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COVER STORY



NEW NEEDS

As Covid restrictions ease across the country, Hines is reassessing the needs in each of its Texas markets. **PAGE 17**

FINANCE

MED DEVICE CO. LANDS FUNDING

The Houston company is working on an artificial heart device. **CHRIS MATHEWS, 8**

ENERGY

SHELL MAKES MOVES TOWARD CLEAN ENERGY

The company aims to reach net-zero by 2050, but it can't do it alone, an exec says. **JOSHUA MANN, 6**

COMMERCIAL REAL ESTATE

REPORT OUTLINES PLAN TO STEM GENTRIFICATION

Business and civic leaders say Rice University should set aside millions to provide affordable housing and support minority entrepreneurs. **JEFF JEFFREY, 12**

RETAIL

DRIVE-THRUS SEE DEMAND SURGE

The pandemic fueled a boom for drive-thrus. **LAURA GILLESPIE, 10**



FACE TO FACE

RESTAURATEUR BEATS ODDS DURING COVID **14**

DANIEL ORTIZ/HBJ

COURTESY OF MAX BOZEMAN

T H E L I S T THE BAYOU CITY'S LARGEST CREDIT UNIONS **26**



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COVER STORY

BUSINESS JOURNAL INTERVIEW WITH...

JOHN MOOZ

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Across three decades at Hines, John Mooz has seen his fair share of projects, but the one that stands out to him most is the one that brought him to Houston.

Prior to that, Mooz worked at a bank in his home state of Connecticut. There, he got to work on the financing side of building a new corporate headquarters for the bank, which ultimately hired his future employer as development manager of the project – Hines.

After the bank's new headquarters was completed in 1991, Hines asked Mooz to join the company and work on another project: the construction of the music school and athletic alumni building at the University of Houston.

"What was special about it was that it was a fairly big project – it was over four and a half acres ... it was a small team and we all loved the project," Mooz said. "I had never built a 100-yard indoor football field and a 200-meter indoor track. It was special because I was the first guy to get to run around that track."

Mooz is now senior managing director at Hines, and oversees some of the company's most significant projects in Houston, San Antonio and Austin. Some of those projects include the 47-story Texas Tower in downtown Houston, and Levit Green near the Texas Medical Center.

Mooz spoke with the Houston Business Journal about the past year and the differences between the markets he oversees.

CONTINUED ON PAGE 18

CONTINUED FROM PAGE 17

What challenges would you say you faced in launching your career? I

think a lot of people, if you polled them, would probably say they were more lucky than good – I was very lucky in a lot of places. In real estate, there are always downturns. So, starting in 1998, when I joined Hines, the northeast went through a pretty drastic downturn. Not much was going on there. I've been through five or six downturns in a 30-plus-year career. You're going to inevitably run into a downturn fairly quickly. How you manage through that as an individual, employee and a firm, that's probably one of the greatest challenges.

Covid was definitely a big downturn that happened most recently. How does that compare to previous ones?

Locally, we had a double-whammy. We had a Covid downturn, and a tremendous downturn in the energy sector. Last spring, West Texas crude was not priced very well. That's a tough thing for any global city to come through. I think Houston is uniquely positioned to come through that, and is already doing it well – darn near any other city I can think of, because we do have other significant employment drivers here.

On a national level, we learned a tremendous amount of lessons with the global financial crisis downturn. Both the public sector and private sector recognized there needed to be continual liquidity in all the markets. I think we were prepared to make that happen. There was significant importance and positive effects as a result of the first stimulus that came out.

From that standpoint, one crisis served another in terms of positioning it from complete freefall. For that, I think we can all be thankful.

I don't think we knew what the far reaching effects would be if, for example, global airline travel shut down. Unlike previous crises, we had entire sectors of the economy go into suspended animation. That's a very different place.

Covid surprised us in a lot of areas, both positive and negative.

What were some of those positives?

One of the positives is we learned a new way to work that didn't exist before, which was to work from home. I think what has happened, though, is that there are some positive attributes.

When we started in the pandemic

last March, everyone started hopping on Zoom calls. We were able to keep things going during that time. But I had an opportunity to speak on a webinar with some industry colleagues last summer, and by then the effects – positive and negative – were becoming known. We started doing work internally and saw four very specific areas where Covid was having a truly detrimental effect on many firms. Those areas were: onboarding, mentoring, branding and culture.

Every month that went by, there was a more corrosive effect on those four drivers in almost any organization. It's hard to reinforce culture if you're not in the same place together. Culture, to some degree, is tribal and the tribe needs to be together.

How do you effectively onboard someone if they are sitting in a virtual environment away from all of their new colleagues? That's a tough road to travel. How do you mentor someone sitting on a phone call or Zoom? You need to be present and see body language.

I liken Covid and the Zoom phenomenon to a lifeboat. This was not intended to be a destination; it was a journey from A to B, and B is a post-pandemic world where hopefully we're all together.

Given that you see projects across the southwest region, what are some of the differences you see between Dallas, Houston, Austin and San Antonio?

All markets share similar attributes. The strongest shared attribute right now is an enormous population growth across Texas affecting all those cities.

Texas grew by 360,000 people from July 2018 to July 2019. That's basically a mid-sized U.S. city. With that kind of growth, there are obviously opportunities in new real estate across product lines and across sectors. But different markets need different products at different times. Obviously, with that many people, there's a huge need for continued logistics in industrial space, especially since so many people were receiving goods at their homes due to Covid. There was a tremendous explosion in that space.

Also, with that many people, they need places to live. There's a tremendous uptick in urban high-rise and suburban low-rise multifamily units. There's really strong growth there.

Dallas is seeming to become more of destination city for company headquarters, so they need purpose-built, fit-for-purpose headquarters

office spaces and all the things that go along with that.

We're also realizing there is a need and desire for single-family for-rent housing. Our land division and housing division is growing to meet that need in Texas, specifically.

Austin continues to be a recipient of knowledge-based workers. We're looking forward to announcing two new multifamily projects and an office project (in Austin) in the coming weeks.

San Antonio is still a burgeoning market for us. I believe our first entry point there, beyond industrial, will be significant multifamily projects.

CLOSER LOOK

JOHN MOOZ

Senior managing director,
Hines

Age: 57

Hometown: Essex,
Connecticut

Family: Wife, two sons

Hobbies: Fly fishing, golf,
family time

**Favorite restaurant in
Houston:** "Tiny's 5 – a
walkable trip to Tuscany."





DANIEL ORTIZ/HBJ

Are you seeing office footprints change? I would say that, on average, most of our portfolio in the southwest is ranging between 20% and 25% occupancy. Our Hines management and operations teams were at 100% every day since Covid started. As we looked at our tenants and clients who were working from home, I don't think we know exactly how their footprints are going to change because they're not back yet.

They're starting to come back. I office in our 609 Main building in downtown, and I can tell you it is nice to see someone else standing in the

elevator lobby next to me. That hasn't been the case since last summer. The momentum is there.

It is still a work in progress in understanding how that footprint changes, we just know that we need to offer flexible alternatives to respond to however that footprint does wind up.

Do you think more amenities are going to be a necessity for newer offices going forward? There's no question that newer office buildings offer the most current curated amenitization environments. That carries a growing list of things that our

tenants want to see and that we think are additive to the building.

For example, many owners of older generation assets realized they needed to reposition. Houston has a good track record of renovating and reviving buildings from the 1980s and early 1990s.

Owners have to constantly keep responding to not only taking an old asset to a newer place, but also continuing to reinvent what's in that new space.

This interview has been edited for length and clarity.

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