

Downtown Houston Market Update & Trends

Central Houston, Inc. and Houston Downtown Management District



As Houston's urban core begins to return to a sense of post-pandemic normalcy, the second quarter brought increased activity with large crowds at Minute Maid Park and BBBVA Stadium in addition to convention events at the George R. Brown Convention Center.

Business announcements featured a major office groundbreaking by Skanska for its new 375,000 Class A office tower near Discovery Green, major employers re-opening their office locations to returning employees and hotel occupancy climbing to a high not seen since February 2020 as tourism picked up and business travel began to accelerate during the summer.

EXECUTIVE SUMMARY (CONTINUED)

The bar scene is experiencing a fresh start with new openings. Angel Share HTX, Houston's only charity bar, opened serving specialty cocktails, locally brewed craft beer and wines-by-the-glass and Cherry, a new '80s and '90s "micro-club" opened replete with a life-size unicorn disco ball over the dance floor.

Topping out the recap, Downtown's residential sector saw its occupancy ratchet up to 85.6 percent, rising more than two full percentage points since March and is now the highest since May 2020 with 130 units being newly occupied during the past 90 days.

Looking ahead, the third quarter is expected to see even larger numbers of employees return to Downtown, especially after Labor Day in line with Houston area schools welcoming their Autumn classes of 2021. And while enjoying the lazy days of summer is a season we all particularly look forward to, with all Downtown Houston has to offer such as new activities and leisure choices increasing at a faster rate, Houston's urban core will be hopping.

Market Overview

OFFICE HIGHLIGHTS

51,469,131 sf
office inventory

1,626,856 sf
under construction

603,629 sf
planned

OFFICE

Downtown's office sector had a busy second quarter especially as workers began returning in larger numbers following the rollout of the COVID vaccine. Several major employers such as CenterPoint Energy, EOG, NRG Energy, Motiva, Aramco, LyondellBasell, Mitsubishi International and Enterprise Products Partners, to name only a few, are already indicating higher numbers of their employees coming into the office, albeit most on some sort of hybrid schedule between the office and telecommuting.

Announcements this quarter include Skanska USA Commercial Development breaking ground on its \$225 million 28-story, 375,000-square-foot 1550 on the Green office tower near Discovery Green. Brookfield Properties announced in June the completion of its renovation of the 1.2 million square foot Heritage Plaza while NRG Energy naming Houston as its sole headquarters location at 910 Louisiana in May. And in one of the largest office investment sales in the past two years was Houston-based Triten Real Estate Partners selling the 430,000 square foot, 17-story Class B office tower, 1111 Fannin, to Harris County which plans to use the building to centralize its operations.

Skanska USA Commercial Development broke ground on its \$225 million 28-story, 375,000-square-foot **1550 on the Green** (1550 Lamar) office tower near **Discovery Green** during late-June. The project is poised to transform the area around the popular Downtown 12-acre park. Skanska executives were joined by community members and local leaders. The plans for 1550 on the Green include extra-wide pedestrian zones covered by dense foliage, two tenant-exclusive outdoor roof terraces located on the 12th and 20th floors, and an additional terrace on the roof deck, which the public will be able to rent as an event space. Tenants will also have access to 7,000 square feet of ground-floor retail as well as a lobby featuring touchless security turnstiles, app-based guest registration and destination dispatch elevators. When it is completed in 2024, 1550 on the Green aims to be LEED Platinum-certified. Skanska is already finding success on the leasing front. The company has signed **Norton Rose Fulbright**, one of the largest law firms in Houston, to be 1550 on the Green's anchor tenant. The firm will have naming rights on the new tower, where it will occupy more than 120,000 square feet, or 32 percent of the office space, on floors 20 through 28 when it relocates to the building in 2024. ([HBJ](#), [Chron](#))

Wells Fargo Bank NA plans to start bringing employees back to the office in September soon after Labor Day. The bank, which had been extending work-from-home on a month-to-month basis, told employees that it wanted to give them more notice to plan for the summer and the return to school for the 2021-22 school year. In the meantime, Wells Fargo, located in the 1.7 million square foot Wells Fargo Plaza (1000 Louisiana) plans to move forward with office redesigns that seek to encourage more interaction and innovation. Wells Fargo is the second-largest bank in the Houston area with 176 local branches and has an estimated 1,000 employees working Downtown. Meanwhile, the largest bank in Houston—**JP Morgan Chase & Co**, primarily located at the **JP Morgan Chase & Co Tower** (600 Travis), has approximately 2,300 employees working Downtown announced that it will keep some positions remote while reconfiguring some of its office space to increase social distancing and reduce more dense office environments. ([HBJ](#))

WeWork (708 Main) tapped Houston-based **Transwestern Real Estate Services** to market its nearly 300,000 square feet of leased space across its Downtown properties at **609 Main at Texas** and the **The Jones on Main** (708 Main) to larger tenants during April. WeWork tenants include Vroom, Compass and Standard Charter Bank in Houston and Microsoft and Slack globally. Tenants have access to conference and event rooms, onsite staff and tenant



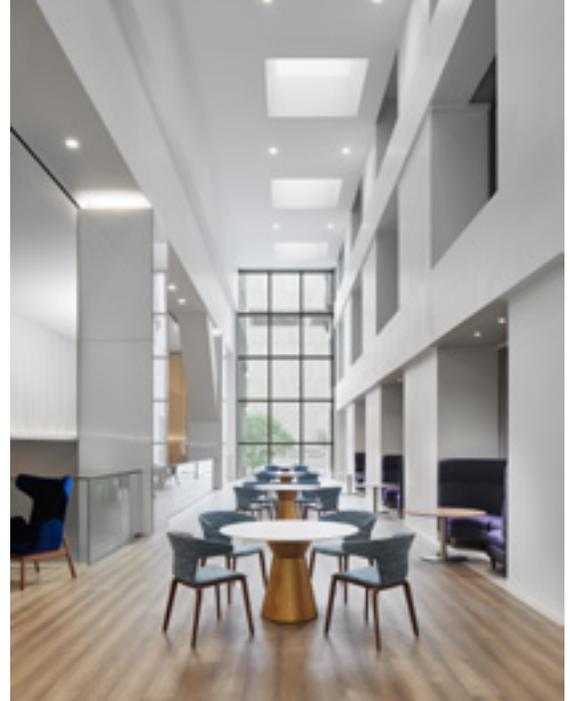
1550 on the Green

OFFICE (CONTINUED)

concierge and use of WeWork's coworking spaces worldwide. The company recently reached an agreement to merge with Menlo Park, CA-based **BowX Acquisition**, a special purpose acquisition company, in a transaction that will enable WeWork to transition to a publicly traded company. Flexible workspaces can make sense for companies trying to manage their space needs following the pandemic and as workers adopt more of a hybrid weekly schedule. ([Chron](#))

