



Helen Jobes, CCIM
Marketing & Investment Sales

AUSTIN NEWS UPDATE



October 15, 2017

Toll Brothers To Develop Remaining Homes In Belterra Project

Austin American Statesman – 10/9/2017

Time's running out to buy a home in the 1,600-acre Belterra community near Dripping Springs. A master-planned community, Belterra's amenities include 400 acres of land left undeveloped as open space and more than 6 miles of trails.

Toll Brothers has been selected to build homes on the project's 144 remaining lots, Ashlar Development said. Construction is expected to begin early next year.

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On The Venture Capital Trail: Austin Investment Ticks Up In Q3

ABJ– 10/10/2017

Fundraising is a constant challenge for Central Texas entrepreneurs — along with those around the globe — but by at least one measure, things are slightly better in the Austin area than a year ago.

Startups in the Austin-Round Rock metro raised about \$282.8 million in the third quarter through 41 deals — a dollar amount that's about 19 percent higher than the \$237.5 million raised through 47 deals in the same quarter last year.

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Amazon's Texas Two-Step: How Two Lightning-Quick Deals Elevated Austin In E-Commerce Giant's Pecking Order

ABJ– 10/11/2017

When the ink dried in late August on its lightning-quick acquisition of global grocery

Austin's New Second-Tallest Building — By a Spire

ABJ– 10/12/2017



The Fairmont Austin has its aspirations set — a 170-foot tall architectural spire has been installed, officially elevating the hotel's height to 590 feet.

This towering design element now qualifies the 1,048-room hotel as the second-tallest building in Austin behind the

Austonian. An illuminated crown will cast its glow on the spire creating a dramatic landmark on the city skyline, according to an announcement from Gensler, the design firm for the luxury hotel.

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Rents Hit Record Highs In Austin's Office Market

Austin American Statesman – 10/12/2017

Rents for Austin-area office space hit new highs in the third quarter, the latest figures show, as demand continued to outpace supply in the local market. Rents for top-tier (Class A) office space in the Austin market reached \$39.71 a square foot, an all-time high, Cushman & Wakefield Austin said its third-quarter report. Rents for top-tier space downtown also hit a new record, \$55.77 a square foot per year.

"The Austin office market remains tight," said Greg Johnston, managing director of Cushman & Wakefield in Austin. "Newer blue chip tech companies like Google, Facebook and Amazon continue to expand in Austin, and the market for younger startups is strong and healthy."

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When It Comes To Amazon HQ2, Moody's Thinks Austin Has The Best Shot

ABJ– 10/13/2017

When it comes to winning the second headquarters for Amazon.com Inc., there's no better place than Austin. That is according to Moody's Analytics, which made a data-driven attempt to answer the question of where the Seattle-based retail giant should establish a \$5 billion hub with up to 50,000 jobs.

retailer Whole Foods Market Inc., Amazon jumped up the ranks of the Austin area's largest employers virtually overnight, with some 7,000 workers on its payroll.

Amazon has now matched the move by Apple Inc. to establish the Austin region as its second-largest campus outside its home base. If Austin were to land the new HQ2 project, which would add 50,000 workers to the regional payroll, that status would be instantly cemented.

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Hiring On Tap After Austin's AlertMedia Raises \$8M For Emergency Communication Tools

ABJ – 10/11/2017

AlertMedia, which can help people communicate during emergency situations such as mass shootings or hurricanes, has raised \$8 million to fuel its expansion — including significant hiring plans. AlertMedia aims to add about 50 jobs in the next year, including a vice president of marketing, customer success managers and software developers.

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Dialpad Opens Austin Office After Dumping San Antonio

ABJ – 10/12/2017

Dialpad Inc., a San Francisco-headquartered company that provides businesses cloud-based phone and video systems, announced on Oct. 12 the opening of its Austin office.

The new office at WeWork in University Park completes Dialpad's relocation from San Antonio. Austin now is Dialpad's sales-and-customer support and professional-services hub, with 29 employees and six current openings. Additional hiring could occur next year.

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Startup Viridis Learning Moving Headquarters From New York To Austin

Austin American Statesman – 10/12/2017

Education technology startup Viridis Learning is moving its headquarters from New York to Austin. Founded in 2009, the

An untold — but mighty — amount of money moves daily in the business world because of the ratings and research kicked out by subsidiaries of Moody's Corp. Moody's Analytics ranked Atlanta as the No. 2 metro most likely to land Amazon HQ2.

