its employees from 1001 Fannin and 1021 Main; Bank of America Corp., leaving its namesake building and consolidating 600 employees; Winston & Strawn, moving from 1111 Louisiana; Quantum Energy Partners, relocating its headquarters from 5 Houston Center to Capitol Tower; and Skanska, relocating from Uptown.

Flight to quality has also left large swaths of space by tenants relocating to newer properties, prompting developers to inject significant capital into upgrading and repositioning their buildings to remain competitive. This was evident in the plethora of renovation projects that either started or were completed in 2018. Brookfield completed a \$48.5 million renovation of Allen Center in 2018, and just commenced a multi-million dollar renovation of the Houston Center complex. Spear Street Capital undertook a \$6 million renovation of 5 Houston Center (1401 McKinney); Bank of America Center is undergoing a \$20 million multiphase renovation. Flight to quality has however come with significant footprint reduction. Workplace downsizing and efficiency trends, particularly in the legal and professional services industries, also pose a challenge for absorbing downtown's excess space. Most of the largest relocations and renewals deals saw companies downsize significantly, by 30 to 40 percent on average. These trends in flight to quality, downsizing, and renovations are expected to continue into 2019.

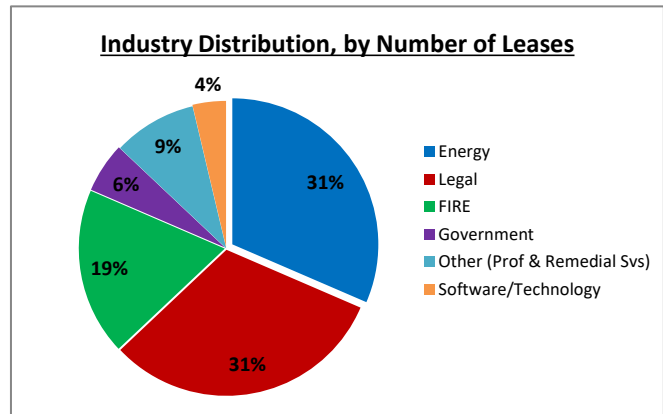
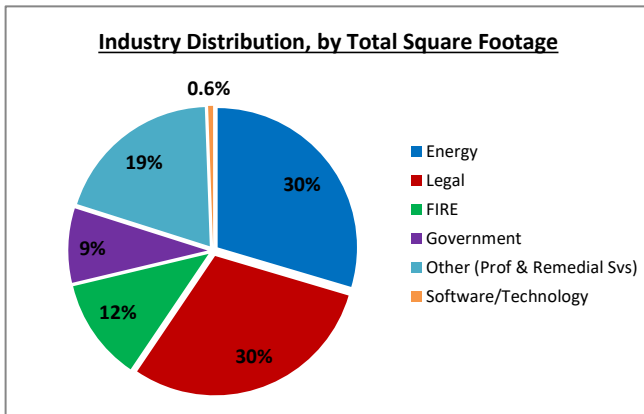


Compared to the end of 2017, downtown sublease supply has decreased significantly. Conversely, direct vacancy is higher and is expected to rise even further, as over half of the sublease space is set to expire in 2020 and move back to landlords. The oil and gas industry remains the major office demand driver. However, the recent dip in oil prices cast a shadow on optimism surrounding the office market recovery. Energy companies have been cautious with future expansion and hiring since the downturn, and efficiency gains in the industry have also dampened the potential for major job

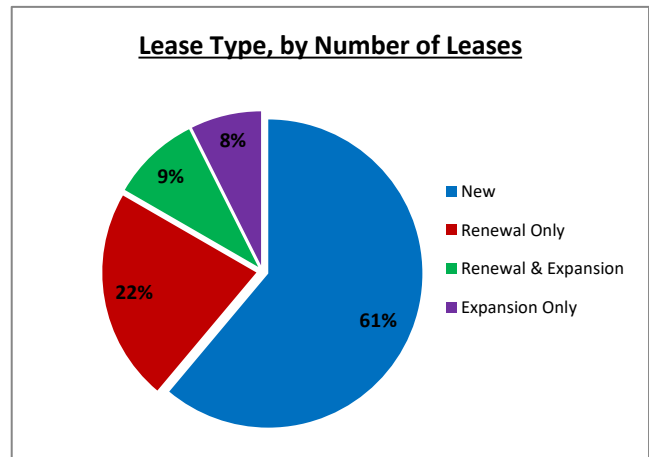
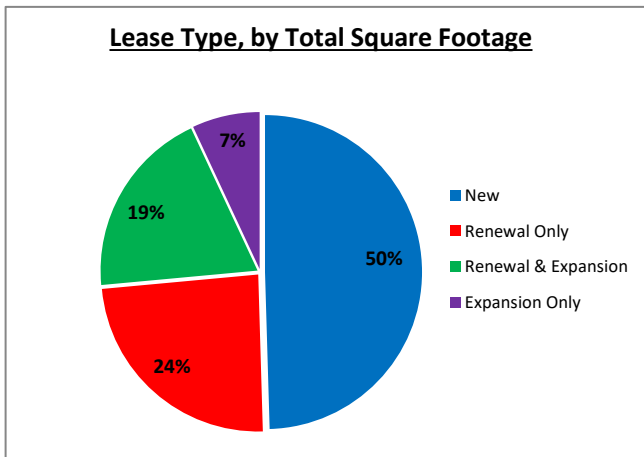
growth in the sector. Hence, improvements in the energy sector may not necessarily translate to significant new demand for office space.

Defying market conditions, several energy and non-energy firms implemented or announced staff and/or footprint growth commitments for 2018 and 2019. EY grew its downtown staff count by 20 following its acquisition of Linn Thurber LLP. Accenture acquired Enaxis Consulting, expanding its headcount by about 75 employees. Deloitte expanded by about 100 employees, following its lease renewal. NRG Energy Inc., KBR, Kinder Morgan, Haynes and Boone LLP, AlixPartners

LLP, Capco, Robert W. Baird & Co., and Elevate Midstream Partners LLC have also announced 2019 footprint and/or headcount growth plans ranging anywhere from 15 to 50 percent. As part of its consolidation efforts downtown, Chevron fully vacated its Bellaire campus in the third quarter of 2018, moving 900 employees into its existing buildings in downtown. These announcements are expected to help reduce the vacancy rate.



Energy and legal firms dominated leasing activity in both number and volume. New leases comprised the majority of deals; but it is important to note that almost 70 percent of these transactions involved tenant movements within downtown in a flight to quality, and not necessarily from companies new to downtown, which only comprised 32 percent. Major renewal and expansion deals in 2018 were a firm affirmation of enduring commitment to and confidence in the Downtown market. Nine of downtown’s biggest renewal deals exceeded 70,000-SF, including TOTAL (305,780-SF), Deloitte (204,210-SF), EY (120,827-SF); Sable Permian Resources LLC (97,650-SF); Energy XXI (85,415-SF); Carrizo Oil & Gas (83,109-SF); Sidley Austin, LLP (80,000-SF); Jackson Walker (77,015-SF); and Haynes & Boone (72,903-SF).



Downtown’s innovation ecosystem saw a major boost in 2018, and steps taken by Downtown’s leadership to bolster the ecosystem continue to yield solid results. Luxury coworking company, Bond Collective leased 25,871-SF in Pennzoil Place, joining the growing group of global coworking companies moving downtown, including WeWork, which opened in the summer of 2018, leasing the entire 708 Main (The Jones on Main) building. Also in 2018, New York *Flatiron Coding School* opened its fourth global campus in WeWork downtown, with \$250,000 in full scholarships from Facebook for the inaugural class; *Bunker Labs*, a co-working space and incubator for veteran entrepreneurs also opened in WeWork downtown. *Chevron Technology Ventures*, the Houston-based venture capital arm of Chevron Corp., created its sixth fund, a \$100 million “Future Energy Fund” to invest in research and innovation for new, alternative energy technologies.

