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Q1 2024 QUARTERLY REPORT

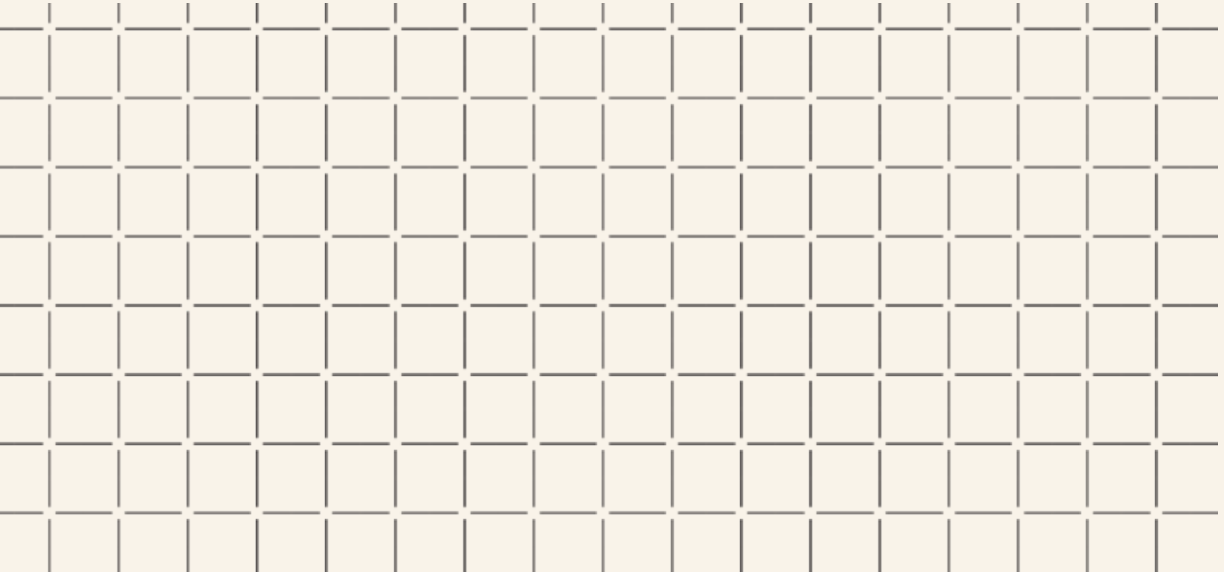
# ON SOLID GROUND



**DOWNTOWN  
HOUSTON+**

# CONTENTS

Letter from Our CEO	4		
Q1 Highlights	5		
Development Pipeline Map	6		
Top Stories of Q1	8	Only in Downtown	16
The Downtown Pulse	10	Doing Business Downtown	22
		Living Downtown	26
		Looking Ahead	30
		Appendix	32



# LETTER FROM OUR CEO

# Q1 2024 HIGHLIGHTS



Dear readers,

As we embrace a new spring, it is my honor to extend warm greetings and share the latest strides in the development and vitality of Downtown Houston. This third edition of these relaunched reports includes an overview of the pipeline and performance of long-term investments that fuel and transform our city. It also includes details about the critical spaces between the real estate – the parks and public realm – that provide opportunities for social connection, relaxation, and celebration. We're committed to producing these reports because we endeavor to provide the community with timely, trusted information about Downtown.

Amidst the first quarter's wide array of initiatives and events, many of which are detailed in this report, I am delighted to highlight a few noteworthy investments that enriched our community. Given the onset of the spring season, it was only natural to demonstrate our commitment to beautification and greenery by planting 5,200 tulips, transforming our urban landscapes into a photogenic panorama of colors.

The historic district was awash with cultural fervor during our debut Lunar New Year festival on Feb. 10 which captivated thousands of visitors and locals alike. This celebration not only highlighted the rich diversity of our community but also underscored our dedication to fostering inclusivity and cultural

exchange. Moreover, the eventgoers patronized our food and beverage businesses, delivering economic joy for many area stakeholders.

On the sporting front, the electric atmosphere of Opening Day for the hometown Astros reverberated throughout Downtown, uniting fans in a shared display of enthusiasm for the new season. The resilience and unwavering support of the beloved Astros exemplifies the bounce-back spirit of our city, as over a half-million visitors came to Downtown during the team's opening weekend March 28-31.

As a now-evergreen topic in cities, our office recovery rates have climbed to an encouraging 68% return-to-office. This resurgence not only reflects the tenacity of our business community but also underscores the enduring appeal of Downtown as a wraparound destination for more than just work – there's loads of fun here, too.

As we embark on the year ahead, let us continue to collaborate and innovate, nurturing a dynamic environment where prosperity and progress converge. Together, we can cultivate a Downtown bursting with possibilities and ensure that the heart of Houston beats with resilience, vitality, and boundless opportunity.

We hope you find this edition a valuable and trusted resource.

Sincerely,

**Kristopher Larson, AICP, LPM**  
**President & CEO**

**Elev8, Office-to-Residential Conversion: Winner of the 2024 CoStar Impact Award for Redevelopment of the Year in Houston**



