



**Helen Jobes, CCIM**  
Marketing & Investment Sales

# AUSTIN NEWS UPDATE



October 1, 2017

## Study: Tech Workers' Salaries Go Further In Austin Than Most Tech Hubs

**Austin American Statesman – 9/27/2017**

*The cost of living in Austin might be going up, but local tech workers still see their salaries go further in Central Texas than they would in most of the nation's other tech hubs, according to a study released Wednesday by job search site Indeed.com.*

*Austin area's tech workers, Indeed reports, earn some of the highest wages in the nation when comparing the area's cost of living to other tech hubs, giving the capitol city an advantage business leaders here say bolsters Austin's recruitment of tech workers and companies.*

[More...](#)

## A Snapshot Of Home Sales In Austin, San Antonio And Between

**ABJ– 9/28/2017**

*The Central Texas summer selling season was the strongest on record for single-family home sales and price.*

*The median price for single-family homes in Austin rose 2.7% year-over-year to \$361,000 and was up 4% to \$300,000 across the five-county metro area, according to the Austin Board of Realtors. But what about south of San Marcos? The area measured by the San Antonio Board of Realtors continues to sizzle with total homes sold in August rising 2% from last year for a total of 2,984.*

[More...](#)

## UT Austin Wins Largest Contract In Its History: \$1.1B From The Navy

## Austin Is Best 'Non-Gateway' Commercial Real Estate Market In U.S., Survey Says

**ABJ– 9/29/2017**

*Austin is the best non-gateway city in the U.S. for commercial real estate investment. That's the consensus of DLA Piper's annual State of the Market Survey. Increasingly, institutional money and private equity is flowing to Austin from around the globe.*

*DLA Piper surveyed about 220 real estate executives from top real estate firms and some 45 percent of them said Austin — tied with Seattle — will perform the best in the year ahead as a commercial real estate investment. Here are a few other highlights of the report:*

- *Investors from China are considered the most likely to invest in U.S. commercial real estate, and there is evidence of Chinese capital already at work in Austin.*
- *The DLA Piper survey-takers rate healthcare and industrial real estate as the best investment categories.*

[More...](#)

## How A Former NFL Player Lined Up A \$225 Million Development In Fast-Growing Georgetown

**ABJ – 9/26/2017**

*The Summit at Rivery Park has been more than six years in the making for Jeff Novak, founder and CEO of Novak Brothers LLC. But the \$225 million mixed-use development, the first of its scale in Georgetown, is also a harbinger for the fast-growing city about 30 miles north of downtown Austin that was mostly rural farm and ranch land a couple of decades ago.*



*The 32-acre Summit is coming to life on a hill northwest of the county courthouse, overlooking the San Gabriel River. The second phase, encompassing 60,000 sq. ft. of ground-floor retail development plus some offices, is now open for business. Retail tenants include Woops bakery and Orangetheory Fitness gym. Another*

*tenant, Spa Luxe, will open in early 2018.*

[More...](#)

## Industrial Heavyweight Siemens Fills Austin Innovation

**ABJ– 9/28/2017**

The University of Texas at Austin has obtained the largest research contract in the school's history — a U.S. Navy award that could be worth \$1.1 billion during the next 10 years.

National security will be the focus of the work done by the UT Austin Applied Research Laboratories. Specifics include development of high-resolution sonar devices, improved sensor technologies to track submarines and better technology for satellite navigation and GPS.

[More...](#)

### **Affordable Housing Dominates Austin-San Antonio Growth Summit Panel Discussion**

**ABJ – 9/29/2017**

The main event at Thursday's Austin-San Antonio Growth Summit was a general panel discussion about housing along the booming I-35 corridor.

The panel, made up of five experts with different experiences related to housing economics and policy, discussed a range of topics including the likelihood of Austin or San Antonio building workforce housing near each urban center, the role of multifamily and tiny houses in filling such needs.

[More...](#)

### **Multi-Family Development Elan Parkside To Open In November**

**ABJ – 9/30/2017**

Greystar Properties is set to open a new multi-family development, **Elan Parkside** at 609 Clayton Lane, Austin, in November. The apartments will offer downtown views, high ceilings and access to nearby Hyde Park.