The market’s performance in the fourth quarter was a clear sign of recovery and sustained future growth. Moving forward, if oil remains above \$50/barrel, we should see steady recovery, and the effects of strong job growth and national economy should translate into significant positive absorption. However with the overhang of sublease supply and energy industry efficiency gains, the office market is a long way from reaching equilibrium and pre-downturn vacancy levels.

## Market Highlights:

- Hines' **609 Main at Texas** has been certified Platinum under the U.S. Green Building Council's LEED BD+C: Core and Shell Rating System. Project highlights for this prestigious accreditation include: 14 quick-charge charging stations and 64 preferred parking spaces for low-emitting and fuel-efficient vehicles; fixtures estimated to save over 3.8 million gallons of potable water per year; and reduced irrigation water use by 60 percent. ([Hines](#), [Bisnow](#))
- **1010 Lamar**, and its adjoining garage at 1111 Main, will be undergoing a \$7 million renovation to create more compelling tenant office space. The building owner, Younan Properties, recently refinanced the 20-story, 277,991-SF building. The property will be renamed **Lamar Plaza**. The Ziegler Cooper-led re-design will include new amenities, a new lobby design and expansion, lighting upgrades, a new café, meeting area, fitness center, canopy system and signage. ([Younan Properties](#), [Bisnow](#))
- New York upscale coworking firm **Bond Collective** signed a 25,871-SF lease for the first two floors at Pennzoil Place (711 Louisiana) for its first Houston location. The company will turn the spaces into coworking and private office suites for corporations and individuals, with 20+foot first floor ceilings, and an activated lobby with vibrant curated architectural design. ([Chronicle](#), [Bisnow](#))
- **Skanska's Capitol Tower** at 800 Capitol St is 81 percent preleased after inking three major leases this year. Future tenants include Bank of America; Waste Management; Winston & Strawn LLP; Quantum Energy Partners; and Skanska. The tower's grand opening is scheduled for June 1, 2019. The building will be the most sustainable office tower in Texas, and first in Texas to achieve LEEDv4 Platinum pre-certification. ([HBJ](#), [CBRE](#), [Bisnow](#), [Skanska](#))
- JLL secured \$52.8 million in refinancing for the historic **Esperson Buildings** on behalf of the owners, Contrarian Capital and Cameron Management. MetLife Investment Management provided the loan that replaces maturing debt on the 600,000-SF buildings. Since purchasing the asset in 2012, the owners have invested about \$11 million in capital improvements. ([Bisnow](#), [REBusinessOnline](#))
- Hines' new 47-floor, 1.1 million-SF tower at 801 Texas will have its own coworking concept on the second floor of the building named "**Hines Square**," adding to downtown's rapidly expanding co-working spaces. The building's second floor will also house a state-of-the-art fitness center. ([Hines](#), [Swamplot](#))
- Downtown-based architecture firms **HDR** (No. 10), **HKS** (No. 13), **Page** (No. 22), and **EYP** (No. 34) scored high on Architect Magazine's Top 50 Firms for Business list. ([HBJ](#))
- Minnesota-based Life Time Inc. has announced plans to open its coworking concept – **Life Time Work** – in downtown. The downtown location will be disclosed within the next 12 months, per the president, James O'Reilly. Life Time Work's slightly more upscale model is geared towards and appeals to older, more established companies. This is the second coworking company aiming to fill unmet demand for high-end coworking space in Houston, as the market diversifies from the traditional industries. ([HBJ](#))
- TransCanada, which has its U.S. pipeline operations in Bank of America Center (700 Louisiana), has changed its name to **TC Energy**. Law firm, Fernelius Simon PLLC, located at 1221 McKinney, changed its name to **Fernelius Simon Mace Robertson Perdue PLLC** with the hiring of three new name partners.

## OFFICE HIGHLIGHTS

**1,881,581-SF**  
UNDER CONSTRUCTION

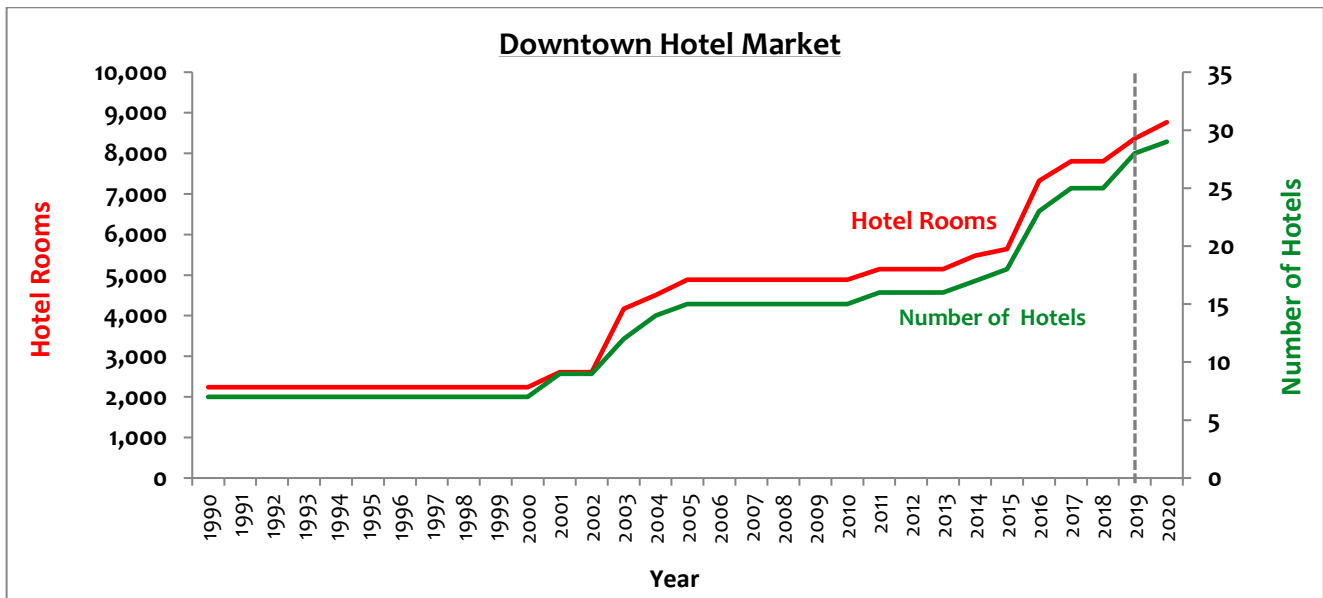
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## HOSPITALITY

Hotel properties performed well in 2018, despite the slow recovery of business-related travel since the peak of the energy downturn. Supported by strong convention activity, major sporting events, the reopening of the Wortham Theater post-

Harvey, and a surge in visitors, downtown hotels averaged 60 to 70 percent occupancy in 2018. However, downtown’s hospitality industry no longer disproportionately relies on energy and other business-related travel as it did in the past. Downtown is now a diverse and vibrant destination in its own right, and has experienced a boost in tourism, thanks to the positive national media recognition received when during the Astros World Series win, which showcased downtown’s diverse culinary and cultural offerings, and bustling nightlife. And this tourism trend is showing no sign of slowing down. Houston recently garnered nationwide attention, with The New York Times, Bloomberg, Food & Wine, Travel & Leisure, and Forbes among over 12 prestigious publications that named Houston as one of the hottest destinations in 2019. At the heart of the most lauded places are several downtown destinations, including downtown’s new food halls and other prominent restaurants. This organic attention is expected to garner even more interest in Downtown, resulting in an increasing number of visitors in the coming year, including those taking "bleisure trips" (business travelers staying an extra day or two to sightsee).

Downtown currently has 7,803 hotel rooms in 25 hotels. Three hotels are under construction slated to deliver 564 rooms in 2020: AC Marriott Hotel (by NewcrestImage), Cambria Hotel (by Choice Hotels International), and Hyatt Place Hotel (by Pride Management Inc.). These deliveries are equivalent to 7.2% of the existing room inventory. Another 400+ rooms are planned for future delivery.