273

HOUSING UNITS DELIVERED



27%

INCREASE IN VISITS FROM THE START TO THE END OF Q1



95.7%

HOTEL OCCUPANCY DURING THE NCAA FOOTBALL CHAMPIONSHIP

**73% of Market Square Park's Lunar New Year Attendees Dined Downtown and Spent an Average of \$94 Per Group**



73%



\$94

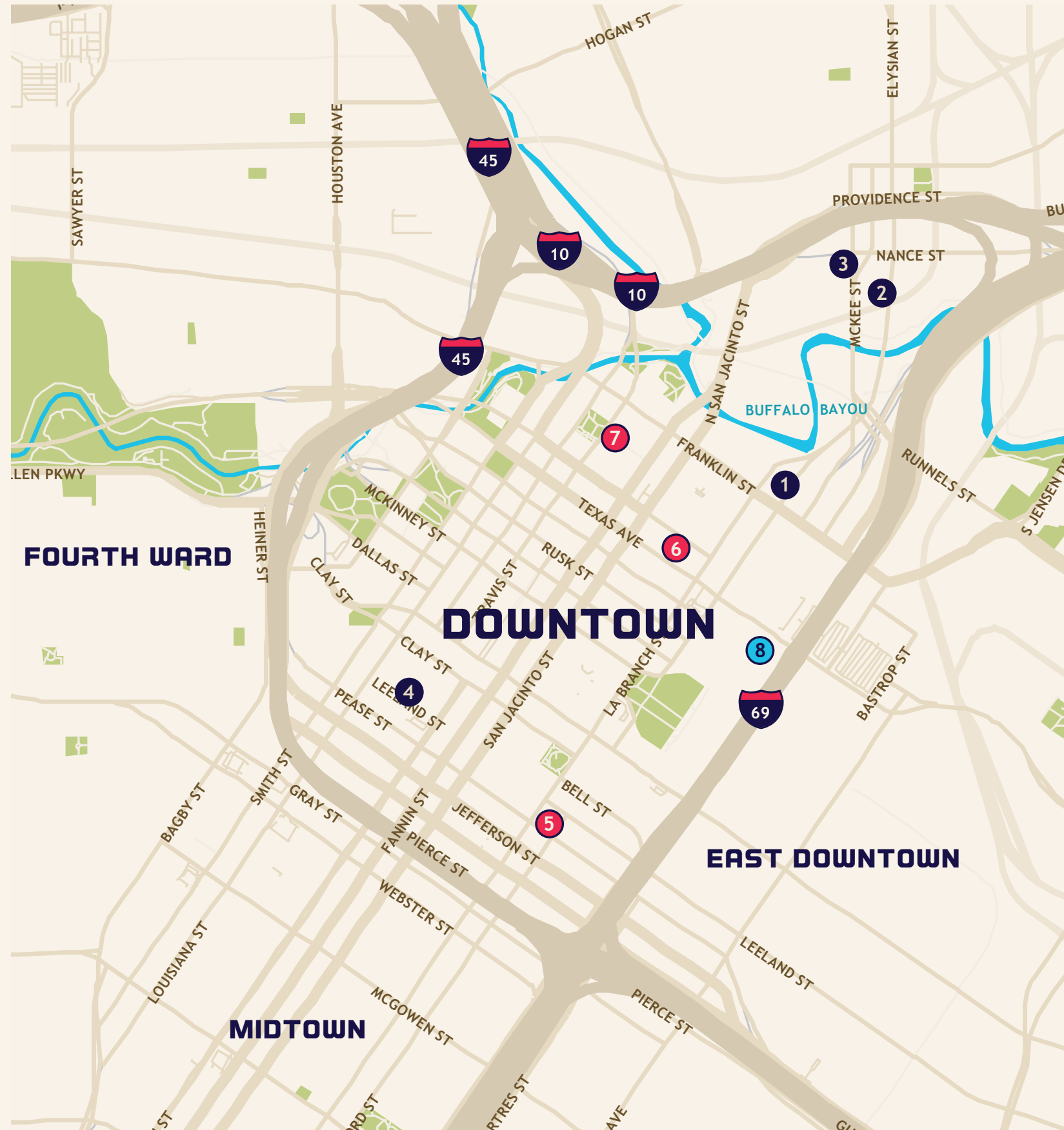
# DEVELOPMENT PIPELINE MAP

**KEY** ● Residential ● Hospitality ● Mixed-Use

	NAME	DEVELOPER	ADDRESS	BUILDING STATUS	EST. DELIVERY	RENTABLE BUILDING AREA	# OF UNITS	# OF STORIES
1	Sovereign at the Ballpark	Sovereign Properties	101 Crawford St	Under Construction	-	193,000	229	6
2	Muse (Warehouse District Phase II)	Urban Genesis	850 McKee St	Under Construction	June 2024	-	31	-
3	Icon (Warehouse District Phase III)	Urban Genesis	1702 Nance St	Under Construction	September 2024	-	184	-
4	800 Bell	Carnegie Management Inc	800 Bell St	Proposed	-	1,200,000	400	45
5	Home2 Suites and Tru by Hilton Houston Downtown	PA Hospitality	1540 Leeland St	Under Construction	Late 2025	123,000	221	9
6	Holiday Inn Express and Staybridge Suites Houston TX	Neway Hospitality	1319 Texas St	Under Construction	Late 2025	-	275	17
7	Ascend Collection Houston	Choice Hotels	402 Main St	Proposed	2025	50,250	67	10
8	Astros Entertainment District	Hines	-	Proposed	-	60,000	300	17



PHASE I OF THE WAREHOUSE DISTRICT DELIVERED IN Q1 2024. PHASE II AND PHASE III ARE SCHEDULED TO DELIVER IN 2024, ALTOGETHER BRINGING NEARLY 500 ADDITIONAL UNITS TO THE DOWNTOWN NEIGHBORHOOD.



# TOP STORIES OF Q1



## + NCAA MEN'S COLLEGE FOOTBALL CHAMPIONSHIP

Organizers estimated a \$200 million lift to our local economy as more than 100,000 fans brought school spirit and spending power to the NCAA Men's College Football championship on Jan. 8, 2024. Playoff Fan Central kicked off Jan. 5 at the George R. Brown Convention Center and three days of free concerts rocked Shell Energy Stadium. The Harris County-Houston Sports Authority pursued College Football Playoff host city status for seven years before being selected and aced its debut as Houston earned raves for its hospitality. Executive Director of the College Football Playoffs, Bill Hancock told NPR Radio, "The friendliness of the people here is remarkable. Houston has a small-town spirit that carries over to the big city...You all should be really proud of that." The Sports Authority and College Football Foundation also partnered with local nonprofit Good Reason Houston to raise \$3 million for Houston-area teachers in 28 community school districts.



## + CERAWEEK 2024

Between March 10-14, CERAWEEK 2024 took place in Downtown Houston at the George R. Brown Convention Center. A convention for the multifaceted energy sector, this global event convened energy leaders, policymakers, and tech innovators to discuss the road map for transition, geopolitical influences, market changes, and technological advancements. The international draw of the event reinforced Downtown's identity as the Energy Capital and provided a platform for sharing strategies and perspectives on navigating the complexities of a multidimensional energy future. Panelist Bill Gates, whose Breakthrough Energy fund is betting big on energy transition investments, predicted Houston will become "The Silicon Valley of energy."

**Panelist Bill Gates, whose Breakthrough Energy fund is betting big on energy transition investments, predicted Houston will become "The Silicon Valley of energy."**



## + BIG ART. BIGGER CHANGE. MURAL EXPANSION

During the first quarter, the Big Art. Bigger Change. initiative saw significant growth, further enhancing Downtown's visual landscape through public art. In partnership with Harris County Precinct 1 and Street Art for Mankind, phase three of the project concluded successfully. The expansion welcomed nine new major works, increasing the total number of murals in the open-air gallery to 44. These murals showcase a diverse array of artistic styles and perspectives, and the works of art were completed by both local and internationally recognized artists. Notably, they also align with and represent all seventeen United Nations Sustainable Development goals.



## + DOWNTOWN CELEBRATES LUNAR NEW YEAR

In February, DTH+ celebrated its inaugural Lunar New Year Festival & Night Market at Market Square Park. The joyous gathering featured 30 food and art vendors. Live performances included traditional lion and dragon dances presented by Lee's Golden Dragon and Unity Lion and Dragon Dance Troupe. To enhance the festive spirit, the first 250 attendees received complimentary red envelopes filled with discounts from over 15 neighborhood businesses. All 150 lantern kits available for purchase swiftly sold out, and attendees decorated and displayed their creations in the park's trees which added to the evening's enchanting ambiance. This event not only celebrated cultural diversity but also fostered connections between local businesses and the community. It serves as a testament to the power of partnership, activating the public realm in concert with private business to enrich the fabric of Downtown.

# THE DOWNTOWN PULSE



## + Upshot

Spring arrived in Downtown Houston during Q1. As Discovery Green's ice rink transformed into a roller rink, over 5,000 colorful blooms popped up along sidewalks and parks. Over 270 events in Downtown parks took place in neighborhood parks, courtesy of Discovery Green and Downtown Houston+ spring programming series, ensuring a special experience for all who live and visit Downtown.

New food and beverage businesses sprouted alongside cultural celebrations big and small. From Lunar New Year and Black History Month to St. Patrick's Day and Martin Luther King Jr. Day, Downtown buzzed with activity on a daily basis, marking a season of growth, color, and community spirit.

8.8<sub>M</sub>

VISITS IN Q1 2024

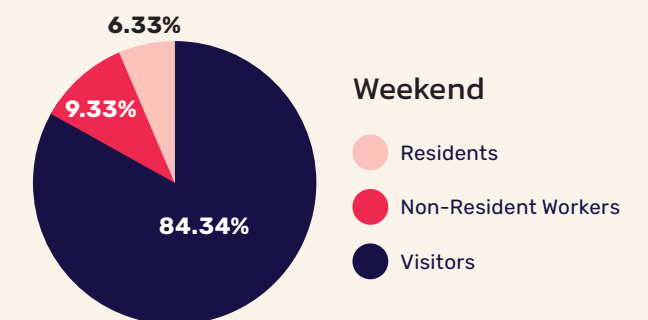
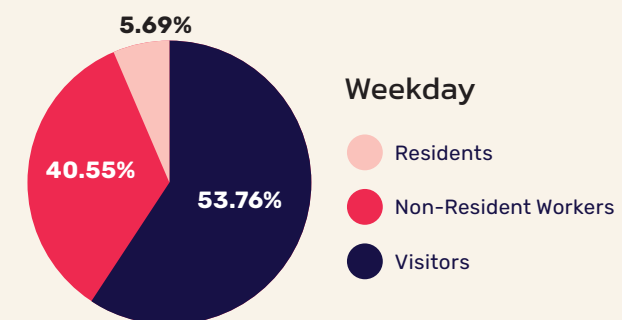
3.4<sub>M</sub>

UNIQUE VISITORS IN Q1 2024

141<sub>MINS</sub>

MEDIAN VISITOR'S LENGTH OF STAY DOWNTOWN

### Average Daily Population



Source: Placer.ai



## DOWNTOWN STOREFRONTS

In February, Houston celebrated Black History Month across Downtown, from Avenida Houston's bustling festival to the Rocket's HBCU Night at Toyota Center. But the celebration extended beyond major events and into Black-owned Downtown restaurants, cafes, bars, and art spaces. No matter the day or month, Houstonians have countless opportunities to dine, sip, and shop at Black-owned businesses, especially along Main Street, home to Downtown's highest concentration of Black-owned businesses.

