

UPTOWN HOUSTON BUILDING BUSINESS

These are exciting times for Uptown Houston. Office building construction is underway, new stores are moving to the Boulevard, pedestrian improvements and street trees are changing the character of the area, while numerous other development projects are in the planning phase.

Class A Office Market has an occupancy rate of 88.4 percent compared to Houston's overall occupancy of 86.6 percent for the third quarter 2011.

The retail space is full with an occupancy rate of 99 percent with annual gross retail sales exceeding \$4.73 billion in 2010. Latest numbers show that Uptown's Hotel Market continues to lead the city in revenue per available room (RevPAR) of \$98.43 for the second quarter 2011. Downtown Houston has a RevPAR of \$86.62, while the City of Houston has an average RevPAR of \$60.06.

Residential development continues to be a hot market with three major projects under construction while others are being planned.



RESIDENTIAL DEVELOPMENT

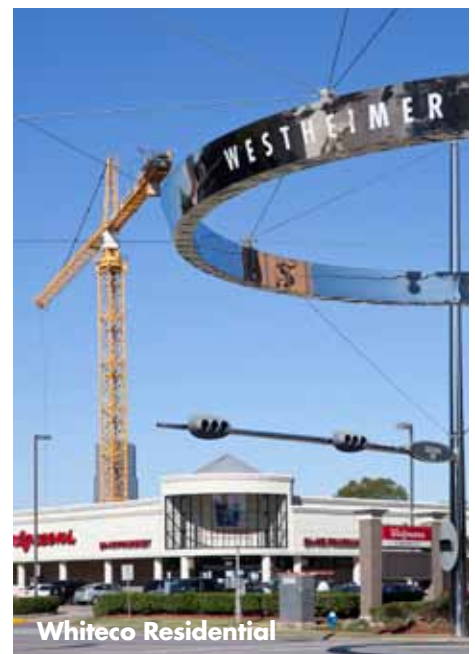
Whiteco Residential LLC has begun construction of a 22-story building with 300 luxury units near the northwest corner of Westheimer and Sage.

Gables Residential is constructing the Gables Post Oak, an 8-story, 316-unit Class A+ mid-rise apartment community located at Post Oak Park and Post Oak Place, just inside the loop, near San Felipe and 610.

The **Dinerstein Cos.** has begun construction of its third Millennium-branded apartment project in Uptown at 2525 McCue. The development is a five-story, 237 unit luxury apartment project and is expected to be completed in the first quarter of 2013.

Real estate developer, **Hines**, has unveiled plans to construct a new luxury apartment in Uptown immediately west of the Waterwall. It is expected to be completed in 2014.

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OFFICE DEVELOPMENT

BBVA Compass bank has announced that they will be the anchor tenant in a 380,000-square-foot office building under construction at 2200 Post Oak Boulevard by **Redstone Cos.** and **Stream Realty Partners LP.** The 20-story building is part of a development that is expected to include a second office building, a hotel with residences and parking garages.

Redstone Cos. plans to develop a lifestyle luxury hotel with spa and fitness center similar to the Houstonian Hotel, Club and Spa. The hotel will include 150 to 250 rooms.

Skanska USA Commercial Development recently announced that they will begin

the construction of a new Uptown office building immediately. The 20-story tower is being constructed on 2.3 acres at 3009 Post Oak Boulevard near Hidalgo. Immediately across Post Oak Boulevard from the Gerald D. Hines Waterwall Park, the 302,000 square foot building will be constructed to LEED Platinum standards.

According to Skanska, the building will include such features as high efficiency glass façade and energy recovery wheel and occupancy monitoring systems that focus on maximizing energy efficiency and operational savings. In addition, the building will have a sophisticated lighting control system for the office and garage areas as well as water savings with a rainwater collection system used for landscape irrigation.



2200 Post Oak Boulevard



3009 Post Oak Boulevard



2200 Post Oak Boulevard

RETAIL DEVELOPMENT

The second phase of **BLVD Place** is in development and is set to break ground the first quarter of 2012. A **Whole Foods** grocery store will be built at the corner of San Felipe and Post Oak Boulevard, and a number of restaurant and retail spaces are planned for the development as well, including **Ocean Prime Restaurant, Aveda** and **Pinkberry.** Currently the site is being dewatered in preparation for the construction of the project's underground parking garage.



