



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

# AUSTIN NEWS UPDATE



January 7, 2018

## Texas Added More People Than Any Other State In Past Year

ABJ – 12/26/2017

*Texas added more people than any other state from 2016 to 2017, according to national and state population data released last week by the U.S. Census Bureau.*

*Between July 1, 2016 and July 1, 2017, the Texas population increased by nearly 400,000 people, No. 1 nationwide. The Lone Star State's population was about 28.3 million at that time. That 1.4 percent growth rate was the seventh-fastest in the U.S. in terms of percentage growth.*

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## Indeed, Like Homeaway And Facebook, Sets Up Another Huge Office In Austin's 'Second Downtown'

ABJ – 1/2/2018

*Indeed.com, the booming aggregation website for job seekers, is another marquee company going all in at The Domain in North Austin.*

*Indeed has leased the entire Domain Tower project, an 11-story, 310,00-square-foot office building, which is one of several either under construction or in the pipeline. It's scheduled for full occupancy by the end of the year.*

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## Texas Jobs Still Growing

Recon – 1/5/2018

*The Texas economy continues to outpace the U.S. economy in job creation. The state gained 330,600 nonagricultural jobs from November 2016 to November 2017, an*



## Austin, Atlanta Now Share 3-To-1 Odds of Landing Amazon HQ2

ABJ – 1/2/2018

*Austin and Atlanta share the best odds of landing Amazon's HQ2, says Irish betting site PaddyPower. Back in October, PaddyPower put Atlanta's odds of landing Amazon's \$5 billion second headquarters at 2-to-1, beating Austin (3-to-1) and Boston (6-to-1). But as of Dec. 31, PaddyPower reports that Atlanta and Austin each share a 3-to-1 chance of landing HQ2.*

*A Jan. 2 story from Fortune, for instance, notes that, "When cities submitted their bids in late October, Fortune turned to a popular betting site to see which of the more than 200 candidates had the early edge. Fast forward to the new year, and the initial favorite — Atlanta — is still at the top of the list, but its chances have declined from 2/1 to 3/1 and it now shares the perch with southern rival, Austin, TX."*

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## Mueller Developer, W Austin Hotel Owner Vie To Oversee Huge Master-Planned Project

ABJ – 12/28/2017

*Two notable names in Austin's real estate world want to lead the redevelopment of the massive Colony Park project in East Austin.*

*Stratus Properties Inc. and Catellus Development Corp. have responded to the city's request for qualifications for a master developer for the redevelopment of Colony Park — about 208 acres of publicly owned land near the intersection of Decker and Loyola lanes, about a mile from Walter E. Long Metropolitan Park. Colony Park's Master Plan, approved in 2014, allows for as much as 960,000 square feet of commercial space and 3,031 housing units.*

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annual growth rate of 2.7 percent, higher than the nation's employment growth rate of 1.4 percent.

According to the Real Estate Center's latest Monthly Review of the Texas Economy, the nongovernment sector added 294,600 jobs, an annual growth rate of 2.9 percent, also higher than the nation's employment growth rate of 1.6 percent in the private sector. College Station-Bryan ranked first in job creation followed by San Antonio-New Braunfels, Corpus Christi, Dallas-Plano-Irving, El Paso, and Austin-Round Rock.

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### **In Huge Investment Deal, Austin's WP Engine Raises \$250M**

Austin American Statesman – 1/4/2018

WP Engine, which provides hosting for WordPress-built websites, said it has raised a whopping \$250 million to fuel its growth.

The Austin-based company received the funding from Silver Lake, a marquee private equity investment firm. The deal is believed to be the largest single investment in an Austin technology company since vacation rental site HomeAway raised \$250 million in 2008.

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### **Austin-Based Trendkite Lands \$11 Million For Growth**

Austin American Statesman – 1/2/2018

TrendKite, which helps clients gauge the effectiveness of their public relations, has raised an additional \$11 million to accelerate its expansion plans.

