

SECURITIES AND EXCHANGE COMMISSION

FORM 4

Statement of changes in beneficial ownership of securities

Filing Date: **2009-01-26** | Period of Report: **2009-01-24**
SEC Accession No. **0001246360-09-000286**

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REPORTING OWNER

ARMSTRONG WILLIAM H III

CIK: **1200799**

Type: **4** | Act: **34** | File No.: **000-19989** | Film No.: **09546102**

Mailing Address
98 SAN JACINTO BLVD
STE 220
AUSTIN TX 78701

ISSUER

STRATUS PROPERTIES INC

CIK: **885508** | IRS No.: **721211572** | State of Incorporation: **DE** | Fiscal Year End: **1231**
SIC: **6552** Land subdividers & developers (no cemeteries)

Mailing Address
98 SAN JACINTO BLVD
SUITE 220
AUSTIN TX 78701

Business Address
98 SAN JACINTO BLVD
SUITE 220
AUSTIN TX 78701
5124785788

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
 Expires: 02/28/2011
 Estimated average burden
 hours per response 0.5

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

1. Name and Address of Reporting Person ARMSTRONG WILLIAM H III			2. Issuer Name and Ticker or Trading Symbol STRATUS PROPERTIES INC [STRS]			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) Chair of Board, President, CEO		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 01/24/2009			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		
98 SAN JACINTO BOULEVARD, STE 220			4. If Amendment, Date Original Filed (Month/Day/Year)					
(Street) AUSTIN, TX 78701								
(City)	(State)	(Zip)						

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⁾	01/24/2009		F	(2)	1,786	D	\$8.85	352,961	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 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					

Explanation of Responses:

- Amount beneficially owned following the reported transaction includes 42,500 Common Stock Restricted Stock Units.
- Shares withheld to cover the taxes due upon the vesting of Common Stock Restricted Stock Units.

Signatures

** 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.