FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

| OMB APPROVAL | | | | | | | | |
|--------------------------|----------------------|--|--|--|--|--|--|--|
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| Estimated average burden | | | | | | | | |
| hours per response | 0.5 | | | | | | | |

| 1. Name and Address of Reporting Person* ARMSTRONG WILLIAM H III | | | Issuer Name and Ticker or Trading Symbol STRATUS PROPERTIES INC [STRS] | Issue | 5. Relationship of Reporting Person(s) to Issuer | | | | |
|--|---|----------------|--|--|---|----------------|--|--|--|
| (Last) 212 LAVACA S | (First) (Middle) /ACA STREET, SUITE 300 | | 3. Date of Earliest Transaction (Month/Day/Year) 02/15/2015 | (Check all applicable) X Director 10% Owner X Officer (give Other (specif title below) below) Chair of Board,President, CEO | | | | | |
| (Street) AUSTIN (City) | TX (State) | 78701 (Zip) | 4. If Amendment, Date of Original Filed (Month/Day/Year) | Appli X Fo | dividual or Joint/Gro icable Line) orm filed by One Re orm filed by More th erson | porting 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) (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 | 6. Ownership Form: Direct (D) | 7. Nature of Indirect Beneficial Ownership | | |
| | | | Code | v | Amount | (A) or (D) | Price | Following Reported Transaction(s) (Instr. 3 and 4) | or Indirect (I) (Instr. 4) | (Instr. 4) | | |
| Common Stock | | | | | | | | 3,250 | I | IRA for self | | |
| Common Stock (1) | 02/15/2015 | | F ⁽²⁾ | | 2,291 | D | \$ 13.89 | 474,868 | 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. Transac Code (Instr. 8 | | Number | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Underlying Securities (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 of Derivative Security: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | | |

Explanation of Responses:

- 1. Amount beneficially owned following the reported transaction includes 65,000 Common Stock Restricted Stock Units.
- 2. Shares withheld to cover the taxes due upon the vesting of Common Stock Restricted Stock Units.

Kelly C. Simoneaux, on behalf of William H.

Armstrong III pursuant to a 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.