

This Week's Houston Deal Sheet

December 18, 2020 | Christie Moffat, Bisnow Houston ✉

Houston-based DC Partners is developing 4411 San Felipe, a 95K SF mixed-use project in Uptown Houston.



Courtesy of 3650 REIT

A rendering of 4411 San Felipe, DC Partners' new mixed-use development in Uptown Houston.

4411 San Felipe will include ground-floor retail and three levels of office space, as well as three levels of parking. The mixed-use project has begun pre-leasing and will be situated next to DC Partners' luxury Arabella condominium development, which was completed in 2018.

The project is slated to break ground in January and is scheduled to open in January 2022.

3650 REIT originated a \$31M loan for the property, which carries a term of 30 months. Michael Fleischer and Shin Bowers led the transaction team for 3650 REIT.

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In addition to 4411 San Felipe, the development firm is working on a major project in the Neartown submarket: The Allen, a \$500M mixed-use development overlooking Downtown Houston that will feature a hotel and condominium tower as well as a lifestyle pavilion.

PEOPLE

Weldon Martin joined Stream Realty Partners as a senior vice president in the firm's office division. He will specialize in office tenant representation and will be tasked with expanding Stream's presence in the Houston office market. Prior to joining Stream, Martin spent seven years at CBRE, most recently as a first vice president. Martin has also previously worked with Avison Young.

David Rendon joined McCord as director of development. He will oversee development and construction of all new vertical projects, including Generation Park's Lockwood Business Park Building 3, Redemption Square's medical office building and the Eden Salon Suites. Prior to joining McCord, Rendon served as vice president of design and construction for Thor Equities.

Cary Latham joined NAI Partners as a senior associate in its Texas Investment Sales division. Latham specializes in the acquisition and disposition of single-tenant and multi-tenant industrial assets in the Houston market. Prior to joining NAI, Latham worked in brokerage at Marcus & Millichap.

Kelli Tomczak and Tracie Yoder joined Houston-based Barvin as senior vice president of asset management and senior vice president of operations, respectively. Prior to joining Barvin, Tomczak served as chief administrative officer for US Residential Group and she has also worked for Resource Residential and Resource Real Estate. Yoder has held operations leadership roles at Avenue5, US Residential and Greystar, where she specialized in pre-development and lease-ups.

12/ 21 / 2020

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Courtesy of Brixton Capital
Richmond Towne Homes, a 188-unit apartment complex at 10777 Richmond Ave. in Westchase, Houston.

Brixton Capital purchased Richmond Towne Homes, a 188-unit apartment complex at 10777 Richmond Ave. in Westchase. The complex was built in 1994 and comprises 187K SF on 12 acres. Brixton Capital represented itself in the transaction, while Newmark's Zach Springer and Thomas Alleman represented the seller, Duck Pond Realty Management. CBRE Capital Markets' Scott Peterson and Brian Cruz assisted Brixton Capital with the execution of the debt placement with Freddie Mac.

BHVA Real Estate Holdings purchased 105.7K SF across three industrial buildings at 320, 322 and 324 Riley Road in Pearland. The campus is situated on 32.7 acres. Oxford Partners' Matt Rogers represented the buyer, while NAI Partners' Clay Pritchett and Zane Carman represented the seller, 14800 Jersey Shore Drive LLC.

REEP Equity purchased Chartwell Court, a 243-unit garden-style community at 15100 Ella Blvd. in north Houston. The property was built in 1995 and consists of one- and two-bedroom units. Berkadia's Ryan Epstein, Jennifer Ray and Scott Bray listed the property on behalf of the seller, National Asset Services.

12/ 21 / 2020

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Merit Hill Capital purchased Bargain Storage Portfolio, a two-property self-storage portfolio in southwest Houston. The asset has 454 units totaling 69.8K SF. The two properties have about a half-mile from each other and sit on a combined 3.84 acres, including 18 metal framed single-story buildings. Marcus & Millichap's Dave Knobler and Charles LeClaire had the exclusive listing to market the property on behalf of the seller, an Oregon-based LLC. Knobler and LeClaire also secured the buyer.

BSR Real Estate Investment Trust purchased Vale Luxury Apartments, a 350-unit, newly constructed garden-style community in Spring. The property is in the lease-up phase and has already leased 55.1%.

United Flea Markets acquired a controlling interest in Cole's Antique Village and Flea Market at 1014 North Main St. in Pearland. The acquisition marks the firm's first flea market in Texas. Cole's Antique Village and Flea Market opened in 1968 and consists of 44 acres of indoor and outdoor shopping, including more than 1,300 vendors. The property welcomes 12,000 to 15,000 customers each weekend.

An unnamed Houston investor purchased Spring Park Village, a retail property in Spring. Partners Capital, the investment arm of NAI Partners, originally acquired the property in 2017 through its Fund I. At that time, the property consisted of two buildings and a 2-acre land pad for future development. The firm divested in the smaller building at the front of the property two years ago and sold the remaining building and land in this transaction.

An unnamed investor purchased Rock Creek Medical Building, a 10.5K SF net-leased property in Missouri City. Marcus & Millichap's Justin Miller and Wesley Clayborn had the exclusive listing to market the property on behalf of the seller, a local developer. The buyer was secured and represented by Marcus & Millichap's Ray Turchi and David Vaughan.

12/ 21 / 2020

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LEASES



Courtesy of JLL
200 Park Place, a 210K SF Class-A office building located within the Park Place River Oaks development in Houston's Uptown submarket.