**Market Highlights:**

- Brookfield Properties has rebranded Doubletree by Hilton Hotel at 400 Dallas as part of the hotel’s redevelopment and the multimillion-dollar Allen Center renovations. Renamed the "C. Baldwin" hotel after ‘mother of Houston’ – Charlotte Baldwin Allen, the new high-end, independent hotel will be operated under the Hilton Hotels & Resorts umbrella, and feature 354 rooms, a luxury nail salon, retail, activated green space, 14,000-SF of meeting and event space, and a signature restaurant. Designed by Rottet Studio and Rohe Creative, renovations began in late summer 2018 and are expected to wrap up in April 2019. ([HBJ](#), [HBJ](#), [RNR](#), [Bisnow](#), [Culturemap](#), [RNR](#))
- Pearl Hospitality, owner and operator of the JW Marriott hotel at 806 Main, purchased **812 Main St.** located directly adjacent to the hotel, in November for \$3.6 million. The former 10-floor Battelsteins’s department store building was completed in 1950, and has been vacant for about 30 years. Plans for the building are yet to be announced. ([Swamplot](#))

- Downtown luxury hotels, **Four Seasons Hotel Houston** (ranked No. 11) and **JW Marriott Houston Downtown** (ranked No. 20) were named to the U.S. News & World Report's List of best luxury hotels across the country, and ranked among Texas' top 20 lodgings in the Class of 5 Star hotels. ([HBJ](#))
- Downtown Houston-based architecture and design firm **Rottet Studio** won a slew of awards in 2018.

The firm was one of the winners of the 2018 AIA Houston Design Awards, winning the "Best Hotel Interior USA" International Property Award for Hotel Alessandra. The firm also won a "Best of Year" award from Interior Design magazine for renovation of the New York Stock Exchange, and three 2018 GOOD DESIGN awards from the prestigious Chicago Athenaeum. ([Bisnow](#), [Chronicle](#))

### HOTEL HIGHLIGHTS

<b>7,803</b> HOTEL ROOMS	<b>564</b> UNDER CONSTRUCTION	<b>400</b> PROPOSED
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## RETAIL

Downtown's culinary offerings featured prominently in the myriad of nationally-acclaimed magazines that hailed Houston as *one of the best places to Travel (and Eat) in 2019*, particularly highlighting Downtown's newest food hall, *Finn Hall*, as a must visit in 2019, in addition to three more food halls slated to open in 2019. Downtown is a major food destination in Houston, and food halls are leading the charge in elevating and diversifying downtown's culinary scene and adding vibrancy to downtown as a 24-7 urban core. All within the span of one year, four Food Halls have or will call downtown home. *Finn Hall* opened in December; *Bravery Chef Hall* is set to debut in Spring 2019 on the ground floor of Aris Market Square high-rise apartment; *Understory Food Hall* will open in summer 2019 in the two-story atrium of Capitol Tower; and Lyric Market food hall and marketplace is expected to open in late 2019 in the Lyric Center Building. Downtown is poised for an exciting 2019, with over 30 new concepts already announced to be added to its culinary landscape.

- The **Americana Building** at 811 Dallas Street, has been redeveloped as a retail and parking facility. Capital Retail Properties and Identity Architects partnered to add 31,000-SF of premier street frontage retail and an additional 63K SF on the tunnel level. The development also has five stories of 550 parking spaces. The retail spaces are available for lease to concepts that will ideally serve downtown's day and nighttime population. The property is owned by Hilcorp. ([Bisnow](#), [RNR](#), [HBJ](#), [Chronicle](#))
- Coffee, pastry and panini shop, **Caffé Di Firenze**, is open in the red-faced 127-year-old Henry Brashear Building at 910 Prairie in Historic Market Square. Inspired by the ideals of the iconic Firenze cafe culture from 1800, Caffé Di Firenze uses "the best quality 100% Arabica coffee," and serves a variety of coffees, teas, and organic homemade Italian Pastries and Paninis in a cozy and authentic Italian environment. The inside of the café features a wall of greenery, and there are plans for outdoor seating. ([Caffé Di Firenze](#), [Swamplot](#))
- Pure Club & Lounge, an upscale dance and nightclub located at 505 Main St. has rebranded as **Club Cairo**. The club features top DJ's and a full bar. ([Club Cairo](#))
- **Coterie**, a new all-day-dining combination restaurant, coffee shop and bar is now open on the ground floor of Market Square Tower apartment building at 738 Preston St. The 1,500-SF wine-focused bistro and cafe-style eatery features 25-foot ceilings, a walk-in wine room, and a handcrafted bar. Coterie focuses on craft coffee, wine, beer and cocktails complemented by a scratch kitchen that offers meals with a farm-to-table focus. Patrons can park in the One Market Square garage and get up to two hours validated. ([Coterie](#); [HBJ](#); [HoustonFoodFinder](#))



- **Diana American Grill**, which recently opened inside the Hobby Center for the Performing Arts, is now open for lunch Tuesdays to Fridays. Offering classic American cuisine, the restaurant is ideal for business meetings or casual lunch, and offers valet service. The mezzanine level seats 30 and accommodates up to 50 standing guests for private events. ([Culturemap](#))
- The owners of Cantina Barba, Manuel Deleon and Steven O’Sullivan have opened **El Segundo** in the space formerly occupied by Moving Sidewalk space at 306 Main Street. The new bar and restaurant concept is offering \$2.50 tacos, \$5 cheeseburgers, frozen mezcals and other specialty drinks. The new concept boasts a 3:30 a.m. closing time Fridays and Saturdays. There are also plans to add all-day breakfast tacos and a more extensive cocktail menu. ([Culturemap](#), [EATER](#), [Houstonia Magazine](#); [Chronicle](#))
- A new corner store, **Fannin Food Mart**, is open at 625 Fannin St., at the corner of Fannin and Capitol streets.
- Downtown’s newest (and second) food hall, **Finn Hall**, is open on the ground level of The Jones on Main at 712 Main. The 20,000-SF food hall offers diverse cuisine across 10 chef-driven concepts and two cocktail bars: **Amaya Coffee**; **Craft Burger**; **Dish Society**; **Goode Company Taqueria**; **Low Tide**; **Mala Sichuan Bistro**; **Mr. Nice Pie**; **Oddball Eats**; **Sit Lo**; **Yong**; **St. Jac’s**, a craft beer and wine bar; **Swallow’s Nest**, a cocktail lounge. Vendors will change every 12- to 24-months. Open every day from 7:00am to 12:00am, Finn Hall offers food delivery and catering services; orders can be placed on the website. ([HBJ](#), [Finn Hall](#), [EATER](#), [Swamplot](#), [Bisnow](#), [Swamplot](#))
- **Grit Grocery**, Houston’s farmer’s market food truck that also operates Downtown has introduced AI technology to make its fresh foods more accessible. Facebook users can now interact with Grit using the Facebook Messenger chat bot to see the truck location and hours, and order meal kits. ([Culturemap](#))
- **Irma’s Southwest**, the new iteration of Irma’s Southwest Grill and Irma’s Original, has a new home on the ground floor of the Catalyst Apartment, at 1874 Texas Ave. Previously located in the Great Southwest building at 1314 Texas, the new Irma’s still serves traditional Tex-Mex cuisine, seafood dishes, wild game, some new offerings, a cocktail menu, and for the first time, a printed menu. The new 7,700-SF space includes a 60-seat bar and lounge, a 200-seat main dining room and two private dining rooms, with a “clean, modern, cozy and upscale vibe.” ([Irma’s Southwest](#), [Culturemap](#), [HBJ](#), [Catalyst Apartment](#))
- Caffe Bene located in GreenStreet at 1201 Fannin St #125 has been rebranded as **Louie Coffee**. Originally created as a traditional European-style franchise called Caffe Bene, Louie Coffee is now a fully independent local shop with a menu focused on freshness, quality, and local supplies. Still in the same location, Louie Coffee serves locally sourced breakfast tacos and an assortment of sandwiches, yogurt parfaits, and other snacks. ([Louie Coffee](#))
- Downtown has welcomed a new French coffee shop, **Mademoiselle Louise Bakery**, nestled on the ground floor of Skyhouse Main Apartments at 1725 Main Street. With a quaint European vibe, the coffee shop serves classic French pastries including croissants, tarts, eclairs, and a variety of freshly baked bread. ([Mademoiselle Louise Bakery](#))
- **Screwston Sole**, a new consignment sneaker store, is now open at 1105 S. Main St. The store is located in the former Beauty Supply Store space on Main Street, and is open Monday through Saturday from 10am to 8pm. ([Screwston Sole](#))
- Downtown’s day spa and salon, **Sunset BodyWorks**, has moved to 817 Milam, inside the Esperson Building. The salon specializes in deep tissue massages, micro-current facials, skincare, waxing, anti-aging and more. ([Sunset BodyWorks](#))
- Pat Green’s **The Rustic**, the 25,000-SF live music venue, restaurant and bar located at 1836 Polk St., made its long-anticipated debut in November. Open every day, in addition to live music, The Rustic offers full-service dining and a large selection of wines, spirits and 40 beers on tap, a large outdoor patio, a retractable roof, two VIP areas and the signature U-shaped bar. ([The Rustic](#), [HBJ](#))
- **Work & Mother**, a boutique breastfeeding and pumping facility by Abbey Donnell is now open on the first floor of The Jones on Main at 712 Main. The 600-SF space offers moms in downtown private fully equipped lactation rooms and office spaces. Members don’t have to work in the 712 Main building, and have access to hospital-grade equipment, private lockers, refrigeration, cleaning, and retail offerings such as pumping equipment and formula packs, and a full kitchen. In addition to individual memberships, companies can purchase flat memberships to Work & Mother or à la carte. A second downtown location is already in the works. ([Work & Mother](#), [HBJ](#), [KHOU](#))

