

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13G  
Under the Securities Exchange Act of 1934

-----  
Stratus Properties Inc.  
-----

(Name of Issuer)

-----  
Common Stock, \$0.01 par value  
-----

(Title of Class of Securities)

-----  
863167102  
-----

(CUSIP Number)

-----  
December 31, 1998  
-----

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

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-----  
CUSIP No. 863167102  
-----

13G

-----  
1. Name of Reporting Person  
I.R.S. Identification No. of above Person

Goldman, Sachs & Co.

-----  
2. Check the Appropriate Box if a Member of a Group

(a)

(b)

-----  
3. SEC Use Only

-----  
4. Citizenship or Place of Organization

New York

-----  
5. Sole Voting Power  
Number of Shares 0  
-----  
Beneficially 6. Shared Voting Power  
Owned by 759,196  
-----  
Each 7. Sole Dispositive Power  
Reporting Person 0  
-----  
With: 8. Shared Dispositive Power  
759,196  
-----

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9. Aggregate Amount Beneficially Owned by Each Reporting Person  
759,196  
-----

-----  
10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares  
[ ]  
-----

-----  
11. Percent of Class Represented by Amount in Row (9)  
5.3%  
-----

-----  
12. Type of Reporting Person  
BD-PN-IA  
-----

-----  
CUSIP No. 863167102 13G  
-----

-----  
1. Name of Reporting Person  
I.R.S. Identification No. of above Person  
The Goldman Sachs Group, L.P.  
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-----  
2. Check the Appropriate Box if a Member of a Group  
(a) [ ]  
(b) [ ]  
-----

-----  
3. SEC Use Only  
-----

-----  
4. Citizenship or Place of Organization  
Delaware  
-----

	5. Sole Voting Power	
Number of		0
Shares		
Beneficially	6. Shared Voting Power	
Owned by		759,196
Each	7. Sole Dispositive Power	
Reporting		0
Person		
With:	8. Shared Dispositive Power	
		759,196
-----		
9.	Aggregate Amount Beneficially Owned by Each Reporting Person	
		759,196
-----		
10.	Check if the Aggregate Amount in Row (9) Excludes Certain Shares	
		<input type="checkbox"/>
-----		
11.	Percent of Class Represented by Amount in Row (9)	
		5.3%
-----		
12.	Type of Reporting Person	
		HC-PN
-----		

- Item 1(a). Name of Issuer:  
Stratus Properties Inc.  
(formerly FM Properties Inc.)
- Item 1(b). Address of Issuer's Principal Executive Offices:  
98 San Jacinto Boulevard, Suite 220  
Austin, TX 78701
- Item 2(a). Name of Persons Filing:  
Goldman, Sachs & Co. and The Goldman Sachs Group, L.P.
- Item 2(b). Address of Principal Business Office or, if none, Residence:  
85 Broad Street  
New York, NY 10004
- Item 2(c). Citizenship:  
Goldman, Sachs & Co. - New York  
The Goldman Sachs Group, L.P. - Delaware
- Item 2(d). Title of Class of Securities:  
Common Stock, \$0.01 par value
- Item 2(e). CUSIP Number:  
863167102
- Item 3. If this statement is filed pursuant to Rules 13d-1(b) or 13d-2(b) or (c), check whether the person filing is a :

- (a). Broker or dealer registered under Section 15 of the Act (15 U.S.C. 78o).  
Goldman, Sachs & Co.
- (b). Bank as defined in Section 3(a)(6) of the Act (15 U.S.C. 78c).
- (c). Insurance company as defined in Section 3(a)(19) of the Act (15 U.S.C. 78c).
- (d). Investment company registered under Section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
- (e). An investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E);  
Goldman, Sachs & Co.
- (f). An employee benefit plan or endowment fund in accordance with Rule 13d-1(b)(1)(ii)(F);
- (g). A parent holding company or control person in accordance with Rule 13d-1(b)(1)(ii)(G);  
The Goldman Sachs Group, L.P.
- (h). A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i). A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j). Group, in accordance with Rule 13d-1(b)(1)(ii)(J).