### Featured Black-Owned Businesses

- |   |  |
|---|--|
| <b>+ BLCK Market</b><br>1201 Main Street          | <b>+ Lucy Pearl's Sweets</b><br>POST     |
| <b>+ Day Six Coffee</b><br>910 Prairie            | <b>+ Bungalow</b><br>407 Main            |
| <b>+ Bisong Art Gallery</b><br>1305 Sterrett      | <b>+ Carol Kay's Coffee</b><br>Finn Hall |
| <b>+ Cupcake and a Smile</b><br>815 Walker Tunnel | <b>+ The Smoke</b><br>Finn Hall          |
| <b>+ Chop n Blok</b><br>POST                      | <b>+ Taste Kitchen + Bar</b><br>420 Main |
| <b>+ Swallow's Nest</b><br>Finn Hall              | <b>+ Craft Burger</b><br>Finn Hall       |
| <b>+ Three Keys Coffee Bar</b><br>Finn Hall       | <b>+ Off the Record</b><br>416 Main      |
| <b>+ Cru Lounge</b><br>311 Travis                 | <b>+ Jolie Houston</b><br>506 Main       |
| <b>+ Pur Noire</b><br>802 Milam                   |  |



86.8%

MAIN STREET  
RETAIL OCCUPANCY



83.3%

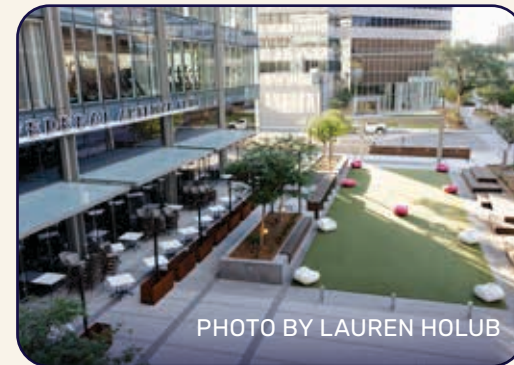
STREET-LEVEL  
RETAIL OCCUPANCY



73.3%

TUNNEL RETAIL  
OCCUPANCY

Source: Downtown Houston+



### New Openings

- + Federal American Grill**  
1221 McKinney Street
- + Victory**  
711 Main St, Suite 100
- + Jolie**  
506 Main St

## CLEAN & GREEN

The greening of Downtown Houston stems from visionary urban planning initiatives, pivoting from a concrete jungle to more sustainable streetscapes, the expansion of parks, and the modernization of building technologies. Rooted in the 2004 Downtown Development Framework, the City prioritized green spaces to combat urban heat island effects and enhance livability. Investments in parks like Discovery Green and Buffalo Bayou Park catalyzed this evolution, fostering community engagement and economic revitalization. Collaborative efforts between public and private sectors, alongside environmental advocacy groups, continue to nurture this green ethos. Maintaining this vibrancy requires ongoing commitment to conservation, urban forestry, and green infrastructure. The array of ways Downtown Houston has embraced urban sustainability reinforces the power of collective environmental stewardship.



5200

TULIPS PLANTED  
DOWNTOWN IN Q1 2024



53

TREES IN MARKET SQUARE PARK



73

TREES IN TREBLY PARK



270

OF PARK EVENTS  
(MARKET SQUARE PARK,  
TREBLY, & DISCOVERY GREEN)

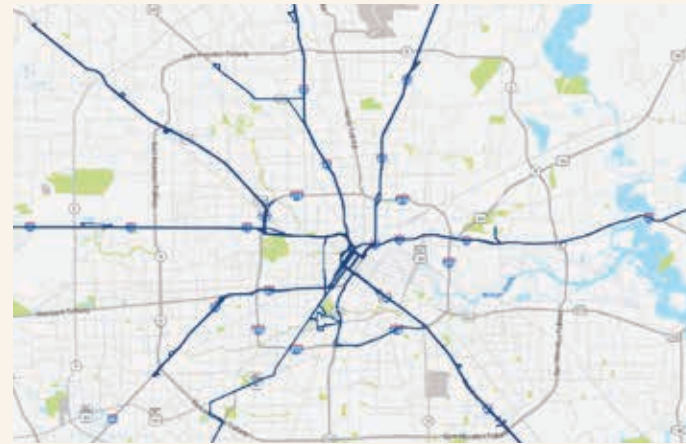
Source: Downtown Houston+



## GETTING AROUND

Though Houston has a reputation as a sprawling metro, Downtown's multi-modal infrastructure reaches beyond the Inner Loop to provide people with options to get in and around the heart of the city. Services including METRO's Park & Ride, The Woodlands Expresss Park & Ride, and the new Fort Bend County's Park & Ride offer a convenient alternative to traffic woes and provide a low-carbon footprint option for commuters. With over 80% of METRO's Park & Ride options stopping in Downtown, commuters can cut down on parking costs and utilize commute time for productivity, entertainment, or rest. METRO's buses feature free Wi-Fi, personal overhead lights for reading, USB and electrical outlets for each seat, overhead storage bins, and compartments below the floor for larger items such as bikes or luggage.

### 80% of Park & Ride Options in Houston Head Downtown



P&R ROUTE TO DOWNTOWN



199

METRO BUS STOPS IN DOWNTOWN



16

METRO LIGHTRAIL STOPS DOWNTOWN



~15%

OF METRO BUS ROUTES RUN THROUGH DOWNTOWN

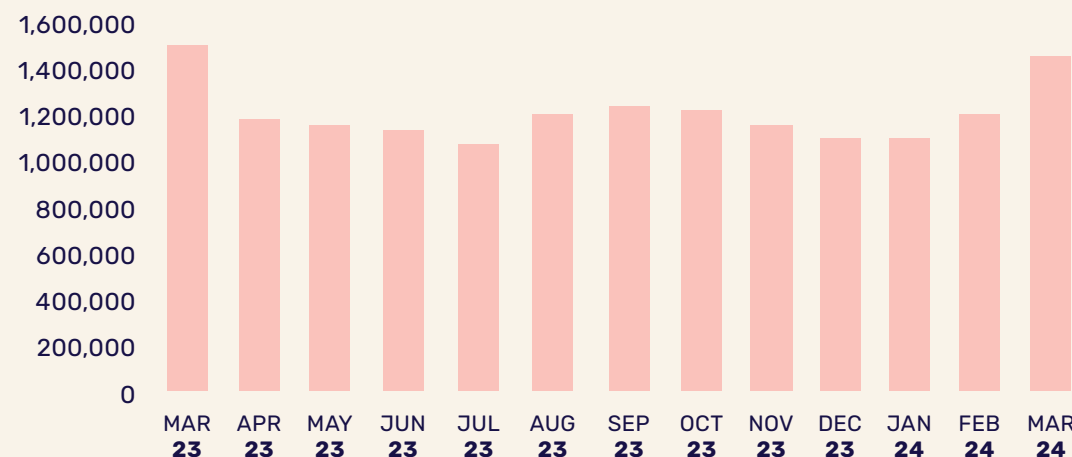


16

METRO BUS ROUTES RUN THROUGH DOWNTOWN

### Monthly METRO Rail Ridership

Source: METRO Ridership Reports



## UNCOVERING DOWNTOWN: LUNAR NEW YEAR

In February, Market Square Park came alive through the vibrant color and joyous spirit of the inaugural Lunar New Year celebration, a momentous occasion aimed at honoring and embracing Houston's Asian American communities. Drawing an impressive turnout of over 5,200 individuals, the event became a testament to the power of unity and inclusivity. Among the attendees, who arrived in groups averaging 3.37, a striking 73% took the opportunity to explore the culinary delights of Downtown, patronizing food and beverage establishments before or after the festivities with an average group expenditure of \$94. Equally noteworthy was the