**Coming soon:**

- Popular British Chef Richard Knight has been tapped to lead upscale diner, **Atlas**, the late-night spot of Bravery Chef Hall at 409 Travis. With a classy and old school vibe, this diner will serve “international elevated diner” items, including late-night breakfast dishes. Bravery has secured several popular Chefs and opens at the end of February. ([HoustonFoodFinder](#))
- **Boomtown Coffee** will be opening its second downtown location in Understory, the two-story underground food hall in Capitol Tower at 800 Capitol. The café debuted its first downtown location in March 2018 when its owners acquired The

Honeymoon Café & Bar at 300 Main St. Boomtown will be the sole coffee provider at Understory, offering its specialty coffee beverages brewed made with locally-roasted beans sourced from around the globe, pastries and baked goods. ([HBJ](#), [Swamplot](#))

- **MONA Fresh Italian Food** inked a lease in Understory, the upcoming 35,000-SF community hub and culinary market at Capitol Tower opening in summer 2019. The second location for the fast-casual Italian restaurant, MONA will serve a five-step menu, and garnishes including snipping herbs from an organic garden. ([Bisnow](#), [Eater](#), [Swamplot](#))

**18** NEW RETAILERS

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## Other Developments

- Hines' **609 Main at Texas** office tower and **The Star**, a multifamily redevelopment of the historic Texaco building by Provident Realty Advisors are among finalists in the “For-Profit – Large” category (over 100,000 SF) of the Houston District Council of the Urban Land Institute (ULI) 2019 Developments of Distinction Awards. ([RNR](#), [Houston ULI](#), [HBJ](#))
- Phase Two of the **Barbara Bush Literacy Plaza** Renovations is now in design phase, and construction will begin in spring 2019. The second phase will include a new children’s reading area, stage and outdoor seating, and a new café. A new puppet theater will join the new Jumbo Video Screen and Performance Stage on McKinney Street. ([Swamplot](#); [Houston Public Library Foundation](#))
- The Houston Downtown Management District installed more than new 100 public **Bike Racks** across Downtown in October. Prior to their installation, the 45 pre-existing racks accommodated around 216 bikes. The additional racks increased the parking capacity to 392. Locations for the bike racks include high activity areas near residential, parks and food and beverage options, several of which were selected in response to businesses requesting additional bike racks in their neighborhoods. ([HDMD](#))
- Students and staff have officially kicked off the 2018 Spring Semester at **Kinder High School for the Performing and Visual Arts’ (HSPVA)** new \$83.5 million downtown campus. The new five-story 168,000-SF campus is home to 750 students,

replacing the school's 37-year-old, 63,000-SF Montrose campus. The new building includes five performance spaces (including the 800-seat Denney Theater, which will host around 20 shows a year), a recording studio, dance studios, gallery space for studio art students, a ceramics studio, soundproofed practice rooms, a creative writing wing, a print-making lab and more. The building is on track to receive LEED Silver certification. ([HBJ](#), [Kinder HSPVA](#)).

- **“Produce Row,”** a sprawling, 7,000-SF mural that spans three levels now adorns **Main&Co** mixed-use development. Designed and painted by local artist DUAL, and conceptualized by LCD Gallery and UP Art Studio, the mural at the intersection of Main and Commerce streets is a tribute to Commerce Street’s history as the site for Houston’s first farmers market in the 1870s. Main&Co is home to The Cottonmouth Club; ETRO Nightclub; Lilly&Bloom; an LCD Gallery, and a contemporary arts space. ([Culturemap](#), [abc13](#))
- Houston’s Downtown Redevelopment Authority has selected local firm Lauren Griffith Associates to lead the design of the new **Southern Downtown Park**, at the 1500 block of Fannin Street currently occupied by the Goodyear Auto Service Center. The firm was previously involved in the design of Discovery Green, Market Square Park, Sesquicentennial Park and the Barbara Bush Literacy Plaza at the Central Library. Demolition of the Goodyear Auto Service Center building is slated to commence following Goodyear's lease expiration in March 2019. The design phase is expected to last from December 2018 to July 2019.

The park is expected to open in October 2020 and will be managed and programmed by the Downtown District. ([HBJ](#), [Chronicle](#), [Bisnow](#))

- A new colorful, playful and interactive art installation from Cocolab, called “**GUST: Celebrating a Decade of Discovery,**” has blanketed Discovery Green’s Brown Foundation Promenade. GUST is comprised of 1,800 colorful, polypropylene pinwheel blossoms handmade in Puebla, Mexico, using renewable resources. Visitors can use blowing stations to set the pinwheels spinning into kinetic art. The installation will remain on view until March 20, 2019. ([Culturemap](#), [Discovery Green](#), [Chronicle](#), [Chronicle](#))
- Gow Media, a leading multi-platform media company that includes CultureMap, SportsMap, ESPN 97.5 FM, and SB Nation Radio, has launched its newest digital media platform, **InnovationMap**. The map shines a spotlight on innovation within startups, tech, health, energy, social impact, and will feature news coverage, profiles of industry leaders and thought leadership content. InnovationMap is an attempt to join the concerted effort to develop a strong entrepreneurial and innovation economy, by being a media outlet that focuses on innovation in Houston. ([Culturemap](#))
- Downtown will be getting a brand new and bigger **U-Haul Center** at 1617 San Jacinto in response to the downtown residential boom. The demolished 2-story, 28,376-SF U-Haul building at San Jacinto will be replaced with a new \$2 million, 6-story, 220,160-SF facility. Construction started in September 2018, and completion is slated for July 2019. ([Swamplot](#))
- The University of Houston-Downtown’s (UHD) new **College of Sciences & Technology Building** under construction is expected to be complete by fall 2019, and the first classes are set to begin in spring 2020. UHD plans to build a new student garage in 2019, and a new sports and wellness center has also been proposed. ([UHD College of Sciences & Technology](#))

## 2018 OVERVIEW

### RESIDENTIAL INVENTORY

RESIDENTIAL UNITS	Before 2000	Since 2000	Current Inventory	Under Construction	Proposed	Total When Complete <sup>+</sup>
Market Rate Rental	1016	4,231	5177	500	1,179	<b>6,856</b>
Condos	200	550	750	0	0	<b>750</b>
Single-Family Homes	1	2	3	0	0	<b>3</b>
Affordable	186	99	156	0	0	<b>156</b>
<b>Total</b>	<b>1,403</b>	<b>4,883</b>	<b>6,086</b>	<b>500</b>	<b>1,179</b>	<b>7,765</b>

