

Wolff Companies Spotlight

We concentrate on large-scale, master-planned, mixed-use business environments.

BY ANNE FARRELL PETERSON

REDNews caught up with David Hightower, chief development officer and executive vice president of Wolff Companies, to reflect on company projects and his impressive career in Houston commercial real estate.

Wolff Companies Spotlight

Wolff Companies has been a mainstay in Houston commercial real estate (CRE), as a land investor and developer of mixed-use environments, for more than four decades. In 1970, Philadelphia-born and Harvard-educated David S. Wolff founded Wolff, Morgan and Company. That enterprise grew to become Wolff Companies in 1985. The company is one of Houston's prominent developers of office and industrial parks. In recent years, they added family farms to their portfolio. Wolff Companies employs ten CRE professionals.

The Wolff Companies Model

"We concentrate on large-scale, master-planned, mixed-use business environments," said David W. Hightower, a 36-year company veteran who serves as chief development officer and executive vice president. Their parks typically range from 70 to 600 acres, and feature office, light industrial, financial institutions, healthcare facilities, hospitality, retail and apartment land use, to name a few.

"We think we have an idea on how land will develop and how communities will

grow," Hightower said. "While we are big believers in letting the market dictate what the uses are, we work hard to make sure the uses in our parks are compatible and complementary."

He said they strategically target land on major corridors with high commercial potential, in close proximity to high-quality residential communities, which in turn, supports retail in their parks.

Current Wolff Companies projects include two in The Energy Corridor that have attracted west-side campuses for some of Houston's best-known medical institutions. Central Park and Ten Oaks are home to new facilities for MD Anderson Cancer Center and Texas Children's Hospital, as part of the Texas Medical Center West Campus. Hightower said they didn't especially target healthcare clients for these parks, but being

on major transportation corridors with quick and easy access are important attributes for medical facilities.

Gates Ranch

One present Wolff Companies project doesn't fit the mold.

"Gates Ranch is a diversion from our bread-and-butter business," Hightower said. "We started it because David (Wolff) and I were both looking for a way to preserve some of the open space in Washington County."

Both men have farms in the country – Wolff has owned a working cattle ranch in Washington County since 1972; he became concerned as he started to see large, beautiful ranches being split up and developed. The two began to talk about how to create unique places in the country with



David S. Wolff



David Hightower

PROJECT	LOCATION	USES AND FEATURES	ACRES	PERCENT SOLD
Central Park	The Energy Corridor, north of I-10 between North Eldridge Parkway and Hwy 6	High-end office, multi-family, hotel, retail and healthcare. MD Anderson Cancer Center and The Heights at Park Row are early tenants.	80	63%
Ten Oaks	The Energy Corridor, corner of I-10 and Barker Cypress Road	Home to Texas Children's Hospital, Courtyard by Marriott, Hampton Inn & Suites, retail and luxury multifamily living.	83	91%
Liendo Park	Between Hempstead & Prairie View at US 290 and Liendo Parkway interchange	Groves of mature live oak trees and convenient location between Houston and College Station make it a future site of corporate headquarters, regional healthcare, general commercial, residential, institutional, hospitality and retail tenants.	68	0%
Gates Ranch	Washington County, near Chappell Hill and Washington-on-the-Brazos	Unique, high-end country family farm sites ranging from 30 to over 130 acres, in a deed-restricted and protected community. New and aged trees, ponds, spring-fed lakes, pastures, and Texas wildlife abound.	1,500	50%

wide open spaces for families who wanted a certain quality of life.

“Ten years ago, we found this property. It fit our criteria and made sense for many reasons. It was a good location not planned for commercial development, and off the beaten path,” Hightower said. Gates Ranch is an hour northwest of Houston, north of Interstate 290 and just west of the Brazos River with, what he called, “great views out over the river valley.”

As baby boomers retire and Houston continues on a trajectory to reach a population of 7.6 million by 2025, Wolff Companies took a chance that more and more people would want a country lifestyle away from the city. Phases 1 and 2 of Gates Ranch are 87% sold, with Phase 3 being brought to market now. The gamble has paid off.

Current Houston Market

Trained as a civil engineer, Hightower worked as a consulting municipal engineer for five years. He has been part of the Houston CRE scene for more than three decades. He joined Wolff Companies in 1980. From his vantage point, he said the current economic cycle is depressed, but not depressing.

“Everyone I know in the industrial business market is doing well; the retail market is doing well.”

“We are without question in the down portion of a cycle. All markets and economies – particularly large ones – do cycle. While energy is important to our local economy, it is not having nearly the impact of the 80s and early 90s,” Hightower said. “Our economic base is more diversified and our significant population growth is driving housing and retail.”

The development strategist said Wolff Companies’ latest sale was a retail development in Ten Oaks. Measured by acreage, single family residential land use comprises approximately 70% of all land use (urban and suburban), so they closely track residential growth. Public uses, institutions, offices, commercial, industries, schools, etc., account for the remaining 30%. Residential growth directly supports a strong home-building industry and that market is performing exceptionally well in Houston, according to Hightower.

“Everyone I know in the industrial business market is doing well; the retail market is

doing well. Apartments are a function of job and population growth, and that has slowed down dramatically from 36 months ago,” he said. “It will take some time to eat up the existing inventory of apartments.”

“We stay involved ... It distinguishes us from others. We consider it service after the sale.”

Hightower said the consensus among his peers is that the economy will hit bottom in the last part of 2016, lag into 2017, and then start to rebound. “I’m willing to bet, 24 months from now, the apartment market will be looking better, and the office market, too.”

Potential and Commitment

Wolff Companies has traditionally focused on the west side of Houston. The southeastern Houston area is now experiencing industrial growth with petrochemical plant construction. Hightower said, “I’m happy for my friends who are developing there,” but that his company didn’t find a space that intrigued them.

“We are always looking for opportunities to determine if there is an area we should be active in,” he explained. They’ve considered Austin and San Antonio in the past. As a loyal A&M alumnus who owns property near Brenham, he noted that Bryan/College Station and Brenham are two places he monitors for potential opportunities. Earlier this year, they sold an 87-acre investment property in Brenham.

Areas where they choose to develop have to be a perfect fit because of the company’s long-term vision and commitment to their projects. Wolff Companies stays active even after the development is completed and sold out, to sustain their investment and fulfill the promises made to their clients.

“We stay involved with managing the property owners’ associations, overseeing landscaping maintenance, and enforcing covenants even after the development has sold out,” Hightower said. “It distinguishes us from others. We consider it service after the sale.” ●

David Hightower

Favorite Sports Team

The Aggies

Favorite Houston Rodeo Event

Steer Wrestling | David is a life member of the Houston Livestock Show and Rodeo.

Favorite Texas Tourist Attractions

State Capitol and the Bob Bullock Texas State History Museum

Favorite Wolff Companies Legacy Projects

- Westway Park | A 150-acre, master-planned office park. “We were able to execute the vision and watch it come to being. I still love the feel of the park as I drive through it.”
- Westlake Center | At 17.5 acres, their smallest development project, Hightower said they bought it and sold out of it in seven transactions in just 51 weeks. “We caught the upside of a market. Streets and infrastructure were already in place....It was kind of fun.”