

Mail Stop 4561

July 16, 2007

VIA U.S. MAIL AND FAX (512) 478-6340

Mr. William H. Armstrong III
President and Chief Executive Officer
Stratus Properties Inc.
98 San Jacinto Blvd., Suite 220
Austin, TX 78701

**Re: Stratus Properties Inc.
Form 10-K for the year ended December 31, 2006
Filed March 26, 2007
File No. 000-19989**

Dear Mr. Armstrong:

We have completed our review of your Form 10-K and do not, at this time, have any further comments.

Sincerely,

Daniel L. Gordon
Branch Chief