

Ritz meets Texan-size pricing goals

“It” condo development at the Woodlands attracts big-spending empty nesters



Howard Hughes Holdings' Ritz-Carlton Residences caters to empty nesters

Bill Ackman had notes when Howard Hughes CEO David O'Reilly first pitched his pricing plan for Ritz-Carlton Residences, the Woodlands' first condo project.

The activist investor and former chairman of Howard Hughes responded, “It’s too cheap,” board member Mary Ann Tighe remembers. He instructed O'Reilly and Bonnie Wedemeyer, the company's executive VP for condo sales, to go back to the drawing board.

O'Reilly and Wedemeyer weren't using comps, because there are no comps. To price these condos, first, they had to come up with their own yardstick.

In addition to being the first condo project in the Woodlands, the Ritz-Carlton Residences is among the first of its kind in the Lone Star State. High-end condos are a dime a dozen in places like South Florida, but in Texas, luxury residential real estate has long revolved around the ranch.

Douglas Elliman was tracking just nine branded condo projects in Texas' pipeline in January, and this one is Ritz-Carlton's first stand-alone condo play in the state. Put simply, the developer is testing out demand in Texas' squishy condo market with a massive swing.

Ackman was right.

Before the foundation was laid, 69 percent of the 111 units were pre-sold. Howard Hughes paused pre-sales, and there's a waitlist, Tighe said. Douglas Elliman has the exclusive listing.

“I am not going to limit the imagination of my buyers of the last 30 percent of those units by telling you what I think it's going to be,” O'Reilly said with a smile.

“We're breaking all sorts of records in Texas.”

If the company had priced the project according to the comps available, “We never would have built it,” he added.

The company hasn't shared prices for the units, which range in size from 1,400 square feet to more than 5,100 square feet, but said the presales amounted to more than \$250 million which works out to \$3.25 million on average, per unit.

The project, designed by Robert A.M. Stern Architects, includes a 15-story building and an 11-story building on 8 acres. The property features 1,200 feet of private shoreline on the community's centerpiece, Lake Woodlands. There's a boathouse, pickleball court and wine cellar.

It's expected to be delivered in 2027.

The popularity of the project speaks to the demand for high-end condo living in Texas. Howard Hughes said the Ritz caters to empty nesters looking to downsize without compromising on luxury.

The Woodlands' Ritz-Carlton isn't the only Houston-area project proving Texans' appetite for vertical luxury living.

All but two units at Randall Davis Company's condo project London House in River Oaks have been pre-sold. Standard units started at \$1.5 million; penthouses started at \$3.8 million. Satya is adding another floor to its planned St. Regis condo tower due to high demand.