### RESIDENTIAL POPULATION

RESIDENTIAL POPULATION	1990	2000	2010	2018	Total When Complete (2023) <sup>+</sup>
Occupancy Rate	93.9%	93.7%	90.8%	85.3%	
Estimated Population**	784	2,085	3,021	<b>9,552</b>	<b>12,896</b>

<sup>+</sup> Based on known projects only (up to year 2023)

\*Hamilton St. Residence will be closing on January 19, 2018; Total affordable inventory in 2018 is expected to fall to 156 units

\*\*Estimated Population = # of units x Average Household size x Occupancy rate

Source: Central Houston, Inc.; CoStar

## MAJOR OFFICE LEASES AND SALES

OFFICE LEASES					
	Tenant	Type	Building		Final Square Footage
			To	From	
Q4	Total Petrochemicals USA	Renewal/Expansion	Total Plaza (1201 Louisiana)		305,680-SF <small>(Expansion: 48,452-SF)</small>
	Waste Management (HQ)	Relocation/Consolidation [Prelease]	Capitol Tower (800 Capitol)	First City Tower (1001 Fannin) & One City Centre (1021 Main)	284,331-SF
	Deloitte US	Renewal	Heritage Plaza (1111 Bagby)		204,210-SF
	Energy XXI	Renewal	One City Center (1021 Main)		85,415-SF
	City of Houston	New lease [Short-term]	1100 Louisiana		69,000-SF
	Winston & Strawn LLP	Relocation	Capitol Tower (800 Capitol)	CenterPoint Tower (1111 Louisiana)	62,516-SF
	MidCoast Energy Partners (HQ)	New Lease / Relocation	Hess Tower (1501 McKinney)	1100 Louisiana	61,689-SF
	Gibbs & Bruns, LLP	Renewal	1100 Louisiana		40,836-SF
	Houston Energy	Renewal	Two Allen Center (1200 Smith)		28,353-SF
	Bond Collective (Co-working)	New to Downtown/Houston	Pennzoil Place - ST (711 Louisiana)		25,871-SF
	DLA Piper LLP	Renewal	Wells Fargo Plaza (1000 Louisiana)		25,000-SF
	Barclays	Relocation	609 Main	Fulbright Tower (1301 McKinney)	18,169-SF
	Smith Management Company	Renewal	1001 Fannin		14,139-SF
	Husch Blackwell	New to Downtown	Chase Tower (600 Travis)	1800 Bering Drive	13,191-SF
	Skanska	New to Downtown	Capitol Tower (800 Capitol)	3009 Post Oak Blvd.	12,481-SF
Jindal Tubular	New to downtown	Total Plaza (1201 Louisiana)		4,078-SF	
AlixPartners LLP	Expansion	LyondellBasell Tower (1221 McKinney)		N/A	
Q3	Vinson & Elkins LLP	Relocation [Prelease]	801 Texas Ave	1001 Fannin	208,000-SF
	Kirkland & Ellis	Expansion	609 Main at Texas		161,644-SF <small>(56,000-SF expansion)</small>
	Hines Interests	Relocation/Consolidation [Prelease]	801 Texas Ave	Williams Tower (2800 Post Oak Blvd)	155,356-SF

EY (Ernst & Young)	Renewal/Expansion	5 Houston Center (1401 McKinney)		120,827-SF
Constellation (subsidiary of Exelon)	New to Downtown/Expansion	Kinder Morgan Tower (1001 Louisiana)		93,896-SF
Houston Forensic Science Center (HFSC)	Relocation	500 Jefferson	1200 Travis	83,518-SF
Haynes & Boone	Renewal	LyondellBasell Tower (1221 McKinney)		72,903-SF
Targa Resources	New/Expansion	811 Louisiana		31,834-SF
NextDecade (HQ)	New to Downtown	Wells Fargo Plaza (1000 Louisiana)		25,580-SF
Crystaphase	New to Downtown	TOTAL Plaza (1201 Louisiana)	16945 Northchase Dr., Greenspoint	12,872-SF
PetroLogistics II LLC	New to Downtown	811 Louisiana		5,752-SF
Validity Finance	New to Downtown/Houston	Pennzoil Place – NT (700 Milam)		8,744-SF
Camber Energy Inc.	Relocation to Downtown	Wedge Tower (1415 Louisiana)	San Antonio	N/A
Validere	New to Downtown/Houston	708 Main (WeWork)		N/A

<b>Q2</b>	Harris County Veterans Services	Relocation	500 Jefferson	9418 Jensen Dr.	118,896-SF
	Sable Permian Resources LLC	Renewal	Pennzoil Place-NT (700 Milam)		97,650-SF
	Carrizo Oil & Gas	Renewal	One Allen Center (500 Dallas)		83,109-SF
	Sidley Austin, LLP	Renewal/ Expansion	Wells Fargo Plaza (1000 Louisiana)		80,000-SF <small>(Expansion: 30,000-SF)</small>
	Royal Bank of Canada (RBC)	New to Downtown	609 Main at Texas	Williams Tower & Five Post Oak Park	54,000-SF
	Enable Midstream Partners	Relocation	One Shell Plaza (910 Louisiana)	(CenterPoint Tower) 1111 Louisiana	48,000-SF
	Simmons & Company International Energy Specialists	Relocation	609 Main at Texas	Bank of America Center (700 Louisiana)	31,045-SF
	Munsch Hardt Kopf & Harr PC	Renewal /Expansion	Pennzoil Place – ST (700 Milam)		30,000-SF <small>(Expansion: 8,800-SF)</small>
	Goldman Sachs	Relocation	609 Main at Texas	Wells Fargo Plaza (1000 Louisiana)	29,763-SF
	Polsinelli	Renewal (Q1)	Wells Fargo Plaza (1000 Louisiana)		25,580-SF
	Shearman & Sterling LLP	New to Downtown	1100 Louisiana		22,986-SF
	Lionstone Investments	New to Downtown	The Jones on Main (712 Main)	100 Waugh Dr.	22,145-SF
	Symplr (HQ)	New to downtown	315 Capitol.	Spring	18,000-SF
	Zarvona Energy	Expansion	1010 Lamar		17,750-SF <small>(Expansion: 3,400-SF)</small>

	EAG Services	New to Downtown	Wedge Tower (1415 Louisiana)	19 Briar Hollow Ln.	7,035-SF
	Essentia Advisors	New to Downtown	Three Allen Center (333 Clay)		5,000-SF
	Orion Energy Partners LP	New to Downtown	Bank of America Center (700 Louisiana)		n/a
<b>Q1</b>	Jackson Walker	Renewal/ Expansion	5 Houston Center (1401 McKinney St)		77,015-SF
	NextEra Energy	Renewal	601 Travis		50,283-SF
	Lone Star Legal Aid	Expansion	500 Jefferson		39,632-SF <small>(Expansion SF: 19,612)</small>
	Liskow & Lewis	Renewal	First City Tower (1001 Fannin)		27,641-SF
	Yetter Coleman LLP	Relocation	811 Main	2 Houston Center (909 Fannin)	24,494-SF
	White & Case LLP	New to Downtown	Two Allen Center (1200 Smith)		n/a
<b>REAL ESTATE SALES</b>					
	<b>Property Name</b>	<b>Seller</b>	<b>Buyer</b>	<b>Address</b>	<b>Size/Sale Price</b>
<b>Q4</b>	812 Main	Wiese Properties	Harold Gibson Polk, Jr./ Pearl Hospitality	812 Main Street	73,060-SF/ n/a
<b>Q2</b>	1001 McKinney	Cameron Management & Silverpeak Real Estate Partners	TRC Capital Partners & Amstar America LLC	1001 McKinney	375,440-SF/ n/a

*\*This report features all public, year-to-date leases*

**Sources:** Houston Office – 2018 Quarterly Market Reports (Colvill, CBRE, Cushman & Wakefield, HFF, JLL, NAI Partners, Newmark Grubb Knight Frank, PMRG, Transwestern); CoStar; Houston Business Journal (HBJ); Houston Chronicle; Realty News Report; Bisnow; Central Houston, Inc.

