



Helen Jobes, CCIM
Marketing & Investment Sales

AUSTIN NEWS UPDATE



January 14, 2018

No Room On Austin Store Shelves As Retail Occupancy Soars

Recon – 1/9/2018

Limited availability of local retail space continues to constrict market activity, reports CBRE in its fourth quarter 2017 retail market update. Class A occupancy was down only slightly during the final 90 days of 2017.

"Retailers aren't just on the search for prime, Class A space," the report said. "Overall occupancy is also high at 96.3 percent—the highest measured in Texas." CBRE forecasts Austin retail sales volumes to reach \$29.7 billion this year, a 6 percent increase from 2017. Similar sales growth is projected to continue over the next five years at an annual rate of 5.6 percent, higher than the U.S. average.

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World's Only Major League Baseball-Branded Golf Course To Be Built In Texas

ABJ – 1/13/2018

The Texas Rangers and city of Arlington are partnering to create the world's only Major League Baseball-branded golf course, the Texas Rangers Golf Club.

The newly-formed partnership plans to spend \$24 million transforming the former Chester W. Ditto Golf Course at Brown Boulevard and Collins Street in Arlington, about 20 miles west of downtown Dallas, into a Rangers-branded destination for golf. The re-branded golf course is slated to open to fans by this summer.

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See Where U-Hauled In 2017

Recon – 1/11/2018

Skyscraper Pivot: \$175M Office Tower Planned For 300 Colorado Instead Of Multifamily High-Rise; Oil Company Takes It All

ABJ – 1/9/2018

A joint venture has been formed to build a \$175 million office tower on the downtown Austin block that's currently home to Sullivan's Steakhouse.



Cousins Properties Inc., Riverside Resources Inc. and Ironwood Real Estate have teamed up on the planned skyscraper at Colorado Street and West Third Street, to be known as 300 Colorado. It is expected to have more than 300,000 square feet. Parsley Energy Inc., a highly active oil driller and one of the few headquartered in Austin, has pre-leased all of the office space, according to a Tuesday announcement. It is a slight pivot from Riverside Resource's earlier plans. The Austin-based developer had initially envisioned 300 Colorado as a 44-story residential tower with ground-floor retail.

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Three Texas Cities Among Best Performing, Says Milken Institute

Recon – 1/12/2018

Three Texas metros have landed in the top 25 of the Milken Institute's Best-Performing Cities 2017 Index. Dallas-Plano-Irving, Austin-Round Rock, And San Antonio-New Braunfels ranked third, ninth, and 19th, respectively.

The Milken Institute Best-Performing Cities Index has been published annually since 1999. According to the institute, "The index uses fact-based metrics in nine categories to evaluate the relative growth of metropolitan areas. Metrics include growth in jobs, wages and salaries, and technology output over time. The index also measures high-tech fields whose concentrations in a metropolitan area are higher than the national average."

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Texas is named the No. 1 growth state in 2017, according to U-Haul data analyzing the past year's U.S. migration trends. Year-over-year arrivals of one-way U-Haul truck rentals rose 1% while departures climbed 3% from Texas's 2016 numbers.

McKinney, Prosper, College Station, Temple and Kaufman paced Texas's net gain of one-way U-Haul trucks. Austin, Midland, Pflugerville, New Braunfels and Irving were among other notable cities to post strong net gains.

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Zillow-Like Platform Tenavox Launches In Austin To Help Tenants Find Commercial Real Estate Space

Community Impact – 1/11/2018

Tenavox launched in Austin in early December, offering tenants a platform similar to Zillow and Yelp that assists tenants with finding office, retail and industrial real estate space.

The company first launched in Houston in September, but the founders reside in Austin and maintain an office at 13359 N. US 183, Ste. 406-677, Austin. By the end of 2018, the company plans to provide small-business owners with the ability to look for space, compare prices and read reviews on more than 25,000 properties in Texas.

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Coming Soon: Austin's Largest Hotel Will Be A Monster Meeting Place

ABJ – 1/11/2018

Austin's largest hotel will be open soon. When, exactly, is the big question.

