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# Houston residential developers shift focus from west to east

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[Paul Takahashi](#) Reporter *Houston Business Journal*

During the energy boom, many developers focused on the west side of Houston, where upstream energy companies benefited from high oil prices.

However, as oil prices have plummeted, these companies have announced layoffs and budget cuts.



David Marshall is the executive managing director of ARA Newmark's Houston office.  
*Courtesy ARA Newmark*

Now, residential developers are shifting their focus from the west side to the east side of Houston, where billions of dollars worth of petrochemical, industrial and transportation-related investments are underway along the Port of Houston and the Gulf Coast. New master-planned communities, luxury apartments and mixed-use projects are going up on the east side of the Bayou City.

“With the drop in oil prices, we’ve seen a shift where it’s gotten more difficult to capitalize deals on the west side of town,” said David Marshall, a principal broker with ARA Newmark’s Houston land team. “The story on the east side is more compelling than the west side.”

Here’s a roundup of some of the latest developments occurring on the east side of Houston:

## 1. New organization formed to promote West Lake Houston region

McCord Development and Crescent Communities have partnered to create a new organization called West Lake Alliance that will promote the West Lake region northeast of Houston.

West Lake is the area west of Lake Houston running along West Lake Houston Parkway from the northeast corner of Beltway 8 to the southern end of Atascocita. This northeast Houston region is an oft overlooked real estate corridor with the least amount of commercial real estate compared to other quadrants in the Bayou City.

Ryan McCord — president of McCord Development, the developer behind the 4,000-acre mixed-use project Generation Park — floated the idea for the West Lake Alliance earlier this year during an Urban Land Institute panel discussion, which lamented the lack of branding in the northeast Houston corridor.

“Northeast Houston is a sleeping giant across all the real estate sectors,” McCord said. “It’s the least-crowded playing field. We have an opportunity to do something larger there than any of the other sectors.”

## **2. Developer plans massive mixed-use project in Baytown**

Hunington Properties Inc. is under contract for nearly 200 acres on the northeast corner of Texas State Highway 146 and Kilgore Parkway, just south of Interstate 10 and east of the Grand Parkway. The multifamily and retail developer is expected to close on the property — owned by local developer Eddie Gray — during the first quarter of 2016.

Houston-based Hunington plans to develop hundreds of single-family homes on 125 acres, 480 apartment units on 24 acres, and several commercial buildings — midrise offices, an extended-day hotel and retail shops — on 45 acres. The developer hopes to start the first phase of construction in 2017.

The yet-to-be-named development is Hunington Properties’ first mixed-use project on the east side of Houston. Company president Sandy Aron said he hopes to capitalize on the downstream energy boom happening on the east side of Houston.

“When you look at the housing demand on the east side of town, there must be pent-up demand,” Aron said. “This is a zone that has been untapped. We’re going to tap it.”

## **3. New luxury apartment in New Forest**

City Street Residential plans to build its first Domain-branded apartments in east Houston.

The Houston multifamily developer bought 10.5 acres near Beltway 8 and Wallisville Road in New Forest. The vacant site is near San Jacinto College’s north campus and the New Forest shopping center, between U.S. Highway 90 and Interstate 10.

ARA Newmark represented the seller, Houston-based Black Rock Land Co. LLC in the deal, which closed on Oct. 15. The purchase price was not disclosed.

Domain New Forest will be a Class A, three-story garden-style apartment project offering about 300 units and several amenities, including a pool, clubhouse with an arcade room, a dog park, private garages for rent and oversized parking spaces.

Steinberg Design Collaborative is designing Domain New Forest. Ward, Getz & Associates LLP is the civil engineer for the project. Both companies are based in Houston.

City Street Residential decided to build on the east side of Houston because there is little supply and growing demand for new Class A apartments, Cutrer said.

“There aren’t a whole lot of apartments out there to serve people who are working or will be working in that area in the next couple of years,” said John Cutrer, chief investment officer of City Street Residential. “We feel it’s an underserved market.”

*Paul Takahashi covers residential and multifamily commercial real estate for the Houston Business Journal.*