New York-based **Brookfield Properties** announced in June the completion of its renovation of the 1.2 million square foot **Heritage Plaza** (1111 Bagby). The renovations were designed by Houston-based **Kirksey Architecture** and were the result of a joint venture with Boston-based **AEW Capital Management**, the majority owner of 51-story Class A office tower. The renovations included adding a new exterior glass curtain wall at the corner of Dallas and Brazos streets to create a more inviting arrival experience. The three-story Kawneer 1600 Wall System offers unobstructed views between the interior and exterior, which brings in more natural lighting into the lobby. The exterior plaza also features new landscaping and artificial turf, which can be used for outdoor fitness activities, as well as new seating areas. The building also saw the addition of new landscaping, a new staircase that provides gathering areas, a revamped lobby with an exterior patio and fixture upgrades. Brookfield Properties also added a new conference center and an upgraded fitness center with a skybridge connection to the 354-room **C. Baldwin** (400 Dallas) hotel in the 3.2 million square foot **Allen Center** office campus on Dallas, Smith and Clay streets, providing tenants with access to retail and food and beverage offerings, including **Guard and Grace** (500 Dallas). Construction work on the renovations began in October 2019 ([HBJ](#))

NRG Energy (910 Louisiana) named Houston as its sole headquarters location in May and has selected an e-commerce executive as its new CFO. NRG used to be based in Princeton, NJ and has claimed dual headquarters in Princeton and Houston since acquiring Houston-based GenOn in 2012. NRG is also the parent company of Houston-based **Reliant Energy**. "The move to a single headquarters simplifies business operations, as a significant portion of the company's employees and customers reside in Texas," the company said in a statement. As the company makes progress against **Direct Energy** integration milestones, it will continue to evaluate real estate needs and consolidate as appropriate." NRG acquired Houston-based Direct Energy from Centrica PLC in January. Meanwhile, Alberto Fornaro became executive vice president and CFO of NRG on June 1. Fornaro previously was CFO of Coupang Inc. from February 2020 to



Heritage Plaza

December 2020 and has been serving as a senior adviser for the company since then. Coupang is South Korea's biggest e-commerce company and thus is often referred to as the "Amazon of South Korea," according to media reports. NRG's total operating revenue for the first quarter was nearly \$8.1 billion, up 300% from just over \$2 billion in Q1 2020. The addition of NRG, which occupies nearly 480,000 square feet in Downtown and has more than 3,000 employees according to the Mayor's office, expands Houston's list of Fortune 500 headquarters to 24 companies, the GHP said. NRG was No. 324 on the most recent list. ([Chron](#), [HBJ](#), [InnovationMap](#), [CultureMap](#))

Houston-based **Triten Real Estate Partners** sold for an undisclosed amount the 430,000 square foot, 17-story Class B office tower, **1111 Fannin**, to Harris County in June just a few months after paying an undisclosed amount to acquire the building. Triten, also known for the M-K-T mixed-use development in the Heights and The Mill redevelopment coming soon in Houston's East End, purchased the building, constructed in 1971, with New York-based **Taconic Capital Advisors** and had been conceptualizing a redevelopment plan for the property prior to being approached by Harris County about a potential sale. Harris County plans to use the building to centralize its operations in Houston. The building features a podium-style design with center-core floor plates that average 31,500 square feet. On-site amenities include a conference center, card key access, 24/7 security and an attached parking garage. The property has direct access to Downtown Houston's 7-mile tunnel network with retail and dining amenities. When Triten Real Estate Partners acquired the building, it was one of the most high-profile office acquisitions of 2020. 1111 Fannin's previous primary tenant, **JPMorgan Chase**, had invested in significant upgrades to the building's technological infrastructure before deciding to vacate the space when the bank signed a 250,000 square foot lease in the **JPMorgan Chase & Co. Tower** (600 Travis) last July, relocating its 1,500-employee Houston Technology Center to the 75-story tower. ([HBJ](#))

Market Overview

HOSPITALITY HIGHLIGHTS

8,378

hotel rooms

119

under construction



George R. Brown Convention Center

HOSPITALITY

Hotel occupancy rates continue to rise as summer tourism starts to pick up, and business travel is expected to accelerate as well. The most current hotel data available shows Downtown's occupancy closed May at an average of 38.6 percent, the highest since February 2020. While still historically low, that rate has more than doubled since January. Weekends continue to attract the highest number of guests, mainly regional leisure bookings particularly as professional sporting venues kicked off the summer home game seasons in April. Friday and Saturday occupancy rates most recently were at 53.5 and 70 percent, respectively, with both rates being the strongest since before the pandemic. Future conventions scheduled for the **George R. Brown Convention Center** (1001 Avenida De Las Americas) in June and early-July include the International Dairy Deli Bakery Association Trade Show, Shriners International and Anime Matsuri 2021 with more than 60,000 combined attendees.

Also in the works is the historic renovation of the State National Bank Building into a 199-room hotel. Innjoy Hospitality started construction in the first quarter of the project with the design work completed by New Orleans-based Campo Architects. When the new hotel opens in the spring of 2022, it will be under the flag of the **Moxy Hotel by Marriott**. The Moxy brand is a fresh addition to the Downtown hospitality sector and will join more than 60 other Moxy 'experiential' hotels open across North America, Europe and Asia Pacific, where the experience starts with check-in at the hotel's brand-name Bar.

After more than a year of having to forgo citywide conventions, Houston appears poised to see a record number of large-scale events returning to the city in 2021. The organization charged with promoting the city's tourism and convention industries, **Houston First Corp.**'s Michael Heckman, acting president and CEO, said Houston already has 16 citywide conventions booked for the fall and is fielding inquiries from other organizations interested in relocating events to Houston. As the number of vaccinations continues to climb, Heckman said people are becoming more confident in their ability to return to the way things were before the Covid-19 coronavirus pandemic. Houston First landed several convention contracts that will bring thousands of visitors to the city later this year. Notably, the **International Trademark Association** announced in February it would reschedule its 2021 annual meeting and move it from San Diego, California, to George R. Brown Convention Center in mid-November and is expected to have 4,500 to 6,000 people in attendance, both in-person and virtually with an estimated \$6.7 million impact on the Houston area, according to Houston First. Also, the **National Rifle Association** committed to keeping its annual meeting at the George R. Brown Convention Center in early-September after previously scheduling the event for mid-May. The meeting is expected to bring 850 exhibitors to Houston, and the event has already resulted in more than 7,000 hotel rooms being reserved in 30 hotels throughout Downtown and across the city. In August, the city will also host the annual conference of **Mensa International's** U.S. chapter, **American Mensa**, which is likely to bring approximately 3,000 visitors and attendees. (HBJ)