[More...](#)

### **SXSW 2017 Pumped \$348.6 Million Into Austin's Economy**

**Austin American Statesman – 9/27/2017**

South by Southwest contributed \$348.6 million to the Austin metro area's economy in its latest fiscal year, as the growth of the organization and higher attendance costs

### **Center With 130 Tech Jobs**

**ABJ – 9/28/2017**

The U.S. arm of industrial giant Siemens AG has hired nearly 130 workers at a 34,000-square-foot facility in Austin dedicated to coming up with new ideas to make buildings more energy efficient. The company plans to continue to hire, although it didn't give a precise figure.

The facility is at 9225 Bee Cave Road, in an office park near the Laura Bush Community Library about 10 miles west of downtown. Siemens Corp. plans to spend \$14 million a year running the Siemens Americas Digital Service Center, including leasing the space, IT costs and payroll.

[More...](#)

### **Facebook Plans Major Expansion In Downtown Austin**

**Austin American Statesman – 9/28/2017**

In another major expansion for Facebook in Austin, the social media giant said it will lease more than 230,000 square feet of space in a 29-story office tower under construction downtown.

The new space will nearly double the Silicon Valley company's space in Austin, where Facebook already has 700 employees and a multimillion investment. Currently, its Austin hub is in a downtown tower called 300 West Sixth, where it has 120,000 square feet of space. Under its new lease, Facebook will occupy 10 floors totaling 231,507 square feet in Third + Shoal that is being built at 208 Nueces St. The building -- built on a site was previously home to the Austin Music Hall -- is due to open by the third quarter of 2018.

[More...](#)

### **Main Street Hub Plans New 1,000-Employee Corporate HQ In Austin**

**Austin American Statesman – 9/29/2017**



An Austin-based online marketing firm has ambitious plans for the future, saying Friday it will construct a new corporate headquarters on the city's east side capable of accommodating more than 1,000 employees. The four-story, 114,000-square-foot new headquarters building will go up at 2010 E. Sixth Street, between Chicon

and Robert Martinez Jr. streets.

Main Street Hub co-CEOs Matt Stuart and Andrew Allison told the American-Statesman that the building, which is set to open in mid-2019, will consolidate about 600 product, engineering, sales and operations workers currently based in three offices: two in downtown Austin and one in New York.

[More...](#)

### **Tesla Could Add Stores, Restaurants At Car-Charging Stations; 3 Austin-Area Sites Planned**

**ABJ – 9/25/2017**

Tesla Inc. may partner with restaurants and convenience-store chains in hopes of building Supercharger stations for its electric cars that look more like

helped drive a resurgence of economic gains for the region, according to an analysis released Wednesday by festival organizers.

The 2017 gains stemmed in large part from the growth of SXSW operations, which includes sponsorships, as well as greater spending by attendees, according to the analysis conducted by Greyhill Advisors.

[More...](#)

## University Of Texas System Named State's Most Innovative — And One Of World's Best

ABJ – 9/29/2017

The Lone Star State claimed three spots on Reuters' annual World's Most Innovative Universities list.

The University of Texas System took the top spot among schools in Texas, ranking ninth overall. Based in Austin, the UT System has eight academic institutions and six separate health institutions, including the University of Texas at Austin.

[More...](#)

## Texas Manufacturing? The Ship Holds Steady, Says The Fed

Recon – 9/29/2017

Factory activity continued to increase in Sept. 2017, according to business executives responding to the Federal Reserve Bank of Dallas' Texas Manufacturing Outlook Survey.

Perceptions of broader business conditions improved, with the general business activity index increasing to 21.3, its highest in seven months. The employment index came in at 16.3, its highest level since April 2014.

[More...](#)

## Austin Home To Majority Of State's 10 Most-Lucrative Hotels; Four Seasons, Hotel San Jose & More Highlighted In Q2 Report

ABJ – 9/25/2017

The hotel market slowed across Texas during the second quarter and will likely continue to slacken this quarter due to the

conventional gas stations, with upscale food, drinks, bathrooms and lounge areas.

According to its website, Tesla plans to build three Supercharger stations in Central Texas: near 10th and Guadalupe streets in downtown Austin, opening by the end of the year; in North Austin's North Loop neighborhood, near 55th Street, opening by the end of the year; and near Cypress Creek Road and U.S. Highway 183 in Cedar Park, opening by the end of 2018.

