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Marketing & Investment Sales



AUSTIN NEWS UPDATE

July 15, 2018

Austin Is State's Healthiest Retail Market

Austin American Statesman – 7/12/2018

Despite several recent high-profile closures – and more still on the horizon – the Central Texas retail sector continues to be red hot. A new report from Weitzman, a commercial real estate firm with offices across Texas, found that Austin's 96.1% retail occupancy rate is the state's highest – and one of the best in the nation.

The space crunch means rents will continue to rise. In the Austin area, rents for small-shop space in Class A centers – the best of the best – start north of \$30 per square foot and can go as high as \$50 or more per square foot for new construction, according to Weitzman.

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Austin Leads Texas In Percentage Of Million-Dollar Homes — But It's Nowhere Near Silicon Valley

ABJ – 7/10/2018

The Austin area has a higher percentage of million-dollar homes than any other major Texas city. Ranking 11th in the country, 2.16% of homes in the Austin metro are priced at \$1 million or more, according to a new report by LendingTree.

That was higher than Houston (1.52%, No. 14 in the nation), Dallas (1.31%, No. 18) and San Antonio (0.41%, No. 39). LendingTree also clocked the Austin area's median home value at \$282,000, compared with \$192,000 in Houston, \$213,000 in Dallas and \$191,000 in San

Surging Austin Office Market Hits Record High For Rents

Austin American Statesman – 7/11/2018

Buoyed by Central Texas' continued job growth, the Austin-area office market saw rents for top-tier space reach a record high in the second quarter, the latest figures show.

Rents for Class A space — both in downtown Austin and across the region — hit all-time highs of \$56.63 per square foot and \$40.17 per sq. ft., respectively, according to Cushman & Wakefield's Austin office, which tracks the local office market. On average, top-tier office space in the Austin market was 89.3% occupied, the same rate as in the second quarter of 2017, Cushman & Wakefield said. About 3.8 million sq. ft. of office space is now under construction in the metro area, which is a record amount, Cushman & Wakefield said. Of that total, 1.1 million sq. ft. is being built in downtown Austin.

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Zoning Changes Mean Hundreds Of New Single-Family Homes, Apartments In Georgetown

ABJ – 7/11/2018



Ranch Parkway near I-35.

Georgetown's housing pipeline is poised to get a boost. Georgetown City Council on Tuesday approved rezoning about 314 acres on the suburb's northern fringe into a new planned unit development called Berry Creek Highlands. Council also approved zoning to allow high-density, multifamily development off Wolf

City documents say Berry Creek Highlands is planned as a mixed-used community with up to 1,500 residential units. Pete Dwyer of Dwyer Realty Companies is the project's master developer. The plan is to consume about 211 acres with single-family residential development. About 46 acres would be zoned for multifamily residential use, including about 16 acres of higher-density

Antonio.

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UT System's Downtown Headquarters Poised To Host Army's Futures Command

Austin American Statesman – 7/9/2018

The University of Texas System's downtown headquarters building is likely to be home base for the U.S. Army's Futures Command in Austin. The system's Board of Regents voted unanimously Friday to authorize its staff to negotiate terms for the Army to occupy space in the building. System and Army officials are expected to begin talks next week. Army officials toured the system's headquarters in recent weeks.

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SXSW's 2018 Economic Impact Was \$350.6 Million

Austin American Statesman – 7/9/2018

The 2018 South by Southwest festivals had a \$350.6 million impact on Austin's economy, according to a new report released Monday. That's an increase of just less than 1% compared to 2017, when the total was \$348.6 million. An estimated 425,000 people participated in various SXSW events this year, down slightly from last year's reported total of 440,000.

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Austin Firm The Zebra -- The 'Kayak For Car Insurance' -- Doubling Staff Size, Moving HQ to East Austin

Austin American Statesman – 7/10/2018

The Zebra, an Austin company that last year raised \$40 million and has been backed by Texas billionaire Mark Cuban, has big plans for 2019. The Zebra says it expects to double its workforce from about 100 employees to 200 by the end of 2019. And next summer, it expects to move into a new 40,000-square-foot set of offices in a newly constructed five-story building at 1801 E. Sixth Street.

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Costco To Open July 26 In

multifamily development along SH 195. Another 15 acres would be zoned for commercial use.

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Austin Lands Army Futures Command, A Nerve Center For Military Branch's Modernization

ABJ – 7/12/2018

Austin will be home to the U.S. Army Futures Command, Austin Business Journal learned on Thursday from local sources familiar with the decision. The Texas capital beat out four other finalist cities: Boston, Minneapolis, Philadelphia and Raleigh, North Carolina.

The Department of Defense decision is a coup for the Texas capital, making it one of the most substantial centers of private-sector military activity outside Washington, D.C. Federal research dollars to area universities and the opening of Central Texas offices by companies looking to work with the military are two of the economic benefits regional leaders may expect. Others include additional jobs and capital for investment.

