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Marketing & Investment Sales

# AUSTIN NEWS UPDATE



October 8, 2017

## Texas Condo, Townhome Sales Top \$5.4 Billion

Recon – 10/6/2017

Texas condominium and townhome sales exceeded \$5.4 billion and posted strong sales gains between August 2016 and July 2017, according to the Texas Condominium Sales Report released by the Texas Association of Realtors.

Condos and townhome sales were around \$3.3 billion and \$2.1 billion, respectively. Texas condo sales increased 8.6% to 14,656 sales from August 2016 to July 2017. Townhome sales increased 5.1% to 8,134 sales in the same time frame. Condos and townhomes were one of the fastest-growing segments of the state's 2017 housing market.

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## Is This Austin's Next Hip District? Pizza Eatery Opens On Aldrich Street In Mueller

ABJ– 10/6/2017

While the Mueller mixed-use community in North Central Austin has been years in the making, its retail development has more momentum now than ever. That is especially true along Aldrich Street, which is quickly stocking up on new food and entertainment options.

The newest addition is Stella Public House, at 1905 Aldrich St., a pizza restaurant and craft beer taproom helmed by Executive Chef Roland Aguirre.

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## It's Done: Dallas Homebuilder Buys Majority Stake In Austin Land Development Firm

## Plans Unveiled For Prime Downtown Austin Block: City's Largest Skyscraper

ABJ– 10/4/2017



City documents show an initial plan for the redevelopment of a prime downtown Austin block just north of Chase Bank Tower by Trammell Crow Co. The 36-story office tower would have 665,000 square feet of offices — making it the city's largest office skyscraper — plus restaurant and retail space.

The 1.75-acre site — surrounded by Colorado, West Sixth, Lavaca and West Seventh streets — is owned by the University of Texas System. The current tower and parking garage on the block will be demolished. However, the Trammell Crow plans would preserve much of the historic Claudia Taylor Johnson Hall. The remaining space on the block would be converted into an open plaza.

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## Millions Of Square Feet Of Austin Office Space May Shift In Reported Mega-Deal By Brandywine

ABJ – 10/3/2017

One of the biggest deals in Austin real estate history could be unfolding behind the scenes — possibly affecting more than 2.7 million square feet.

Real Estate Alert, an insider real estate publication, reports that Brandywine Realty Trust and its Austin portfolio partner, DRA Advisors LLC, will sell five office properties in their joint venture to Starwood Capital Group, a Connecticut-based investment company. Brandywine would also buy out New York-based DRA Advisors in the remaining properties held in partnership.

Starwood would acquire Encino Trace, 5707 Southwest Parkway, 319,743 sq. ft. across two buildings; Cielo Center, 1250 S. Capital of Texas Highway, 270,711 sq. ft.; Crossings at Lakeline, 11001 Lakeline Blvd., 232,772 sq. ft. across two buildings; Park on Barton Creek, 3711 S. MoPac Expressway, 205,195 sq. ft. across two buildings; and 7000 West at Lantana, 7000 W. William Cannon Drive, 136,075 sq. ft.

**ABJ– 10/6/2017**

*Homebuilder D.R. Horton Inc. completed its acquisition of roughly 75% of Austin-based Forestar Group Inc. on Thursday, making the land development firm a wholly owned subsidiary of the nation's largest homebuilder.*

*By being Forestar's controlling stockholder, Arlington-based D.R. Horton will be able to influence Forestar's strategic direction, growth and operational execution — giving them a leg up on home lot development sites in Texas.*

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## **Serasana's Nirvana To Belterra Village**

**Recon – 10/7/2017**

*Serasana, a wellness facility, will open in Belterra Village in April 2018. The 93-acre mixed-use development, under construction at W. Hwy. 290 and Nutty Brown Rd. will be home to lock and leave homes and senior housing, as well as medical, hotel and retail space.*

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## **Skydiving Without A Parachute: Austin's iFly Chain May Expand To Upper Midwest**

**ABJ – 10/6/2017**

*Minnesotans who want to try skydiving but don't feel like jumping out of a plane may soon be an option, thanks to an Austin-based entertainment chain.*

*SkyGroup Investments, a subsidiary of Austin-based iFly Holdings LLC, has submitted plans to the city of Minnetonka, a suburb of Minneapolis, for a 5,000-square-foot indoor skydiving facility.*