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Apartment Project Set For Old Treehouse Site Off Barton Springs Road

Austin American Statesman – 10/12/2017

A site that has sat empty for three decades along Barton Springs Road is poised to be transformed with 74 upscale apartments that would have pricey rents and views of downtown Austin's skyline. Located atop a bluff at Barton Springs and Dawson roads, the site once housed a trendy restaurant and club, Mackendrick's Treehouse

Greystar and Dominion Advisors told the American-Statesman that they will jointly develop the project, with plans to break ground in the first quarter of next year after obtaining a building permit from the city of Austin.

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Sorry, Denver: Austin Moves Up U.S. Chamber's Ranking Of Best Cities For Startups

ABJ – 10/13/2017

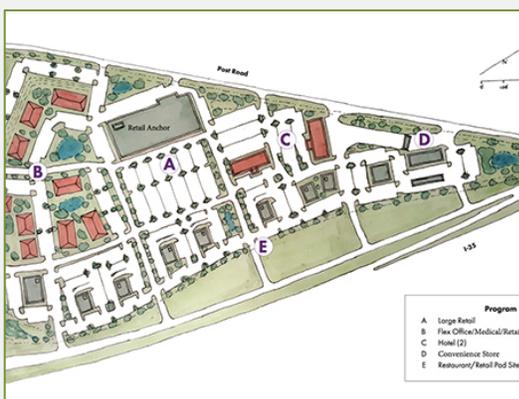
Austin crept up slightly on an annual U.S. Chamber of Commerce report examining the top cities for startups. The Texas capital ranked fifth on Innovation That Matters 2017, released Thursday, and received high marks for its skilled workforce and culture.

"While local-level engagement is paramount, Texas' business-friendly atmosphere has proven to be beneficial for increasingly-mobile entrepreneurs searching for a place to call home," the new report notes. "Better regional and state-level partnerships between Texas' innovation hubs could help make the state even more attractive to startups."

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PGI To Develop 300,000 SF Mixed-Use Property In Metro Austin

REBusiness – 10/12/2017



California-based PGI Investments will develop a 300,000-square-foot mixed-use property in Kyle, about 22 miles south of Austin. The development will be situated on a 47-acre site at the intersection of Yarrington Road and Interstate 35 and will include undetermined amounts of office, retail and restaurant space, as well as a hotel and multiple gas stations. The project is expected to create about 200 new jobs. A

timetable for construction has not yet been established.

company uses data analytics to match community college students with employers.

Viridis will relocate its headquarters to Austin and plans to hire 25 additional employees from the Austin area over the next 12 months, according to the Austin Chamber of Commerce.

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990% Growth? Texas' Craft Beer Revolution

Recon – 10/10/2017

As unemployment fell, the Lone Star State saw a sharp uptick in craft breweries, according to a new CBRE report. Over the course of 12 years, the number of craft breweries in Texas has expanded from 20 breweries in 2005 to 218 breweries in 2017—an increase of 990%.

The commercial real estate industry has benefitted from the explosion of suds throughout the state with the total square footage occupied by craft breweries expanding by 265% from 2005 to 4.8 million sf in 2017.

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Austin Software Maker AlertMedia Lands \$8 Million To Continue Growth

Austin American Statesman – 10/12/2017

Mass communication software maker AlertMedia has landed \$8 million to launch a new wave of growth.

Founded in 2013, the Austin-based company lets customers deliver mass notifications by phone, text, social media and mobile apps to any type of device, from a smartphone to an iPad or PC. Next Coast Ventures was the lead investor in the deal, which included investment from ATX Seed Ventures.

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Amegy Bank Eager To Grow In Central Texas

ABJ – 10/13/2017

Amegy Bank N.A., a Houston-based subsidiary of Zions Bancorporation, built a new location in New Braunfels recently and are considering more expansion along the I-35 corridor.

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Marcus & Millichap: Austin Retail Tenant Demand Strong In Third Quarter

Recon – 10/13/2017

Positive net migration continues to boost household formation and lift retail spending in Austin, encouraging retailer expansion, says Marcus & Millichap in its third-quarter market report.

Cedar Park has attracted a number of new retail developments since 2009 as residents flock to this area and single-family and multifamily projects rise, according to the report.

Marcus & Millichap's local retail projections for the remainder of the year:

- Developers will ramp up deliveries this year (1.6 million sf) after bringing nearly 1.1 million sf of retail space online during 2016.
- Deliveries will outpace absorption this year, pushing up vacancy to 3.5 percent. This marks the first annual increase since 2009.
- Tight vacancy will prompt asking rents to increase 4.3 percent.

