

# UPTOWN HOUSTON MULTIFAMILY OVERVIEW

## Introduction

According to a recent article in the Houston Chronicle, Uptown Houston is undergoing one of the biggest construction booms in the city's history. A major expansion of the Galleria mall has been completed and developers and builders are busy building new high-rise condominiums, apartments, townhomes and lofts. In 2002, 620 new multifamily residential units were introduced to Uptown's apartment and condominium markets. This year, current residential developments include 1,830 apartment units and 288 condominium units.

The following sections will provide more details on Uptown's apartment and condominium markets including projects that were recently completed or are currently under construction.

## Uptown Apartment Summary

The high occupancy rate and relatively strong demand for Class A apartment space has spurred a large amount of new construction in the Uptown Houston area. Until this year, 919 units had been constructed since 1997 (200 units in 2002, 420 units in 2000, and 299 units in 1997). Currently, Uptown is seeing strong construction activity with 1,830 apartment units under construction, more than twice the number delivered in the past five years.

Overall rental rates for Uptown apartments have risen \$0.01 per square foot, from \$1.05 to \$1.06, an increase of less than one percent during the past year. The overall rental rate increase for greater Houston was 3.99%. The relative stability of Uptown rates is primarily due to the new units entering the market.

The table below illustrates the number of units, price per square foot and price range for apartment projects recently completed\* or currently under construction in Uptown.

<b>APARTMENTS/ LOFTS</b>	<b># OF UNITS</b>	<b>PRICE PER SQ. FT.</b>	<b>PRICE RANGE</b>
2400 McCue*	200	\$1.19	\$1,025 - \$3,195
Montierra	346	\$1.44	\$1,000 - \$3,000
3000 Sage	324	\$1.45	\$1,090 - \$2,460
Broadstone Lofts	223	\$1.59	\$ 915 - \$2,500
Lofts on Post Oak	351	\$1.63	\$1,000 - \$3,000
Dominion	230	\$1.72	\$1,275 - \$3,600
1200 Post Oak*	356	\$1.97	\$1,529 - \$7,899

## Uptown Condominium Summary

The Uptown Houston condominium market features several properties currently under construction. The high-rise market has seen an increased level of sales over the last year, as two recently completed projects, Villa d'Este and The Mark, have done well. The success of these two projects has led to the development of three more condominium projects, The Mercer, Montebello and The Manhattan.

The table below illustrates the number of units, price per square foot, and price range for condominium projects recently completed\* or currently under construction in Uptown.

<b>CONDOMINIUM</b>	<b># OF UNITS</b>	<b>PRICE PER SQ. FT.</b>	<b>PRICE RANGE (In Thousands)</b>
The Mark*	300	\$206.35	\$160 - \$390
The Mercer (first tower complete)*	108	\$242.38	\$350 - \$1,250
The Manhattan	68	\$281.90	\$400 - \$1,000
Villa d'Este*	100	\$357.66	\$525 - \$2,000
Montebello	112	\$414.26	\$525 - \$2,100