



Your Key to Real Estate Services

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APARTMENTS

According to www.oconnordata.com, **January 2010 O'Connor & Associates data** indicates that Greater Houston apartment market occupancy has decreased 0.42 percentage points from the previous month and is currently 85.41% occupied, while overall rents edged up \$0.004 to \$0.885 per square foot. Class A rates enjoyed the largest increase over the month (\$1.172) from December's rate (\$1.164). Class B (\$0.868) showed an increase of \$0.002 from December's rate, while Class C and D rates have not changed this month and are currently \$0.721 and \$0.629, respectively. Pre-leasing is currently underway in twenty-two communities (6,633 units) city-wide. As these new communities lease-up, expect to see a decline in overall occupancy.

Note: The multifamily projects listed herein are followed by their representative identification number as they appear in the new O'Connor & Associates **ApartmentLink Online Data** platform and are provided for subscriber cross-referencing. *The property information contained within this database is updated on a monthly basis and accessible over the web. (Please contact us for more details.)*

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ApartmentLink

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Apartment Developments

- Gables Residential** (713-784-4144) has completed construction on **Gables Memorial Hills (18189)**, a 305-unit, eight-story development located at 4200 Scotland St in the Museum District (492M). The complex features one- and two-bedroom units ranging in size from 570 to 1,539 square feet, with rents ranging from \$1,326 to \$3,273. The property is currently 61% occupied. Common area amenities include a swimming pool with water features and underwater speakers, media and game room, fitness center, and multi-level parking garage with direct access elevators. Unit amenities will include granite countertops, custom stained wood cabinetry, and large walk-in closets.
- Florida Capital** (407-333-1604) has completed construction on **Park Avenue at Boulder Creek (17924)**, a 292-unit development located at 11575 Pearland Pkwy in the Pearland submarket (615C). The complex features one-, two-, and three-bedroom units ranging in size from 759 to 1,317 square feet, with rents ranging from \$942 to \$1,462. The property is currently 29% occupied and 34% pre-leased. Common area amenities include a swimming pool, fitness center, car wash, pet park, and children's play area. Unit amenities will include gourmet kitchens, nine-foot ceilings with crown molding, and spacious walk-in closets.

The following chart illustrates historical apartment occupancy.



Apartment Sales

- Inland American Houston Medical Center LP**, an entity of **The Inland Real Estate Group of Companies Inc** (630-218-8000), has purchased **Archstone Medical Center I & II (3436 & 3437)**, a 678-unit community located next to the Texas Medical Center at 8181 Fannin Street (532R), from **Archstone Apartments** (303-708-5959). The 15-year-old, Class A property, now called **Fannin Street Station**, is currently 94% occupied with average rents of \$1.24 per square foot. The buyer was represented in-house, while **David Oelfke** of **Apartment Realty Advisors** (713-599-1800) represented the seller.
- RRE Apache Holdings LLC**, an entity of **Resource Real Estate Inc** (215-231-7050), has purchased **Apache Springs (1342)**, a 20-building, 296-unit apartment complex located at 300 North Vista Drive in the FM 1960 East submarket (332U), from **2001-CK1 Apache Acquisition LP** (202-715-9500). The 26-year-old, Class B complex is currently 53% occupied with average rents of \$0.73 per square foot.

- **Villa Nueva Partners LLC** has purchased the **Villa Nueva Apartments (1889)** a 98-unit property located at 827 Oak Street in the Brookhollow submarket (452G), from **Octagon Properties LLC** (713-528-1110). The 41-year-old, Class D property is currently 80% occupied with average rents of \$0.95 per square foot. **Brian Janak** of **Marcus & Millichap** brokered the deal.

Apartment Financing

- Houston-based **Pryzant Management** (713-295-7800) has secured \$8.2 million in first mortgage financing for the 32-year-old, three-property, 780-unit multifamily portfolio located at 8800-9000 Fondren Road in the Sharpstown/Westwood submarket (530R). **Jim Adams** and **Andrew Hill** of the Houston regional office of **NorthMarq Capital** (713-622-6300) arranged the acquisition financing for Pryzant through a regional bank. The loan carries a three-year term with interest-only payments. Acquired from the Atlanta-based **Trimont Real Estate Advisors** (404-420-5600) in early December 2009, the foreclosed portfolio includes: **Brickhaven I (3167)**, a 24-building, 242-unit Class B apartment complex and currently 60% occupied with average rents of \$0.70 per square foot; **Brickhaven II (3174)**, a 24-building, 272-unit Class-B apartment complex and currently 60% occupied with average rents of \$0.69 per square foot; and **Brickhaven III (16991)**, a 24-building, 266-unit Class-B apartment complex and currently 60% occupied with average rents of \$0.71 per square foot.
- San Antonio partners **Lynd Residential Properties** (210-733-6125) and **McCombs Enterprises** (210-821-6523) have secured \$32 million face value loan for the three-year-old, two-property, 289-unit multifamily portfolio located at 3616 Richmond Avenue in the Greenway Plaza submarket (492X), from **KeyBank** (216-689-3000). Acquired from **Cambridge Development Group (DBA: 3616 Richmond Ltd)** (713-961-1336) in early December 2009, the foreclosed portfolio includes: **Metropole High-Rise (17083)** is a 150-unit Class-A apartment complex, currently about 80% occupied with average rents of \$1.45 per square foot; and **Metropole Mid-Rise (17084)** is a 139-unit Class-A apartment complex, currently about 80% occupied with average rents of \$1.45 per square foot.