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Fighter Pilot, Martial Arts Bruiser Punch Out New Real Estate Concept

Austinrealestatenews.org – 7/8/2018

What happens when a mixed martial arts professional goes into business with a top gun Air Force fighter pilot? You get a gutsy new real estate venture aiming high, that's what.

The fighter — Ryan Larson — and pilot — Chris Kopacek — founded Lonestar Development Partners in Austin in 2015 and they are well on their way to producing affordable homes at different price points in key locations. But this is an entirely different delivery platform. They are leasing and managing the new homes rather than selling. Already developments in Oak Hill and Pflugerville are 100 percent pre-leased as construction continues at a torrid pace. Other developments are underway in Leander and Lakeway.

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3 Austin-Area Apartment Complexes Under New Ownership

Austin American Statesman – 7/9/2018

Three Central Texas apartment complexes have changed hands. Tacara Steiner Ranch, a 246-unit project at 4306 N. Quinlan Park Road in Steiner Ranch, sold for \$47.9 million, according to securities filings. TH Real Estate was the buyer; San Antonio-based Casey Development Limited was the seller.

The other transaction involves two Northwest Austin complexes: Westwood Apartments, at 12403 Mellow Meadow Drive, and Audubon Square, at 12425 Mellow Meadow Drive. They were acquired from WW Apartments LP and Investors Capital Group, respectively, by a partnership consisting of JoCo Partners and The ValCap Group.

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JW Marriott Hill Country Resort South Of Austin To Be Sold For Nearly \$650 Million

Pflugerville

Community Impact – 7/12/2018

Costco officials confirmed in a press release Thursday that the international retail giant's Pflugerville warehouse location is set to open July 26. The store, located at 1901 Kelly Lane at the southeast corner of Kelly Lane and FM 685 N., features more than 150,000-square-feet of warehouse, retail and restaurant space. A gas station is also situated on the lot.

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With \$34 Million Investment, Austin Software Maker To Crank Up The Growth

ABJ – 7/13/2018

A nearly two-decade-old business has raised a big chunk of capital. Cosential Inc., which makes software for commercial real estate companies, has raised \$34 million from JMI Equity. Cosential makes programs for customer relationship management and proposal automation, helping companies in the fields of architecture, engineering and construction manage their sales pipeline and speed up the bidding process.

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Abel Design, An Architecture Firm That's Comfortable With Bold Designs For Big Clients, Expands In Austin

ABJ – 7/9/2018

Houston-based architecture firm Abel Design Group Ltd. is doubling its footprint in Austin as it grows its team here. Since opening its Austin office in fall 2016, Abel Design has completed several projects in the area such as a new office for a national insurance consultancy and a swanky new office in The Domain for e-commerce platform Magento, Inc.

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\$65B Global Giant Becton Dickinson Buys Austin Company Making Life Easier For Those With Kidney Disease

ABJ – 7/9/2018

ABJ – 7/7/2018



The Blackstone Group LP, a multinational private equity firm, has agreed to buy the JW Marriott San Antonio Hill Country Resort & Spa on San Antonio's north side for just under \$650 million, according to Real Estate Alert. The proposed price for the 1,002-room hotel, golf course and resort — on a 644-acre site — comes out to nearly \$650,000 per room, which would easily make it the largest single real estate purchase in San Antonio this year. The resort includes a seven-acre water park called River Bluff, two 18-hole golf courses, a 45,000 sq. ft. clubhouse, two fitness centers, a high-end spa, 265,000 sq. ft. of indoor and outdoor meeting space, and eight restaurants and bars.

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\$48M North Austin Apartment Complex Moves Forward Despite Worries About Flooding

ABJ – 7/12/2018

Developers are moving ahead with plans for a large apartment complex on the site of an old Honda dealership at 1301 W. Koenig Lane that has sat vacant for nearly six years. Austin City Council on June 28 voted 6-4 to approve a variance for the apartments despite objections from city engineers because the project is partially within flood plains. It was the first reading of the variance so another vote is needed; Council is currently on its July break but will return Aug. 9.

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How Specific University Degrees Impact Earnings Of Its Graduates

Neal Spelce Austin Letter

www.AustinLetter.com<<http://www.AustinLetter.com>>, 7/13/2018

For the first time ever, a new innovative US Census Bureau report provided a big picture of how specific university degrees impact earnings of its graduates. The UTSystem institutions were the first to be studied by the Census Bureau for the new report. Just released this week, it puts a dollars-and-cents value on specific degrees.