The 1,048 rooms Fairmont Austin will yield will put it atop Austin Business Journal's list of the largest regional hotels, besting the JW Marriott by 36 rooms. On top of that, much-anticipated restaurants and meeting space will come online.

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\$1.3 Billion Buyout Fund Raised By Austin PE Firm That Owns Baked-Goods, Water Treatment Companies

ABJ – 1/11/2018

Peak Rock Capital LLC, which has a track

Oden Hughes Caters To Tech Workers With New 350-Unit Apartment Complex Near The Domain

ABJ – 1/11/2018

At a time when more young professionals are flocking to apartments near The Domain, Oden Hughes LLC announced Thursday construction has started on a 350-unit luxury apartment just north of an area known as Austin's second downtown.

Slated to open in early 2019 at 3001 Scofield Ridge Parkway, Lenox Ridge



apartments will be at the southeast corner of MoPac Expressway and Scofield Ridge Parkway. Lenox Ridge will cater to tech workers with a “community work studio” — taking a page from the dozens of co-working spaces that have cropped up around the city in recent years. The studio’s

perks include private and community offices, meeting rooms, Wi-Fi, printers, scanners, an open-floor lounge and a hospitality bar.

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Fresh Batch Of Neighbors—Texas Adds 400K Residents

Recon— 1/9/2018

The Lone Star State added nearly 400,000 residents during the past year, the most of any state, according to the latest population estimates released in December 2017 by the Census Bureau.

Texas now is home to 28,304,596 residents, after a fresh batch of 399,734 people was added to the Lone Star State’s ranks. The Lone Star State added nearly 400,000 residents during the past year, the most of any state, according to the latest population estimates released in December 2017 by the Census Bureau.

So where are all these folks coming from?

- Population growth the old-fashioned way: More than half of these new Texans (209,690) are the result of births (404,311) outpacing deaths (194,621).
- International immigration: 110,417 people moved to Texas from other countries.
- Domestic immigration: 79,163 people arrived from other U.S. states.

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Nutty Brown Amphitheater Receives Warm Welcome For Move To Round Rock

ABJ— 1/11/2018

Nutty Brown Amphitheater is readying to adopt Round Rock as its new home. Round Rock's Planning and Zoning Commission on Wednesday night unanimously approved a zoning change that turns municipal parkland into a planned unit development, or PUD, to accommodate the well-known Central Texas music venue. The project is close to the southeast intersection of I-35 and University Boulevard in Round Rock. But the move to Round Rock has

record of diverse investments, has raised a \$1.3 billion fund for buyouts as private equity firms across the country amass substantial war chests. The Bee Cave-based firm had set a goal of raising \$900 million for the fund, which it easily exceeded.

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Tiny House Restaurant Tiny's To Open This Spring In South Austin

Community Impact – 1/12/2018

Salad bistro Vinaigrette will expand its South Austin location this spring with the addition of **Tiny's**, a tiny house restaurant. Tiny's will be located off Vinaigrette's patio at 2201 College Ave., Austin, and will open this spring.

The restaurant will serve healthy breakfast food, snacks and frozen margaritas in creative flavors such as rosewater beet and carrot sumac.

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Conceptual Routes Mapped For New Regional Trail Through San Marcos, Buda And Kyle

Community Impact – 1/9/2018

The San Marcos Greenbelt Alliance and its partners are steadily moving forward on a plan to connect San Marcos to Austin's Violet Crown Trail, with conceptual routes drawn and stakeholder meetings planned for later this spring.

The nonprofit Greenbelt Alliance, now in its 20th year, is spearheading the regional hike-and-bike trail, which—along with its partners Hays County and the cities of Kyle, San Marcos and Buda—it named the Emerald Crown Trail. The trail will likely accommodate two-way traffic and have varying surface levels depending on the topography.

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In The Money January 2: WP Engine's Huge \$250 Million Haul Leads Slow Week

ABJ – 1/8/2018

The size of WP Engine Inc.'s latest funding made up for an otherwise slow week.

been delayed multiple times because of obstacles like road access problems. Nutty Brown owner Mike Farr now hopes to open in Round Rock in 2019.

