

OFFICE UPDATE

Uptown Houston's office market continues to show signs of improvement. Second quarter **Class A occupancy rates rose to 85.7 percent**, compared to 80.5 percent in second quarter 2005. Additionally, the market absorbed more than 185,000 square feet since March 2006.



POST OAK BOULEVARD SITE OF NEW MID-RISE DEVELOPMENT

Atlanta-based Trammel Crow Residential recently announced its plans to build 390 upscale, mid-rise apartments at **1111 Post Oak Boulevard**. The project, dubbed **Alexan Post Oak**, will house four floors of apartments above two floors of parking. Units will average 965 square feet and will feature 10-foot ceilings, granite kitchen countertops, stainless steel appliances and hardwoods in the living room, kitchen and dining room. Additionally, the property will have a 16,000-square foot clubhouse, Internet café, wine room and cigar bar, and a billiards room. Alexan Post Oak is scheduled for completion in third quarter 2007.



Alexan Post Oak Rendering



RETAIL UPDATE

According to CoStar's mid-year Retail Market Report, Uptown Houston's retail market has the **lowest vacancy rate** of any submarket in the region at 2.3 percent. Also, quoted lease rates were among the highest in the region at \$25 per square foot.

On September 9, Houston-area Foley's stores, including The Galleria's Flagship Foley's, will officially adopt the **Macy's** name. As a result, The Galleria will operate two Macy's stores within its walls. Each store will carry a similar mix of men's, women's and children's merchandise; however, the former Foley's location will continue to carry furniture while the original Macy's location will not.

Bob's Steak & Chop House, rated among the Prime Time Top 10 Steakhouses in the country, is moving in to the old Tony's Restaurant site at **1801 Post Oak Boulevard**. Praised by *Bon Appétit Magazine* as "the kind of fare you'll want to go back for again and again..." Bob's Steak & Chop House serves prime aged beef and fresh seafood in an atmosphere of old world elegance.

HOTEL UPDATE

OMNI HOUSTON HOTEL SUPERSIZES TO ATTRACT BUSINESS TRAVELERS

This fall, the **Omni Houston Hotel** will begin a \$9 million reconstruction project to expand its meeting space and add a new and improved health club and spa. According to the *Houston Business Journal*, hotel executives feel the expansion will attract conventions and other business groups, which in the past have been turned away due to lack of accommodations. Upon completion of the project, Omni Houston Hotel will boast 26,000 square feet of total meeting space – up from its current offering of 16,000 square feet – as well a 1,500-square-foot health club and 5,000-square-foot spa with six treatment rooms.

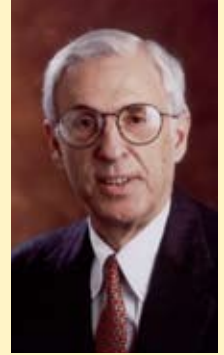
For more information on the Omni Houston Hotel, visit www.omnihotels.com.



IN THE SPOTLIGHT

Martin Debrovner

is Vice Chairman and Chief Investment Officer of Weingarten Realty Investors. Prior to Weingarten, Martin was employed by the NASA organization and reported to the Manned Spacecraft Center. While at NASA, Martin worked on the Gemini, Apollo and Orbital Laboratory missions, where his primary responsibilities included integration of the flight crews and their equipment and EVA training.



After leaving the space program, Martin joined J. Weingarten, Inc. as Senior Vice President and in 1984 became Executive Vice President responsible for the company's operations. Beginning in 1985, he served as President of Weingarten Realty Management Company until 1993, when he was named President of Weingarten Realty Investors. In 1997, he was named Vice Chairman, a position that he currently holds.

Martin holds Master's and Bachelor's degrees from Columbia University. He was appointed to the Uptown Houston District Board of Directors in 1994 and the Uptown Houston TIRZ Board of Directors in 1999, where he currently serves as Chairman of the Board.

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