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## **UT Austin Engineering Building of Tomorrow Opens**

**Recon – 10/5/2017**

*The Cockrell School of Engineering at The University of Texas at Austin is celebrating the grand opening of its highly anticipated, 430,000-sf Engineering Education and Research Center.*

*This facility will serve as the hub for*

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## **Presidio Delivers Mixed-Use Project In Cedar Park Infused With City Soul**

**ABJ– 10/5/2017**

*Apple Inc.'s decision in 2012 to invest more than \$300 million in a campus in Northwest Austin created economic ripples that continue to impact adjacent Cedar Park. It's all good news for the one-time bedroom community that today is home to some 70,000 people and maturing into an area with a growing array of stores and restaurants.*

*Meanwhile, a wider range of housing options are surfacing that transcend conventional single-family homes and apartments. The debut of Presidio, a 100-acre mixed-use community near West Parmer Lane and Brushy Creek Road, foretells a more upscale trend.*

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## **Big-City Office Project To Pop Up Near Amazon Warehouse In San Marcos**

**ABJ – 9/27/2017**



PHILIP CASTLETON

*as a fulfillment center, now operating in San Marcos.*

*An 85-acre property to the south of Amazon's fulfillment center, dubbed "Centerpark San Marcos", could include up to 240,000 square feet of Class A office space along with nearly 2.3 million square feet of distribution space.*

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## **Austin The Fourth Fastest Growing Major Metro Economy In 2016**

**Neal Spelce Austin Letter**

[www.AustinLetter.com](http://www.AustinLetter.com)<<http://www.AustinLetter.com>>, 10/6/2017

*In a report this week, Austin's economy grew an outstanding 4.9% in 2016. This makes it the fourth fastest growing major metro economy in 2016, according to the Chamber's VP/Research Beverly Kerr, citing the US Bureau of Economic Analysis (BEA).*

*As always, growth is uneven. Not all sectors of any economy grow at the same rate. So, what was the **most significant driver of Austin's economic growth in 2016**? It was **professional and business services** with financial activities and trade also important, according to Kerr.*

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engineering education, research and innovation on the UT Austin campus, as well as the new home of the Department of Electrical and Computer Engineering.

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## Are You Ready For Austin Startup Week?

**Austin American Statesman – 10/6/2017**

Austin Startup Week, a five-day conference, starts Monday. An estimated 7,500 people will be taking part in the seventh annual Austin Startup Week, which features more than 120 events, including morning coffees, panels, workshops, product demo sessions and a career fair.

Most events are free and open to everyone, but registration is required. Some events this year will request donations to raise money for causes including Hurricane Harvey relief and the Health Alliance for Austin Musicians.

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## Nutty Brown's Round Rock Debut Delayed Until 2019 Because of Roadway Access, Construction

**Community Impact – 10/7/2017**

Mike Farr, owner of The Nutty Brown Café and Amphitheater in South Austin, said there will be changes that come with the venue's move to Round Rock—but not until spring 2019.

Farr initially projected the new venue would be ready to open in spring 2018, but after some delays in coordinating with the Texas Department of Transportation for roadway access and construction, he is now forecasting the opening will be a year later than expected.

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## Site of Downtown Austin Farmer's Market Reopens After More Than A Year

**Austin American Statesman – 10/5/2017**

Republic Square, the downtown Austin park at Fourth and Guadalupe streets that serves as the site for the Saturday SFC Farmers' Market Downtown, has officially

## Condos, Townhomes, Shops Planned Near Old Mueller Control Tower

**Austin American Statesman – 10/2/2017**

A mix of condos, townhomes, shops and restaurants will occupy a prime spot near the former air traffic control tower at the Mueller development in East Austin.



Construction on the project, which is being developed by local firm Austin Modern Lofts, is expected to start early next year at the northwest corner of Berkman Drive and Tom Miller Street. When completed in 2019, the three-story building will have 91 residences – 35 condos and 56 townhomes – and about 6,000 square feet of ground-floor retail space. Five of the townhomes will mix commercial and residential space in what Catellus is calling “shop houses” – ground-floor retail space topped by a two-level townhome.

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## 5 Features Of Northwest Austin's Newest Low-Income Housing Development In Four Points

**Community Impact – 10/4/2017**

Nonprofit Foundation Communities is wrapping up construction on its newest and 23rd low-income housing community in the Austin area.