The Austin-based company, which was founded in 2012, makes analytics software that lets agencies and brands measure and analyze the impact of their print, broadcast and online media coverage.

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### **Mood Media Finds Happiness With Lease In Older Building On I-35**

ABJ – 1/4/2018

Mood Media — an Austin company that sells retailers digital signage, music and even scents to get customers in the mood to buy — recently decided to enhance the mood of its own employees.

## **CBRE: 2017 Active Year For Austin Office Market**

Recon – 1/2/2018

The local office market once again registered an active year of over one million sf of positive net absorption, reports CBRE in its fourth quarter 2017 market report. Among other highlights from CBRE's report:

- Developers kicked off 600,000 sf of new construction in Q4 2017, closing out the year with approximately 2.7 million sf of new office space under construction.
- Vacancy held steady in Q4 2017 at 8.8 percent, a low not seen since Q2 2001.
- Operational costs in Austin rose \$0.86 per sf in the past 180 days, climbing to a citywide annual average of \$9.57 per sf. To offset increasing operational costs, landlords have been pressed to again lower triple net (NNN) asking rates to a citywide average of \$24.82 per sf, down from \$25.22 per sf in Q3 2017 and \$26.12 per sf in Q2 2017.
- Despite the decreasing triple net asking rate, the citywide average full-service gross rate rose \$0.07 per sf from Q3 2017 to \$34.39 per sf.
- In October 2017, Austin's unemployment fell to 2.6 percent, the lowest level since the late '90s.
- Technology firms accounted for 32 percent of signed office leases in the fourth quarter.

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## **Third Office Building Coming To Rollingwood Development**

Austin American Statesman – 12/22/2017



Construction is due to start soon on a third building at Rollingwood Center, an office complex in Rollingwood near downtown Austin.

Bryce Miller, managing principal with Austin-based Endeavor Real Estate Group, said Endeavor plans to break ground in the first quarter of 2018 on the

five-story building, which will have 121,541 square feet of space and a four-story parking garage. The new building will have high-end finishes throughout all of the public spaces, including limestone floors and walls and floor-to-ceiling windows. When completed in 15 to 18 months, it will join two existing buildings Endeavor developed totaling 215,000 square feet of space, both of which are fully leased.

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## **Austin's 2018 Economy: Tech Challenges, Job Growth, More VC Dollars**

Austin American Statesman – 1/5/2018

Austin enters 2018 with a labor market and economy as robust as any it has experienced in nearly two decades. Even as the region's economic output has eased a bit in recent years, its expansion continues to outpace nearly every large metro area in the country. And, on top of that, its unemployment rate has dropped to levels not seen since 2000.

Two critical issues from the dot-com past are reemerging and will shape 2018 — technology's ability to increase productivity and prosperity; and the threat

The company moved into 55,000 square feet at Regency Office Center, 2100 S. I-35. Regency Office Center is a building that dates back to the 1960s but it's about five minutes from downtown. Mood Media took the entire second floor of the building.

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## Valero Buys Land Near Austin For a Large Gasoline Terminal

ABJ – 1/4/2018

A project to move up to 60,000 barrels of gasoline, diesel and other refined products per day from a Valero Energy Corp. refinery in Houston to the suburbs of Austin has moved forward. Valero subsidiary V-Tex Logistics LLC bought three properties on the 12900 block of Chandler Road just northwest of Taylor in early November.

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## Asure Software Spends \$31 Million For Companies On Both Coasts

ABJ – 1/3/2018

Asure Software Inc., an Austin-based maker of digital tools for managing employees, has expanded geographically by scooping up a trio of smaller companies. Asure said it had purchased TelePayroll Inc. of Santa Ana, California; Pay Systems of America Inc. of Farmington Hills, Michigan; and Savers Administrative Services Inc. of Winston-Salem, North Carolina. The three acquisitions will add about \$13 million to Asure's top line in 2018.