conscious effort towards sustainability, as 24% of attendees opted for eco-friendly transportation options such as walking, biking, or utilizing public transit and ridesharing services. The ripple effects of the Lunar New Year celebration were felt beyond Market Square Park, as neighboring establishments like Bravery Chef Hall reported a remarkable 75% surge in sales compared to a typical Saturday. This underscores the synergistic relationship between community events and local businesses, demonstrating how cultural festivities can catalyze economic growth and vitality in Downtown.



\$94

AVERAGE AMOUNT SPENT PER GROUP IN DOWNTOWN



4.5%

Q1 2024 SAW A 4.5% INCREASE IN LIGHT RAIL RIDERSHIP COMPARED TO Q1 2023



73%

OF ATTENDEES WENT TO A DOWNTOWN FOOD & BEVERAGE ESTABLISHMENT



75%

PARTNERSHIPS PAY OFF! BRAVERY (CHEF) HALL, WHO PARTNERED WITH DTH+ ON LUNAR NEW YEAR PROMOTIONS, REPORTED A 75% INCREASE IN SALES WHEN COMPARED TO THEIR TYPICAL SATURDAY



5200

ATTENDEES

Source: Downtown Houston+



3.37

AVERAGE GROUP SIZE





# ONLY IN DOWNTOWN



## + Upshot



Downtown Houston's robust calendar of events in Q1 proved to be a boon for hotels, translating into a surge of overnight stays on the days the events occurred and an improvement to occupancy overall. The NCAA Football Championship had the highest performing weekend with 95.7% occupancy across all of Downtown's hotels. Overall, Q1 saw sporting events as the most consistent top draw for Downtown visitors, though the Theater District's simultaneous performances around March 10 proved to be the most popular moment of the quarter.

The consistent increase in hotel demand is not only reflected in rising occupancy rates but also in the ongoing construction of two new downtown hotels and one other proposed. With the event scene thriving and hospitality options expanding, Downtown is solidifying its position as a must-stay destination.

### Hotel Inventory and Pipeline



### Q1 Hotel Insights

	Q1 2024	QoQ
RevPAR	\$147.80	+10.0%
Occupancy	61.7%	+1.1%

Source: CoStar, Houston First

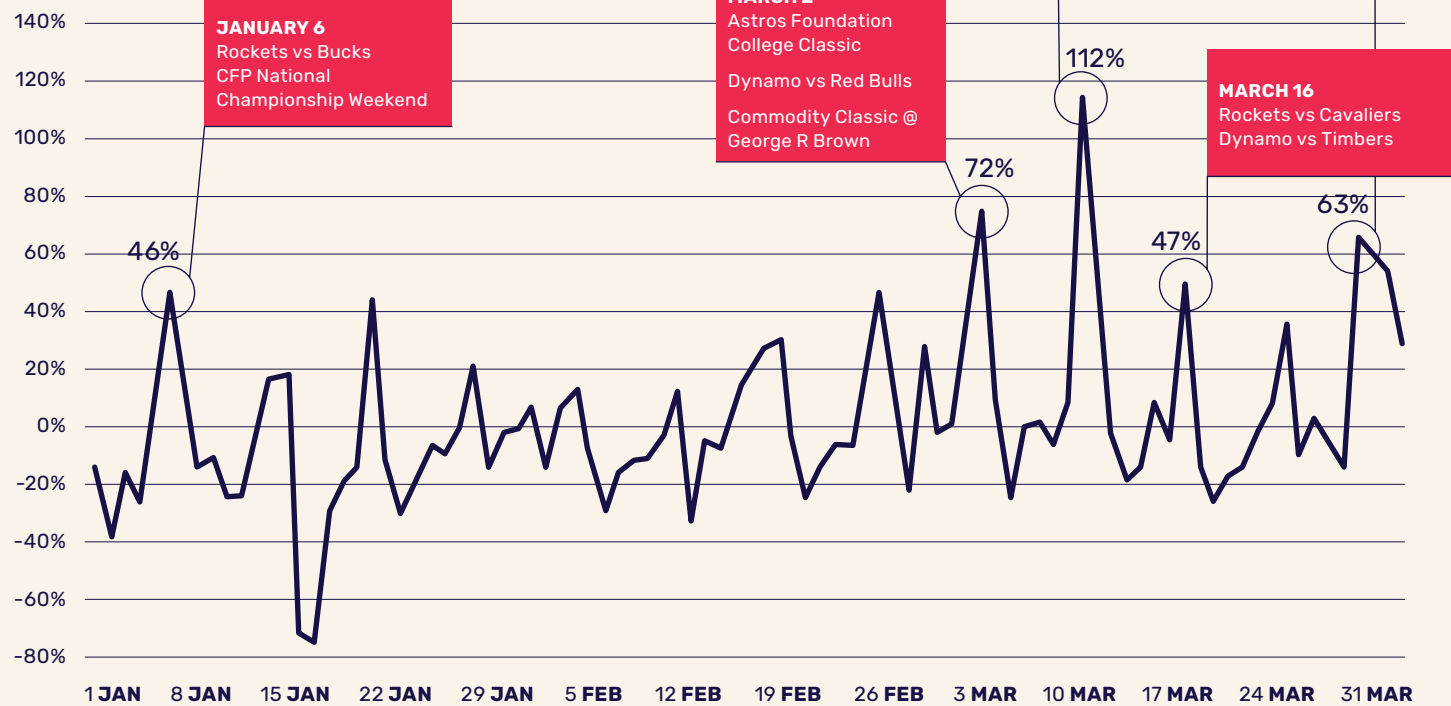
**On the day of the College Football Championship, the CBD saw ADR and Occupancy at \$452 and 95.7%, respectively.**

# OUTSIZED IMPACT

Downtown Houston started off 2024 with a slow buzz, averaging around 86,000 visits a day in January. As the weather warmed up, so did activity, with the daily average reaching 109,000 visits by March. The most outstanding weekend for Downtown was at the end of March with the Astros' season-opening series against the Yankees. Over the course of the weekend, Downtown welcomed a whopping half-million visitors, injecting a huge dose of energy into downtown.