The newest development, Cardinal Point, is located in Northwest Austin in the Four Points area at 11015 Four Points Drive, Austin. The \$26 million development received most of its funding from state low-income housing tax credits, amounting to about \$16 million. Remaining funds came from the city of Austin housing bonds, the St. David's Foundation and a small mortgage. The leasing office opens Oct. 16, and the complex opens in December.

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## Somera Road Purchases 142,000 SF Office Property in Austin

**REBusiness – 10/6/2017**



New York-based investment firm Somera Road Inc. has purchased a 142,000-square-foot, Class B office property located at 4000 S. IH 35 Frontage Road in Austin in an all-cash transaction. The property offers a café and a parking ratio of 7.5 spaces per 1,000 square feet. Beginning in the first quarter of 2018, Somera Road will undertake capital improvements to transform the property into a Class A asset.

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## Real Estate Roundup: Producers Filming TV Series About

reopened to the public. Its official grand opening will be held in the spring.

Republic Square was closed in May 2016 while the Austin Parks Foundation sought to install a reclaimed water line through the center of the park and make the park more walkable, providing wider sidewalks, more seating and more vegetation.

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## In The Money Oct. 1: Six Companies Pull In Nearly \$24 Million

ABJ – 10/1/2017

A beverage company with ties to alcohol maker Mighty Swell Cocktail Co. led the past week's fundings and was followed by a pair of health-tech startups. Six Austin businesses in all collected \$23.7 million worth of investment.

- Sparkling Cocktail Corp., a company formed by the same executives at Mighty Swell, raised about \$12.9 million in equity and other types of funding from 57 investors.
- Iris Plans Inc. obtained roughly \$5.2 million in equity funding from 20 investors.
- ePatientFinder Inc. received \$2.6 million in debt and other types of funding from one investor.
- Tecovas Inc., an Austin boot maker, raised about \$2.6 million in equity and other types of funding from 27 investors.
- Shipwell Inc. collected about \$2.1 million in equity funding from nine investors.
- Sterling Holdings Inc., founded in 2015, obtained \$852,000 in equity and other types of funding from 14 investors.

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## Did You Know?

- ❖ Approximately 450,000 people attend the Austin City Limits (ACL) Music Festival each year.
- ❖ Texas is the Most Favorable Business Climate for the 7th consecutive year according to survey of U.S. c-suite executives.
- ❖ The downtown Austin hotel occupancy rate averages 81%.

## Iraq War Lease Space; New HQ To Rise

ABJ – 10/5/2017

Here is a roundup of breaking real estate deals and announcements in the area that weren't included in recent Austin Business Journal coverage.

- Minim Productions Inc. leased 36,245 square feet at 505 W. 21st St. in Georgetown. Minim Productions is filming and producing a mini-series, "The Long Road Home," at that location.
- Trine Chander 107 LLC purchased about 48 acres along Chandler Road near State Highway 130 east of Round Rock
- Bryson Development LLC purchased 9.4 acres at the northwest corner of U.S. 183 and Bryson Ridge Trail.
- An unidentified investor purchased almost 6 acres at 4400 Priem Lane in Pflugerville.
- Vandelay Education, which operates dental and medical assistant training schools, purchased 1.3 acres at 1890 Ranch, a development at 1335 E. Whitestone Blvd. in Cedar Park. The company will build corporate headquarters at the site.
- Andy's Frozen Custard signed a ground lease for nearly 1 acre at Scofield Crossing at Parmer Lane and Metric Boulevard
- An unidentified foreign investment group purchased Southwest Center, a 14,000-square-foot retail center recently constructed on about five acres located at 9521 W. Highway 290 near Dripping Springs.

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## Here's What You Can Expect To See At Pflugerville's 1849 Park In The Near Future

Community Impact – 10/7/2017

Soon to become the focal point of recreation opportunities in Pflugerville, the



1849 Park is full speed ahead with construction on the north side of Cameron Road two miles east of SH 130 and East Pecan Street. The first phase, funded by a 2014 parks and recreation bond, is under construction, with turf placed on football and multipurpose fields. Subsequent phases will be discussed and developed as the project moves forward.

Eventually, to help build out the northern part of the park, Melber Lane will be extended, first as a

two-lane road and eventually as a four-lane road as traffic and development increases.

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