JLL leased 82K SF at 200 Park Place, a 15-story, 210K SF Class-A office building located within the Park Place River Oaks development in the Galleria area. The firm will occupy three floors of the building. The new office will consolidate JLL's Houston offices and several business lines in one location, and JLL's property management team will also manage the property. JLL is expected to take occupancy in summer 2021. JLL's Ronnie Deyo and Beau Bellow represented the tenant, while Stonelake's William Peebles represented the landlord in-house.

Microsoft will be a new tenant of The Ion, Houston's innovation hub owned by Rice Management Co. The global technology firm is leasing space on The Ion's fifth floor. In addition to leasing space for its own use within the building, Microsoft is an established partner of The Ion and a founding sponsor of its Smart and Resilient Cities Accelerator. In August, Microsoft announced it will invest in workforce development as part of an accelerator initiative and support Houston's innovation district at The Ion.

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WorkSuites will open its fourth coworking location in Houston on Jan. 1. The 22.6K SF coworking location is at 5718 Westheimer, and it will include 100 private offices, along with several meeting rooms, a podcast room, company suites and hybrid coworking areas and offices.

Four tenants leased a combined total of 212.8K SF at Waypoint Business Park during the third and fourth quarters of 2020. Advanced Wheel Sales leased 65.5K SF in Building 2, Edvivi Lighting leased 52.2K SF in Building 3, Rasa Floors leased 25.2K SF in Building 4 and Texas Plumbing Supply leased 69.9K SF in Building 2. Stream Realty Partners' Matteson Hamilton, Justin Robinson and Woody Hillyer represented the landlord, a joint venture of 4M Investments and Clarion Partners LLC.

JAMS leased 10K SF at 609 Main at Texas in Downtown Houston. The global arbitration, mediation and alternative dispute resolution provider will occupy the 39th floor. With this signing, 609 Main at Texas is 95% leased. CBRE's William Padon, Kevin Kushner and Ron Wade represented the tenant, while Cushman & Wakefield's Michael Anderson and Damon Thames represented the landlord, Hines.

Cadence Bank leased 82.2K SF at Park Towers at 1333 West Loop South in the Uptown submarket. The tenant's holding company, Cadence Bancorporation, will also be relocating its headquarters to occupy the new space. CBRE's Weldon Martin and Jon Lee represented the tenant, while Transwestern's Doug Little, David Baker, Kelli Gault and Jack Scharnberg represented the landlord, Regent Properties.

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Courtesy of Howard Hughes Corp.
A rendering of the new multifamily community Starling at Bridgeland in Howard Hughes Corp.'s Bridgeland master-planned community in Cypress.

Howard Hughes Corp. has announced plans to build a new multifamily residence, Starling at Bridgeland, within the firm's master-planned Bridgeland community in Cypress. The 350K SF, 358-unit luxury multifamily development will be situated on 15.2 acres at the intersection of Bridgeland Creek Parkway and Bridgeland High School Drive in Parkland Village. Construction is expected to be completed by summer 2022.

Nonprofit Avenue has broken ground on its latest mixed-income multifamily development, Avenue on 34th. The development is located at 2136 West 34th St., and it will offer 70 mixed-income units on 2.1 acres in the Oak Forest neighborhood. Avenue on 34th will feature 23 one-bedroom units, 27 two-bedroom units and 20 three-bedroom units, with sizes ranging from 706 SF to 1.2K SF. While 14 units will be offered at unrestricted market rate, income-restricted units will be designated for families making \$35K to \$65K annually. Project delivery is anticipated in mid-2022.

Cadence McShane Construction Co. has completed the design-build construction of a new food-grade warehouse in Conroe on behalf of Buske Logistics. The build-to-suit industrial development incorporates a single building with 145.2K SF on 17.95 acres. The project was designed by Powers Brown Architecture and features tilt-wall construction, 2.5K SF of office space, 15 truck docks and two drive-in doors, as well as a truck court, 133 vehicle parking spaces, drive areas and detention basins.

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Atlantic Pacific Communities broke ground on 192-unit The Arbor at Wayforest, a multifamily development that will replace housing lost during Hurricane Harvey. The \$35M development will be financed with Harris County's Community Development Block Grant – Disaster Recovery funds in conjunction with financing and tax credit equity from Bank of America and private permanent financing from Citi Community Capital. The Arbor at Wayforest is expected to begin leasing in 2022. Rents will range from \$532 to \$1,065 for a two-bedroom and two-bathroom, and from \$615 to \$1,230 for a three-bedroom and two-bathroom.



FINANCING

LMI Capital placed financing for the acquisition and refinance of four separate multifamily complexes in the Houston region in November. LMI's Jamie Safier originated a \$6.7M bridge loan for the acquisition and reposition of a 90-unit asset in Galveston County. The loan featured a low floating rate, a three-year interest-only period and included 100% of the capital improvements. Safier also placed a supplemental agency loan for a 130-unit asset in Galveston County. The additional proceeds were procured at a rate in the 4% range.

LMI's Brandon Brown closed a \$29M bridge loan for the acquisition of a 460-unit asset in the Northshore/Woodforest submarket. The loan featured a low floating rate and three years of interest-only, allowing the borrower to complete a planned property renovation. For the last transaction, Brown closed a \$3.6M permanent loan for the refinance of a 60-unit asset in Galveston County. The debt featured a 3.63% fixed interest rate, a three-year interest-only period and cash-out proceeds.

New York Life Real Estate Investors has financed The Caroline, a 351-unit apartment community. The three- and four-story Class-A property was completed in 2020 by The Finger Cos. and is close to both the NASA Space Center and the Kemah Boardwalk.

THIS AND THAT

Allied Orion Group has been selected to manage La Villita Apartments, an affordable 308-unit apartment community in southwest Houston. Located at 5959 Bonhomme Road, the community is the seventh One Real Estate Investment-owned community that Allied Orion Group has added to its management portfolio.

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