Market Overview

RETAIL HIGHLIGHTS

200+
restaurants,
bars & clubs

3
opened

16
planned

RETAIL

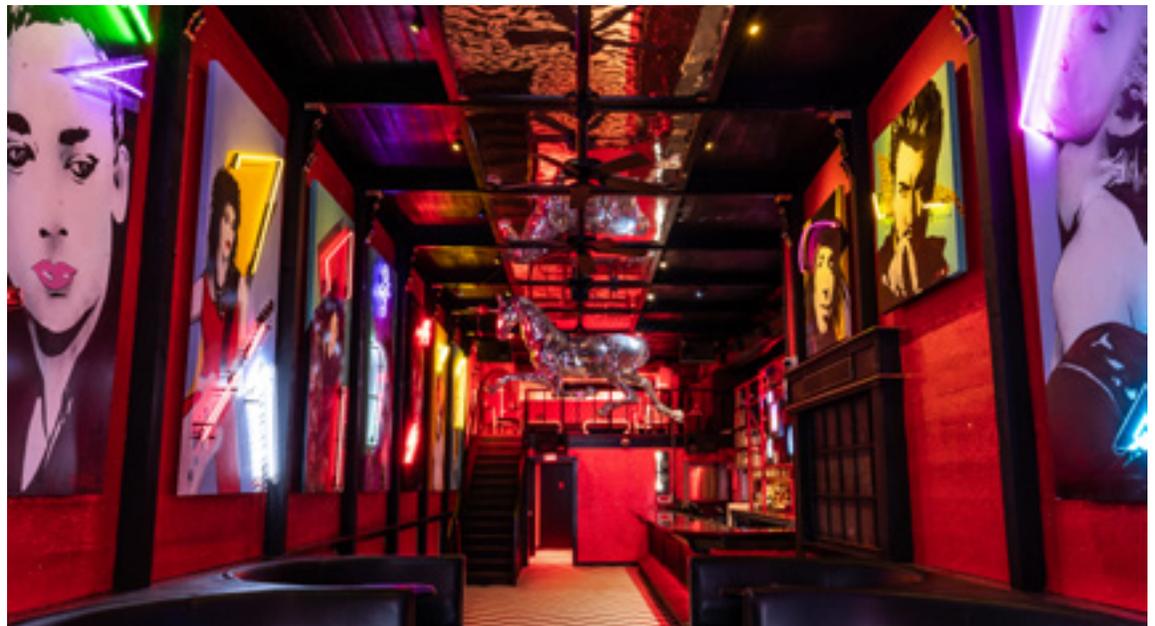
The second quarter has been an exciting one for the return of Downtown's retail and dining scene, especially as Minute Maid Park, which is now operating at 100 percent capacity for its 44,000 seats, hosted more than 950,000 sports fans at the home games through June. Meanwhile, BBVA Stadium has welcomed more than 65,000 soccer enthusiasts for the Houston Dash and Dynamo games during the quarter.

The food and beverage scene is also taking off for foodies of all types. Angel Share HTX opened serving specialty cocktails, locally brewed craft beer and wines-by-the-glass and Cherry, a new '80s and '90s club, opened in May. Sports hotspot, McIntyre's, is slated to open 4th of July weekend in the renovated Spaghetti Warehouse building, and new coffee and wine spot, 3 Fibs, along with Chris Shepherd's Georgia James Tavern, are both expected to open later in July in Downtown's Historic Market Square neighborhood. The announcement that Toro Toro, a new Latin American steakhouse, to open at the Four Seasons in the third quarter and What If Syndicate announced that it is planning two new restaurants in more than 8,000 square feet in Hines' 1.1 million square foot Texas Tower now under construction including the established posh Italian eatery, Etta.

Cherry (308 Main), a new '80s and '90s "micro-club", opened in May and features a life-size, unicorn disco ball over the dance floor. The club is located underneath **Captain Foxhearts Bad News Bar & Spirit Lodge** at the same address. The venue includes shiny red walls, zebra-striped flooring and brightly colored paintings of music

icons, including Prince, David Bowie, Whitney Houston, Madonna and Michael Jackson. The VIP area contains a mezzanine, table service and playable electric guitars. Tables are designed to look like albums, and vintage TVs playing classic videos lining the bar. Signature cocktails include Dream in a Bottle, made with whipped vodka, lemon and orange soda served in a classic soda pop bottle; and the Raspberry Beret, a blend of whipped vodka, fresh muddled raspberries and pineapple juice. ([Chron](#))

Downtown Houston's new charity bar, **Angel Share HTX** (924 Congress), made its debut in June as the new occupant of the former OKRA Charity Saloon. Owner Mary Ellen Angel is the charity saloon's longtime general manager, purchased the bar in March. Since then, she has been working to update the space and preparing to serve food and drinks to bar patrons. The bar's new name is a nod to the term for the whiskey that evaporates from barrels while it ages, known as "angel's share" of the barrel. As with OKRA, Angel Share's charitable contributions will vary from month to month based on the profit it generates. Non-profits will be able to apply to receive that month's donation, with a winner selected by the bar's patrons. First up will be the charities that would have received funds prior to last year's shutdown. All of the proceeds from drinks on a special charity menu will be included in each month's donation. At opening, the selections include classics such as the Old Fashioned, Southside, and frozen bellini, but Angel says she'll rotate the drinks quarterly. In addition to the charity menu, the bar will make patrons all of their favorite classic cocktails



Cherry Bar

RETAIL (CONTINUED)

as well as serve locally brewed craft beer and a small selection of wines. A brief menu of dishes that easy to eat by hand include chicken tenders with green curry ranch, tempura-fried okra, and a Monte Cristo wrap that comes complete with raspberry jam and a dusting of powdered sugar. Baked-to-order chocolate chip cookies use a recipe Angel inherited from her great grandmother and are served with a glass of milk. The area around **Market Square Park** (301 Milam) has been on an upswing as establishments such as **Captain Foxheart's Bad News Bar & Spirit Lodge** (308 Main), **High & Dry** (306 Main), and the **Pastry War** (310 Main) have all reopened recently, and new nightclub **Cherry** (308 Main) has been drawing crowds. ([CultureMap](#), [HBJ](#))