SINGLE-FAMILY HOUSING

MLS home sales decreased further in December as 3,611 existing homes were sold, compared to 3,721 homes sold last month, according to the **Houston Association of Realtors (HAR)**. Nevertheless, sales for December 2009 were up 3.0% from December 2008. The median price of an existing single-family home sold in December was \$138,950, up 7.7% from the same time last year, while the average home price – \$202,019 – was up 19.7% from the December 2008 level. *Note: MLS sales include primarily existing home sales throughout the Houston region. Historical comparisons are offered solely for informational purposes and may not truly reflect growth in sales.*

According to **American MetroStudy**, net sales of new homes increased 6.41% in December to 863, and are up over 20% from December 2008. Realtor co-op sales represented 62.6% of gross sales for the month, unchanged from December 2008 level (62.59%). Traffic declined 14.5% from last year to 9,085 in December 2009. The inventory of completed speculative homes (1,133) is down nearly 43% from December last year. There are 1,801 spec homes under construction, which is up nearly 26% from December 2008. Overall, the 2,934 specs (both completed and under construction) are down over 14% from December 2008. *Note: The 22 homebuilders in this survey account for approximately 73% of housing starts in Houston.*

Nationwide sales of new single-family homes decreased in December to a seasonally adjusted annual rate of 342,000 – 7.6% below the revised November sales rate of 370,000 and 8.6% below the December 2008 figure – according to a release by the **U.S. Department of Commerce**. The median sales price in December was \$221,300. Privately owned housing starts were at a seasonally adjusted annual rate of 557,000 in December 2009, which is 4.0% below the revised November estimate but 0.2% above the revised December 2008 rate. Privately owned housing completions were at a seasonally adjusted annual rate of 768,000 in December, 11.2% below the revised November figure and 25.3% below the revised December 2008 figure.

The **National Association of Home Builders/Wells Fargo Housing Market Index**, a monthly measure of builder confidence, decreased to 15 in January 2010, on a scale where any number greater than 50 indicates that builders view sales as more good than poor. The index measuring current sales of new single-family homes decreased to 15, the index measuring sales expectations for the coming six months held steady at 26, and the index measuring the traffic of prospective buyers is currently at 12, down one point from the revised December 2009 figure.

According to the **National Association of Realtors (NAR)**, 5,450,000 existing homes were sold in December 2009, down 16.7% from November sales but up 15.0% from the 4,740,000 homes sold in December 2008. The median sale price was \$178,300, which represents a 1.5% increase from sale prices last year.

According to the most recent report by **RealtyTrac**, 349,519 foreclosure filings — default notices, auction sale notices, and bank repossessions — were reported during the month of December 2009. This figure is up 14% from the previous month and up 15% from December 2008. Texas is among the nation's 29 highest states in total foreclosure filings in December 2009.

The following chart illustrates historical existing home sales.



Source: Houston Association of Realtors

- J Kyle Estate Homes** (281-656-0555) has begun developing custom homes within **Sienna Plantation** (281-778-7777), a 10,500-acre mixed-use, master-planned golf course community development of **The Johnson Development Corp** (713-960-9977) located along SH 6 at Sienna Parkway in Missouri City (610Y). The builder is offering floor plans which range in size from 4,715 to 5,858 square feet and priced from the \$500,000's. Construction on three model homes, including one in the Luxury Home Idea Village has been started. Completion is scheduled for Spring 2010.
- D.R. Horton** (281-465-7072), **Harwood Homes** (281-997-1221), and **CastleRock Communities** (713-600-7000) have begun developing homes within the Mediterranean-themed neighborhood **Tuscan Lakes** (281-332-5450), an 870-acre mixed-use development of **The Johnson Development Corp** (713-960-9977) located along SH 96 and FM 270 in League City (659M). **Harwood Homes** plans to offer home sites with 13 designs that range in size from 2,800 to 4,200 square feet and priced from the low \$300,000's. Construction on seven inventory homes and one model home will soon be beginning. **CastleRock Communities** is offering 60- and 70-foot home sites with 14 designs that range in size from 2,150 to 4,162 square feet and priced between the \$180,000's to \$270,000's. **D.R. Horton** is in the process of finalizing pricing in the community and yet to reveal the floor/design plans.