[More...](#)

## Austin Community College's Next Big Project At Old Mall: More Next-Generation Workforce Training

ABJ – 9/22/2017

When the \$152.8 million second phase of construction on Austin Community College's Highland campus wraps up in about two years, it will feature the first business incubator in the school system's history plus other forward-thinking features geared toward producing a next-generation regional workforce.

The 415,000 sq. ft. of new learning space — that's about as much space as a downtown skyscraper offers — will "prepare students for high-demand careers and nurture local business growth," ACC said in an announcement. In addition to the business incubator, ACC Highland phase 2 will have a nearly 125,000-square-foot digital media center, a 14,000-sq. ft. health sciences/STEM simulation center and a nearly 20,000-sq. ft. culinary arts and hospitality management center.

[More...](#)

## 'One-Of-A-Kind' Property On Barton Springs Road Up For Auction

Austin American Statesman – 9/26/2017



A "one-of-a-kind" Austin property set on a bluff overlooking Barton Springs Road will sell to the highest bidder through an online auction on Oct. 26.

Joe Longton, the Austin real estate agent who has the listing, said he can see the 511 Barton Blvd. property selling to a wealthy buyer — such as a company executive or a movie star for their private residence — or to an office, apartment or condominium developer.

The property, which has been in the same family for 83 years, is near Zilker Park. It will sell via Concierge Auctions' online marketplace, allowing

impact of Hurricane Harvey, but Austin seems barely touched by the downturn.

Source Strategies Inc. in San Antonio, which tracks industry trends, reports there is still room for more hotel development in Austin despite thousands of rooms recently delivered and under construction. Austin far eclipses all other markets in the state for average room rate and revenue per available room, or RevPAR. It's one of the most important indicators of a hotel's success.

[More...](#)

## Amazon Launches Pop-Up Shopping Treasure Truck In Austin

Austin American Statesman – 9/29/2017

Amazon on Friday launched a new shopping experience in Austin where customers can receive surprise items that the online retailer makes available through special delivery trucks.

Dubbed the Amazon Treasure Truck, the program notifies customers through Amazon's app of specific products available at its trucks on certain days each month. Customers then can purchase a product online and pick it up at a truck location on the same day. Austin is one of 18 cities across the U.S. where the Amazon Treasure Truck is operating, according to the company's website.

[More...](#)

## Austin Health Care Videoconferencing Startup Raises \$5 Million

Austin American Statesman – 9/27/2017

An Austin-based technology startup that provides healthcare planning to people with serious medical conditions has raised \$5.1 million to expand nationally.

Austin-based Iris Plans received the funding from investors including New York-based Activate Venture Partners and Austin-based LiveOak Venture Partners. The Iris Plans platform uses videoconferencing to connect specially trained facilitators with patients and their families.

[More...](#)

## In The Money Sept. 25: Five Central

prospective buyers to bid digitally in real time from any continent. The property will be sold to the highest bidder, with the minimum bid set at \$1 million. The sale is expected to become final on Jan. 2.

[More...](#)

## What does Austin have in common with New York City, Dallas, Los Angeles, Seattle, Denver, Chicago, Atlanta, Washington DC and Miami?

Neal Spelce Austin Letter

[www.AustinLetter.com](http://www.AustinLetter.com)<<http://www.AustinLetter.com>>, 9/29/2017

First hint: Austin is on the same Top Ten list with these mega metros. Second hint: the list is current, just released this week. Third and final hint: it is based on actual numbers, not percentages. Give up? These ten cities have approved the most multifamily (apartments) units over the past year.

This Top Ten ranking, in the sequence listed above, places **Austin #7 in the nation** in what is expected to be a 20-year-high in new US apartment construction. Bisnow reports that roughly **399,000 units were approved nationwide during the 12 months ending July 31**, according to RealPage. Austin's inclusion on this list is all the more impressive because RealPage counted the exact number of permits, regardless of the size of the city. The number of permitted units in #7 Austin is 10,565 – ahead of #8 Atlanta (9,828), #9 Washington DC (9,563) and #10 Miami (8,689).