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## House Call Service To Expand Medical Care Options In Central And Northwest Austin

Community Impact– 1/3/2018

A new house call app, FetchMD, is set to expand its service area to Austin beginning Jan. 29. The company, operated by San Antonio-based Ranger Health, allows individuals to set up house call appointments with physicians assistants and nurse practitioners. The service will initially be available in central and northwest Austin before expanding to south Austin and Williamson County.

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the tech industry could pose to a broad-based sharing of those gains. On the plus side, Central Texas has become one of the most digitalized job markets in the country, both among its tech-producing and its tech-using industries, according to a report from the Brookings Institution.

In 2018, expect to see the world's biggest tech giants continue their multimillion dollar expansion pushes in Central Texas, where the companies are tapping into the region's tech savvy talent pool and a lower cost of living. Meanwhile, 2018 could also be a bullish year for Austin's smallest tech players — startups trying to raise their first round of venture capital.

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## Apple's Austin Hiring Still Ahead Of Pace Promised For Incentives Deals

Austin American Statesman – 12/28/2017

Apple Inc.'s pace of hiring tied to its new Northwest Austin campus slowed last year, but local job creation by the tech giant remains well ahead of schedule and it recently collected its first incentives payments from the city and Travis County – totaling a combined \$3 million.

The 38-acre campus at West Parmer Lane and Delcour Drive — home to Apple's Americas Operations Center, which runs many of its corporate functions throughout the northern hemisphere — employed 2,182 people at the end of 2016 who were hired to full-time positions since early 2012. Apple's long-term incentives agreement with the city only calls for the company to have added 300 new jobs at the Parmer campus by the end of last year and to have maintained a workforce of 3,100 pre-existing jobs. Under those criteria, the most-recent independent report pegged Apple's Austin headcount at a total of 5,358 workers at the close of 2016.

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## \$200M Solms Landing Project Takes Shape South Of Austin With Shops, Restaurants & Homes

ABJ– 12/26/2017



If everything falls into place, the 98-acre, \$200 million Solms Landing development in New Braunfels could be one of the I-35 corridor's most ambitious projects to date.

Located just north of downtown New Braunfels, across from Creekside Town Center about a mile east of I-35, Solms Landings

is set to be a local-centric, creative and diverse development with living, shopping and work options for those in all stages of adult life. For living options, Fred Meyers, the development's new vice president, said the community will offer single-family homes, townhouses and apartments. The first 60 homes in the community will be built by Austin-based Wes Peoples Homes. The retail portion of the development will focus on local businesses and will include a small grocery store.

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## Two New Tenants Join Nutty Brown Business Park In

## Homes Made From Shipping Containers? One Company Is Close To Doing It In Austin

ABJ – 12/18/2017

A New York-based designer and fabricator of shipping container-based structures expects its Texas manufacturing arm will expand thanks to recent growth.

SG Blocks Inc. has experienced an increase in projects, with more on the way in Houston, Austin and Dallas. This growth is expected to have a direct impact on the Bayou City because the company manufactures and fabricates the structures in Houston.

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## Discount Carrier ViaAir Plans To Boost Austin Presence, Add Flights

Austin American Statesman – 1/5/2018

An airline you've probably never heard of has big plans for Austin in 2018. Florida-based ViaAir will begin nonstop service from Austin-Bergstrom International Airport to Oklahoma City, Okla., and Tucson, Ariz., on Jan. 18.

The discount carrier already offers seasonal service from Austin to Branson, Mo., and Steamboat Springs, Colo., operating out of the airport's South Terminal. ViaAir plans to expand its presence in Austin, with some of its flight crews and maintenance operations eventually being based at ABIA.