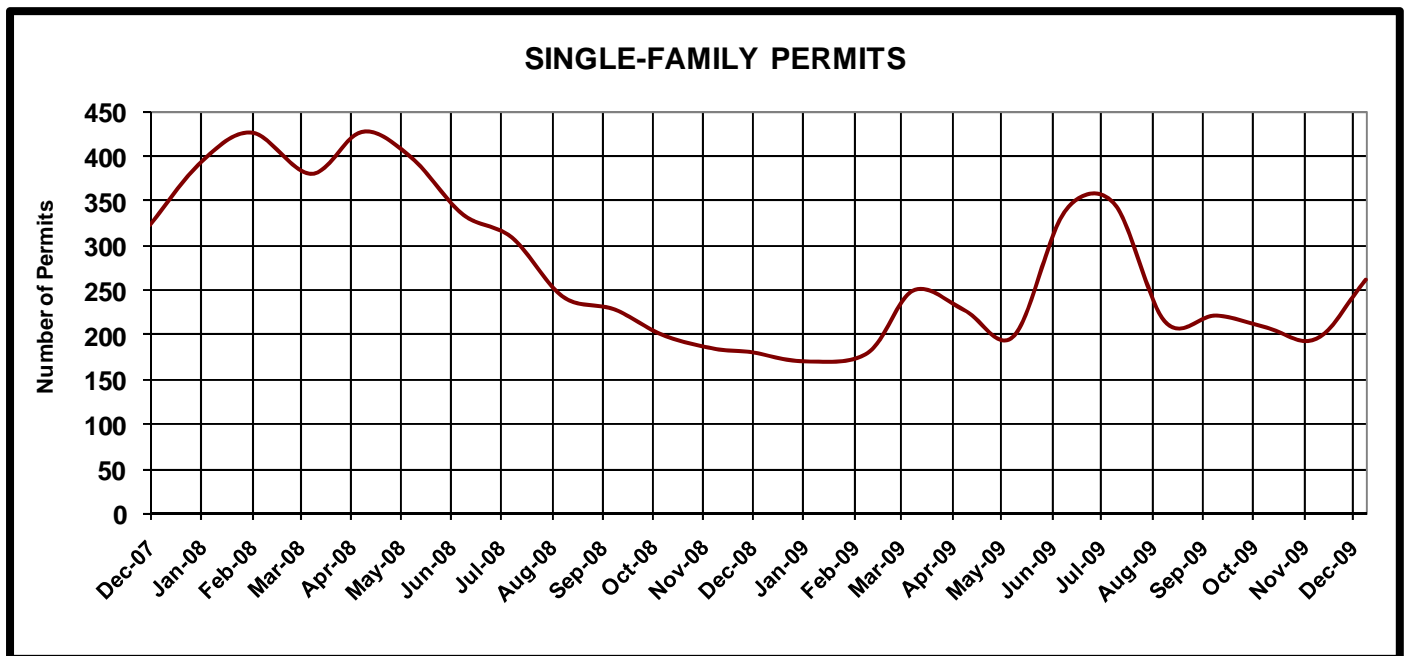
PERMIT ISSUANCE

The **City of Houston** issued permits to build 262 private single-family houses and 3 private multifamily buildings in December. Demolition permits were issued for 95 private single-family houses and 81 multifamily structures. In addition, 128 permits were issued for privately owned non-residential construction totaling \$58,661,721 and 11 permits were issued for public non-residential construction. Additions, alterations, and conversions totaled \$114,502,408 for the private sector and \$16,167,185 for the public sector.

Cost of Construction*

	2007	2008	2009
Month of December	\$440,852,134	\$315,128,152	\$262,739,126
Year-to-Date	\$5,539,413,158	\$5,527,723,836	\$3,728,401,102

*The figures in this section include all categories of buildings and non-building structures.



OFFICE BUILDINGS

According to the O'Connor & Associates **Fourth Quarter 2009 Houston Office Data Program**, citywide **occupancy** for Houston area multi-tenant office buildings is **82.84%** (Class A = 84.83%; Class B = 81.57%; Class C = 79.82%; Class D = 76.42%). The citywide quarterly multi-tenant office **rental rate** is **\$20.16 per square foot** (Class A = \$22.88; Class B = \$18.33; Class C = \$14.70; Class D = \$12.95).

Note: The office buildings listed herein are followed by their representative sector code and identification number as they appear in the O'Connor & Associates **OfficeLink Online Data** platform and are provided for subscriber cross-referencing. *The property information contained within this database is updated on a monthly basis and accessible over the web. (Please contact us for more details.)*

Office Developments

- **Tax Masters' Inc** (713-463-2950) has recently completed the initial phase of moving its new corporate headquarters to **Dairy Ashford Plaza (1912)**, a 108,000-square-foot, class C office building located at 2020 Dairy Ashford Road in the Westchase sector (488R). After leasing the six-story, 27-year-old building from **DAP Plaza Ltd.** (281-493-4665) around August last year, the tax resolution firm renovated and constructed additional space. This has enabled the building to house all 300 current staff members of the firm and also provide room to grow for as many as 650 employees.
- **Cole Space Center Ltd** (281-280-9313) has secured \$4.2 million for the refinancing of **Oceaneering Bldg (202)**, a 62,000-square-foot, Class-B office building located at 16665 Space Center Boulevard in the Clear Lake sector (618M), from **Sentinel Asset Management** (802-229-3333). The 26-year-old building is fully occupied by **Oceaneering International** (713-329-4500). **Susan Hill** of **Holliday Fenoglio Fowler** (713-852-3564) arranged the loan on behalf of Cole Space Center. The loan carries a seven-year term and a fixed interest rate.