[More...](#)

## Global Medical REIT Acquires 59,000 SF Hospital In Austin For \$40.6M

REBusiness – 9/29/2017



Maryland-based Global Medical REIT Inc. has acquired Central Texas Rehabilitation Hospital, a 59,000-square-foot healthcare property located at 700 W. 45th St. in Austin, for roughly \$40.6 million. The inpatient hospital features 50 beds and is leased to a joint venture between subsidiaries of healthcare providers Kindred Healthcare and Seton Healthcare.

[More...](#)

## Real Estate Roundup: Architect And Independent Tower Developer Combine On East Austin Deal

ABJ – 9/28/2017

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

- An unidentified buyer purchased a warehouse on about one-half acre at 1500 E. 4th St. Records at the Travis County Clerk's office indicate that Lorenzco Inc., headed by Perry Lorenz, sold the property to 4th Street Studio LP, a partnership headed by Brad Nelsen, principal of Nelsen Partners.
- Thrive FP, an Austin-based private equity firm, purchased a new assisted living center at 10025 Anderson Mill Road, prompting the firm to launch a new division.
- Future Land US Capital Partners Ltd. purchased about 26,483 square

## Texas Companies Raise \$53 Million

ABJ – 9/25/2017

Four local tech companies and a retailer collectively raked in \$52.9 million this past week.

- Zebra's \$40 million round will be used to hire, grow its reach and expand into other types of insurance, such as home insurance, renters insurance or RV insurance.
- AllClear ID Inc., an Austin cybersecurity company, raised \$6.5 million in debt and other types of funding from four investors.
- Olono Inc., an Austin software maker, collected about \$3.6 million in equity funding from 21 investors.
- VUV Analytics Inc. received about \$2.3 million in equity funding from five investors.

[More...](#)

### Did You Know?

- ❖ Save the Date for RECA's KnockOut Night 2018 – February 22nd, JW Marriott Hotel.
- ❖ Average home price for Austin MSA and U.S. has risen 8.3 percent and 4.9 percent respectively since July 2016.
- ❖ On October 1, 1908 Ford Motor Company unveiled the Model T, in 1890 Congress established Yosemite National Park, and in 1962 Johnny Carson made his debut as the Tonight Show host.

feet of land and improvements at 504 E. Fifth Street, which formerly housed Carmelo's Restaurant.

- Hill Country Development Corp., an entity in Longview, Texas, purchased about four acres at 12332 RR 620 in Cedar Park for the construction of a 55,000-square-foot sports recreation facility.
- RailField Realty Partners of Bethesda, Maryland, purchased of Cedars of San Marcos, a 168-unit apartment complex at 1101 Leah Ave. in San Marcos.
- Seda France Inc, a home fragrance company, leased 10,750 square feet at 9503 Brown Lane.
- Duo Security leased 8,464 square feet at 804 Congress Ave.

[More...](#)

## Mark Your Calendar: Rest Of Northbound Mopac Toll Lane To Open Oct. 7

Austin American Statesman – 9/28/2017

Officials had hoped to open the rest of the northbound toll lane Saturday, but they announced Thursday that they will have to wait at least one more week. The toll lane will open from West Cesar Chavez Street to north of RM 2222 at 8 a.m. Oct. 7, weather permitting, said Dee Ann Heath, a spokeswoman for the Central Texas Regional Mobility Authority.

The problem is that considerable striping remains to be done between West 35th Street and RM 2222. And striping must be done when the pavement is dry. Officials said the one-week delay in opening the rest of the northbound lane also gives them more time to do final testing of the overhead equipment that reads and debits electronic toll tags and takes photos of license plates on vehicles that do not have a tag.

[More...](#)



CAPPELLA COMMERCIAL, LLC.  
REAL ESTATE SERVICES

Are you looking to buy or sell  
commercial property?  
Our goal is to achieve maximum return for  
every property, for every client!

[Click here to Subscribe!](#)

[Click here to Unsubscribe](#)

**Helen Jobs, CCIM**

**Capella Commercial**

**512.617.6336 office**

**512.422.9214 cell**

**[helen@capellatx.com](mailto:helen@capellatx.com)**

**6836 Bee Cave Road, Suite 330**

**Austin, Texas 78746**