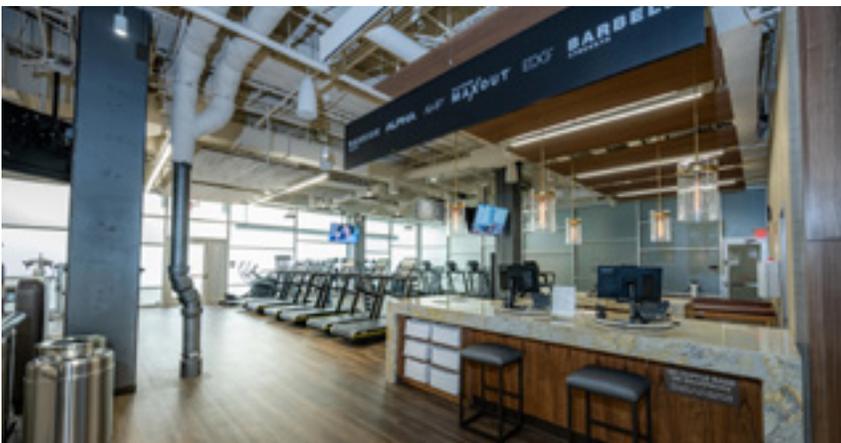
Houston-based **Midway's** mixed-use **GreenStreet** (1201 Fannin) opened its new upscale club **Life Time Fitness** (1201 Main) in June. The luxury health club features a pristine sea of creamy tile, cold plunge pools, saunas, steam rooms and cycle studios spacious enough to accommodate a platoon of athletes. Coupled with the 62,224 square foot wellness/spa component, Midway adds 29,000 square feet of coworking space, **Life Time Work** (1202 Fannin), with standing desks by Herman Miller, conference rooms and community spaces with soft seating. Midway's GreenStreet is a unique location for the 25-year-old Life Time in that most of their 158 properties are in suburban areas and the four blocks of GreenStreet sits in the heart of Downtown. Midway and Houston-based **Lionstone** envision creating an urban campus environment at the property that spans four blocks from Main Street to Caroline Street, GreenStreet has a total of 420,000 SF of office space and several restaurants. Life Time GreenStreet may be accessed through the tower lobby on levels two and three, which will connect from Polk Street to the GreenStreet Lawn, an open area programmed with live music and other community activities. ([RNR](#), [BisNow](#))

RETAIL—COMING SOON

The comprehensive renovations taking place at the **Four Seasons Hotel Houston** (1300 Lamar) include a new restaurant from chef Richard Sandoval who will bring his Latin American steakhouse **Toro Toro** to Houston this fall, replacing **Quattro** on the third floor of the hotel. Sandoval is also behind **Bayou & Bottle**, the hotel's stylish, whiskey-themed lobby bar. Named for a word that refers to both "tuna" in Japanese and "bull" in Spanish, **Toro Toro** offers a lighter, fresher take on steakhouse fare. It will be the second **Toro Toro** in Texas, joining a Fort Worth location that opened in 2019. Diners will find dishes inspired by Chifa (Chinese-Peruvian), Nikkei (Japanese-Peruvian), Mexican, and Brazilian cuisine. Shareables such as tuna Nikkei ceviche, lomo saltado empanadas, or grilled octopus will be on the menu. Entree options include individual steak and seafood dishes or large format platters that includes lamb, ribeye, and picanha. Those dishes are paired with wines sourced from Latin and South American countries and classic cocktails such as the margarita, the mojito, and the caipirinha. Brunch will continue to be a focus, but will replace **Quattro's** buffet with a "bottomless" concept that offers diners a selection of plates made fresh to order. The restaurant will also be open for breakfast and lunch. Restaurant details include a spacious lounge and bar area, an open kitchen to showcase the restaurant's wood-burning grill, and artwork created by Houston-based female artists. Plans call for a 74-seat main dining room, a 10-seat private dining room, ample space for corporate and other private events. ([CultureMap](#))

Downtown's **Post Market** (401 Franklin), located in Post Houston, the mixed-use property under construction in the former Barbara Jordan post office, announced six vendors for its culinary food hall. These include **Salt & Time Butcher Shop**, **The Butcher's Burger**, **Lea Jane's Hot Chicken**, **Taco Fuego**, **Gelu Italian Ice** and **SOUPreme**. Post Houston is an extensive Downtown project that will offer a mix of retail and office space, restaurants, bars, a concert venue and Skylawn, a five-acre rooftop park and sustainable farm when it opens. These new restaurants in the project's 53,000-square-foot food hall will start opening in fall 2021. ([Chron](#))

After years of planning, **Frost Town Brewing** (100 N. Jackson) aims to bring the history of Texas beer to Downtown with its newest planned brewery. Co-founder John Sorensen has been working on developing this concept for 10 years which was initially his father's idea. The brewery has gone through name changes and potential locations over the past decade but is now under construction and opens later this year. The brewery, which cost a reported \$2.58 million, threads inspiration from Texan beer history into everything, from its décor and beer names to beer styles themselves. Sorensen plans to



Life Time Fitness

Market Overview

RESIDENTIAL HIGHLIGHTS

6,279

residential units

1,317

under construction

275

planned

85.6%

occupancy rate

RETAIL—COMING SOON

(CONTINUED)

serve a lot of German- and American-style beer, including a Prohibition-era pilsner from an old Magnolia brewery, as well as some traditional German and Czech lagers. The half-acre lot will have a 9,100-square-foot taproom with indoor seating when it. It will also have a 10,000-square-foot outdoor beer garden. Fehr Grossman Architects is the design firm, and Mission Constructors Inc. is the contractor. The outdoor space will have room for food trucks, outdoor games, a garden as well as local trees and other local landscaping. The brewery will seat roughly 200 and will employ 10, including four full-time staff. ([HBJ](#))

What If Syndicate, a Chicago-based restaurant group, is bringing two restaurants to Downtown Houston. The group signed leases totaling more than 8,000 square feet in 1.1 million square foot **Texas Tower** (845 Texas) now under construction. Houston-based real estate developer **Hines** and Montreal, Canada-based partner **Ivanhoe Cambridge** are building the 47-story office tower on the former Houston Chronicle site. **Etta**, an Italian restaurant, will occupy 6,410 square feet on the first floor and is expected to open in February 2022. The concept already has two locations in Chicago, and Houston marks its ninth signed location. This will be the fifth Etta location to open. Danny Grant, a partner at What If Syndicate and a two-time Michelin-starred chef, leads the concept. The menu includes fire-baked focaccia, ricotta with honey and truffle, an array of seasonal pizzas, and handmade pastas. What If Syndicate also will open a second concept in 2,000 square feet in Texas Tower's pavilion area. That concept has not yet been announced. Set to open in late 2021, Texas Tower will offer multiple food and beverage options, a hospitality inspired lobby with lounge areas, a library, spaces for networking and a full-service conference facility. The Vinson & Elkins law firm and Hines have signed on as anchor tenants. ([HBJ](#), [Chron](#))