The following chart illustrates historical office occupancy.



Office Sales

- **BRI 1826 Timberway Ltd**, an entity of **Beacon Realty Investments** (954-454-4665) has purchased **Timberway II (975)**, a 131,000-square-foot Class B office building located at 15995 N Barkers Landing Road in the Katy Freeway West submarket (488A), from **PS Business Parks Inc** (214-340-0782). The 27-year-old, three-story building is now fully leased. **H Dan Miller, Martin Hogan, and Trent Agnew** of **Holliday Fenoglio Fowler** brokered the deal.

Office Leases

- **Logix Communications** (713-862-2000) has leased 36,710 square feet on the eighth floor of **Brookhollow Central III (1275)**, a 297,000-square-foot Class A office building located at 2950 North Loop West in the NW Freeway/North Loop submarket (452S), from **Thomas Properties Group** (213-613-1900). The phone, internet, and data services provider will move from the 12th floor into the new, renovated space in February end. The 12-story, 29-year-old building is 95% leased with asking rents at \$14.00 per square foot. **Brad Marnitz** of **NAI Houston** represented the tenant, while **Chip Colvill, Michael Anderson, and Win Haggard Jr** of **Colvill Office Properties** represented the landlord.
- **Trendmaker Homes** (281-675-3200) has leased 24,069 square feet at **Atrium @ Park Ten (1444)**, a 139,000-square-foot Class B office building located at 16340 Park Ten Place in the Park 10 sector (447Y), from **KBS Realty Advisors Inc** (949-417-6500). The three-story, 29-year-old building is 93% leased with asking rents at \$20.00 per square foot. **Brad Marnitz** and **Vince Gyorgy** of **NAI Houston** represented the tenant, while **Doug Little** of **PM Realty Group** represented the landlord.
- **Alexander-Smith Academy** (713-266-0920) has renewed its lease of 12,442 square feet at **10255 Richmond (1934)**, a 102,000-square-foot Class B office building located in Westchase District (489Z), from **Caroline Partners**, an entity of **BMS Management Inc** (713-621-3222). The four-story, 28-year-old building is nearly 88% leased with asking rents at \$22.00 per square foot. **Kevin Hodges** of **Studley** represented the tenant, while **Kristen Rabel, Louann Pereira, and Steve Rocher** of **CB Richard Ellis** represented the landlord in the negotiations.

RETAIL CENTERS

According to the O'Connor & Associates **Fourth Quarter 2009 Houston Retail Data Program**, citywide **occupancy** for Houston area multi-tenant retail buildings is **83.24%** (Regional = 85.60%; Community = 86.94%; Neighborhood = 81.59%; Strip = 78.40%). Occupancy is down 0.05 points over the last quarter and down 0.19 points over the fourth quarter 2008. The citywide quarterly multi-tenant retail **rental rate** is **\$1.58 per square foot** (Regional = \$2.93; Community = \$1.51; Neighborhood = \$1.22; Strip = \$1.26).

Note: The retail centers listed herein are followed by their representative identification number as they appear in the new O'Connor & Associates **RetailLink Online Data** platform and are provided for subscriber cross-referencing. *The property information contained within this database is updated on a monthly basis and accessible over the web. (Please contact us for more details.)*

Retail Developments

- No retail developments were recorded for the month of January.

The following chart illustrates historical retail occupancy.



Retail Sales

- **Bay Forest Properties LLC** has purchased **17118 W Little York Rd (3458)**, a four-year-old, 27,000-square-foot retail center located in far northwest Houston (407U), from **First Bank** (713-781-7171). **Houston-Key Home Realty** represented the buyer, while **Clay & Co** represented the seller.
- **Grace Business Holdings LLC** has purchased **Times Square Plaza (3778)**, a 13,000-square-foot strip center located in Katy (485B), from **CJS Group LP**. The three-year-old center is fully occupied by tenants including Charming Charlie's, Verizon Wireless, and Vubrancy Salon & Day Spa. **Todd Carlson** of **Marcus & Millichap** brokered the deal.

- **West Town Business Park LLC** (713-297-8833) has purchased **FM 529 Plaza (54874)**, a 10,000-square-foot strip shopping center located at 17335 FM 529 Road in northwest Houston (407Q), from **Wells Fargo Bank** (713-273-8500). The three-year-old center is fully leased. **Debra Nouhra** of **Prudential Gary Greene Commercial** represented the buyer, while **Bob Heath** of **Travers Real Estate** represented the seller.
- **1740 Pursuit LLC**, an entity of **Geophysical Pursuit Inc** (713-529-3000), has purchased a two-year-old, 15,000-square-foot mixed retail/residential facility located at 1740 Westheimer Road in the Inner Loop sector (492V), from **NPN 2702 Westheimer** (713-781-3144). **Jay Kyle** and **Robert S Parsley** of **Colliers International** brokered the deal between the buyer and seller. *

