

BUSINESS

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PRIME PROPERTY

IN BRIEF



Westchase Park Plaza represents Hertz Investment Group's first purchase in Texas.

Hertz Investment Group has entered Texas with the purchase of Westchase Park Plaza, a 10-story office building at 11490 Westheimer, from Miami-based Parmenter. The Woodland Hills, Calif.-based company said it paid \$24 million for the 232,108-square-foot building. The property, which recently underwent a multimillion-dollar renovation, is 60 percent leased. Moody Rambin will handle leasing.

Richland Cos. has acquired a 74,462-square-foot industrial flex property at 8100 Westpark Drive from Big Houston SW. Houston-based Richland will manage the property, which is fully leased to Hoffer Furniture, Pak Man Supply and DragoArt Tattoo Supply.

Houston-based **Caldwell Cos.** plans to develop Lakeview Oaks, a 330-unit apartment property near the southeast corner of Gosling and FM 2920 behind the planned H-E-B in Spring. The property will offer units ranging from one to three bedrooms with garages in some units. Opening is planned in 2019.

Freeway Properties announced several leases in the six-story Katy Ranch Office Building at 24275 Katy Freeway. **U.S. Silica** leased 43,410 square feet in an expansion deal that included the building's top floor; **Escalate Workspace** leased 14,254 square feet; **Tampnet**, a provider of communications networks for the offshore energy industry represented by Coldwell Banker Commercial's Donna Winfrey Varner, leased 8,278 square feet; **KGA/Deforest Design Landscape Services**, represented by David Bale of JLL, leased 8,808 square feet; **Flagstar Bank**, represented by Newmark Knight Frank, leased 5,403 square feet; and **Silverback Operating**, an independent oil and gas exploration company represented by JLL's Steve Burkett, leased 2,419 square feet.



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REAL ESTATE

U.S. home construction tumbled 8.2 percent in December

Monthly decline marks reversal from robust gains reported in October, November

By Josh Boak
ASSOCIATED PRESS

WASHINGTON — Groundbreakings on new homes fell 8.2 percent in December, with builders ending 2017 by slowing down their construction of single-family houses.

The Commerce Department said that the monthly decline put U.S. housing starts at a seasonally adjusted annual rate of 1.19 million units. Almost all of the decrease came from builders beginning work on fewer single-family houses, a reversal from the robust gains reported in October and November.

Despite the monthly decline, housing starts in 2017 were their strongest in a decade. But the ramp-up in construction has done little to offset the dwindling pool of homes for sale, which has caused prices to surge faster than wage growth.

The hot housing market is being fueled by a strengthening job market. The unemployment rate is holding steady at a 17-year-low of 4.1

"The pace of housing starts averaged just 1.2 million for the year."

Nela Richardson, economist



Associated Press file

Construction continues on a high-rise condominium project in Miami as builders ended 2017 by slowing construction of single-family homes.

percent. Workers are feeling more confident as the Labor Department said separately last week that the number of unemployed workers filing for jobless benefits, a proxy for layoffs, plunged by 41,000 the previous week to 220,000. That is the lowest level for benefit applications in nearly 45 years.

Yet home builders face pressures from high land prices and a construction workforce that relies heavily on immigration at a time when President Donald Trump is seeking to

limit the inflow of foreigners into the United States.

"The pace of housing starts averaged just 1.2 million for the year, far short of the historical average of 1.5 million starts," said Nela Richardson, chief economist at the real estate company Redfin. "Given the three-year drought in inventory and surging homebuyer demand, a pace of 2 to 3 million starts would be reasonable and appropriate."

For all of 2017, housing starts have risen a mere 2.4 percent. Single-family house construc-

tion drove the entire annual increase, while the building of apartment complexes plunged last year as more renters appear to be seeking properties to buy. The slight gains in construction have been unable to fully offset the drastic fall over the past year in the number of existing homes put up for sale.

Housing starts in December fell in the Northeast, Midwest, South and West.

Building permits, an indicator of future construction, slipped 0.1 percent in December to 1.3 million.

RETAIL WRAP

Katy retail development close to reaching capacity

By Katherine Feser

Katy Ranch Crossing, a 750,000-square-foot retail development of Freeway Properties on 130 acres at the southeast corner of Interstate 10 and Katy Fort Bend Road, is almost fully leased. The center has generated about 150,000 square feet of lease deals annually for the last 5 years, said Lilly Golden, a broker with Evergreen Commercial Realty who represents the landlord.

"With only 40,000 square feet of big-box space remaining, I'm expecting 2018 will be the year I lease myself out of a job," Golden said.

Recent leases include: **PGA Tour Superstore**, represented by Chad Moss of Property Commerce, 35,000 square feet; **Floor & Décor**, represented by Matthew Keener of CBRE, 73,000 square feet; **Glowzone**, represented by Robert Hartigan of Colliers, 37,500 square feet; **IRace**, 60,000 square feet; **Taco Cabana**, represented by Chad Moss of Property Commerce, 3,500 square feet; **Navy Federal**



Karen Warren / Houston Chronicle file

Longhorns graze in a field near the Katy Ranch Crossing retail development along Interstate 10 past the Grand Parkway in 2013.

Credit Union, represented by Joey Lumsden and Lilly Golden of Evergreen, 4,000 square feet.

Franchise owner Ummara Sajid will open a **Chick-fil-A** at 1900 NASA Parkway in the Nassau Bay area Thursday. The 4,471-square-foot restaurant has a dual drive-through, seating for 145 including the patio, and a two-story interactive play area for children. Chick-fil-A, which first opened in

Houston 40 years ago, has grown to 56 area locations including upcoming stores in Nassau Bay and on Pearland Parkway. The new store will employ 90 people.

H&R Block has renewed its 1,500-square-foot lease at 8703 Broadway in Pearland. Lewis Faraclas with Hellenic Brothers Commercial Real Estate represented the landlord, Silver Pear 518 Business Park. Cushman &

Wakefield represented the tenant. A convenience store has leased 3,991 square feet at The Shoppes at Loop and Hardy, 1520 North Loop. Joaquin Orozco and Alan Vieyra represented the landlord. Melissa Redman of Engel & Völkers represented the tenant.

Crossfit Rhokee has leased 2,530 square feet at 4309 Irvington Blvd. Austen Baldrige of NewQuest Properties represented the tenant. Bea Naranjo of Moseley Commercial represented the landlord, Silvia Camarena.

Grocery Services has leased 2,150 square feet in Calder Ridge Plaza, 1108 Gulf Freeway, League City, from Silk Road Properties. Austen Baldrige and Brad Elmore of NewQuest Properties represented the tenant.

Boost Mobile has leased 1,000 square feet at Afton Oaks, 7710 Bellaire. Benny Nguyen of Retail Solutions represented the landlord. Gary Warner of Investar Real Estate Services represented the tenant.

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