MOBILITY IMPROVEMENTS

Uptown strives to ensure the economic success of the area by making it regionally accessible and convenient to live, work, shop and visit. A number of infrastructure improvements are being developed to ensure the area's long term success.

Post Oak Boulevard — Construction began earlier this summer to repair the deteriorated portions of Post Oak Boulevard, between Richmond and the West Loop. Repairs to the Boulevard between Richmond and San Felipe are now complete. Further repairs to the Boulevard between San Felipe and the West Loop will be completed after the holidays during the first quarter of 2012.

Traffic Signal Improvements — Uptown Houston is implementing a state-of-the-art traffic signal control system for Post Oak Boulevard with the installation of six new traffic signals. Work began in June 2010 on the first of the new signals, located on Post Oak Boulevard at BLVD Place, between San Felipe and Ambassador Way.

This new project is part of an ongoing effort to enhance Uptown Houston's mobility and ensure the efficient flow of vehicles along the Boulevard while providing safe access into and out of major shopping centers and developments. Signals will be inter-connected using a communications network to control the signals and collect data. The data will then be transferred to a command station to fine tune and respond to changes and demand. In addition, improved pedestrian crosswalks will be installed making it much more convenient and safer for pedestrians to cross Post Oak Boulevard.

The next two signals to be installed



will be located along Post Oak Boulevard at Guilford Court (near Maggiano's) and at the Post Oak Shopping Center (near Canyon Café).

Post Oak Boulevard medians — Reconstruction of the medians on Post Oak Boulevard between Westheimer and San Felipe has begun. The medians are being planted with live oaks and Uptown's signature ribbons of colorful flowers are being installed. Median reconstruction should be completed before Thanksgiving 2011.

Guilford Court construction — Construction will begin on Guilford Court during the first quarter of 2012. This project will include a new street connecting Post Oak Boulevard to McCue Street, pedestrian lighting, new sidewalks and street trees. A new traffic signal at Post Oak Boulevard and Guilford will make accessing Post Oak Central and the new BBVA Compass Bank Tower safer and more convenient.



MOBILITY IMPROVEMENTS

Pedestrian Improvements — The construction of new sidewalks including pedestrian lighting and street trees throughout Uptown continues to make progress. West Alabama, McCue, Hidalgo, and the Waterwall area are currently being transformed with pedestrian improvements. Upon completion, all streets within Uptown will be safe and inviting for those of us who choose to walk.



West Loop / US 59 Interchange — TxDOT Plans Congestion Reducing West Loop / US 59 Interchange Improvements. The Uptown District strives to enhance regional accessibility and make traveling to and within Uptown convenient. In 2004, the Texas Department of Transportation reconstructed the West Loop between Richmond Avenue and Interstate 10. That reconstruction enhanced the Loop's operations by providing More Lanes and More Choices.

Unfortunately, one major traffic headache remained. Southbound West Loop traffic attempting to exit onto US 59 and traffic entering from Westheimer headed to US 59



had conflicts merging together. The traffic entanglement produced by the confusing merge requirements resulted in congestion that often backed up onto the West Loop mainlines.

TxDOT, in cooperation with the Uptown District, is currently developing a plan that would fix this big traffic headache. The plan would give West Loop traffic desiring to exit to US 59 two exit ramps. One exit would serve West Loop traffic destined to US 59 inbound while a second exit would provide an exclusive ramp for West Loop traffic destined to US 59 outbound. These ramps would reduce today's congestion.

In addition, traffic on Westheimer will have two new direct connecting ramps. One ramp will connect directly to US 59 inbound and the other will connect directly to US 59 outbound - again reducing congestion of merging traffic.

The overall project will result in the construction of new West Loop mainline bridges over US 59 as well as new connecting ramps in the West Loop / US 59 interchange. An exciting new element included in these improvements will be the construction of a new Chimney Rock exit from US 59 outbound.

Traffic will exit the US 59 mainlines inside the West Loop and travel on an exclusive ramp directly to Chimney Rock. This direct link will also greatly reduce congestion that has historically been the by-product of merging traffic movements.

Construction could begin within two years.



BUS SERVICE TO UPTOWN

With more than 80,000 employees in the Uptown Houston area, there is a significant need for a higher level of commuter bus service connecting the suburbs to Uptown's employment opportunities. Uptown is working closely with METRO to tie into the regional bus system and provide more options for employees commuting to the area.