

WEST LOOP UPDATE

UPCOMING CLOSURES SIGNAL THE "BEGINNING OF THE END" OF WEST LOOP CONSTRUCTION

On **March 23** at 9 p.m., the Texas Department of Transportation (TxDOT) will implement several changes to the way we commute northbound on the West Loop, including:

- The Post Oak Boulevard entrance ramp to northbound West Loop will close until December 2006;
- The northbound frontage road, north of Post Oak Boulevard, will switch to new pavement and will be reduced to one lane; and
- Eastbound Post Oak Boulevard at the southbound frontage road will be re-stripped to allow two right southbound turn lanes.

Throughout this construction period, one suggested alternate route is to **"go south to get north"** — take the San Felipe or Westheimer entrance ramps to access the northbound West Loop.



HOTEL UPDATE

Uptown Houston hotels continue to perform exceptionally well. In fact, Uptown's hotel market experienced a surge in Revenue per Available Room (RevPAR) last year, increasing to \$92.71 (December 2005) from \$79.80 (December 2004). Uptown's hotel occupancy, now at 71.5 percent, also improved by more than five percent

in 2005 over 2004. Additionally, the average daily rate increased from \$124.56 to \$129.63.

Be on the lookout for these hotels coming soon to Uptown Houston:

Hotel Indigo – 5160 Hidalgo; Luxury boutique hotel opening spring 2006

Homewood Suites – 2950 Sage; All-suite hotel opening spring 2006

Granduca – 1080 Uptown Park Boulevard; Luxury residential hotel opening autumn 2006

Courtyard by Marriott – 2900 Sage; 190 guest room hotel opening spring 2007



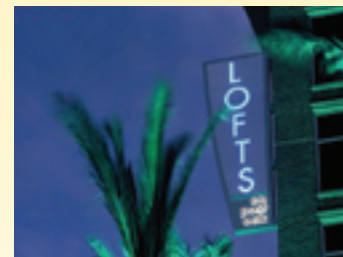
RETAIL NEWS

Former New Orleans Saint, Kendyl Jacox, recently opened **Gregory's**, an edgy fashion boutique, in **The Galleria**. Shoppers can expect to find "shoes worthy of a rock star and scene-stealing clothes for women."

Basiques, new to Uptown Park, features elegant "everyday basics." The boutique offers building-block pieces cut for American women from European fabrics in white, black, red and blue.

RESIDENTIAL NEWS

In 2005, the Uptown Houston residential market saw one of the year's highest-priced transactions with the sale of **Lofts on Post Oak**. The property, which houses 351 units, sold for more than \$77 million to Tarragon Corporation and Sunvest Communities LLC. Grubb & Ellis has forecasted that investor demand for apartment properties will remain strong in 2006.



Interested in Uptown Houston hotels and all they have to offer? In a monthly feature beginning in April, the Uptown Update will spotlight an Uptown Houston hotel. Meet the people behind the scenes of Houston's successful hotel market and find out what it takes to be at the top of their game.

OFFICE UPDATE

Uptown Houston realized an **increase in occupancy** of its Class A office space from 2004 to 2005. According to CoStar's end-of-year office market report, the occupancy rate for Class A office space increased to **82.1 percent** (4Q 2005) from **78.9 percent** (4Q 2004). Additionally, the price per square foot of Uptown Houston's Class A space remained relatively stable in 2005 over 2004 at \$19.15 per square foot.

Two of the top five office space leases signed in 2005 were in Uptown Houston. **Marathon Oil Corporation** signed a lease for 650,000 square feet in Marathon Oil Tower and **Panhandle Pipeline Company** signed a lease for 133,721 square feet in Panhandle Energy Tower.



MAKING A 'DRAMATIC' DIFFERENCE

A.D. Players is a professional theater committed to producing plays and programs that highlight human value and offer hope, laughter and education. With the help of philanthropic supporters, the company, second in size to the Alley, purchased a piece of property at Westheimer and Yorktown and began breaking ground on its new location in February.

At left, board members and invited guests break ground on the new location.



IN THE SPOTLIGHT

As president of The Hanover Company, John Nash oversees day-to-day operations and new development activities. He was instrumental in the organization's evolution to an innovator of landmark, best-of-breed, urban rental properties on trophy sites across the country. John conceptualized Hanover's successful "lodge" prototype, which propelled the company's development program through the 1990s and secured its position as an industry leader.

Prior to joining The Hanover Company in 1977, John was a partner with the firm Mayer, Brown and Platt, where he represented The Hanover Company, in addition to other investors, developers and general corporate clients. He is a graduate of the University of Texas and earned his juris doctorate from Southern Methodist University School of Law, where he was an editor for the *Southwestern Law Journal*. John has served on the Real Estate Advisory Committee for the Greater Houston Partnership and is a past director of the College of the State Bar of Texas. John was appointed to the Uptown Houston District Board of Directors in 2005.

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