

Forestar Real Estate Group Inc.  
 Form 3  
 February 14, 2008

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0104  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

**INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES**

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

(Print or Type Responses)

|   |         |  |  |  |
|---|---------|--|--|--|
| 1. Name and Address of Reporting Person * |         | 2. Date of Event Requiring Statement       | 3. Issuer Name <b>and</b> Ticker or Trading Symbol |  |
| Â DOUGHERTY MICHAEL E                     |         | (Month/Day/Year)                           | Forestar Real Estate Group Inc. [FOR]              |  |
| (Last)                                    | (First) | (Middle)                                   | 02/12/2008   |  |
| 1300 SOUTH MOPAC                          |         |  |  |  |
| EXPRY,Â 3-SOUTH                           |         |  |  |  |
| (Street)                                  |         |  |  |  |
| AUSTIN,Â TXÂ 78746                        |         |  |  |  |
| (City)                                    | (State) | (Zip)                                      |  |  |
| 1. Title of Security                      |         | 2. Amount of Securities Beneficially Owned | 3. Ownership Form:                                 | 4. Nature of Indirect Beneficial Ownership |
| (Instr. 4)                                |         | (Instr. 4)                                 | Direct (D) or Indirect (I)                         | (Instr. 5)                                 |
| Common Stock                              |         | 0  | D  | Â  |

(Check all applicable)

Director     10% Owner  
 Officer     Other  
 (give title below)    (specify below)

6. Individual or Joint/Group Filing (Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Beneficially Owned**

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. SEC 1473 (7-02)

**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 control number.**

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

|                                 |   |  |  |   |  |
|---------------------------------|---|--|--|---|--|
| 1. Title of Derivative Security | 2. Date Exercisable and Expiration Date | 3. Title and Amount of Securities Underlying Derivative Security | 4. Conversion or Exercise Price of Derivative Security | 5. Ownership Form of Derivative Security: | 6. Nature of Indirect Beneficial Ownership |
| (Instr. 4)                      | (Month/Day/Year)                        | (Instr. 4)   |  | Direct (D)                                | (Instr. 5)                                 |
|                                 |   | Title  |  |   |  |

Edgar Filing: Forestar Real Estate Group Inc. - Form 3

|             |            |           |             |
|-------------|------------|-----------|-------------|
| Date        | Expiration | Amount or | or Indirect |
| Exercisable | Date       | Number of | (I)         |
|             |            | Shares    | (Instr. 5)  |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| DOUGHERTY MICHAEL E<br>1300 SOUTH MOPAC EXPRY<br>3-SOUTH<br>AUSTIN, TX 78746 | X             |           |         |       |

## Signatures

David M. Grimm signing on behalf of Michael E. Dougherty 02/14/2008

Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 5(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).

^

### Remarks:

No securities are beneficially owned.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.