## **DOWNTOWN INNOVATION SPACES: CO-WORKING, ACCELERATORS, INCUBATORS**

<b>Property Name</b>	<b>Type</b>	<b>Address</b>
Accenture Innovation Hub	Innovation space	1301 Fannin
Bond Collective	Co-working	Pennzoil Place-ST (711 Louisiana)
Flatiron School (WeWork)	Coding School	708 Main
MassChallenge	Startup accelerator and competition	
Novel Coworking	Co-working	720 Rusk, 405 Main
Regus	Co-working	700 Milam, Two Allen Center (1200 Smith), 1001 Texas
Servcorp	Co-working	700 Louisiana
Station Houston	Co-working/Accelerator	1301 Fannin

Veterans in Residence (ViR) (WeWork Bunker Labs)	Co-working/Incubator	708 Main
WeWork	Co-working	708 Main

Source: Central Houston, Inc.

## NEW DEVELOPMENT: COMPLETED IN 2018

RESIDENTIAL	Address	Developer	# Stories/Units	Completion Date
<b>Q4</b>				
Marlowe	1311 Polk St.	Randall Davis & DC Partners	20 Stories / 94 condos	October 2018
<b>Q1</b>				
1711 Caroline	1711 Caroline St.	Leon Capital Group	5 Stories / 220 units	March 2018
OFFICE	Address	Developer	# Stories/SF	Completion Date
<b>Q4</b>				
The Jones on Main Rebranding & Renovation [2]	712 Main	Midway Cos & Lionstone	37 Stories/794,186-SF Ground-level upgrades and connection of 708 & 712 Main via a common space - <i>Currency Lounge</i>	December 2018
<b>Q1</b>				
The Jones on Main Rebranding & Renovation [1]	708 Main (WeWork)	Midway Cos & Lionstone	10 Stories/82,236-SF Renovation for WeWork occupancy	March 2018
MIXED USE/ OTHER	Address	Developer	Description	Completion Date
<b>Q4</b>				
Finn Hall	712 Main	Midway Cos & Lionstone	20,000-SF Food Hall	December 2018
The Rustic	1836 Polk St	Houston First Corporation	25,000 SF restaurant, bar & live music venue	November 2018
803 Fannin Garage	803 Fannin St.	Midway Cos & Lionstone	13-story, 1,100-space parking garage	October 2018
<b>Q3</b>				
Kinder High School for the Performing and Visual Arts (HSPVA)	790 Austin St.	HISD	New 5-Story, 168,000-SF HISD magnet school	August 2018
Joint Processing Center	700 N. San Jacinto St.	HCSO & HPD	3-story, 250,000-SF facility for HCSO & HPD	August 2018
<b>Q2</b>				
Houston's First Baptist Church Downtown	1730 Jefferson St.	N/A	Redevelopment of the CWA/ Local 6222 Union Building into a 3-story, multi-purpose campus.	May 2018
One Market Square Phase 1	800 Preston St.	Essex Commercial Properties	11-story, mixed-use retail and parking	May 2018

<b>Q1</b>				
Lyric Centre Garage	440 Louisiana St.	U.S. Property Management	8-story, 800-space parking garage	March 2018
Franklin Garage	805 Franklin St.	Stanton Road Capital	10-story, 300-space parking garage	February 2018
<b>TOTAL COMPLETED</b>	<b>314</b>		<b>TOTAL # OF PROJECTS = 12</b>	
	<b>Residential Units</b>			

## RETAIL OPENINGS

<b>Opened in 2018</b>	
<b>Q4 2018</b>	
Caffé Di Firenze	910 Prairie St.
Club Cairo (formerly Pure Club & Lounge)	505 Main St.
Coterie	738 Preston St. (Market Square Tower)
El Segundo	306 Main St.
Fannin Food Mart	625 Fannin St.
Finn Hall	712 Main St. (The Jones on Main)
<i>Amaya Coffee</i>	Finn Hall (712 Main)
<i>Craft Burger</i>	Finn Hall (712 Main)
<i>Dish Society</i>	Finn Hall (712 Main)
<i>Goode Company Taqueria</i>	Finn Hall (712 Main)
<i>Low Tide</i>	Finn Hall (712 Main)
<i>Mala Sichuan Bistro</i>	Finn Hall (712 Main)
<i>Mr. Nice Pie</i>	Finn Hall (712 Main)
<i>Oddball Eats</i>	Finn Hall (712 Main)
<i>Sit Lo</i>	Finn Hall (712 Main)
<i>St. Jac's</i>	Finn Hall (712 Main)
<i>Swallow's Nest</i>	Finn Hall (712 Main)
<i>Yong</i>	Finn Hall (712 Main)
<b>Irma's Southwest (relocation and rebranding)</b>	1874 Texas Ave. (Catalyst Apartment)
<b>Louie Coffee (formerly Caffe Bene)</b>	GreenStreet (1201 Fannin St., #125)
<b>Mademoiselle Louise Bakery</b>	1725 Main St. (Skyhouse Main)
<b>Screwston Sole</b>	1105 Main St.
<b>Sunset BodyWorks (relocation)</b>	817 Milam (Esperson Building)
<b>The Rustic</b>	1836 Polk St.
<b>Work &amp; Mother</b>	712 Main (The Jones on Main)
<b>Q3 2018</b>	
Cultivated F+B	701 Texas St.
Diana American Grill	800 Bagby St.
Etro Lounge	114 Main St.
Kalanoa	311 Travis St.
KHOU Satellite Studio	1001 Avenida De Las Americas
One Armed Scissor	208 Travis St.



Saint Arnold's Beer Garden & Restaurant	2000 Lyons Ave.
Sapporo Japanese Sushi & Bar	801 Congress Ave.
Social Graces Social Club	1201 Fannin St.
Treacherous Leches (Conservatory)	1010 Prairie St.
<b>Q2 2018</b>	
Grit Grocery ( <i>mobile grocery</i> )	Historic Market Square
LCD Gallery	114 Main St.
No Lines Barber Studio	1401 Sterrett Street, Suite 202
RYDE	Esperson Building (808 Travis)
Spruce Goose: Social Flyers Club	811 Congress
Tru Essence Cosmetic & Med Spa	1725 Main Suite 2
Z on 23 Rooftop Lounge ( <i>formerly Hoggbirds</i> )	1121 Walker
Zutro Restaurant & Bar ( <i>formerly Oxbow7</i> )	1121 Walker
<b>Q1 2018</b>	
Cellar 7 Wine & Bar Bites	610 Main
CVS Pharmacy	300 Milam
High & Dry	306 Main
DuVin Pintor Gallery	1401 Caroline
Kulture	701 Avenida de las Americas
La Cantina by La Calle	909 Franklin
Thai Café	917 Franklin
Boomtown Coffee Main St. Café & Bar ( <i>formerly Honeymoon Café &amp; Bar</i> )	300 Main
BirdDog Saint ( <i>formerly Springbok</i> )	711 Main
La Fisheria ( <i>reopened</i> )	213 Milam

## RETAIL – PLANNED

Planned for 2019*	
<b>Bravery Chef Hall</b>	409 Travis St.
<i>Atlas</i>	Bravery Chef Hall (409 Travis)
<i>BOH Pasta</i>	Bravery Chef Hall (409 Travis)
<i>Cherry Block Butcher &amp; Kitchen</i>	Bravery Chef Hall (409 Travis)
<i>Indie Bar</i>	Bravery Chef Hall (409 Travis)
<i>Nuna Nikkei Bar</i>	Bravery Chef Hall (409 Travis)
<i>Secret Garden</i>	Bravery Chef Hall (409 Travis)
<i>The Blind Goat</i>	Bravery Chef Hall (409 Travis)
<i>A Mediterranean concept</i>	Bravery Chef Hall (409 Travis)
<i>A wine bar</i>	Bravery Chef Hall (409 Travis)
<b>Cellar 7 Wine &amp; Bar Bites</b>	610 Main St.

