

Marines on a mission

Cullen Realty celebrates ranch sale

BY BRANDI SMITH



Jason Shaw



Meredith Cullen

Jason Shaw still remembers the first time he visited Cullen Ranch, a 3,284-acre property in Liberty County. The retired U.S. Marine had been invited out for a veterans hunt, an event hosted by Meredith Cullen, a Marine himself.

"It was amazing to go out as a veteran to shoot quail. I had never even seen a quail," Shaw laughs. "When I got out there, I was in awe. I thought, 'Oh, my God. What is this place?'"

The two connected there in 2009 and, just a few years later in 2013, formed Cullen Realty Group. The sale of Cullen Ranch is one of the firm's biggest deals.

The property is a sportsman's dream. Along with exotic and native game, the land features a luxury 4-bedroom stone lodge, a 4-bedroom ranch house, a pool, jacuzzi, multiple lakes and a sporting clay range. The majority is loaded with timber, a hint of its past use.

While the expansiveness of the ranch first impressed Shaw, so did the details, including a 12-foot alligator that was mounted on the wall.

Anyone who visited seems to have fallen in love with the property, including longtime Cullen family friend and investor, Rob Jamail.

"He really liked the ranch, so about five years ago, Rob ended up buying in. He told me, 'It's a lot of fun when you can make money with your friends and family,'" Cullen remembers with a smile. "He's like family. And he's right: it does feel good."

Years later, as the CEO and associate broker of Cullen Realty, Shaw admits selling the ranch was bittersweet.

"I had a lot of fond memories there," he says.

"... we wanted that piece ..."

Cullen, the firm's president, bought the property about 10 years ago, but the project truly got its start back in 2002.

Back then, Cullen owned a similar ranch (it even had the same name) near Rockwall, Texas.

"Developers came in and bought our family out," he remembers.

Cullen was determined to replace the property in his portfolio, perhaps a little closer to his home of

Houston. As it turned out, International Paper was auctioning off some of its property, including an 80,000-acre package with parcels ranging in size.

"Our family didn't want the whole package, but we did see this 2,300 acres that was there in Cleveland, Texas," Cullen says. "We wanted that piece."

In its history in Texas, the Cullen family isn't known for backing down from a challenge; quite the opposite, in fact. Focused on claiming that timber land, Cullen waited until the sale of the full 80,000 acres went through, then contacted the new owner the next day. It turns out, the plan was to flip the property and Cullen knew exactly to whom that 2,300-acre Cleveland chunk should go.

"They probably didn't own it more than a week before I went under contract with that piece," Cullen smiles.

Though the acquisition was a win, the property itself had a few challenges. For one, it didn't have much road frontage along TX-321.

"It was a gamble," Cullen admits. "We gambled that we could assemble more acreage and get some highway frontage. Otherwise, it would be really hard to remarket the property."

The gamble paid off over the years, as Cullen added approximately 950 acres. The process started when he purchased an adjacent 40-acre farmhouse, which provided considerable access.

"The ranch now has two main access points. You can flow through it from start to finish and see the whole thing like a safari," Shaw points out. "It's pretty genius the way he put it together because without those access points, it would be hard to develop. That's what made it a lot more strategic and a lot more marketable. If it was just animals and high fence with hardly any access, we wouldn't have gotten what we did for it."

When he bought the land a decade ago, Cullen says he and his father, Roy Cullen, recognized its potential for subdivision development, but suspected that could take several decades - possibly up to 30 years - from the point of acquisition.

"You really have to look way out to the future," Cullen says.



“... just so much fun ...”

He says that point came a few year back, not long after Roy passed away. That’s when, Cullen says, he decided to start testing the market, with some help from Shaw.

“Before we really started marketing it, I studied land values in all the major corridors: I-45, I-10, Katy Freeway, SH-288, Gulf Freeway,” says Shaw. “I found that if you were looking for value, if you were looking for affordable land, that the I-59/I-69 corridor is where it is. And that’s where our piece sat.”

