

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* <b>BAKER JOHN E</b>  (Last) (First) (Middle) <b>98 SAN JACINTO BOULEVARD, STE 220</b>  (Street) <b>AUSTIN TX 78701</b>  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <b>STRATUS PROPERTIES INC [ STRS ]</b>	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) <b>Senior VP &amp; CFO</b>
	3. Date of Earliest Transaction (Month/Day/Year) <b>03/21/2006</b>	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

**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	03/21/2006		M		17,500	A	\$8.69	47,191	D	
Common Stock	03/21/2006		M		19,000	A	\$9.44	66,191	D	
Common Stock	03/21/2006		M		15,152	A	\$8.45	81,343	D	
Common Stock	03/21/2006		M		11,250	A	\$9.25	92,593	D	
Common Stock	03/21/2006		M		7,500	A	\$10.555	100,093	D	
Common Stock <sup>(1)</sup>	03/21/2006		M		6,250	A	\$16.015	106,343	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		Date Exercisable	Expiration Date						Amount or Number of Shares
Option (right to buy)	\$8.69	03/21/2006		M		17,500	02/10/2001 <sup>(2)</sup>	02/10/2010	Common Stock	17,500	\$0	0	D	
Option (right to buy)	\$9.44	03/21/2006		M		19,000	12/21/2001 <sup>(3)</sup>	12/21/2010	Common Stock	19,000	\$0	0	D	
Option (right to buy)	\$8.45	03/21/2006		M		15,152	01/17/2003 <sup>(4)</sup>	01/17/2012	Common Stock	15,152	\$0	0	D	
Option (right to buy)	\$9.25	03/21/2006		M		11,250	12/17/2003 <sup>(5)</sup>	12/17/2012	Common Stock	11,250	\$0	3,750	D	
Option (right to buy)	\$10.555	03/21/2006		M		7,500	12/17/2004 <sup>(6)</sup>	12/17/2013	Common Stock	7,500	\$0	7,500	D	
Option (right to buy)	\$16.015	03/21/2006		M		6,250	12/30/2005 <sup>(7)</sup>	12/30/2014	Common Stock	6,250	\$0	18,750	D	

**Explanation of Responses:**

1. Amount beneficially owned following the reported transactions includes 25,250 Common Stock Restricted Stock Units.

2. 25% exercisable on the date indicated and 25% exercisable on each of the next three anniversaries thereof.
3. 25% exercisable on the date indicated and 25% exercisable on each of the next three anniversaries thereof.
4. 25% exercisable on the date indicated and 25% exercisable on each of the next three anniversaries thereof.
5. 25% exercisable on the date indicated and 25% exercisable on each of the next three anniversaries thereof.
6. 25% exercisable on the date indicated and 25% exercisable on each of the next three anniversaries thereof.
7. 25% exercisable on the date indicated and 25% exercisable on each of the next three anniversaries thereof.

Kelly C. Simoneaux, on behalf  
of John E. Baker pursuant to a 03/22/2005  
power of attorney

\*\* 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.**