- MARCH 9**  
Savannah Bananas Exhibition Baseball Game (Minute Maid Park)  
Beetlejuice (Hobby Center)  
Alvin Ailey American Dance Theater (Jones Hall)  
The Nerd (Alley Theatre)  
Charlotte Sands (House of Blues)  
Drunk Shakespeare (Emerald Theatre)  
Houston Ballet (Wortham Theater Center)
- MARCH 28**  
Houston Astros' Opening Day vs Yankees

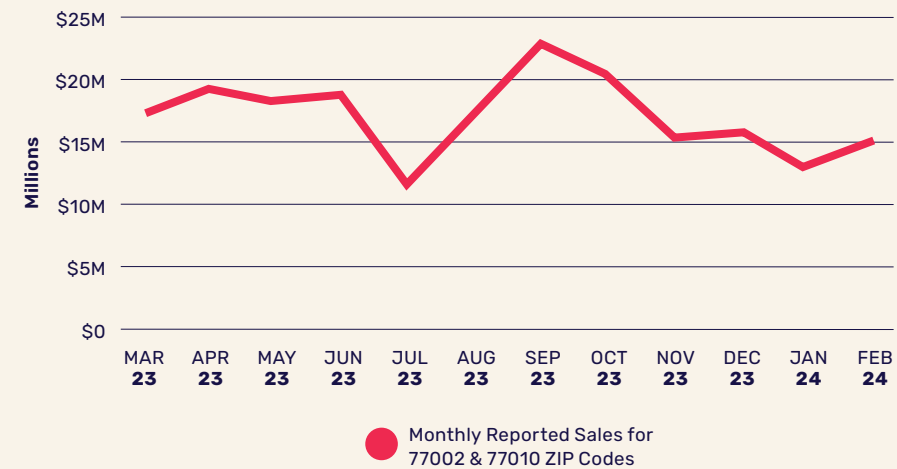
## Q1 Downtown Destinations' Visits & Impact



Percentage Change From Baseline Average | Source: Placer.ai



## 2024 Downtown Alcoholic Beverage Spending



Monthly Reported Sales for 77002 & 77010 ZIP Codes

Source: Texas Bar Tab

# 7.6%

OF DOWNTOWN ALCOHOL SALES OVER THE LAST YEAR OCCURRED AT TOYOTA CENTER

## HOUSTON FIRST PUBLISHES EARLY FINDINGS ON TOURISM IN 2023

In Q1, Houston First released a series of findings related to the performance of tourism in Houston throughout 2023. Highlights from these early-2024 findings demonstrate Houston's tourism is up year-over-year, and the city's draw continues to span domestic and international visitors.

With 44% of the 610 Loop's hotels located in Downtown, these findings contextualize the uptick in hotel visitation documented quarter-over-quarter. To learn more about Houston First's 2023 findings and other relevant regional data, visit [houstonfirst.com](https://houstonfirst.com).



Source: Houston Public Media



60<sub>M</sub>

MORE THAN 60 MILLION PEOPLE TRAVELED THROUGH GEORGE BUSH INTERCONTINENTAL AND HOUSTON HOBBY AIRPORTS IN 2023



6<sub>M</sub>

AN INCREASE OF 6 MILLION PASSENGERS FROM 2022



23<sub>M</sub>

OVER 23 MILLION HOTEL ROOMS WERE BOOKED IN HOUSTON IN 2023, UP 5% FROM THE PREVIOUS YEAR

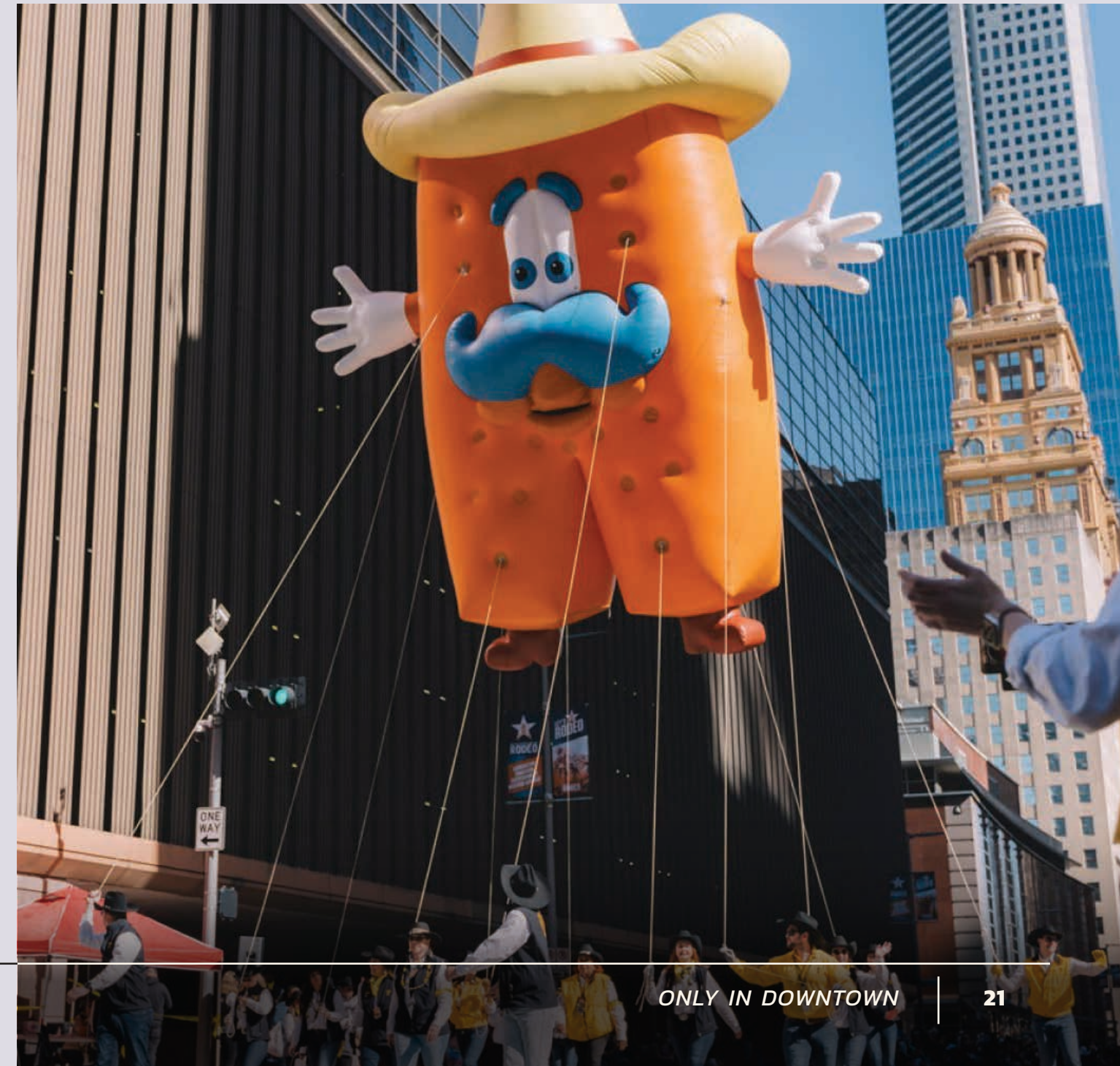
Source: Houston Public Media

Source: Houston First

## DEEP DIVE: DOWNTOWN AND NRG CELEBRATE TOGETHER

The first quarter of 2024 brought signature events to Downtown Houston, yet the constant hum of activity underpinning these events was due in large part to the the strong connection between Downtown Houston and NRG Park. The Jan. 8 NCAA Football Championship at NRG Stadium was anchored by Downtown as evidenced by packed hotels, sidewalks painted with footballs guiding fans towards key destinations, and championship-themed decorations adorning the Downtown landscape. The connection was further fueled by

NCAA-themed concerts at Shell Energy Stadium and the Taste of the Championship culinary event at Minute Maid Park. This synergy continued with Houston's beloved RodeoHouston, which ran from Feb. 27 through Mar. 17 at NRG Park. The annual event draws visitors from across the region to Downtown for the complementary Rodeo Parade and Go Texan Day festivities. Additionally, the light rail stations on Main Street allow Rodeo-goers a cost- and commute-conscious transportation option to NRG Park.



# DOING BUSINESS DOWNTOWN



+ Upshot

After years of economic turbulence, Q1 2024 marked a turning point for Downtown Houston's office market and ushered in a period of stabilization. This resurgence speaks volumes about Downtown's enduring strengths. Our state-of-the-art office towers offer unparalleled amenities and functionality, attracting businesses of all sizes and supporting the renewal of leases. Downtown's growing reputation as the national hub for groundbreaking energy transition efforts is proving to be a significant draw, solidifying its position as a premier location for forward-thinking companies.

