

BUSINESS

AT A GLANCE

 **DOW** 17,172.68, down 107.06 (-0.6%)
 **S&P 500** 1,994.29, down 16.11 (-0.8%)
 **CRUDE OIL** \$91.52, down 89¢ (-1.0%)
 **NATURAL GAS** \$3.850, up 1.3¢ (+0.3%)

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Section D ★★

REAL ESTATE

Developers are doubling down

SkyHouse Houston's builders propose a second apartment tower downtown

By Nancy Sarnoff

Developers of a downtown high-rise that will cater to young professionals seeking an urban lifestyle are planning a second building to mirror the first.

The companies behind SkyHouse Houston, an apartment tower with mostly one-bedroom and studio floor plans that recently opened on a city block bounded by Main, Bell, Leeland and Fannin, have acquired an adjacent parcel for another tower, according to a Monday announcement.

The new building, to be called SkyHouse Main, is slated for a site just south of the first.

The companies have submitted their plans to the city of Houston, which is operating a tax incentive program for developers who add living units to the city's center.

Since the city program began, developers have lined up to build projects. Some are under way, including a 40-story tower off Market Square Park.

The proposed SkyHouse building would have 336 units in 24 stories and, like the first tower, include high-end finishes, balconies and high-speed Internet. It would have a "Sky House" level on the top floor that would include a club room, fitness center, pool and area



SkyHouse

This rendering shows SkyHouse Main, downtown apartments geared for young professionals.

for grilling. The building is designed to have 7,200 square feet of retail space.

"Early indications are that the market is responding well, as we thought it would, to the central business district location, public transit access, rooftop amenity package, and exciting city views of SkyHouse Houston," Jim Borders, president of Atlanta-based Novare Group, one of the development partners, said in a statement.

Batson-Cook Development Co. and local developer Peter Dienna are also involved in the project, along with general contractor Batson-Cook

Construction and architectural firm Smallwood, Reynolds, Stewart, Stewart.

When construction started on downtown's first SkyHouse project, the average unit was expected to have about 800 square feet and rent for around \$1,600 per month.

There are SkyHouses in other parts of the country, including Atlanta, Austin and Orlando, Fla. The developers are building another one in the River Oaks area at the old site of the Westcreek at River Oaks apartments off Westheimer and inside the West Loop. It is expected to open in early 2015.

Across Houston, but particularly inside the 610 Loop, there has been a surge

of apartment construction, which some expect to begin affecting the multifamily market.

"Apartment construction has been incredible in Texas metropolitan areas in recent years," Matthew Deal, principal of Deal Sikes & Associates, said in a statement on multifamily investments. "With this massive new supply of apartments, a moderate degree of softening of occupancy rates and rental rates is expected."

nancy.sarnoff@chron.com
twitter.com/nsarnoff