<b>Common Grounds</b>	5 Houston Center (1400 McKinney St.)
<b>Frank's Backyard</b>	413 Travis St.
<b>Lyric Market (~24 concepts)</b>	411 Smith St.
<b>Restaurant by Adair Concepts</b>	1000 Louisiana St.
<b>Understory Food Hall</b>	800 Capitol St.
<i>Boomtown Coffee</i>	Understory Food Hall (800 Capitol St.)
<i>East Hampton Sandwich Co.</i>	Understory Food Hall (800 Capitol St.)
<i>Mama Ninfa's Tacos y Tortas</i>	Understory Food Hall (800 Capitol St.)
<i>MONA Fresh Italian Food</i>	Understory Food Hall (800 Capitol St.)

\*Based on known projects

## FUTURE DEVELOPMENT: Under Construction and Planned\*

RESIDENTIAL	Status	Address	Developer	# Stories/Units	Estimated Completion
<b>Camden Downtown (Phase 1)</b>	Under Construction	1515 Austin St.	Camden Property Trust	21 Stories / 271 units	2Q 2020
<b>Regalia at the Park</b>	Under Construction	100 Crawford	DLC Residential	6-stories / 229-units	2Q 2020
<b>1810 Main</b>	Planned	1810 Main St.	Fairfield Residential	10 Stories / 286 units	2Q 2020
<b>Planned Residential</b>	Planned	N/A	Marquette Companies	24 Stories / 304 units	2Q 2020
<b>Planned Residential</b>	Planned	N/A	Trammel Crow	40 Stories / 314 units	2Q 2020
<b>Camden Downtown (Phase 2)</b>	Planned	N/A	Camden Property Trust	21 Stories / 275 units	2Q 2023
HOTEL	Status	Address	Developer	# Stories/Rooms	Estimated Completion
<b>Hyatt Place Hotel</b>	Under Construction	1114 Texas St.	Pride Management	16 Stories / 150 rooms	2Q 2019
<b>AC Hotel Houston</b>	Under Construction	723 Main St.	NewcrestImage	10 Stories / 194 rooms	2Q 2019
<b>Cambria Hotel</b>	Under Construction	1314 Texas St.	Choice Hotels Intl.	21 Stories / 220 rooms	3Q 2019
OFFICE	Status	Address	Developer	# Stories/SF	Estimated Completion
<b>Capitol Tower</b>	Under Construction	800 Capitol St.	Skanska	35 Stories / 775,000-SF	2Q 2019
<b>801 Texas</b>	Under Construction	801 Texas Avenue	Hines	47 Stories / 1.1 million SF	4Q 2021
<b>800 Bell Redevelopment</b>	Planned	800 Bell St.	Shorenstein Properties	45 Stories / 1.4million-SF	N/A
<b>6 Houston Center</b>	Planned	1222 Rusk St.	Crescent	30 Stories / 600,000-SF	N/A
<b>Chevron Office Tower</b>	Planned	1600 Louisiana St.	SF Office Tower	50 Stories / 1.7million-SF	N/A
MIXED USE/ OTHER	Status	Address	Developer	Description	Estimated Completion
<b>College of Sciences and Technology Building</b>	Under Construction	One Main St.	University of Houston Downtown	4-story, 115,000 SF	3Q 2019
<b>Downtown U-Haul Building</b>	Under Construction	1617 San Jacinto	U-Haul	6-story, 220,160-SF Facility	3Q 2019
<b>Lyric Market</b>	Under Construction	440 Louisiana St.	U.S. Property Management	31,000-SF culinary destination	4Q 2019
<b>TUTS Margaret Alkek Educational Building</b>	Planned	800 Bagby St.	Theatre District	3-story, 20,000-SF building to include a black box theater and	1Q 2020

				additional studio and classroom space	
<b>Southern Downtown Park</b>	Planned	1500 block of Fannin	Downtown Redevelopment Authority / TIRZ 3	New neighborhood park	4Q 2020
<b>Parking Garage</b>	Planned	Crawford/Texas St.	N/A	300-car parking facility for Incarnate Word Academy/ Annunciation Catholic Church	N/A
<b>TOTAL U/C &amp; PLANNED</b>	<b>1,679 Residential Units</b>	<b>500+ Hotel Rooms</b>	<b>4.2 million SF Office Space (New)</b>	<b>TOTAL # OF <u>NEW</u> PROJECTS = 20</b>	

*\*Based on known projects*

## SPOTLIGHT ON DOWNTOWN HOUSTON

## Local Media

December 1, 2018

### 2018, A Year In Review

“You might call it “quality of lifestyle.” Downtown’s transition from a purely commercial real estate-driven skyscraper chessboard into a multi-hued mosaic of urban life is undeniable. Restaurants, retail, public art, green space, and appealing street-level architecture continue to draw residents, business and foot traffic to Downtown’s densifying blocks. “For some perspective, back in 2000 there were only 1,800 hotel rooms Downtown,” says Criner. “Today there are more than 8,000.” Residents have grown from approximately 2,500 in 2000 to 8,700 in 2018. Today’s office market demands a rich and appealing environment, to have wonderful, inviting ground-floor spaces...for people to venture out during the day and stay after work to enjoy the greater variety of experiences Downtown, and to help companies attract and retain better people.” Projects like the rebuilding of Bagby and the revamping of Jones Plaza have everything to do with quality of life.” – **Sandra Cook**

November 13, 2018

### Here's why Capitol Tower appealed to Waste Management, Bank of America

“There are quite a few similarities between the first tenant Skanska signed at Capitol Tower (Bank of America, for 210,000-SF) and the most recent tenant (Waste Management Inc., for 284,000-SF). “Both tenants needed more efficient footprints, were trying to consolidate into a more efficient space, and were also drawn to Capitol Tower's sustainability and (to) attracting and retaining talent... Waste Management currently leases 202,000-SF in 1001 Fannin. Bank of America will consolidate 600 employees from offices at 700 Louisiana as well as Merrill Lynch and U.S. Trust at Capitol Tower. Both tenants” – **HBJ**

November 7, 2018

### Forecaster: Houston economy has recovered from downturn

“The Houston economy has largely recovered from the two-year oil downturn that began in 2014 and economic indicators suggest solid growth ahead for the region, according to analysis by economist, and former Federal Reserve Bank of Dallas VP, Bill Gilmer. “We’ve successfully turned the corner.” Houston exceeded 120,000 new jobs over the past year, bolstered by a strong U.S. economy, the sustained recovery of the oil and gas industry, and \$50 billion in petrochemical projects. Office vacancies have probably hit bottom and are on the way to improvement, yet with a long way to go for a healthy market.” – **Chronicle**

November 7, 2018

### Downtown Houston's next food hall serves up highly anticipated opening date

“The wait for downtown's next food hall has come to an end. Finn Hall, the 20,000-SF food hall coming to the Jones on Main opened its doors December 3 and includes 10 restaurants and two bars. The options are almost limitless, ranging from a truffle butter Juicy Lucy at Craft Burger, tea-smoked duck at Mala Sichuan, to intimate beverage options at St. Jac's and Swallow Nest, and more. Finn Hall is the first of four new food halls coming to downtown.” – **Swamplot**

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October 12, 2018

### **Central Houston Inc. – Innovation And Growth Coming Fast To CBD**

“Creating an innovation ecosystem was the focus of the annual meeting of Central Houston, Inc., a 30-year-old organization that leads advocacy for the redevelopment and revitalization of Downtown and the central city. More than 930 stakeholders converged at the Hilton Americas to hear the latest updates on the Innovation Corridor that spans Downtown to Midtown to TMC. Harris County Judge Ed Emmett observed, “Not to take away anything from past events, but to me, this is the most exciting one of all.” Downtown’s transition from a retail center to purely office, then a residential hub, and now part of the innovation corridor, is fascinating to me. It’s really important that we have an organization like Central Houston to make sure we get it right.” Mayor Turner echoed these comments, said he relied on Central Houston for their input. The panel zeroed in on building Houston’s innovation ecosystem to facilitate technological growth. Panelists included John Harthorne, Founder and CEO of Mass Challenge out of MIT; Jennifer Bonnett, previously GM of Georgia Institute of Technology’s ATDC; Adam Enbar, CEO and co-founder of Flatiron Coding School, moderated by Barbara J. Burger, President of Chevron Technology Ventures. – **RNR**