21

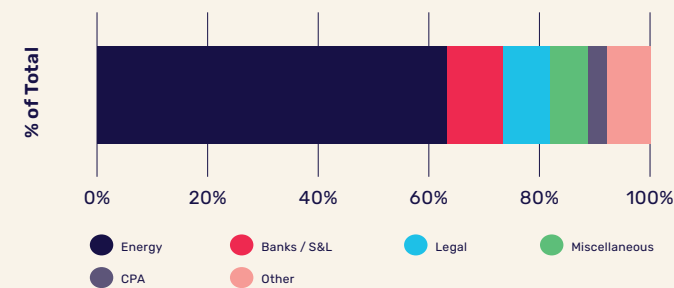
OUT OF THE 25 DIRECT LEASES SIGNED IN Q1 2024 WERE NEW MOVE-INS

1.5k

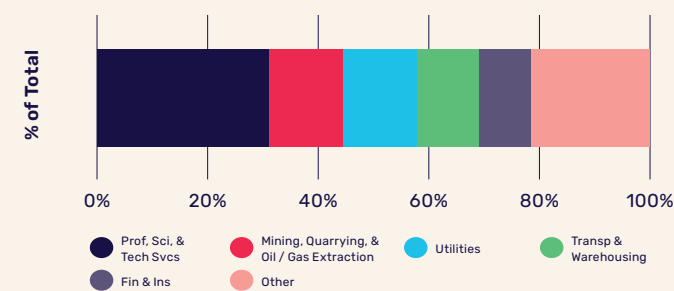
ON AVERAGE, NEW LEASES SIGNED WERE APPROXIMATELY 1,500 SQUARE FEET LARGER THAN RENEWALS.

Source: CoStar

## 1979 Industry Composition



## 2024 Industry Composition



Source: CoStar (Tenancy of 4-5 Star buildings)

## Q1 Office Insights

	Q1 2024	QoQ	YoY
Downtown Market Asking Rent PSF (Annual)	\$35.91	0.1%	-1.8%
Downtown Class A Market Asking Rent PSF (Annual)	\$39.43	0.0%	-1.8%
Overall Vacancy	24.0%	0.4%	0.8%
SF Leased	248,580	-16.7%	-58.1%

Source: CoStar

## ALL ABOUT AMENITIES

In today's hybrid work environment, competitive internal amenities are a key differentiator for attracting and retaining employees. Buildings with fitness centers, on-site cafes, or outdoor relaxation areas can offer a significant advantage. These amenities enhance the work experience and make the office a destination employees look forward to visiting. Four years after the pandemic, return-to-work policies have been tested, and properties across Downtown Houston are seeing the difference amenities make in attracting tenants.

### 148,000 Office Employees Downtown

It is estimated that ~47% of jobs in Downtown Houston can be done from home, representing ~70,000 jobs.

Source: mySidewalk (2020 LODS Data) Center City District

**Since mid-February, we have seen a noticeable uptick in office occupancies across our portfolio. Tenants are utilizing fitness centers, conference centers and dining amenities at high levels and they are seeking more parking. All of the amenities listed are important to attract tenants and we are seeing strong demand for move-in ready suites."**

Travis Overall, Executive Vice President, Texas Region Head, Brookfield Properties



# 68%

Q1 2024 EMPLOYEE RECOVERY COMPARED TO Q1 2019

Source: Placer.ai

**Virtually all of our office occupiers are demanding significant amenities such as conference centers, fitness centers, flexible workspaces, greenspace, and dining options. What is truly differentiating and meaningful to our tenants is the way that we activate our amenity offerings. Experiences like pop-up markets and art installations are well attended and keep our amenity spaces dynamic and fresh. Additionally, providing on-site services such as fitness classes, health and wellness events, TSA PreCheck enrollments, and professional headshots create convenience and cater to the busy needs of our tenants. Our goal is to provide meaningful experiences in the workplace but also to give valuable time back to employees with hyper-curated offerings. Having amenity spaces is only a starting point; activation and utilization of the spaces is what supercharges occupancy and people's desire to be in office."**

John Mooz, Senior Managing Director, Hines



## DEEP DIVE: ENERGY TRANSITION

Building on its legacy as the global energy capital, Downtown Houston continued to cement its position as the undisputed center of energy transition in Q1. This title was underscored at CERAWEEK, the premier energy conference that convenes international leaders, policymakers, and investors. The event served as a proving ground for Houston's dominance, attracting a surge of energy transition companies.

Downtown offers a unique advantage for these companies: a low-carbon footprint for both work and commutes. With one of the highest concentrations of LEED-certified buildings in the nation (over 64) and unparalleled multimodal transportation options, Downtown empowers employees to truly "walk the talk" on sustainability. Geothermal leader Fervo, headquartered on Main Street, exemplifies this trend. Their recent success - raising \$244 million and securing Department of Energy funding - is just one example of the momentum building in Downtown.

Q1 also witnessed several other notable energy transition developments in Downtown:

- Ørsted established its first Houston office.
- AES Corp.'s office footprint expansion to support their Energy Growth Plans.
- Grid United, a Downtown-based company, announced a partnership with Hitachi Energy to advance US Transmission Grid work.

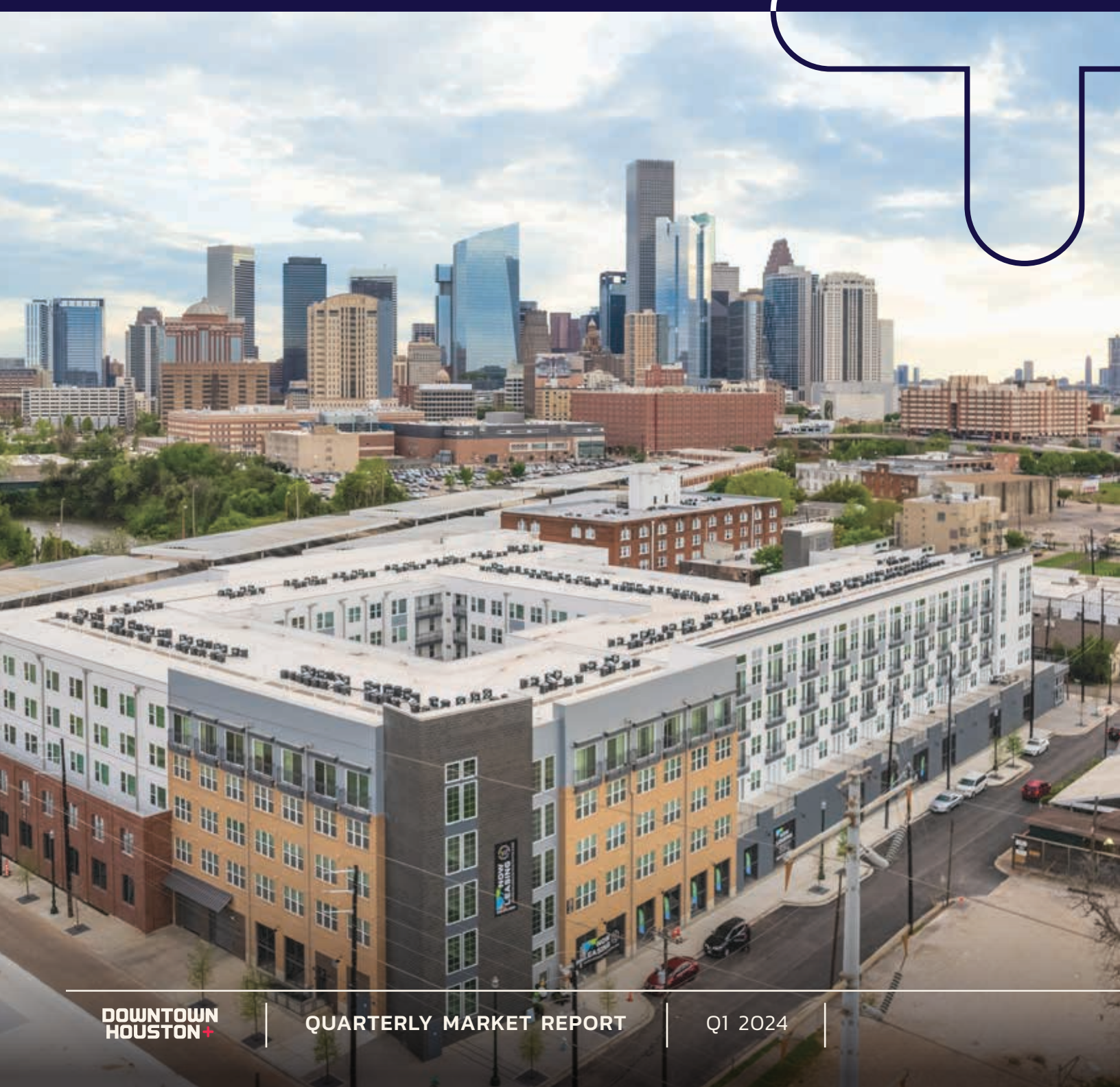
According to Greater Houston Partnership, over 500 energy transition companies now call Houston home. Houston's existing oil and gas workforce and transferable skillsets in subsurface geology, reservoirs, drilling, and more position Downtown for continued leadership in the energy transition. This concentration of top-tier workforce will continue to attract energy transition companies. As stated by Mars Materials CEO, Aaron Fitzgerald, "In Houston we [are] surrounded by one of the highest concentrations of chemical engineers in the world," Fitzgerald said.