RESIDENTIAL

Downtown's overall multifamily occupancy measured 85.6 percent in June, up more than two full percentage points since March and is now the highest it's been since May 2020 with more than 130 units being newly occupied during the past 90 days. Rents are steadily improving and increased to \$2.12 per square foot per month in June, the highest since the pandemic in April 2020 and 136 Class A units were absorbed in the second quarter leading to the rent growth. Five new multifamily properties are under construction containing more than 1,300 units with Sovereign at the Ballpark (229 units) and McKee City Living (120 units) expected to be completed



this summer. While construction and labor costs remain elevated, multifamily architects are thinking more creatively following the pandemic about how to factor all these new design elements into essentially the same amount of space.

The latest apartment rent payment data from the Washington, D.C.-based **National Multifamily Housing Council** offers evidence of a recovering economy, the trade group's president reported during the second quarter. Meanwhile Houston multifamily rents climbed in June, signaling that many of the pandemic discounts are being discontinued. Currently there are no move-in specials being offered in the Downtown multifamily sector with less than a dozen properties offering any leasing concessions compared to more than 20 properties in nearby Midtown and 23 in the Heights. Downtown multifamily rents (\$2.12 per square foot per month) are the strongest for all Inner Loop submarkets with Downtown Class A properties commanding among the most robust in the Houston region at \$2.20 per square foot per month. This rate of growth is outpacing Midtown/Montrose (\$1.91 per square foot per month), the Heights (\$1.86 per square foot per month) and Upper Kirby/Highland Village (\$1.83 per square foot per month). Leasing specialists report that Downtown's multifamily sector is in the midst of a comeback, with the market absorbing more than apartment units over the past 90 days than it did in the final six months in 2020. Houston's reopening, along with the vaccine rollout and new renters entering the urban leasing market are contributing to the marked improvement in Downtown leasing activity. ([BisNow](#))

INNOVATION

Downtown's Innovation Hub is at the center of a corridor from UH-Downtown along Main Street into Midtown, the Museum District and past Hermann Park to Rice University and the Texas Medical Center. This four-mile corridor is an extraordinarily powerful social and economic convergence linked by light rail, bike lanes and sidewalks offering easy access to key industry and institutions along with an unparalleled array of amenities.

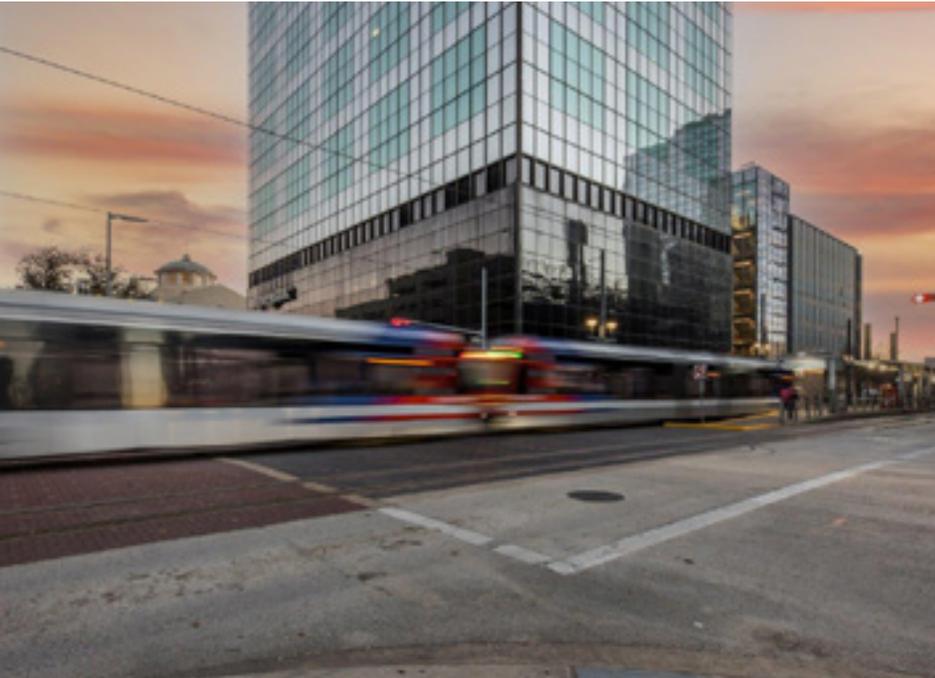
Downtown made substantial progress during 2020 advancing the urban core as the northern anchor of this corridor. Since opening in June, the 17,000 square foot Downtown Launchpad resident tenant nationally recognized startup accelerators Massachusetts-based MassChallenge, Wisconsin-based gener8tor, and globally recognized incubator, Impact Hub, have made considerable impact on Downtown's startup economy producing 22 percent post program job growth and 119 percent post program revenue growth. Working virtually during the pandemic, Downtown Launchpad partners are moving forward with their spring applications and programming. In mid-2021, Central Houston Inc.'s vision to establish a vibrant innovation hub gain additional traction as startups and entrepreneurs start to engage with the physical space as Downtown's workforce begins to return.

Five Houston companies have been tapped to participate in a Houston-based, early-stage startup accelerator with a national presence located in **Downtown Launchpad** (1801 Main). The Madison, WI-based accelerator, gener8tor's program, **gBETA**, selected the five Houston companies out of over 85 applicants. The cohort represents industries such as education, travel, and fintech. The summer program launched during early-May and will occur over seven weeks before concluding in July at the gBETA Houston Pitch Night. The five startups selected from Houston: **Clyr**, led by CEO and Co-founder Jeff Jensen, makes pools smarter and more sustainable through its eco-friendly approach. Clyr is located in hundreds of pools across the U.S. and has analyzed over 2 million pool chemistry data points and given over 100,000 recommendations for fixes. **Custodian Corp's** software-as-a-service platform solves the data management and valuation pain points of venture capital and private equity managers faster and at a fairer price than competitors. Led by CEO Federico Jost, Custodian's main product is the CPMTOOL, a cloud-based solution to collect, aggregate, organize and analyze portfolio company data for monitoring and reporting purposes. Third is **FareUpThere's** travel platform led by CEO and



