

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the

Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 7, 2003

Stratus Properties Inc.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other  
jurisdiction of  
incorporation or  
organization)

0-19989  
(Commission  
File Number)

72-1211572  
(IRS Employer  
Identification  
Number)

98 San Jacinto Blvd., Suite 220  
Austin, Texas 78701  
(address of principal executive offices)

Registrant's telephone number, including area code: (512) 478-5788

Item 5. Other Events

Stratus Properties Inc. issued a press release dated November 13, 2003 announcing that its Board of Directors has amended its stockholder rights plan to increase the percentage ownership threshold at which the plan is activated from 20% or more to 25% or more of Stratus' common stock (see exhibit 99.1).

SIGNATURE

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Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Stratus Properties Inc.

By: /s/ C. Donald Whitmire, Jr.

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C. Donald Whitmire, Jr.  
Vice President - Controller  
(authorized signatory and

Principal Accounting Officer)

Date: November 14, 2003

Stratus Properties Inc.  
Exhibit Index

Exhibit  
Number

- |      |  |
|------|--|
| 4.1  | Amendment No. 1 to Rights Agreement between Stratus Properties Inc. and Mellon Investor Services LLC, as Rights Agent, dated as of November 7, 2003. |
| 99.1 | Press release dated November 13, 2003, "Stratus Properties Inc. Amends Stockholder Rights Plan."   |

**AMENDMENT NO. 1  
TO RIGHTS AGREEMENT  
of  
STRATUS PROPERTIES INC.**

This Amendment No. 1 to the Rights Agreement between Stratus Properties Inc. (the "Company") and Mellon Investor Services LLC, as Rights Agent (the "Rights Agent"), dated May 16, 2002 (the "Rights Agreement"), is dated effective as of November 7, 2003.

WHEREAS, Section 27 of the Rights Agreement grants the Board of Directors of the Company the exclusive power and authority to amend the Rights Agreement; and

WHEREAS, the Board of Directors of the Company deems it to be in the best interests of the Company and its stockholders to amend the Rights Agreement;

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, the parties agree as follows:

1. The definition of "Threshold Percentage" in Section 1 of the Rights Agreement is hereby amended and restated to read in its entirety as follows:

"Threshold Percentage," as of any date of determination, means 25% of all then-outstanding Common Stock.

2. The definition of the term "Flip-In" defined in the Summary of Rights is hereby amended to read in its entirety as follows:

If any person or group (an "Acquiring Person") becomes the beneficial owner of the Threshold Percentage, then each Right (other than Rights beneficially owned by the Acquiring Person and certain affiliated persons) will entitle the holder to purchase, for the Purchase Price, a number of shares of the Company's Common Stock having a market value of twice the Purchase Price. "Threshold Percentage" means 25% of all then-outstanding Common Stock.

3. All capitalized terms used herein but not otherwise defined herein shall have the meanings ascribed to them in the Rights Agreement.

4. Except as specifically amended by this Amendment, the Rights Agreement shall remain in full force and effect.

5. Any reference to "this Agreement" or "the Rights Agreement" shall be deemed to be a reference to the Rights Agreement as amended hereby.

6. The governing law of this Amendment shall be as set forth in Section 32 of the Rights Agreement.

7. This Amendment may be executed by the parties in one or more counterparts, all of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment effective as of the day and year first above written.

STRATUS PROPERTIES INC.

By: /s/ William H. Armstrong III

William H. Armstrong III  
Chairman, President &  
Chief Executive Officer

MELLON INVESTOR SERVICES LLC

By: /s/ David M. Cary  
Name: David M. Cary  
Title: Vice President

**NEWS RELEASE**  
NASDAQ Symbol: "STRS"

Stratus Properties Inc.  
98 San Jacinto Blvd, Suite 220  
Austin, Texas 78701

**Financial and Media Contact:**  
William H. Armstrong  
(512) 478-5788

**STRATUS PROPERTIES INC. AMENDS  
STOCKHOLDER RIGHTS PLAN**

Austin, TX, November 13, 2003 - Stratus Properties Inc. (NASDAQ:STRS) announced today that its Board of Directors has amended its stockholder rights plan to increase the percentage ownership threshold at which the plan is activated. The rights issued under the plan will now become exercisable whenever a person or group acquires or announces the intent to acquire 25 percent or more of Stratus' common stock; the previous threshold was 20 percent. If exercisable, each right would give the holder, other than the acquirer, the ability to purchase additional common stock from Stratus at 50 percent of the market price.

Stratus believes that the amended plan will continue to provide important protection for all of its stockholders.

Stratus is a diversified real estate company engaged in the acquisition, development, management and sale of commercial, multi-family and residential real estate properties located in the Austin, Texas area.

A copy of this press release and additional information about Stratus are available on our web site at <http://www.stratusproperties.com>.

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