**Exclusive: Energy transition breakthroughs will come from the Silicon Valley of energy, Bill Gates says"**

Houston Chronicle, March 22, 2024



# LIVING DOWNTOWN



+ Upshot

Downtown Houston's housing market maintained steady performance this quarter, with year-over-year improvements to the vacancy rate. The exciting arrival of a new workforce housing project in the Warehouse District brings new housing options for current and aspiring Downtowners. With income-aligned options, the project by developers Urban Genesis caters directly to roughly 25% of the downtown workforce, while also offering an attractive option for residents from nearby communities seeking a vibrant downtown lifestyle that is still close to familiar surroundings.

### Elev8 Award

Elev8, the 20-story, 372-unit office to multifamily conversion, won the 2024 CoStar Impact Award for Redevelopment of the Year in Houston

### Residential Insights

	Downtown	Greater Downtown	The Loop
Existing Units	7,999	32,289	130,917
YoY	8.9%	7.5%	2.3%
Under Construction Units	444	2,729	7,722
Monthly Avg Asking Rent	\$2,307	\$1,872	\$1,750
Monthly Avg Asking Rent/SF	\$2.33	\$2.06	\$1.94
QoQ	1.2%	1.1%	1.0%
YoY	-2.3%	-2.4%	1.8%
Vacancy Rate	16.7%	13.4%	9.1%
QoQ	0.5%	2.2%	0.3%
YoY	-0.6%	1.6%	-1.5%
Market Cap Rate	6.30%	6.55%	6.65%
QoQ	0.12%	0.11%	0.19%
YoY	0.73%	0.73%	0.79%

Source: CoStar

7,154 APARTMENTS

Source: CoStar

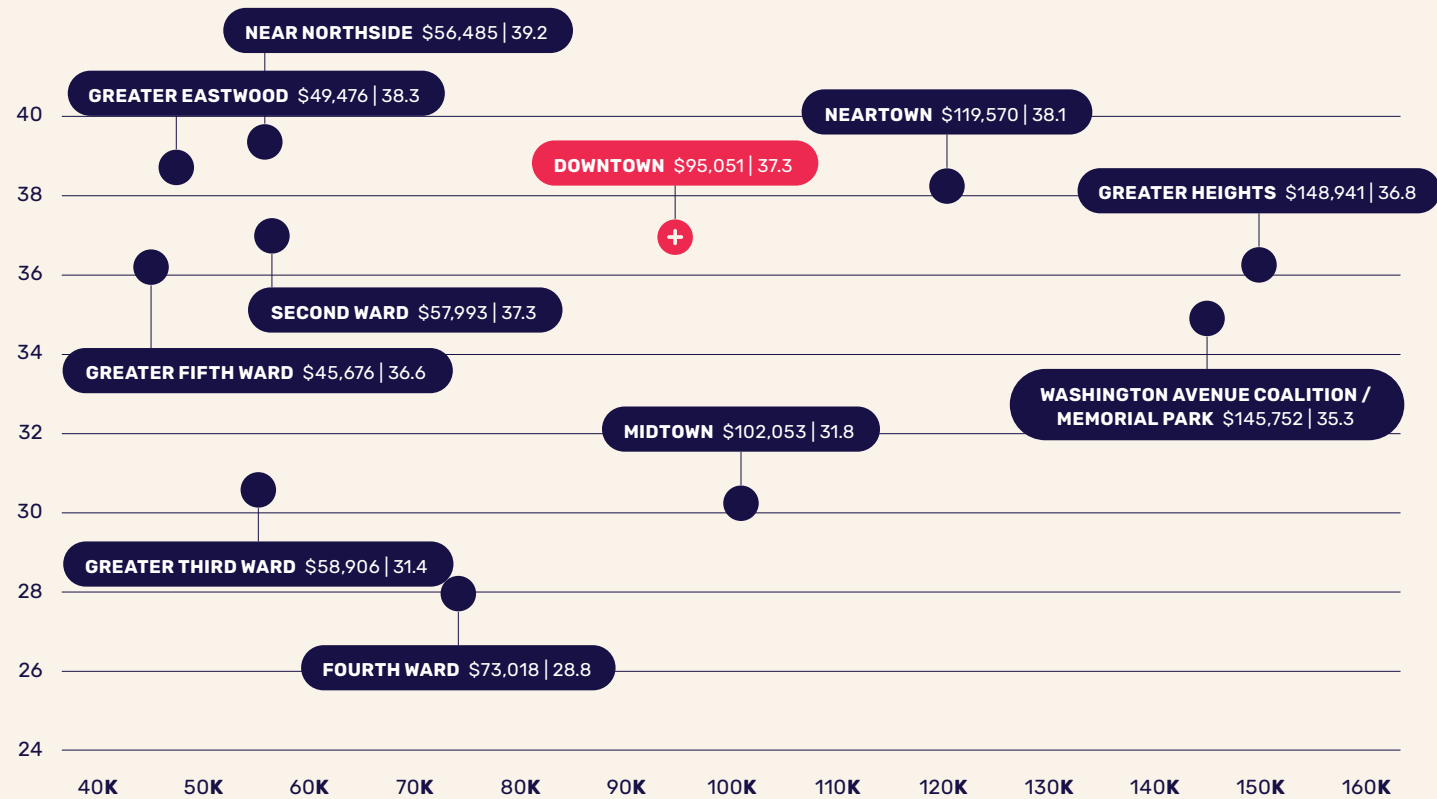
845 CONDOS

## OUR DEMOGRAPHICS

Downtown Houston transcends the typical limitations of a city's urban core. Unlike downtowns known for extreme socioeconomic representation, Houston's Downtown boasts demographics that mirror its surrounding neighborhoods in terms of median age and household income. This blend fosters a vibrant, inclusive community, one that is primed to welcome even more residents. Downtown is poised for significant growth, offering a spectrum of housing options – from luxury high-rises to market-rate apartments and affordable units. With the Downtown Redevelopment Authority considering a resurrection of the successfully transformative Downtown Living Initiative, exciting possibilities lie ahead.