According to an analysis by the Austin Chamber's VP/Research Beverly Kerr, first year median earnings for a graduate with a bachelor's degree from UT Austin range from \$30,724 for a major in fine and studio arts to \$119,936 for a major in petroleum engineering. The Census data reinforces the saying that kids who wanna make bigger bucks should be steered to engineering. For

Becton Dickinson and Co., or BD, has purchased Austin medical-device company TVA Medical Inc. The deal hands control of a small company in the Texas capital's medical-technology world to a global player with annual revenue in the 11 figures.

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LendingTree Acquires Austin Startup Student Loan Hero For \$60 Million

Austin American Statesman – 7/13/2018

Financial services company LendingTree said Friday that it has acquired Austin-based Student Loan Hero Inc., a personal finance website for managing student debt. The company will acquire Student Loan Hero, which offers tools, resources and advice for those paying off student debts, for \$60 million. After the merger, there will be 34 employees in the company, including three based in Austin.

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Austin Health Care Company Takes On DFW Market

ABJ – 7/12/2018

An Austin-based rehabilitation and health care services provider has opened its first North Texas location, a \$22 million facility on Oakmont Boulevard in Fort Worth. Rapid Recovery Center, which primarily offers post-hospital health care, has started accepting recovering patients in its newly-constructed Fort Worth location.

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In The Money July 9: \$5 Million In Deals Reported By Central Texas Companies

ABJ – 7/9/2018

A real estate tech startup and a cybersecurity company led slow capital activity during an odd holiday week that saw Independence Day fall on a Wednesday.

- TenantCloud, LLC reported about \$3 million in equity from four investors.
- CipherLoc Corp. reported roughly \$2.2

instance, check these additional stats for median salaries for UT Austin's first year grads: Petroleum Engineering, \$119, 936, Chemical Engineering, \$89,893, Computer & Information Sciences, \$85, 334, Electrical, Electronics & Communications Engineering, \$77,298, Business/Commerce, general, \$75,547, and Mechanical Engineering, \$69,865. The value of a world-class research university in our midst is beyond calculation.

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Travis County Reveals Proposed Location For New Courthouse

Austin Monitor – 7/10/2018

Travis County is negotiating with a private development group to build a brand-new civil courthouse at West 17th and Guadalupe streets.

The location was revealed after County Judge Sarah Eckhardt announced at Tuesday's Commissioners Court meeting that she had signed off on entering into exclusive negotiations with Travis County Courthouse Development Partners LLC to acquire the site and build the court facility on top of it. The new proposed site includes the majority of the block on the northwest corner of West 17th and Guadalupe. The new court building would replace two surface parking lots and the basement ruins of the demolished Travis House building.

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County Commissioners Sign Off On \$450 Million Brackenridge Lease

Austin American Statesman – 7/10/2018

Travis County commissioners gave the green light Tuesday for the county health district to approve a 99-year lease of a portion of the former Brackenridge hospital campus for use by the University of Texas' Dell Medical School.

Central Health owns the prime six-block, 14.3-acre site at East 15th and Red River streets in downtown Austin, where the now-shuttered University Medical Center Brackenridge stands. Under the proposed plan, the 2033 LP, a nonprofit established by Austin businessman and UT graduate Sandy Gottesman, would lease about 2.6 acres and then sublease it to the University of Texas.

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San Marcos Shopping Center Has New Owner

Austin American Statesman – 7/9/2018

A San Marcos shopping center is under new ownership. NAI Partners' Investment Fund II now owns San Marcos Place, a 73,105-square-foot center at 900 Bugg Lane. San Marcos Place, which is currently 84 percent leased, represents the first acquisition for NAI Partners' Investment Fund II, with additional purchases expected to follow. Tenants in the four-building center include Half-Price Books, Nationwide Insurance and Pizza Hut.

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million in equity and other rights to securities from 194 investors

- United Urology Centers LLC reported \$96,000 in equity from four investors.

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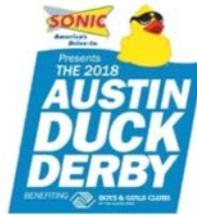
Did You Know?

- ❖ Lake Travis has the largest storage capacity of the seven reservoirs known as the Highland Lakes, and stretches 65 miles upriver from western Travis County to southwest of Marble Falls.
- ❖ There are 91,000 employees in downtown Austin.
- ❖ In 1903 the Texas Legislature offered \$50,000 to anyone who could devise a way to eradicate the boll weevil, which had been destroying cotton crops in Texas. The prize was never awarded.

Save the Date for the Duck Race!

It's summer once again, which means it's time to make a splash, have fun in the sun and adopt a duck to compete in the 5th Annual Duck Derby on Saturday, August 4th from 10 a.m. to 12 p.m. (Race at 11:00 a.m.)

Grand prize is a Brand New 2018 Maroon Volkswagen Jetta!



[Adopt a Duck Now!](#)

Benefitting the Austin Boys and Girls Club Foundation

www.duckrace.com/Austin



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