

Trammell Crow heads Uptown with Alexan

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by [Jennifer Dawson](#)

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Trammell Crow Residential has selected Post Oak Boulevard -- which is being marketed as the Rodéo Drive of Houston -- for the company's costliest development to date in the Bayou City.

Atlanta-based Trammell Crow Residential intends to build 390 upscale, midrise apartments at 1111 Post Oak, across the street from the swanky Uptown Park shopping center. The total development cost is being kept under wraps, but the firm plans to rent the units for \$1.69 per square foot.

Trammell Crow bought the 4.6-acre tract -- which is adjacent to a McDonald's restaurant -- from a partnership comprised of Houstonian Tom Mudd of Westgreen Holdings and an equity partner described as a Fortune 300 company. The actual purchase price was not released, but the asking price was close to \$17 million, or almost \$85 per square foot.

The residential developer paid a large sum for the land, according to Grubb & Ellis Co. Senior Vice President Darrell Betts, who was Mudd's real estate broker.

"I can tell you it was a record-breaking price for a tract of land in the Galleria," Betts says.

Trammell Crow agreed to a high price tag for the development-ready land, but Betts says Mudd put years of work into the project to get it to this point.

The land that will house what has been dubbed **Alexan Post Oak** was formerly home to an aging apartment-turned-condo complex called Eleven-Eleven Post Oak. Because the majority of those units were owned by individuals, Mudd bought into the complex several years ago without knowing if he would ever gain full control of the property, and began buying out each owner one at a time.

"It took over three years to do that," says Betts, who along with Scot Farber brokered the sale for Mudd. "It was a very difficult and challenging real estate play."

Even as he was buying up the units, Mudd had not decided whether to build out the property himself or sell it to another developer, Betts says.

Mudd was not available for comment, but Betts says it didn't take long to sell the property after the acquisition work had been completed. Without revealing the number of bidders, Betts says there were offers from a pool of high-profile national and international buyers who were interested in doing a variety of different projects on the site.

"We had offers on day one," he says. "It's a testimony of the exposure that Houston and the Galleria have now."

Brian Austin, senior managing director for Trammell Crow Residential in Houston, says his firm wanted this site because of the high-profile location and because of the high barriers to entry that exist in the submarket.

"There are not many opportunities for new development," says Austin, whose colleague, Darren Schackman, represented Trammell Crow on the deal. "What you have to do is go in and manufacture a site."

Apartment developer Jenard Gross says Trammell Crow got a prime site in a silk-stocking neighborhood.

"If the price had been right and I'd known about it, I would have bought it myself," quipped Gross, of Houston-based Gross Investments.

Having spent years pulling together some of his own deals, Gross can commiserate with the process Mudd went through to complete the sale.

"That took a lot of patience," he says. "He did a good one there."

Advancing Alexan

Trammell Crow's Alexan brand will be carried through with this project, Alexan Post Oak, which will consist of four floors of apartments above two floors of parking.

The average unit size will be 965 square feet, which at \$1.69 per square foot, would rent for \$1,630 per month. The units will offer 10-foot ceilings, eight-foot entry doors, granite kitchen countertops, stainless steel appliances, washer/dryers and hardwood floors in the living room, kitchen and dining room.

The property will have a 16,000-square-foot, multilevel clubhouse with a fitness facility, Internet café, wine room/cigar bar, coffee/tea bar, billiards room, gaming stations and a marketing lounge.

Edith Personette, who specializes in selling condos, says the Galleria area will be able to support even more Class A apartments like this because of its central location.

"It doesn't get any more convenient than that area," says Personette, who owns Houston-based Personette & Associates LLC. "You can be anywhere in 10 minutes from there."

Since Trammell Crow Residential was established in 1977, the company has developed more than 200,000 multifamily units in most major markets across the country. In Houston, the firm's developments include Alexan Heights, Alexan Lofts, Alexan Piney Point, Alexan Downs and Memorial Bend Place.

Alexan Post Oak will join those ranks in the third quarter of 2007, which is when the complex is scheduled for occupancy.

Alexan Post Oak

Developer: Trammell Crow Residential

Location: 1111 Post Oak

Size: 390 upscale units, averaging 965 square feet.

Rental rates: Estimated at \$1.69 per square foot

Timeline: Scheduled for occupancy in third quarter 2007

Design: Four floors of apartments above two floors of parking

Project architect: EDI Architecture Inc.

jdawson@bizjournals.com ☎ 713-960-5935