** Property UID not provided as neither retail nor residential components meet Oconnordata.com size criteria.*

Retail Leases

- **Mattress Firm** (713-923-1090) has leased 10,337 square feet at **Willowchase Center (1100)**, a 25-year-old, 273,946-square-foot community shopping center located at 12900 Willow Chase Drive in far northwest Houston (370J), from **Wheeler Interests Inc** (757-627-9088). **Scott Gardner** and **Shaw MacIntyre** of **Moody Rabin Interests** represented the tenant, while **George Fox** represented the landlord in-house.
- **Dollar General** (281-530-0423) has leased 10,356 square feet at the **Fuqua Shopping Center (2566)**, a 25-year-old, 115,000-square-foot shopping center located at 11039 Fuqua Street in southeast Houston (576T), from **Gilliam Investments** (713-781-7300). **Vaughan Ford** of **NewQuest Properties** represented the tenant, while the landlord was represented in-house by **Graham Gilliam**.

INDUSTRIAL FACILITIES

According to the O'Connor & Associates **Fourth Quarter 2009 Houston Industrial Data Program**, citywide **occupancy** for Houston area operating multi-tenant industrial facilities is **82.42%** (Flex = 80.95%; Bulk = 82.33%; Manufacturing = 85.15%, Service = 85.69%, Distribution = 72.91%, R&D = 72.97%). Occupancy is up 0.24 points over the last quarter but down 1.41 points over the fourth quarter 2008. The overall quarterly **rental rates** remained consistent ending at **\$0.46 per square foot** (Flex = \$0.48; Bulk = \$0.41; Manufacturing = \$0.40, Service = \$0.58, Distribution = \$0.41, R&D = \$0.93).

Note: The industrial facilities listed herein are followed by their representative identification number as they appear in the O'Connor & Associates **IndustrialLink Online Data** platform and are provided for subscriber cross-referencing. *The property information contained within this database is updated on a quarterly basis and accessible over the web. (Please contact us for more details.)*

The following chart illustrates historical industrial occupancy.



Industrial Developments

- The Houston office of **Cadence McShane Construction** (713-681-8500) has secured renovations and new construction contract for **ClayPoint Distribution Park Ph II (37681)**, a 356,000-square-foot industrial facility located across Clay Road and Hollister Road in northwest Houston (450H). Owned and managed by **Weingarten Realty Investors** (713-866-6000), the facility will undergo renovations on 326,000 square feet and new construction on 30,000 square feet. Additionally, complete enhancement to the business park including site work, utility improvements, and parking will also take place.

Industrial Sales

- LCC & J LP** (713-957-2882) has purchased **Woodbelt Service Center (3780)**, a 31-year-old, 115,000-square-foot service center located at 10600 Shadow Wood Drive in west Houston (449V), from the New York-based **National Envelope Corporation** (516-699-4000). **Billy Gold** of **CB Richard Ellis** represented the buyer, while **David L Cook**, **Graham D Horton**, and **Jeff G Peden** of **Cushman & Wakefield** represented the seller.

- **GSL Welcome Group LLC** (713-952-7000) has purchased **3782 Reese Road (37689)**, a 69,300-square-foot industrial facility located on 10.5 acres in Rosenberg (605W), from the Oklahoma-based **Terpeda Development LLC**. The new, build-to-suit facility is fully occupied by **National Oilwell Varco** (713-375-3700) under a long-term lease arrangement. **John R Wilson** represented the buyer in-house, while **Jim Gibson** and **Daniel Herald** of **Stan Johnson Co** represented the seller.
- **Stream-Flo USA Investments Inc** (903-983-2992) has purchased **Fallbrook Business Center (5726)**, a year-old, 40,000-square-foot office/warehouse facility located at 8726 Fallbrook Drive near northwest Houston (370W), from **YH Fallbrook Development LP**, an investment group of **Yancey-Hausman Interests** (713-462-8802). The buyer plans to use the facility for its valve repair and maintenance operations. **Stephen George** of **Stephen George Inc** represented the buyer, while **Forbes Henderson** represented the seller in-house.
- **21003 Hardy Road LLC**, an entity of **Property & Storage of Texas** (281-353-7874), has purchased **21003 Hardy Road (37688)**, a 25-year-old, 25,000-square-foot warehouse facility located in far north Houston (332R), from **Jack Cooper Transport Co** (281-443-7942). **Partners Commercial Realty** represented the buyer, while **Robert Bain** of **Coldwell Banker Commercial United Realtors** represented the seller in the transaction.
- **Electro Technical Industries Inc** (713-896-7119) has purchased **8541 N Sam Houston Pkwy E (1018)**, a 14-year-old, 18,000-square-foot office/warehouse facility located in mid north Houston (375V), from **Carrier Rental Systems Inc** (713-413-4200). **Chris Caudill** and **Joel Michael** of **NAI Houston** represented the buyer, while **Howard Sims** of **Workplace Solutions** represented the seller.