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## Austin Regional Clinic To Open Second Clinic In Round Rock

Community Impact – 1/2/2018

Austin Regional Clinic confirmed that construction is underway for ARC Sendero Springs, located at 1021 Sendero Springs Drive, Round Rock. The clinic, which will be ARC's second location in Round Rock, will offer family medicine, laboratory and pediatric medical services, among others. ARC Sendero Springs will house 14 exam rooms in a 4,200-square-foot building. ARC expects to begin services at ARC Sendero Springs in fall 2018.

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## Southwest Austin

Community Impact – 1/2/2018

A warehouse development near Nutty Brown Road and Hwy. 290 is almost full following the addition of two tenants. United Water Restoration and 512 Events recently joined Nutty Brown Business Park, according to Ron McGuire, the developer and owner of the complex. McGuire completed construction on the 41,000-square-foot warehouse complex in July. Two buildings of equal size (10,000 square feet) remain unleased, McGuire said, with 75 percent of the development fully occupied.

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## Southwest Austin Apartment Complex Valued At \$71 Million Changes Hands

Austin American Statesman – 1/5/2018

A Southwest Austin apartment community has changed hands. Barings Real Estate Advisers said Friday that it had sold the Park at Monterey Oaks, a 430-unit, 37-acre complex at 4701 Monterrey Oaks Blvd., to Northland Investment Corp. A purchase price wasn't disclosed. The Travis Central Appraisal District valued the property at \$71 million last year. Amenities at the Park at Monterey Oaks include a dog park, community garden, volleyball court, boat parking, fitness center and a pool.

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## Developers Bring Tiny Home Project To Old Manchaca Road

Community Impact – 1/3/2018

This spring, a 6.2-acre site on Old Manchaca Road will give way to a tiny home development known as Constellation. Geared toward sustainable living, the dwellings will serve as a catalyst to a more widespread revitalization of the area—at least that is the hope of its developers James Stinson and Lauren Carson.



Located in Austin's extraterritorial jurisdiction, the area is rural in nature but in recent years has seen a boost in activity from nearby businesses such as Mootower Saloon, Indian Roller and The Hive. Once fully occupied, Constellation will bring a slew of residents

into the area, and in recognition of the neighborhood's need for better access to nearby amenities, Stinson has galvanized "The Yellow Brick Road" project.

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## Record Number of Travelers Through Austin-Bergstrom International Airport in 2017

Neal Spelce Austin Letter

[www.AustinLetter.com](http://www.AustinLetter.com)<<http://www.AustinLetter.com>>, 1/5/2018

The final official 2017 tally won't be released for a few more weeks, but after 11 months it is clear the 2016 record number of travelers through Austin-Bergstrom International Airport (ABIA) will be shattered. In fact, the 2017 number will easily exceed 13 million passengers in the airport that was

## **Austin-Based Accruent Continues International Expansion, Acquires UK Company**

Austin American Statesman – 1/3/2018

Austin-based software maker Accruent has expanded its European presence by purchasing United Kingdom-based software company Kykloud.

The acquisition is the second international deal in the past two months by Accruent, which develops real estate, facilities and equipment management software that the company says is used by more than 7,000 customers in 149 countries. In November of last year, Accruent purchased Amsterdam-based software firm BlueCielo.

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## **Austin Alcohol Sales Up 5 Percent In November**

Austin American Statesman – 1/4/2018

Alcohol sales at Austin bars, restaurants and hotels were up 5 percent in November, according to an American-Statesman analysis of state data. Bartenders citywide poured \$57.1 million worth of booze during the month, compared with \$54.2 million during the same month in 2016. The No. 1 Austin venue in November was the JW Marriott Austin, 110 E. Second St., where receipts added up to \$850,228.

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## **In The Money January 2: Four Austin Tech Companies Raise \$25.6 Million**

ABJ – 1/2/2018

Christmas seemed to continue this past week for several tech players in the Texas capital, with four companies raising about \$25.6 million in funding.