Amegy on Main

Market Overview



Amegy on Main

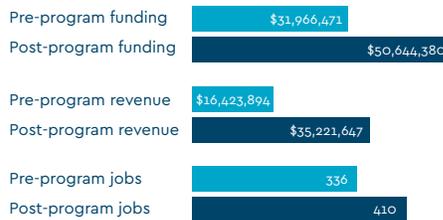
Downtown Launchpad current statistics and impact

1,509

Total Application

165

Startups



Source: Central Houston, Inc., July 2021

INNOVATION (CONTINUED)

Co-Founder Malcolm Woods. FareUpThere's restaurant-style menu of flight amenities allows passengers to easily customize their perfect flight ranging from exact inches of legroom to whether the flight has Netflix. The fourth company, **UpBrainery**, led by CEO and Founder Ghazal Qureshi, which provides an AI-driven software platform and research-based, results-driven curriculum to students, parents, teachers and organizations and its mapping tool aligns a student's educational interests and learning styles with their goals to visualize the steps needed to achieve them. The final company is **Veza**, which launched in December with a network that supports both sides of the influencer marketing industry; the businesses searching for talent and the influencers looking for opportunities and is led by CEO Efrain Batista. gBETA is a free accelerator program announced its plan to launch in Houston in September 2019. The program's inaugural cohort premiered in May and conducted the first program this summer completely virtually. The second cohort took place last fall. ([InnovationMap](#))

In May, a group of innovators, commercial real estate professionals and Amegy Bank employees celebrated yet another achievement in the Houston Innovation Ecosystem with **Amegy on Main's** (1801 Main) new innovative and collaborative space's grand opening. The grand opening reception was held outside in the building's first floor courtyard adjacent to its upgraded parking garage. The renovated space includes: Coworking space managed by The Cannon; Accelerator and event space for Downtown Launchpad; Main Line Café, a chef-driven restaurant concept open to the public; new courtyard; a first-floor gaming lounge; as well as shared spaces and design elements for the building, such as expanded windows for improved daylight, enhanced coffee bars and expanded conference space. Originally announced in October 2019, Downtown Launchpad opened parts of its upgraded space last fall. Now, the full renovation project is completed, offering a new opportunity for collaboration. ([InnovationMap](#))

DOWNTOWN INNOVATION HUB: CO-WORKING, ACCELERATORS, INCUBATORS (SORTED BY TOTAL SF)

| PROPERTY NAME | TYPE | ADDRESS | SQUARE FEET |
|---|--|---|----------------|
| Novel Coworking | Coworking | Scanlan Building (405 Main) | 85,000 |
| WeWork including: | Co-working | | |
| Flatiron School | Coding School | | |
| Veterans in Residence (VIR) /WeWork Bunker Labs | Coworking/Incubator | 708 Main | 78,063 |
| WeWork Labs | Incubator | | |
| Spaces (Regus) | Co-working | GreenStreet (1201 Main) | 63,429 |
| WeWork | Co-working | 609 Main at Texas | 56,000 |
| Life Time Work – Opened Q2 2021 | Co-working | GreenStreet (1202 Main) | 37,681 |
| Accenture Innovation Hub | Innovation Space | 1301 Fannin | 37,487 |
| The Square With Industrious | Co-working | 717 Texas | 27,795 |
| Station Houston powered by Capital Factory: | Co-working | | |
| BBL Labs (BBL Ventures) | Accelerator | | |
| Founder Institute | Accelerator | 1301 Fannin | 25,412 |
| Ion Smart Cities Accelerator (Microsoft, Intel) | Accelerator | | |
| The Square by Hines (opening late-2021) | Co-working | Texas Tower (845 Texas) | 18,000 |
| The Cannon Tower | Coworking (+ event space on 11th Floor) | Amegy on Main (1801 Main, 13th Floor) | 17,000 |
| Downtown Launch Pad— | | | |
| MassChallenge Texas | Innovation Space | Amegy on Main (1801 Main, 10th Floor) | 17,000 |
| gener8or | Accelerator | | |
| Impact Hub | | | |
| Regus | Executive Suites | Pennzoil Place – North Tower (700 Milam) | 15,200 |
| Novel Coworking | Coworking | 720 Rusk | 15,000 |
| Servcorp | Executive Suites | TC Energy Center (700 Louisiana) | 7,065 |
| Sources: Q1 2021 Central Houston, Inc., CoStar | | GRAND TOTAL | 502,132 |

Market Overview



The Terminal at Post Houston

OTHER DEVELOPMENTS

Lovett Commercial secured a marquee tenant for its **Post Houston** (401 Franklin) redevelopment project in the historic former Barbara Jordan Post Office with the 90,000 square foot concert venue operated by Beverly Hills, California-based **Live Nation**. Houston-based Lovett said Live Nation's 5,000-person venue, called **The Terminal**, is already under construction and is scheduled to open November of this year. Kirby Liu, director of development for Post Houston, said the venue will anchor Post Houston and establish a major cultural and entertainment hub that complements city-undertaken upgrades to the Theatre District, including the new Lynn Wyatt Plaza and the Bagby Street renovation project. Liu commented that bringing a concert venue to Post Houston was a key part of Lovett's development plan. In addition to Live Nation's concert venue, Lovett aims to bring an "immersive experience" to Post Houston. Lovett, which purchased the Barbara Jordan Post Office in 2015, began to redevelop the 550,000-square-foot building two years ago with the intention of creating one of Downtown Houston's newest destination areas. [\(HBJ\)](#)

A \$27 million redevelopment project of the reimagined **Jones Plaza**, named **Lynn Wyatt Square for The Performing Arts** (600 Louisiana), broke ground in May thanks to a \$10 million donation by well-known Houston philanthropist Lynn Wyatt in 2019 along with an additional \$10 million committed by the **Downtown Redevelopment Authority** and **Houston First** adding another \$5 million to the project. Wyatt Square is across the street from

Jones Hall, and both were named for late-Houston city leader Jesse H. Jones and his family. The Jones family and Houston Endowment, the philanthropic foundation established by Jesse H. and Mary Gibbs Jones, have both lent their support to renaming the property. The reimagined square will include a performance lawn for concerts and other free programs, a cascading water feature, trees and gardens, a street theater and a restaurant. The project broke ground on May 14 and is expected to be completed during the summer of 2022. [\(HBJ\)](#)