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UT Dell Medical School To Lead Charge In \$15.5 Million Replacement Of Austin State Hospital

Community Impact – 1/8/2018

The University of Texas Dell Medical School has been charged with leading a \$15.5 million redesign of the Austin State Hospital and aims to transform the more than 100-year-old facility in Hyde Park into a center for brain health.

Funding for the project was approved in the 2017 legislative session along with six other projects to improve or construct new mental health hospitals in Texas. Replacement of the aging Austin State Hospital, would occur in three phases: \$15.5 million for the pre-planning and planning of the new facility in the 2018-19 biennium, \$235 million to construct it in 2020-21 and \$26.5 million for operating the new center in 2022-23.

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LBJ's Former Ranch Listed For \$2.8 Million

Austin American Statesman – 1/11/2018

The one-time Texas Hill Country property of former U.S. President Lyndon B. Johnson is for sale, with a \$2.8 million asking price. Located on 142 acres near Johnson City, the property is the former home of Italian artist Benini, renowned for his paintings and sculptures.

Blanco County deed records show that the property was purchased by Johnson one week into his presidency in 1963 and remained in his ownership until 1971. Johnson used the secluded property as a private retreat. The Beninis transformed a 12,000-square-foot hangar on the property into art galleries and an educational venue, and for 15 years it was known as the Sculpture Ranch with 2,000-3,000 visitors each month.

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The Austin Business Cycle Index Has Risen Every Month Since October 2009

Neal Spelce Austin Letter

www.AustinLetter.com<<http://www.AustinLetter.com>>, 1/12/2018

One of the basic economic truisms is that business runs in cycles. So, where is Austin in its own business cycle? Numbers released this week are impressive, indeed.

The Austin Business Cycle Index has risen every month since October 2009, and the rate of growth has increased in each of the last 12 months. This is a powerful statement, (even when compared to other Texas cities) passed along to us by the Austin Chamber's VP/Research Beverly Kerr.

Kerr is getting her information from the just-released Federal Reserve Bank of Dallas' Business Cycle Indexes showing "Austin's overall economic activity is expanding at a rapid pace, gaining 7.4% in the last 12 months." This is amazing, when you look at the similar stats for other major dynamic Texas metros. Taking the same activity Index that showed the Austin metro with a 7.4% gain, Kerr reports "gains among Texas' other major metros over the same period range from 1.9% in Houston to 4.8% in Dallas."

- Austin startup WP Engine Inc. received one of the largest investments in the city's history with a \$250 million haul.
- Fitness Food Holdings LLC, the legal name of Snap Kitchen, obtained about \$16.3 million in equity and other types of funding from two investors.
- Criquet Apparel LLC raised \$275,000 in debt from a pair of investors.

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Did You Know?

- ❖ Austin is one of the Top 10 Foodie Cities in America.
- ❖ On January 14, 1943 FDR becomes first president to travel by airplane on U.S. official business
- ❖ Austin's unofficial slogan "Keep Things Weird" originated in 2000 when Red Wassenich, a local librarian, used the phrase when he called in to a local radio show.

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Real Estate Roundup: Caterer Buys East Austin Building, LKQ Goes Even Bigger On North Side

ABJ- 1/11/2018

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

- LKQ Corp., an international auto accessory company, added 95,672 square feet at Heritage Crossing, 2500 Scarbrough Dr.
- Stratasys Direct Inc., a three-dimensional manufacturing company, renewed its lease for 33,178 square feet of industrial space at Metric Building 6, 9715 Burnet Road.
- An unidentified investor purchased an 18,200-square-foot industrial building at 10606 Bluff Bend Dr.
- Baccus Holdings LLC sold an 18,200-square-foot property at 10606 Bluff Bend Dr. to Zachary Scott Theatre as a production studio.
- TD Storage of Greenville, South Carolina purchased 1.3 acres at the corner of I-35 and Teri Road.
- Bento Picnic and Partners purchased a 1,785-square-foot building at 2600 E. Cesar Chavez St.
- An unidentified Austin-based investment group purchased 4.9 acres at 2301 and 2351 Double Creek Dr. in Round Rock.

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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