### Central Houston's Demographics



Source: mySidewalk (Census 2018 - 2022)

## DEEP DIVE: UHD STUDENT HOUSING

The University of Houston-Downtown (UHD) unveiled an updated master plan through 2050 for the campus in Q1, a vision that will realize their complete "downtown grid." Taking advantage of a reconstructed freeway, the future campus stands to grow by 2x and extend into the Warehouse District as well as towards the heart of Downtown. The plan prioritizes the development of student housing options, a crucial service currently absent from UHD's offerings.

Intriguing possibilities include partnering with METRO to construct housing atop their storage facility near the proposed North Canal, or utilizing the space above the POST HTX development parking lot for student living.

By providing on-campus housing, UHD aims to reduce reliance on extensive parking infrastructure, freeing up valuable space for new buildings or student amenities. The master plan proposes over 4,000 beds of college-owned or affiliated housing strategically positioned at the campus fringes, neighboring existing private developments and offering easy access to essential services. UHD envisions developing these projects independently or collaborating with external entities.



# 4,000

MASTER PLAN PROPOSES COLLEGE-OWNED AND AFFILIATED STUDENT HOUSING FOR OVER 4,000 STUDENTS

Source: University of Houston-Downtown



# LOOKING AHEAD

## + RETURN OF THE ASTROS



As the Astros' season kicks off, Downtown anticipates more than just thrilling baseball games; the city braces for a significant economic boost. Each season, Minute Maid Park becomes a hub of activity, attracting fans from near and far. The economic impact of these games reverberates throughout the city, from increased foot traffic in local businesses to a surge in tourism and hospitality revenue. In last year's post-season run, Houston saw an average of \$12.5 million in economic impact for each American League Championship Series home game, according to an analysis by Houston First Corp. As they embark on another exciting season, the anticipation is palpable, with projections suggesting a continued uptick in economic activity. From ticket sales to merchandise purchases, the Astros' season represents not only a source of entertainment but also a vital contributor to Downtown's economic vitality.

## + OPENING OF "THE SYLVIE"



The Sylvie, an exquisite French-European dining concept from Berg Hospitality Group, anticipates a summer opening. Positioned at the nexus of Downtown's Theater District and The Historic District, The Sylvie is strategically located within the hospitality-inspired lobby of Texas Tower, an architectural marvel designed by Pelli Clarke & Partners. With seating for 85 guests, The Sylvie will offer an array of menu options, from convenient grab-and-go pastries to expertly crafted dinner entrees. Its whimsical, bistro-styled ambiance, designed by ICRAVE, embodies a timeless elegance. Downtown continues to evolve as a culinary destination and The Sylvie will be a premier venue for business gatherings, pre-show indulgences, and leisurely dining experiences.

## + MORE SPACE: MAIN STREET 2.0



Downtown Houston+ will be advancing the final design and engineering phase of the More Space: Main Street 2.0 project and economic development program. The Downtown Redevelopment Authority / TIRZ#3 (DRA) authorized the expenditures and contract for the next phase on April 9, 2024, and work is slated to begin in May. A central focus of the project is enhanced connectivity, accomplished with the strategic incorporation of the distinct "gateway" element at Commerce Street, bridging Allen's Landing and Main Street. The historic birthplace of the City of Houston and site for public celebrations, this gateway site will build on Allen's Landing's legacy as a beloved gathering space in time for the upcoming FIFA Men's World Cup 2026™.

## + SEARCH HOMELESS SERVICES' 2024 ANNUAL LUNCHEON



SEARCH Homeless Services' 2024 Annual Luncheon honors Downtown Houston+ alongside generous event chairs and Central Houston Board Members, Amy Chronis, Steve Kean, and Jason Wells. Supporting them is a leadership circle largely comprised of current CHI and HDMD Boardmembers, plus CHI's past and current CEOs, Bob Eury and Kristopher Larson. The honor nods to decades of collaboration between SEARCH, CHI, and HDMD, as well as combined daily efforts of our teams working to transition people from the streets into supportive housing. The luncheon at Downtown's Bayou Center will swell our hearts with inspiration. The event also advances SEARCH's work to end the cycle of homelessness by investing in children and giving them a better future. Find out how to join SEARCH and Downtown Houston+ in making a positive impact on our community at [searchhomeless.org](https://searchhomeless.org)



# ABOUT DOWNTOWN HOUSTON+

## DOWNTOWN HOUSTON+

Downtown Houston+ stewards the vision of Downtown as a center of global commerce and local culture and Houston’s heart for opportunity, excitement and joy. Its family of aligned entities – Central Houston Inc., Houston Downtown Management District and Downtown Redevelopment Authority – collectively advance a shared mission to champion and enhance Downtown Houston as a connected and thriving place for everyone. For more information, visit [downtownhouston.org](http://downtownhouston.org).

### CONTRIBUTING STAFF

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*Special thanks to the featured photographers and partners. If you have inquires related to the data and information presented in this report, please contact [cassie.hoeprich@downtownhouston.org](mailto:cassie.hoeprich@downtownhouston.org).*

*To learn more about Downtown Houston+ Clean and Safe services, reach out to [operations@downtownhouston.org](mailto:operations@downtownhouston.org) or visit [downtownhouston.org](http://downtownhouston.org).*



### DOWNTOWN REDEVELOPMENT AUTHORITY BOARD

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Interior Design, Curator Consultant	Regina Garcia	Corporate Gifts
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Director, Development and Infrastructure	William J. Taylor, III	Harris County Precinct 1, Retired
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President & Park Director	Barry Mandel	Discovery Green, Retired

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### CENTRAL HOUSTON INC. / CENTRAL HOUSTON CIVIC IMPROVEMENT INC. BOARD

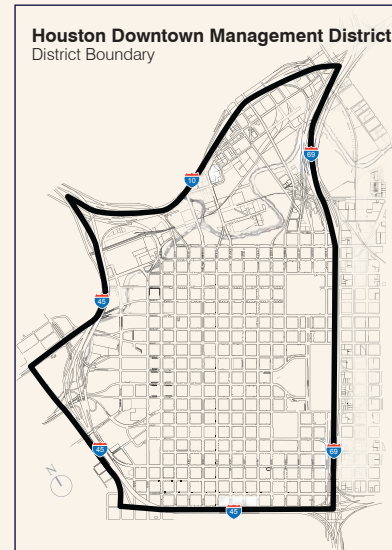
OFFICER	NAME	TITLE/ORGANIZATION
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Director	Michael Heckman	President & CEO/ Houston First Corporation
Director	Wendy Heger	Principal/ Page

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# DATA SOURCES

## CENTRAL HOUSTON INC. / CENTRAL HOUSTON CIVIC IMPROVEMENT INC. BOARD

OFFICER	NAME	TITLE/ORGANIZATION
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Director	John Mooz	Senior Managing Director/ Hines
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Director	Dave Stevenson	SVP/ Amegy Bank of Texas
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### ALL SECTIONS

CoStar  
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Downtown Houston+  
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### THE DOWNTOWN PULSE

METRO Ridership Reports (ridemetro.org)

### ONLY IN DOWNTOWN

Texas Bar Tab (texasbartab.com)  
Discovery Green (discoverygreen.com)  
Houston First Corporation (visithoustontexas.com)

### DOING BUSINESS DOWNTOWN

Greater Houston Partnership  
Center City District (centercityphila.org)

### LIVING DOWNTOWN

mySidewalk (U.S. Census Bureau 2018 - 2022)  
University of Houston-Downtown (uhd.edu)



# EXPLORE

# DOWNTOWN HOUSTON

In the heart of Houston, Downtown is a thriving community of arts, business, culture, entertainment, residences and recreation.

Filled with “hidden gem” moments, discover why Downtown Houston is a neighborhood made just for you.



**DOWNTOWN  
HOUSTON+**



[DOWNTOWNHOUSTON.ORG](http://DOWNTOWNHOUSTON.ORG)