NOW ON STANDS: **downtown Magazine** Summer Edition. The streets of Downtown are starting to reflect a return to normal. We're seeing more foot traffic, businesses are opening up, and events are starting to fill our calendars once again. It's been a long road, and we see a bright future ahead filled with lots of big hugs and festive celebrations. This summer we encourage you to come on back and see everything Downtown has to offer. Classic film festivals, bingo in the park, live music, sports—they are all waiting for you. Start planning your summer fun days with our feature beginning on page 3 and our date-book on page 46. Plate is also back starting on page 35 to help you enjoy Downtown dining again. You'll find plenty of restaurants, coffee shops, and bars ready to serve up both your old favorites and any number of new culinary twists. Check out lunch or dinner on one of Main Street's spacious new patios or feel free to imbibe your favorite cocktail inside a sleek new space—totally your call! [\(downtown Summer 2021\)](#)

Q2 2021 Overview

MAJOR OFFICE LEASES (SORTED BY SF)

OFFICE LEASES

| TENANT | TYPE | BUILDING TO | BUILDING FROM | SQUARE FOOTAGE |
|--|----------|---|---------------|----------------|
| Concho Resources, Inc. | Renewal | 1001 Fannin | | 27,767 |
| Harris County District Attorney Office | Renewal | 500 Jefferson | | 19,816 |
| McClenny, Moseley & Associates, PLLC | Sublease | 1415 Louisiana | The Heights | 15,860 |
| Shackelford, Bowen, McKinley & Norton, LLP | New | 717 Texas | | 11,649 |
| PJT Partners | New | JPMorgan Chase Tower (600 Travis) | | 9,862 |
| Schaffer Carter and Associates | New | 1001 McKinney | 712 Main | 7,869 |
| JZ Interior | New | Pennzoil Place – South Tower 711 Louisiana | | 1,222 |

Sources: Houston Office – Second Quarter Market Reports (CBRE, Cushman & Wakefield, HFF, JLL, NAI Partners, Newmark Knight Frank, MadisonMarquette, Transwestern); CoStar; Houston Business Journal (HBJ); Houston Chronicle; Realty News Report; Bisnow; Central Houston, Inc.

RESTAURANT & RETAIL OPENINGS (ALPHA SORTED)

| BARS & RESTAURANTS | ADDRESS |
|--------------------|--------------|
| Angel Share HTX | 924 Congress |
| Cherry | 308 Main |

RESTAURANT & RETAIL COMING SOON* (ALPHA SORTED)

| BARS & RESTAURANTS | ADDRESS |
|--------------------------|--|
| McIntyre's | 901 Commerce |
| 3 Fibs Coffee & Wine Bar | 104 Main |
| Pur Noire Wines | 802 Milam |
| Etta | Texas Tower (845 Texas) |
| Frost Town Brewery | 100 N. Jackson |
| Georgia James Tavern | Market Square Tower (777 Preston) |
| Ixim | 409 Travis (Bravery Chef Hall) |
| Post Market | 401 Franklin |
| The Palm | GreenStreet (Former Ill Forks location, 1201 Fannin) |
| Toro Toro | Four Seasons Houston (1300 Lamar) |
| Common Bond | 800 Capitol |

Spotlight on Downtown Houston

LOCAL MEDIA

April 19, 2021

GENSLER UNVEILS AMBITIOUS CLIMATE GOALS FOR ITS BUILDINGS

"Gensler, the international architecture firm, unveiled Tuesday an ambitious goal to eliminate all carbon emissions in its work by 2030. With its annual climate action plan, the firm broadened the scope of earlier climate action plans to look at not only the carbon impacts of operating the buildings, but of its choice of materials as well. Buildings and construction account for 39 percent of the world's energy-related carbon dioxide emissions, according to the World Green Building Council, which represents construction businesses . . . Rive Taylor, who directs Gensler's design resilience teams, pointed to Trammell Crow's Hess Tower in Houston as an example of the premium tenants and investors place on sustainability. The office tower, completed in 2010, was downtown's first building to achieve LEED's highest rating awarded for green building strategies, according to its builder, Gilbane. . . When Skanska built the Bank of America building, it reduced the carbon footprint of the concrete used by reusing fly ash — a coal byproduct that would have otherwise gone to a landfill — in place of some of the cement, Taylor said. Creating cement typically requires turning calcium carbonate into calcium oxide, a process that creates 8 percent of the world's man-made carbon dioxide. Skanska uses a carbon calculator for all of its construction projects. Another way of reducing carbon is by reusing buildings. Nine tenths of construction debris comes from demolishing old buildings, according to Environmental Protection Agency. So when a developer decides to reuse a building — whether it is to repurpose it, as is the case of the conversion of the former Barbara Jordan Post Office into a food, retail and live-event destination, or to renovate it, as seen in Gensler's recent redesign of Brookfield Property's Houston Center — they are not only saving a piece of history. They are also decreasing the amount of carbon used by new materials and reducing the amount of waste sent to landfills." — **Houston Chronicle**

April 22, 2021

HBJ REVEALS WHICH REAL ESTATE PROJECTS WON 2021 LANDMARK AWARDS

"Despite all of the challenges last year created by the Covid-19 pandemic, many high-profile real estate projects were completed across the Houston area. The Houston Business Journal revealed which of those projects won 2021 Landmark Awards during a live online broadcast on April 22. The awards recognize the city's top commercial real estate projects of the previous year. Our panel of judges narrowed down the finalists to 52 projects in 18 categories and determined the winners . . . Houston Category: Rehabilitation/Renovation; Winner: Houston Center; Size: 2.3 million square feet across two of Houston Center's four buildings; Developer: Brookfield Properties; Architect: Gensler . . . Category: Workplace Interior; Winner: Gensler Houston; Size: 46,000 square feet; Lessor: Brookfield Properties. Howard Tellepsen, chairman of Tellepsen, his family's 112-year-old construction business, was also honored as the Lifetime Achievement Award winner during the event. Projects are recognized for excellence in land planning, design, construction, economics, marketing and management. Nominations were open to all real estate projects completed in the greater Houston area from Jan. 1, 2020, through Dec. 31, 2020. "

—**Houston Business Journal**

May 28, 2021

THESE HOUSTON HOTELS OFFER DAY PASSES TO THEIR POOLS

"When you live in a place that gets as hot as Houston does, it's important to have several options for swimming when the heat gets truly unbearable. Luckily, if you're in the mood for some luxury or just a day-long staycation, there are several hotels around the city that offer day passes to their pools. Unless your community pool already has cocktails and snacks on hand, the experience might make for a nice change of pace . . . Marriott Marquis Houston: Home to the Texas-shaped lazy river, this downtown hotel offers day passes for adults Monday through Thursday. The day pass includes access to the lazy river, an infinity pool, towel service and poolside cocktail service. If you really want to live the high life, daybed, cabana and pergola rentals are also available." —**Houston Chronicle**

Spotlight on Downtown Houston

LOCAL MEDIA (CONTINUED)

June 3, 2021

HOUSTON'S COCKTAIL GAME IS STRONG. HERE'S WHERE TO GET AMAZING MIXED DRINKS TO GO.

