

## BUSINESS

COMING TUESDAY

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Q&A

### Creating a winning realty strategy

Richland Cos.' Nelson says it's easier for women to get their ideas off the ground than it used to be

By Katherine Feser

Since its founding by Edna Meyer-Nelson nearly a quarter of a century ago, the Richland Cos. has grown into one of the biggest women-owned commercial real estate firms in Texas.

Meyer-Nelson's latest project is to upgrade and manage a new headquarters building just inside Loop 610 at the corner of Post Oak Boulevard at Post Oak Park.

As with all of the company's 2 million square feet of properties, she personally oversees the acquisition and management. The firm, which has offices in Dallas and San Antonio, provides services such as brokerage, leasing, mortgages and tenant representation.

Meyer-Nelson, a native Houstonian and Southern Methodist University graduate with post-graduate degrees from the University of Houston and the University of Colorado, spoke with the Chronicle about real estate. Edited excerpts follow.

**Q: How did you get into the business?**

**A:** I started a company with Suzanne Klein, who was one of my customers. I left banking in 1992 when they deregulated banking. The first building we bought was a shopping center on Mayde Creek off of I-10 and Fry Road.

**Q: Was it hard to get into an industry that's been dominated by men?**

**A:** It wasn't easy. We have 34 properties. People keep telling me if you can get to 42 or 44 or 45, you'll be one of the largest women-owned real estate companies in the United States. We're probably one of the largest in the Texas market.

**Q: What challenges did you face?**

**A:** When this company started, people were very hesitant to say, "Here's a lady that wants to buy a \$5 million piece of real estate. How do we know she's going to pay us back?" It was difficult to find money. We had to go into the market and find the funds to buy things. You have to be able to talk to an individual with money and have them trust you and also be able to have financial institutions and life insurance companies trust you to loan you the money.

**Q: Is it easier to get funding today?**  
**A:** Yes.

**Q: How do you decide what to buy?**

**A:** We concentrate primarily on shopping centers, office buildings, industrial parks and flex properties. Flex properties are properties that have some office in front and warehouses and things like that in back. We do not have any apartments.

**Q: What's the best sector to be in right now?**

**A:** We've been trying to buy properties out by the Ship Channel. The market for flex space industrial is good right now. I think we're getting a little overbuilt in the office market here in Houston. I think we'll suffer a little with that.

**Q: What do you look for in**

**an investment?**

**A:** We look for location. We look for a property that's a seasoned property. We're not developers. We're not going to go in and build. We tweak it. We go in and change the demographics of the property. We might change the tenant mix, the look of the center. We try to be creative and do some things that will make it more attractive and hold on to it three to five years and sell it. We try not to fall in love with it. Everything is for sale.

**Q: How exposed are you in the office sector?**

**A:** We have five office buildings out of our portfolio of 34. We've got office buildings in Memphis and Nashville.

**Q: Why'd you buy an office building now?**

**A:** I decided to pick an office building with around 60,000 square feet that we could keep leased instead of going downtown and buying a 150,000-square-foot office building. I just like to know that I'm living within my means. I'm hoping to retire in the next 10 years.

**Q: Do you think your new 550 Post Oak building is there to stay?**

**A:** We'll be able to make a good amount of money. In the next 10 or 15 years, we'll sell the building and they'll do something else with it. People are getting more aggressive at looking at high-rise living than they ever have before. Everybody is starting to understand it's sort of neat to live in a high-rise. It's a great piece of land.

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Dave Rossman

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**BUSINESS**

DEAL OF THE WEEK

# Revamp inside and out is ahead for real estate firm's new home

1970s building on Post Oak will add amenities in boutique style

By Katherine Feser

The Richland Cos. has purchased a six-story office building on a shady stretch of Post Oak Boulevard inside Loop 610 that will serve as both an investment and home base for the Houston real estate firm.

The 1970s-era brick building at 550 Post Oak Blvd. at Post Oak Park will get a major revamp inside and out. The improvements will bring amenities on Richland's wish list and benefit the other professional services firms that occupy the 53,872-square-foot building.

"We like to own where we live," said Edna Meyer-Nelson, president and CEO of The Richland Cos.

The company, which owns and manages 14 properties in the Houston area and 20 others across four states, is trading its low-slung offices at 1110 N. Post Oak for a loftier space with a "treehouse" environment near Memorial Park. The Awty International School purchased the firm's existing headquarters for its expansion.

"We want to take it and make it into a really boutique type of building," Meyer-Nelson said. "We're going to do some really spiffy things."

The Richland Cos. has budgeted about \$1.5 million for the renovations, which include changing the exterior



Richland Cos.

**The Richland Cos. has purchased 550 Post Oak, a six-story brick building.**

by adding glass and steel. Goldman Design of Chicago and Perry Harrell of Houston are designing the project, which is targeted for completion in late 2016.

Plans call for new elevators, new bathrooms, new lighting in the hallways, a gym, drop-off laundry services, car washing

and gourmet food trucks twice a week, Meyer-Nelson said.

The building was purchased from Sinopec USA, an arm of Chinese oil and gas giant Sinopec, which had owned it since 2011.

"They needed more space than the building had," said Scott Myers, a broker formerly

with Transwestern who handled the sale for Sinopec.

Last year, Sinopec USA purchased 3050 Post Oak Blvd., a 337,000-square-foot multi-tenant building in the Lakes on Post Oak complex near the Galleria, where it had been leasing space.

"We had very strong inter-

est," Meyer-Nelson said. "The tenancy of the building kind of insulated it from some of the economic conditions that were going on in the rest of Houston."

Transwestern also organized financing for the purchase under the direction of Jan Sparks and Tim Bennett.

The 550 Post Oak building sits on nearly 1 acre and has three levels of office space atop four levels of parking. Among the tenants are oil and gas companies, marketing companies, attorneys and doctors offices.

The deal caps off a seven month search for a new headquarters. Meyer-Nelson scouted out locations downtown, including the historic Great Southwest Building, as well as properties along U.S. 59 and the Energy Corridor. The small size of the building kept it manageable to lease.

When Richland Cos. moves into its 6,000-square-foot offices in October, the building will be 85 percent occupied. The space will be home to 14 employees who primarily handle the accounting and management of the firm's \$250 million portfolio of office, retail and industrial properties.

The Richland Cos. local portfolio spans 1.7 million square feet, with Bay Plaza Office Complex, Beltway 8 Service Center, Cedarstone One, Deerbrook Corner, Fairmont PH Business Park, Raton Plaza and Westbridge Plaza among its holdings.

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