- TrendKite Inc. scored roughly \$11 million in equity funding from 12 investors.
- Illumitex Inc. obtained about \$7 million in equity funding from three investors.
- Overhaul Group Inc. received roughly \$4.9 million in equity funding from 28 investors.
- VThreat Inc. raised about \$2.7 million in equity and other types of funding from 29 investors.

designed to handle 11 million. If the 10+% annual increase continues, it's time to examine the status of expansion plans at ABIA.

ABIA officials reported this week that, through November 2017, "the annual passenger mark stands at 12.6 million passengers flying Austin." The total in November was 1,229,791 – up 15% compared to the same month the year before. And the 11-month cumulative was up 11%, to 12,698,792. All signs point to a continuation of significant increased traffic through 2018.

Recent ABIA users have noticed quite a bit of construction activity during the past year. Additional parking capacity in the form of a new 6,000-space parking garage is on schedule to be completed this year. The biggie though will be the completion of nine more gates at the east end of the current Barbara Jordan Terminal. This will increase the number of gates with boarding bridges from 24 to 33, but they won't be completed until 2019.

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## **Plans For Two Leander Subdivisions Approved That Could Bring Hundreds of Homes To City**

ABJ– 1/5/2018

Two proposed subdivisions would provide more housing on Leander's outer edges. Leander City Council approved Thursday concept plans for two subdivisions on opposite sides of the Williamson County suburb.

The Leander 61 plan calls for 289 single-family lots, a commercial lot and about an acre of parkland near the intersection of CR 280 and North Bagdad Road. Plans for the Leander Junction subdivision include about 14 acres of multifamily housing and about 11 acres of parkland in southeastern Leander near the intersection of CR 179 and Ronald Reagan Boulevard.

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## **Real Estate Roundup: Will Taco Chain Buy Iconic Feed Store? Plus, Nearly \$125M In New Sales**

ABJ– 12/29/2017

Several media outlets reported that Buck Moore Feed & Supply will be shutting its doors after serving the Austin community for almost 50 years. The store at 5237 N. Lamar Blvd. is scheduled to close Feb. 10 to an entity named AMF Funds with an Austin address that traces to Farrell Kubena, an executive with Success Foods Management, which owns Torchy's Tacos.

Apartment sales continue strong — especially for older properties; even foreign capital appears to be in the mix:

- Presidium Group LLC is purchasing 2 Austin assets: The Element Austin at 1500 Royal Crest Dr.; Solaris, 1601 Royal Crest Drive; Vue, 7607 Blessing Ave.; and The Violet, 408 E. William Cannon Drive. Also included is a retail center at 2015 E. Riverside Dr. The sixth Austin investment involves The Edison, a \$71 million apartment community under construction at 4711 E. Riverside Dr. and due to be completed in fall 2018.
- F&B Capital, an Austin-based investment firm headed by Hank Farrell III and Jason Berkowitz, has purchased two assets in the past two months: Parkcrest, a 41,000-sq. ft. office building at 5508 Parkcrest Drive, and French Place Luxury Apartments, a 21-unit property at 2704 French Place.
- Greystar Real Estate Partners, which has been the apartment builder of choice at the redeveloped Highland Mall campus of Austin Community College, has purchased another parcel there from the educational entity and its master developer on the project, RedLeaf Properties.
- An entity formed by Austin-based Argyle Residential purchased Sur512, a

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#### Did You Know?

- ❖ Over the 12 months ending in November, Austin added 27,800 net new jobs – a growth rate of 2.7%.
- ❖ Austin was founded on December 27, 1839 and just celebrated its 178<sup>th</sup> birthday.
- ❖ Austin is nearly the same size as New York City, over 280 square miles.
- ❖ An estimated 2 million people ushered in the new year in Times Square.

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*new apartment development at 5100 S. Congress Ave.*

- *GVA Property Management, an Austin company headed by Alan Stalcup, purchased two apartment communities at 4715 and 4719 Harmon Ave.*

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