Industrial Leases

- **Lone Star Integrated Distribution** (713-227-2381) has leased 98,517 square feet at **Market Street Industrial Park (1636)**, a 33-year-old, 319,000-square-foot warehouse located at 8500 Market Street near southeast Houston (495K), from **American National Insurance Co** (409-763-4661). **Lane Guinn** of **JLM Commercial Advisors** represented the tenant, while **Mary Jo Giammalva** of **Weingarten Realty Investors** represented the landlord.
- **Fiserv** (713-735-7200) has leased 55,770 square feet at **Stafford Distribution Center (6386)**, a year-old, 241,000-square-foot distribution center located at 10225 Mula Road (just off Murphy Road) in far southwest Houston (569L), from **Duke Realty Corporation** (713-353-2501). **Joseph Smith** of **CB Richard Ellis** represented the tenant, while **Cory Driskill** represented the landlord in-house.
- **MRSM** (713-466-5054) has leased an additional 30,000 square feet at **West by Northwest Industrial Park (5167)**, a 25-year-old, 238,000-square-foot warehouse located at 6450 Clara Road near northwest Houston (409Z), from **Teachers Insurance and Annuity Association of America – TIAA-CREF** (832-681-7400). MRSM now occupies a total of 95,841 square feet. **Marc Drumwright** and **Nick Miller** of **Southwest Realty Advisors** represented the tenant, while **Darryl Noon** of **Transwestern Commercial Services** represented the landlord.
- **Ellison Technologies** (713-365-9500) has leased 22,490 square feet at **Beltway Antoine Business Center (37533)**, a newly developed, 203,000-square-foot warehouse located in near northwest Houston (371T), from **Antoine Beltway Business Center LLC** (303-843-4030). **Mark Lehman** and **Bill Burge** of **Grubb & Ellis** represented the tenant, while **Marc Emde** of **Michael Hill Properties** represented the landlord.
- **Akzo Nobel Paints** (713-868-3211) has renewed its lease of 14,990 square feet at **Taylor Industrial Park (4705)**, a 34-year-old, 131,000-square-foot warehouse located at 2000 Taylor Street near north Houston (493F), from **Teachers Insurance and Annuity Association of America – TIAA-CREF** (832-681-7400). **Preston Amos** of **Jones Lang LaSalle** represented the tenant, while **Edward Bane** and **John Kruse** of **Holt Lunsford Commercial** represented the landlord.

- **Eastin Wells Inc** (562-435-1088) has leased **300 N Hwy 146 (2185)**, a 27-year-old, 12,000-square-foot warehouse located in the far southeast sector of Houston (540X), from **Penton Investment LLC** (562-808-2299). **Anthony Fulco, Eric Hughes, Forrest Stewart, and Jay Jenckes** of **The National Realty Group** represented the tenant and landlord in the negotiations.
- **Ashton Houston Residential** (281-561-7773) has renewed its lease of 11,773 square feet at **Beltway 8 Service Center I (5951)**, a 10-year-old, 43,000-square-foot office/warehouse facility located at 11375 W Sam Houston Parkway S in far southwest Houston (570A), from **Richland Investments** (713-682-5707). **Eric Hughes** and **Paul Sims** represented the tenant in-house, while **Mickey Meyer-Sturgis** represented the landlord in-house.