"New legislation allows Texas restaurants to permanently offer cocktails to go. It's an important revenue stream for an industry still in recovery mode. During the pandemic Texas restaurants were allowed to offer to-go alcohol sales, thanks to a special waiver signed by Gov. Greg Abbott, quickly became a lifeline for struggling businesses. Today, that temporary waiver is permanent thanks to new legislation that allows Texas restaurants to sell alcohol with pickup and delivery food orders. Texas is now the tenth state to make COVID-era cocktails to go a permanent measure. Here are some of the popular to-go offerings from area restaurants . . . Xochi: Hugo Ortega's downtown restaurant at 1777 Walker, offers to go Xochiritas made with mezcal, Hugaritas and house Sangria." —**Houston Chronicle**

REGIONAL & GLOBAL MEDIA

April 2021

WHY WE CAN'T WAIT FOR TREBLY PARK TO OPEN THE NEW GREEN SPACE WILL LAND IN SOUTHERN DOWNTOWN IN MARCH 2022.

"THE FIRST THING YOU SHOULD KNOW ABOUT TREBLY PARK? "We want it to be the heart of the neighborhood," says Angie Bertinot, the Downtown District Director of Marketing and Communications. "We do see it as a catalyst project that will hopefully encourage even more development." Bordering Bell and Leeland streets in the emerging Southern Downtown district, the new green space will be easily accessible for cyclists—with BCycle stations, a number of bike racks, as well as a bike repair station—and pedestrians alike, in hopes that the grounds will serve as a space for residents of the area to use it as a backyard. With that in mind, we've gathered up the reasons why we think Trebly Park will draw visitors from all over the city—we're certainly excited. Here's why. The outdoor-hang-sesh potential: Along with a new café from the operators of beloved EaDo spot Tout Suite, folks can expect dog runs for large and small pups, tranquil seating areas, and a flexible event lawn—Lauren Griffith Associates designed the park around activities, amenities, and events that nearby residents wanted. Gensler is also providing architectural services for the cafe and other structures. The art: In 2016, Bertinot says, the Downtown District made a commitment to public art, and it's no different at Trebly Park . . . The park's robust public art program will include a dynamic gateway installation created by German artists Thomas Granseuer and Tomislav Topic of Quintessenz, who are know for colorful site-specific works. And we can't forget Whale Bone Dinner Party, a multi-piece sculpture made from hand-painted fiberglass that's meant to evoke the feeling of discovering oneself on a remote island after being lost at sea—this whimsical playscape for children, created by Chiaoza, will invite interaction and discovery . . . The live events: Once Trebly Park is open, it will be managed and programmed by the Downtown District, similar to the operational agreement that the entity has with the City of Houston at Market Square Park—where live music, movies, and art events have always been a draw. Trebly Park will double down on, or rather triple down, that effort. "The name Trebly Park implies just how much the park has to offer those who visit it in terms of experience with 'three times as much' fun, play, interaction, relaxation, and deliciousness," says Curtis Flower, a board chair at the Downtown Redevelopment Authority." —**Kelsy Armstrong**

Houstonia.

Spotlight on Downtown Houston

REGIONAL & GLOBAL MEDIA (CONTINUED)

May 2021

TRIPADVISOR JUST NAMED THIS HOUSTON HOTEL ONE OF THE BEST IN THE U.S.: HAVE YOU EVER STAYED IN THE LANCASTER HOTEL?

Houstonia.

"Walk into the lobby of the historic Lancaster Hotel in Downtown's Theater District, and you'll feel as though you're stepping into a scene from *The Great Gatsby*. But you probably won't be the only one—this luxe, Roaring '20s-era boutique hotel was just named one of the best hotels in the country by TripAdvisor . . . the travel review/booking site released its annual "Travelers' Choice® Best of the Best Awards for Hotels," including the "Top 10 Hotels in the U.S. for 2021." The Lancaster ranked ninth, the only Texas hotel to make the top 10 list—it's the only hotel west of the Mississippi River in the top 10, for that matter . . . That being said, the Lancaster is a charming spot for a staycation. Built in 1926 and designed by the same architect who designed City Hall, the hotel was originally named the Auditorium Hotel for the nearby vaudeville stage. It was rebranded as The Lancaster in 1983, and after Hurricane Harvey the hotel underwent a multimillion-dollar renovation and is now more luxurious than ever." —**Catherine Wendlandt**

June 2021

HOUSTON'S LATEST POP CULTURE THEMED POP-UP BAR BRINGS 'GAME OF THRONES' TO DOWNTOWN

EATER
HOUSTON

EXPERIENCE THE WILD WORLD OF WESTEROS AT HAUS OF THRONES, OPENING JULY 1

"Winter is coming, Houston, in the form of yet another pop-up bar themed after a pop culture juggernaut. This time around, it's HBO's *Game of Thrones*. Just in time for the start of hurricane season and Houston's sweatiest months, a new pop-up called Haus of Thrones will bring the wild world of Westeros to 505 Main Street. Per a press release, the pop-up will occupy a 10,000-square-foot multi-level set meant to take drinkers back to the epic series inspired by George R.R. Martin's fantasy novels. Set to open on July 1, the pop up will last about four weeks. Haus of Thrones is the work of Asha Holloway, an experiential marketer and the creator of previous Houston pop-ups including those inspired by *The Office* and *Harry Potter*. Haus of Thrones looks to be Holloway's most ambitious pop-up yet, with interactive sections designed to look like iconic *Game of Thrones* locations, including King's Landing, The Infamous Wall of the Nights Watch, and Winterfell. Throughout the pop-up's run, Haus of Thrones will offer weekly game nights with life-sized game pieces, costume contests, trivia and more. Holloway is also offering a few special packages for this pop-up, including a "Bus of Thrones" pre-party experience, in which guests can rent a GOT party bus to cruise around Downtown, complete with music from the television series, a Haus of Thrones t-shirt, and VIP entry to the pop-up." —**Brittanie Shey**

Please contact Central Houston or the District with any questions you may have:

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Resources

[Downtown Development Project List – July 2021](#)
[Central Houston, Inc.'s 2021 Downtown Office Story](#)
[Downtown Development Map and Building Renderings – April 2021](#)
[Downtown Hotel Building List – April 2021](#)
[Downtown Hotel Map – April 2021](#)
[Downtown Residential Building List – March 2021](#)
[Downtown Residential Map – January 2021](#)
[Downtown Buildings & Tunnels – June 2020](#)
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