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- Item 4. Ownership.(1)(2)
  - (a). Amount beneficially owned:  
See the response(s) to Item 9 on the attached cover page(s).
  - (b). Percent of Class:  
See the response(s) to Item 11 on the attached cover page(s).
  - (c). Number of shares as to which such person has:
    - (i). Sole power to vote or to direct the vote: See the response(s) to Item 5 on the attached cover page(s).
    - (ii). Shared power to vote or to direct the vote: See the response(s) to Item 6 on the attached cover page(s).
    - (iii). Sole power to dispose or to direct the disposition of: See the response(s) to Item 7 on the attached cover page(s).
    - (iv). Shared power to dispose or to direct the disposition of: See the response(s) to Item 8 on the attached cover page(s).
- Item 5. Ownership of Five Percent or Less of a Class.  
Not Applicable
- Item 6. Ownership of More than Five Percent on Behalf of Another Person.  
Not Applicable
- Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company.  
See Exhibit (99.2)
- Item 8. Identification and Classification of Members of the Group.

Not Applicable

Item 9. Notice of Dissolution of Group.  
Not Applicable

Item 10. Certification.  
By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

- - - - -  
(1) This statement on Schedule 13G amends the statement on Schedule 13G filed on February 14, 1998, on behalf of The Goldman Sachs Group, L.P. and Goldman, Sachs & Co., with respect to the Common Stock, \$0.01 par value, of FM Properties Inc. On May 14, 1998, the stockholders of FM Properties Inc. voted on and approved a proposal to amend the Amended and Restated Certificate of Incorporation of FM Properties Inc. to change the name of the corporation from FM Properties Inc. to Stratus Properties Inc.

(2) The Goldman Sachs Group, L.P. ("GS Group") and Goldman, Sachs & Co. ("Goldman Sachs") each disclaim beneficial ownership of the securities beneficially owned by (i) any client accounts with respect to which Goldman Sachs or employees of Goldman Sachs have voting or investment discretion, or both and (ii) certain investment entities, of which a subsidiary of GS Group or Goldman Sachs is the general partner, managing general partner or other manager, to the extent interests in such entities are held by persons other than GS Group, Goldman Sachs or their affiliates.

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 14, 1999

THE GOLDMAN SACHS GROUP, L.P.

By: /s/ Hans L. Reich  
-----  
Name: Hans L. Reich  
Title: Attorney-in-fact

GOLDMAN, SACHS & CO.

By: /s/ Hans L. Reich  
-----  
Name: Hans L. Reich  
Title: Attorney-in-fact

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INDEX TO EXHIBITS

Exhibit No. -----	Exhibit -----
99.1	Joint Filing Agreement, dated February 14, 1999, between The Goldman Sachs Group, L.P. and Goldman, Sachs & Co.
99.2	Item 7 Information

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EXHIBIT (99.1)

JOINT FILING AGREEMENT

In accordance with Rule 13d-1(k)(1) promulgated under the Securities Exchange Act of 1934, the undersigned agree to the joint filing of a Statement on Schedule 13G (including any and all amendments thereto) with respect to the Common Stock, \$0.01 par value, of Stratus Properties Inc., and further agree to the filing of this agreement as an Exhibit thereto. In addition, each party to this Agreement expressly authorizes each other party to this Agreement to file on its behalf any and all amendments to such Statement on Schedule 13G.

Date: February 14, 1999

THE GOLDMAN SACHS GROUP, L.P.

By: /s/ Hans L. Reich  
-----

Name: Hans L. Reich  
Title: Attorney-in-fact

GOLDMAN, SACHS & CO.

By: /s/ Hans L. Reich  
-----

Name: Hans L. Reich  
Title: Attorney-in-fact

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EXHIBIT (99.2)

ITEM 7 INFORMATION

Goldman, Sachs & Co. is a broker or dealer registered under Section 15 of the Act and an investment adviser registered under Section 203 of the Investment Advisers Act of 1940.

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