

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>ARMSTRONG WILLIAM H III</u> _____ (Last) (First) (Middle) <u>98 SAN JACINTO BOULEVARD, STE 220</u> _____ (Street) <u>AUSTIN TX 78701</u> _____ (City) (State) (Zip)			2. Issuer Name and Ticker or Trading Symbol <u>STRATUS PROPERTIES INC [STRS]</u>			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Chair of Board, President, CEO</u>		
3. Date of Earliest Transaction (Month/Day/Year) <u>12/30/2004</u>			4. If Amendment, Date of Original Filed (Month/Day/Year)			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person		

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock								3,250	I	IRA for self
Common Stock ⁽¹⁾	12/30/2004		A ⁽²⁾		25,000	A	\$0	73,786	D	

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Option (right to buy) ⁽³⁾	\$16.015	12/30/2004		A		70,000		12/30/2005 ⁽⁴⁾	12/30/2014	Common Stock	70,000	\$0	70,000	D	

Explanation of Responses:

- Amount of securities beneficially owned following the reported transaction includes 49,318 Common Stock Restricted Stock Units.
- Grant of Common Stock Restricted Stock Units.
- Options with limited stock appreciation rights.
- 25% exercisable on the date indicated and 25% exercisable on each of the next three anniversaries thereof.

Kelly C. Simoneaux, on behalf of William H. Armstrong III
pursuant to a power of attorney 01/03/2005

** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby make, constitute, and appoint MARGARET F. MURPHY, KELLY C. SIMONEAUX, MONIQUE A. CENAC and DOUGLAS N. CURRAULT II, and each of them acting individually, the true and lawful attorney of the undersigned with power to act without the others and with full power of substitution and resubstitution (i) to complete, execute, and file with the United States Securities and Exchange Commission (the "SEC"), The Nasdaq Stock Market, Inc. ("Nasdaq"), and any other stock exchange or similar authority, for and on behalf of the undersigned, in the capacity or capacities of the undersigned as a person subject to Section 16 ("Section 16") of the Securities Exchange Act of 1934, as amended, with respect to the securities of Stratus Properties Inc. (the "Issuer"), Forms 3, 4, and 5, any amendment or amendments thereto, and any other document in support thereof or supplemental thereto, in accordance with Section 16 and the rules and regulations promulgated by the SEC thereunder and (ii) to do and perform each and every act and thing whatsoever that the attorney or attorneys may deem necessary or advisable to carry out fully the intent of the foregoing as the undersigned might or could do personally, hereby ratifying and confirming all acts and things that the attorney or attorneys may do or cause to be done by virtue of these presents. The undersigned hereby acknowledges that the attorneys, in serving in such capacities at the request of the undersigned, are not assuming, nor is the Issuer assuming, any of the responsibilities of the undersigned to comply with Section 16. This Power of Attorney shall remain in full force and effect until the undersigned is no longer subject to Section 16 with respect to the securities of the Issuer, unless earlier revoked by the undersigned in a signed writing delivered to the attorneys.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney as of this 7th day of June, 2004.

/s/ William H. Armstrong III

WILLIAM H. ARMSTRONG III