

# REAL ESTATE BISNOW

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User demand is high, but Westchase is running out of **big blocks** of space, causing Colhill Office Properties prez **Chip Colvill** to say it's a **developer's market**. (Virginia may be for lovers, but we prefer new Class-A office towers any day.)



We snapped Granite Properties executive managing director **Scott Martin**, who shared the stage with Chip and others at our **Future of Westchase** event last week. (See [day one](#) of coverage.) We learned that Scott and Chip went to college together, and Chip went to high school with *Bisnow* business manager **Mike Jax**. (The world being so small is no excuse not to build.) Scott says Granite is building spec on an **all-cash** basis because he sees that demand is worth the risk. He knows of many **larger tenants** that can't find space and are eyeing BTS. Tenant rep Avison Young's **Scott Fikes** agrees that his clients want new product and big block options.



Chip says with **6M SF** of proposed construction in the 'burbs, it helps to be first. Sellers are doing well, too, especially those with Class-A, fully leased assets. And rental rates in Westchase for Class-A buildings are some of the highest in the suburbs. Scott M. is seeing **hyperpricing** (which is a superpower that only CRE brokers have), like sales at **\$300/SF** in the 'burbs. He expects some **record** suburban sales prices will be set soon.



Old Republic Title's **Jeff Webb** remembers first working in Westchase in the '80s. Although people lauded it as the **future** of West Houston, he thought with so little there, it would surely take forever. Rents are high in the submarket. Scott M. says new construction is getting **\$25 net**, and even sublease space is doing impressively well. (In a recent deal, the sublessor set the rate and term and didn't bargain. Three companies competed for the space, and it was taken in a **week**.) According to Ron, retail and multifamily rates are high, too: **Woodlake Square** is getting **\$30/SF** net now, and **Ventura Lofts** is nabbing over **\$1.50/SF**.



And it doesn't stop there: Even **Class-B** assets are doing well, says BMS Management CEO **Philip Schneidau**. Class-A projects recently took off, separating rents between the classes by **\$12/SF**. Around the first of the year, he saw tenants choosing the more **cost-conscious** Class-B properties, and he expects this will continue.



We found our sponsors RETC property tax consultants **Ami Singh**, **Brandon Fisher**, and **Kyle Chambers** in the audience. The firm works in all property types and can help you secure a **fair market value** that saves you thousands (maybe even hundreds of thousands) in **tax dollars**.



Proof that submarkets can get along, we snapped the Energy Corridor District's **Clark Martinson** with Westchase District's **Tom Gall**. Although they may compete for users, we found that both are **bicyclists** and big proponents of **trails** in their areas.

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