Cullen says that research dredged up some interesting results. For example, he says, if you measured the distance from downtown Houston to his Cleveland property, then drew a circle around the metro area with the same radius, property values ran the gamut.

“Conroe ranged between \$20,000 to \$40,000 an acre. If you went a little bit further west toward Katy, the land was \$30,000 to \$40,000. South, near Brazoria, it was more like \$10,000 an acre.”

Cullen said “You had this gap from Dayton to Cleveland where land was around \$2,500 an acre. It didn’t make any sense.”

The challenge for the team was explaining to potential buyers why their property was worth much more. The listing price was \$14,731,875, roughly \$4,500 an acre.

“Jason and Patrick [Kelley, COO and Realtor at Cullen Realty] put together an in-depth marketing package,” Cullen says.

As marketing gained steam, more interested parties made the trek out to see what all the fuss was about. Those are the trips Shaw says he will miss.

“Anybody who saw it loved it. Any time we had a chance to take someone out there to show it off, it was just so much fun,” he smiles. “People, even hunters who had seen a lot of animals, would get on this ranch and they’d be like kids in a candy store. There’s elk, fallow and axis deer. It’s really just so much fun to show it off to people.”

Still, it took approximately three years from when Cullen Realty released the first brochure about the ranch for a deal to come together.

“Something like this is a long process,” says Shaw. “This was a large sum of money and not a lot of buyers can come in on a tract like that.”

Shaw and Cullen suspect it got an indirect boost from a massive development going on just down the road.

Dalian Yihai Enterprise Group, Chinese developers, announced plans to invest \$10 million in Grand Oaks Reserve, a 600-acre residential community near TX-321 & SH-105. The development is slated to include 976 single-family homes, 256 condominiums, 416 apartment units, a lake, parks, a golf course and more. In addition to the subdivision, the firm will build Cleveland West Industrial Park on 122 acres along SH-105.

“When the Chinese group came in, it really moved the market up in that area,” Cullen says.

“That told our buyers this is pretty strategic.”

“... it feels great ...”

Those buyers are Brookline Development Company, Elan Development and Tour 18, which formed a partnership to make the deal happen. Along with Cullen and Shaw, Legacy Trust Company’s Ned Naumes helped orchestrate and coordinate the transaction.

The plan is to continue to operate the ranch in the short term, while Brookline, Elan and Tour 18 work together to develop the land in the years to come.

“We are excited that Brookline Development purchased this parcel. They develop and build with quality,” Cullen says, adding that he thinks his property will be more poised for success than Grand Oaks Reserve thanks to its location in the Tarkington school district. “They’re going to be more competitive because the schools are better.”

The deal done, Shaw and Cullen can reflect now on the challenges it posed for them.

“In reality, it’s a four-year project,” Shaw says. “To have it done is great. It’s a little bittersweet, though.” Cullen echoes that.

“It feels great,” he says with a huge smile and deep breath.

Anyone in real estate knows the completion of one project just makes room for another. One hunk of property sold, Cullen Realty is now focused on marketing a 3,078-acre plot off FM 1462 in Rosharon.

“It’s very different from the Cleveland property. It’s not wooded. It’s currently being farmed. It’s almost the opposite,” Shaw laughs.

The cleared farmland includes plenty of frontage and will eventually have direct access to the Grand Parkway.

“If the I-59 corridor is an undervalued area, the next most undervalued area is going to be that corridor where this land sits,” Shaw adds. “The market is starting to turn there. We’re starting to get a lot of calls on that.”

As for Cullen and his quest for a new Cullen Ranch, he says those days might be behind him.

“When I did this deal, my appetite for risk was a little bit higher, so I placed my bet on one piece of land in one specific area,” he says, explaining that he’ll likely diversify his holdings in the future.

Whatever the next challenge the team at Cullen Realty faces, Cullen and Shaw says they’ll succeed because of their Marine work ethic and personal approach.

“His perspective is different from mine,” Shaw says. “That’s how we get it done in the end.” ■