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Great Hills Retail Center, Movie Theater Proposed For Redevelopment With 362 Apartments, Shops And Restaurants

Community Impact – 10/9/2017

A Northwest Austin shopping center that includes a movie theater could be redeveloped into a mixed-use center with apartments, retail and restaurant space.

A zoning case is making its way through the city of Austin for the Great Hills Market at 9828 Great Hills Trail, Austin. The case is set to go before the Zoning and Platting Commission at 6 p.m. Oct. 17 after being postponed at the Oct. 3 meeting. The developer is requesting to change the zoning from general retail and limited office zoning, GR-LO, to general commercial services-mixed use to allow for a mix of retail and residential uses. The zoning request also includes a vertical mixed-use overlay that would allow for a vertical building.

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Bee Cave Council Approves Creeks Edge Development Plan

Community Impact – 10/11/2017

Bee Cave Council approved plans with variances for the development of a gated subdivision called Creeks Edge that would allow for the construction of 30 new homes on one-acre lots. The site on Caudill Lane off Hamilton Pool Road is unique since it is only partly in Bee Cave city limits and is shared with the city of Austin's extraterritorial jurisdiction (ETJ).



The variances to Bee Cave city code relate to the width of streets and the developer's request to

The New Braunfels branch, near the intersection of I-35 and FM 306, is positioned as an entry point for the bank's services rather than just routine transactions. The company plans to continue opening new branch locations to close the gap between San Antonio and Dallas.

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Hutto ISD Receives Highest Rating From State Financial Agency

Community Impact – 10/13/2017

Hutto ISD announced that the district had received an 'A' rating from the School Financial Accountability Rating System of Texas, the highest of four available determinations from the state's financial accountability rating scale. Hutto ISD has received an 'A' rating for every year of the School Financial Accountability Rating System of Texas program, dating back to 2002.

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In The Money Oct. 9: More Than \$2 Million Raised For Artificial Intelligence, Backyard Farms

ABJ – 10/9/2017

A health care company and a software startup each obtained roughly \$1 million in investment in the past week. A total of three Austin businesses tallied an overall capital infusion of about \$2.5 million.

- Infinite Care Holdings LLC received about \$1.06 million in equity funding from two investors.
- Software maker BitFusion.io Inc raised \$1 million in debt and other types of funding from one investor.
- Lettuce Networks Inc., a backyard produce farming company, collected roughly \$541,000 in equity funding from three investors.

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Did You Know?

- ❖ On October 14, 1936 the first SSB (Social Security Board) office opened in Austin. From this point, the Board's

eliminate sidewalks. Since a major portion of the proposed streets including the gated access road would be located in Austin's ETJ, council agreed with recommendations supporting the plans from Bee Cave's planning and zoning committee.

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How Hard Is It For Potential Apartment Renters To Be Approved After They Have Made An Application?

Neal Spelce Austin Letter

www.AustinLetter.com<<http://www.AustinLetter.com>>, 10/13/2017

Landlords routinely run credit checks on apartment applicants. In addition to income factors, about a third of the applications statewide are rejected because of accounts in default, collection, or charged off from minor to severe levels.

So what percentage of those seeking to rent an apartment in the Austin area are actually approved? GlobeSt.com reports 88.6% of Austin applicants are approved in 2017 to move into their apartment of choice.

How does it compare with other Texas metros? Nationally, the 2017 approval rate is 83.2%. Austin's approval rate is not the highest in Texas, but it is close. Two other fast-growing Texas metros lead the state. Plano is the best bet with 89.4% of applicants getting approved, followed Irving with 88.8%. Austin is #3. **Now to the question of whether a high acceptance rate is good or bad – it's good.** It speaks to the reasonably-solid financial status of those apartment seekers, especially in areas like Austin where the population increase is among the highest in the nation.

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Austin Hotel And Conference Center Unveils Major Expansion Plans

Austin Culture Map – 10/5/2017



Courtesy of: AT&T Hotel and Conference Center

The AT&T Hotel and Conference Center is set to unveil some major changes at the start of next year. Thirty-thousand square feet of floor space will be added to the campus-area event center as part of the University of Texas at Austin's McCombs School of Business Rowling Hall development.

The new wing, including nine new meeting rooms, will be connected to the older building through a light-filled enclosed walkway. Doors will open by January 2018.

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Helen Jobs, CCIM

Capella Commercial

512.617.6336 office

512.422.9214 cell

helen@capellatx.com

6836 Bee Cave Road, Suite 330

Austin, Texas 78746