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October 5, 2018

### **Public transit ridership sags across the nation — but not in Houston**

“Ridership has plummeted. In short, it's a bad time for public transit in America, but not for Houston. Between 2012 and 2017, public-transit ridership fell in hundreds of major metros and by 4 percent nationwide. Running counter to the nation’s downward trend, in the past five years, public transit trips in the Houston area increased nearly 9 percent from 82.2 million to 89.4 million. Houston ranks No. 16 out 277 U.S. cities based on the sheer number of passenger trips. The city's transit leaders have been working to bolster public transportation systems: creation of seven new Park & Ride lots, eight new transit centers, 23 new light rail stations and 15.2 miles of new light rail track, about 100 passenger shelters each year, and increased bus frequency, which have directly impacted ridership growth”. METRO has also announced billions of dollars in future projects — called METRONext — to upgrade the public transit system and accommodate Houston's growing population.” – **Chronicle**

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## **SPOTLIGHT ON DOWNTOWN HOUSTON**

## **Regional & Global Media**

**TRAVEL+**  
**LEISURE**  
DECEMBER 2018

### **THE 50 BEST PLACES TO TRAVEL IN 2019**

“**Houston.** Nearly two years after its star turn as Super Bowl host and one year since Hurricane Harvey inflicted \$125 billion worth of damage, Houston has made major strides toward recovery and cemented its reputation as a lively, diverse city with a restaurant landscape that can hold its own against any coastal capital. There are plenty of standalone spots that have earned well-deserved praise, like Theodore Rex, Xochi, for a snapshot of the myriad cultural influences at play. But now, with a handful of new food halls in the works, visitors can sample a cross-section of the city’s food scene without spending hours traversing the urban sprawl: Finn Hall opened in December, with Bravery Chef Hall, Lyric Market Hall, and Understory still on the horizon for 2019. Art lovers will find plenty to see thanks to recent overhauls and openings, including The Museum of Fine Arts’ recent \$450 million expansion and the recently renovated Menil Collection and the brand-new Menil Drawing Institute. — *Lila Harron Battis*”

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# FOOD & WINE

DECEMBER 2018

## 32 PLACES TO GO (AND EAT) IN 2019

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**“2. Houston.** Here’s the thing, Los Angeles—Houston is coming for you. Maybe not today, but soon. The cooking here comes from everywhere, and it feels like everything is so close to hand, unlike in too many other American cities, where you’re often too far from the food we want to eat now. In Houston, the whole world is next door, from Hugo Ortega working high-end Oaxacan magic at a Marriott to of course Justin Yu (Theodore Rex), then there are all those new food halls, there is hometown gal Beyonce’s favorite restaurant, and one of America’s finest classic cafeterias, now better than ever—seriously, we’d look away, but we’re afraid we’re going to miss something.”

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NOVEMBER 2018

## SKIP THE FANCY RESTAURANT AND TRY A FOOD HALL ON YOUR NEXT BUSINESS TRIP

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“Food halls are the promised land for intrepid as well as indecisive diners. For the business traveler, food hall dining is a boon. Meals are typically affordable and you never know who you’ll connect with at a communal table. Food halls are also a great way to get a taste of a new city when you don’t have much time to explore. Prime locations offer a “balance between a place with foot traffic and a destination.” 2019 may be the year that food halls reach critical mass. Scheduled openings include: Houston: Bravery Chef Hall, Finn Hall, Lyric Market, and Understory”

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# FOOD & WINE

NOVEMBER 2018

## HOUSTON IS EXTREMELY INTO FOOD HALLS RIGHT NOW. THERE’S ONE NOW, FOUR MORE ON THE WAY, AND THEY’RE ALL DOWNTOWN

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“At the prominent corner of Main and Rusk Streets in the heart of downtown Houston is the striking piece of architecture initially christened the Gulf Building, the 37-story tower has now stood for nearly a century. Today, at the foot of the Building is the widely anticipated Finn Hall, an attractive 20,000-SF venue with ten Houston vendors, two bars, and lots of very hungry (and thirsty) people. Finn Hall joins the pioneering Conservatory, which opened in 2016 and today serves up everything from very good pho to very good tres leches cakes. Both halls will be competing even harder for foot traffic, soon enough—coming shortly will be the 9,000-SF Bravery Chef Hall, an upmarket spot, and in the theater district, the 31,000-SF Lyric Market, envisioned as a future major tourist attraction. Also look for Understory, an even larger complex within the 35,000-SF atrium.

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OCTOBER 2018

## INSIDE HOUSTON’S NEW \$88 MILLION SHOWCASE SCHOOL

### How HSPVA’s New Downtown Campus is Designed to Bring the Arts Together — and Be Flash Mob Friendly

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“HISD has set the stage for the students of the Kinder High School for Performing and Visual Arts with the school’s expansive new campus set to open in January. The sleek, innovative and minimalist campus comes in at 168,000-SF, more than double the size of the existing high school in Montrose. This education and performance space, designed by Gensler, will steal the scene. Think an \$88.3-million project to fund the building of five performance spaces, gallery space for studio art students, dance studios, a recording studio, a ceramics studio, sound-proofed practice rooms, a print-making lab, a creative writing wing and more all made possible by HSPVA Friends \$10 million capital campaign and The Kinder Foundation’s lead gift of \$7.5 million.”

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OCTOBER 2018

**ARCHITECTURAL ICON IN DOWNTOWN HOUSTON GETTING A \$20M UPDATE**

“Formerly hidden space is being revealed, reconfigured and repurposed as part of a two-phase project to reactivate one of downtown Houston’s iconic skyscrapers. The estimated \$20 million project at the 1983 postmodern Bank of America Center tower located at 700 Louisiana St. that rises 56 stories and features a spire-tipped, stepped-back profile executed in Swedish red granite, will add 35,000-SF to the already 1.25 million-SF property. Designed 35 years ago by Philip Johnson and John Burgee of Johnson/Burgee Architects, Phase I of the redo, now underway, has added windows on three sides, opening up a two-story space previously encased within a windowless section of the building’s base, giving the building “more life and a more friendly pedestrian experience.” Phase II, which could begin in December 2019 following Bank of America’s departure, will float two-plus new levels of office space at the mezzanine level reached by a glass-enclosed elevator and stairs within the building’s banking hall, which soars 125 feet and stretches past a phalanx of 30 teller stations. Lobby-level tenant amenities are part of the remix and might take the form of an open-seating coffee kiosk-style operation and a possible conference center.”



OCTOBER 2018

**HOUSTON’S MENIL COLLECTION WILL OPEN A NEW DRAWING INSTITUTE IN NOVEMBER**

“The new institute—and a major renovation—highlights the eclectic tastes and social activism of its patrons Dominique and John de Menil. Houston’s Menil Collection possesses a total of 17,000 paintings, drawings, sculptures, objects and prints. Built on the collection amassed over several decades by the museum’s founder, oil heiress Dominique de Menil, and her husband, John de Menil, the museum’s holdings range from Mayan ceramics to medieval reliquaries to Magritte paintings. There’s a reason the de Menils have been called the Medicis of modern art. Though, the Menil buildings did not flood during Hurricane Harvey, the institute architects installed a state-of-the-art anti-flooding system.”



JULY 2018

**THE MOST BEAUTIFUL BUILDING IN EVERY US STATE, ACCORDING TO PEOPLE WHO LIVE THERE**

“Here are the most beautiful buildings in every US state: Texas — The Bank of America Center in Houston. Honorable mentions: Pennzoil Place in Houston... When a city builds a library, train station, school, or museum that adds to the streetscape, it can transform a neighborhood and increase the emotional well-being of residents. We asked readers to name the one architectural masterpiece they adore in their state. Responses ranged from a cliffside church to a famous lighthouse.”



**Please contact Central Houston or the District with any questions you may have:**

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