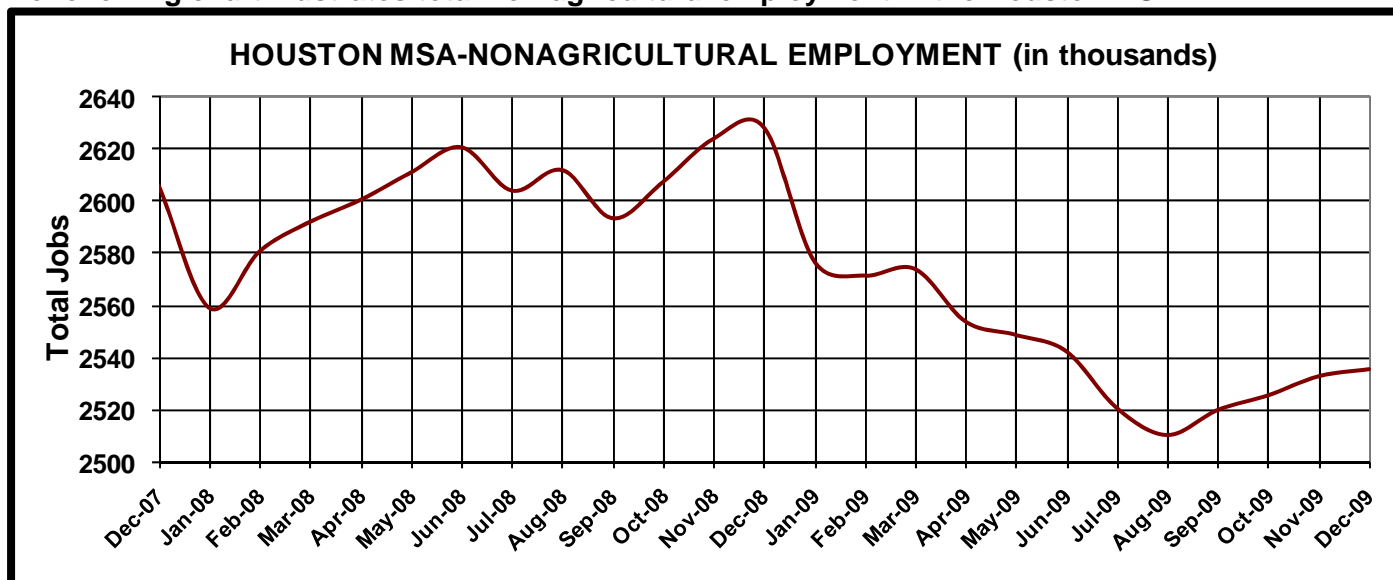
VACANT LAND

- Chicago-based **LKQ Automotive Corp.** (312-621-1950) has purchased 41.2 acres of land, located at 12575 Hiram Clarke Road near south Houston (572A), from the Westchester-based **Insurance Auto Auctions Corp** (708-492-7000). **Coe Parker, John F Littman,** and **B Kelley Parker** of **Cushman & Wakefield** represented the buyer, while **Jearald Dyer** of **Grubb & Ellis** represented the seller.
- **Upward Investments** has purchased 20 acres of land within **Brittany Bay Business Park**, located at the northwest intersection of Interstate 45 and Butler Road in League City (658U). **Jeff Lokey** of **NewQuest Properties** brokered the deal.
- **JKWS Investments** (281-489-4894) has purchased 10.7 acres of land, located at the northwest intersection of County Road 89 (Cullen Road) and County Road 101 (Bailey Road) in Pearland, Brazoria County (613Z), from **Cullen Park Partners Ltd** (713-785-6272). **Silver Star Realty** represented the buyer, while **Clay & Co** represented the seller.
- **Harris County Housing Authority** (713-578-2100) purchased 9 acres of land, located across Texas 8 Beltway and Canyon Lakes Drive in northeast Houston (376T), for a multifamily development from **Canyon Project Ltd** (713-789-4443). **Jiff Lindenberger** and **Will Allen** of **McDade, Smith, Gould, Johnston, Mason and Company** represented the buyer, while **Josh Jacobs** of **Page Partners** represented the seller.
- **HealthMark Group** (800-659-4035) has purchased 6 acres of land, located at Windsor Lakes Boulevard in The Woodlands, from **The Woodlands Development Co** (281-719-6300). The land is going to be utilized for construction of **Park Manor of the Woodlands**, a new senior housing project that will include a 124-bed skilled nursing and rehabilitation facility. **W Richard Stromatt** of **GDC Realty** represented the buyer, while **Cody Christopher** and **Todd Edmonds** of **Colliers International** represented the seller.

ECONOMIC & FINANCIAL NEWS

The total number of nonagricultural wage and salary jobs in the ten-county Houston area increased by about 2,700 jobs to 2,535,600 in December 2009, according to the **U.S. Department of Labor**. This month's total is 92,500 fewer jobs than the 2,628,100 jobs at this time last year. Of nonagricultural employers, the Trade, Transportation, and Utilities sector posted the largest gain over the month at 4,100 jobs, while the largest year over year increase occurred in the Education and Health Services sector, which added 6,700 jobs.

The following chart illustrates total non-agricultural employment in the Houston MSA.



Source: U.S. Bureau of Labor Statistics (BLS)

Advance estimates reported by the **U.S. Department of Commerce** show that seasonally adjusted national retail and food services sales for December 2009 were \$353.0 billion, a decrease of 0.3% from November but 5.4% above December 2008. Retail trade sales in December were down 0.2% from November but 5.9% above last year's level.

Personal income increased \$44.5 billion, or 0.4%, and Disposable Personal Income (DPI) increased \$45.9 billion, or 0.4%, in December 2009, according to the **Bureau of Economic Analysis**. Personal Consumption Expenditures (PCE) increased \$22.6 billion, or 0.2%, in December 2009. Meanwhile, the **U.S. Department of Labor** reports that the seasonally adjusted Consumer Price Index (CPI) for urban consumers increased 0.1% in December 2009 and is 2.7% higher than December 2008.

The latest **Conference Board Survey** indicates that the **Consumer Confidence Index** increased further to 55.9 in January 2010, up 2.3 points from December. The index is an indicator of consumers' overall assessment of current conditions, relative to a figure of 100 in 1985, the base year. The **Index of Leading Economic Indicators** increased 1.1% in December, following a 1.0% increase in November and 0.3% in October. The index is an indicator of direction the economy is expected to take in coming months, relative to a figure of 100 in 1996, the base year.

According to the **Federal Reserve**, industrial production increased 0.6% in December 2009 from previous month but is down 2.0% from the December 2008 level. Output in the manufacturing sector decreased 0.1%, while output at mines increased 0.2% and output of utilities increased 5.9% in December. The rate of industrial capacity utilization was 72.0% in December, which is up 0.5% from November's revised level but down 1.0 points compared to the previous year's level.

