

UNITED STATES
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): August 24, 2012

S T R A T U S ®

Stratus Properties Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

0-19989
(Commission File Number)

72-1211572
(I.R.S. Employer
Identification
Number)

212 Lavaca St., Suite 300
Austin, Texas
(Address of principal executive offices)

78701
(Zip Code)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01 Other Events.

Stratus Properties Inc. (Stratus) issued a press release dated August 24, 2012, announcing completion of the sale of eight undeveloped tracts at Lantana (see Exhibit 99.1).

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

The Exhibit included as part of this Current Report on Form 8-K is listed in the attached Exhibit Index.

SIGNATURE

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 hereunto duly authorized.

Stratus Properties Inc.

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

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

Date: August 24, 2012

Stratus Properties Inc.
Exhibit Index

**Exhibit
Number**

[99.1](#) Press release dated August 24, 2012, titled "Stratus Properties Inc. Completes Sale of Eight Undeveloped Tracts at Lantana."

NEWS RELEASE

NASDAQ Symbol: "STRS"

Financial and Media Contact:

William H. Armstrong III

(512) 478-5788

Stratus Properties Inc.
212 Lavaca St., Suite 300
Austin, Texas 78701

STRATUS PROPERTIES INC. COMPLETES SALE OF EIGHT UNDEVELOPED TRACTS AT LANTANA

AUSTIN, TX, August 24, 2012 - Stratus Properties Inc. (NASDAQ: STRS) announced completion of the sale of eight of its remaining eleven undeveloped commercial tracts of land at its Lantana development project to a subsidiary of The Lionstone Group, Lincoln Property Company, and Greenfield Partners for \$15.8 million in cash on August 20, 2012. The tracts of land sold, which total approximately 154 acres, have entitlements for approximately 1,131,200 square feet of office space.

The net proceeds of approximately \$15.3 million from the sale were applied to the outstanding principal balance under the Comerica credit facility. After giving effect to this payment, the outstanding principal balance under the Comerica credit facility is \$20.9 million and the availability under the Comerica credit facility is \$17 million.

Stratus acquired the Lantana project, which consisted of approximately 738 acres, in January 1994 for an initial purchase price of \$4.1 million. Since that initial acquisition, and including the recent sale on August 20, 2012, Stratus has sold properties at Lantana with an aggregate sales price of approximately \$100 million and with an aggregate cost of sale of approximately \$46.1 million. Those historical sales include the following:

- In December 1994, 141 acres of undeveloped land with limited entitlements sold for \$1.55 million;
 - In December 1994, 4 acres of undeveloped land with limited entitlements sold for \$215,000;
 - In August 1995, a 55 acre undeveloped multi-family site sold for \$2.3 million;
 - In December 2000, a 36 acre undeveloped multi-family site sold for \$5 million;
 - In August 2003, a 144 acre undeveloped single family tract sold for \$4.62 million;
 - In March 2006, an 11 acre office tract improved with two office buildings totaling 140,000 square feet sold for \$22.3 million;
 - In April 2006, a 59 acre unimproved office tract with entitlements for 1,075,000 square feet of office space sold for \$21.25 million;
 - In February 2012, 7500 Rialto Office Park, a 29 acre parcel improved with two office buildings totaling 150,000 square feet sold for \$27 million; and
 - In August 2012, 154 acres with entitlements for 1,131,200 square feet of office space sold for \$15.8 million.
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Stratus' remaining holdings at its Lantana development project consist of three undeveloped commercial tracts of land, totaling approximately 60 acres, which have entitlements for approximately 325,000 square feet of retail space and 230,000 square feet of office space. Of these three retained tracts, one tract with entitlements for 70,000 square feet of office space is under contract; a second tract with entitlements for 325,000 square feet of retail space is being site planned by Stratus for a mixed use development project; and the third tract with entitlements for 160,000 square feet of office space is being held for future development or sale. The final 45 acres of the original project were used for streets, infrastructure and public uses.

Stratus is a diversified real estate company engaged in the acquisition, development, management, operation and sale of commercial, hotel, entertainment, multi-family and residential real estate properties, including the W Austin Hotel & Residences project, located primarily in the Austin, Texas area.

A copy of this release is available on Stratus' website, www.stratusproperties.com.

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