Freddie Mac reports that the **30-year fixed-rate mortgage (FRM)** averaged 5.03% in January 2010, up 0.1 points from December 2009 but down 0.02 points from one year ago. The average for the **15-year FRM** averaged 4.44% in January 2010, up 0.05 points from December 2009 but down 0.28 points from January 2009.

The **Bureau of Economic Analysis** (U.S. Department of Commerce) reports that advance estimates of the real GDP, the output of goods and services produced by labor and property in the United States, increased at an annual rate of 5.7% in the fourth quarter of 2009, compared to the third quarter increase of 2.2%. This increase in GDP in the fourth quarter primarily reflected positive contributions from personal consumption expenditure (PCE), exports, and private inventory investment.

The **U.S. Department of Commerce** reports that construction spending during December 2009 was estimated at a seasonally adjusted annual rate of \$902.5 billion, which is 1.2% below the revised November 2009 estimate (\$913.2 billion). The current figure is 9.9% below the December 2008 estimate of \$1,002.1 billion. Private residential construction was at a seasonally adjusted annual rate of \$260.4 billion in December, 2.8% below the revised November estimate of \$268.1 billion.

The **Baker Hughes** count of active domestic rotary rigs stands at 1,267 for January 2010. The current rig count is down nearly 18.4% from last year's figure of 1,553 rigs. The rotary rig count is a census of the number of drilling rigs actually exploring for or developing oil or natural gas in the United States.

The **National Restaurant Association's Restaurant Performance Index (RPI)** stood at 98.7 in December, up 0.9 percent from the previous month. The index is a monthly composite index that tracks the health and outlook for the U.S. restaurant industry. This is the 26th consecutive month below 100.

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According to the monthly **Monster Worldwide Inc** employment index, online job demand decreased by 1 point in the month of January 2010. The index currently stands at 114 and is 4 points below January 2009, a decrease of nearly 3.39%. Furthermore, online demand for workers decreased in all of the 28 major U.S. metro markets.

According to the December 2009 **Architecture Billings Index**, developed by the **American Institute of Architects**, December reported an index of 43.4, up 0.6 points from the previous month (any score above 50 indicates an increase in billings). Both the project inquiries index and the inquiries for new projects score was 55.3, down 3.2 points from November.

806 Main (78), a 204,000-square-foot, Class C office tower located in Central Business District (493L), is soon going to be converted into a hotel with vacating tenants and preparation for redevelopment scheduled in mid February. Acquired by an affiliate of Forth Worth-Based **Pearl Real Estate** (254-498-4289) in October 2009 for \$3 million from the bankruptcy estate of **Bahar Development Inc**, represented by **Tow & Koenig PLLC** (281-681-9100), the 22-story, 100-year-old building has been designated as a historic landmark by the **City of Houston** (832-393-1000) and has been recognized as Houston's first downtown skyscraper.

Three of the office towers in Houston, developed and owned by **Hines Interests** (713-237-5657), have been awarded **LEED™ Gold certification** for Existing Buildings: Operations and Maintenance Green Building Rating System™ by the **U.S. Green Building Council**. **JP Morgan Chase Tower (92)** is a 27-year-old, 1,683,000-square-foot, Class A multi-tenant office tower. With 75 stories, it remains the tallest building in the region. Located at 600 Travis in Central Business District (493L), it was designed by **IM Pei & Partners** (212-751-3122). It represents Hines' ninth LEED certification in Houston and is currently over 92% leased. **One Shell Plaza (63)** is a 41-year-old, 1,226,000-square-foot, Class A multi-tenant office tower containing 50 stories. Located at 910 Louisiana Street in Central Business District (493L), it was designed by renowned architect **Bruce Graham** of **Skidmore, Owings & Merrill** (312-554-9090) and last renovated in 1994. **Two Shell Plaza (122)** is a 38-year-old, 566,000-square-foot, Class A multi-tenant office tower containing 26 stories. Located at 777 Walker Street in Central Business District (493L), it was also designed by **Skidmore, Owings & Merrill** and last renovated in 1990. Sustainable features currently in the properties include: energy-efficient lighting with reduced mercury content; new low-flow restroom fixtures; use of green cleaning materials and equipment; and a comprehensive building recycling program. The properties are managed and leased also by Hines, while the **EcoServices group** of **Kirksey Architecture** (713-850-9600) provided expert assistance to Hines in managing the administrative aspects of the certification process and thereby achieving the certifications.

Jon Farris and **Graham Horton**, both previously with Cushman & Wakefield, have joined **Stream Realty Partners LP** (713-300-0300) as Vice Presidents and will lead the Industrial Tenant Representation business unit at the firm's Houston office.

Richard Zigler, previously with Kaplan Acquisitions and O'Connor & Associates, has joined the executive team at **LMI Capital** (281-363-4920) as Managing Director. With his extensive knowledge in research, market analysis, and client services, Mr. Zigler will complement LMI's team of capital advisors.

Please direct any questions regarding content in the *Houston Real Estate Trends*, or information regarding recent transactions that you would like to be added, to Stuart Showers at 713-375-4356 or sshowers@poconnor.com