

# Iconic Live Music Venue in Texas' Capital City for Sale, Expected to Drum Up Robust Interest

Pandemic Leads Threadgill's to Close, Readyng Site for a New Owner

Threadgill's has been the longtime owner of its southern-style restaurant and music venue in north Austin where Janis Joplin got her start. (CoStar)

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Threadgill's, a southern-style restaurant and live music venue in Austin, Texas, was struggling to survive with the Texas capital city's popularity and rising property values even before the pandemic hit.

The coronavirus and government-mandated closures of nonessential businesses have wreaked havoc on retail and hospitality locations across the country and in Austin, which had to cancel [its annual South by Southwest](#) tech and film festival in March because of the virus.

Eddie Wilson, the owner of the original Threadgill's at [6416 N. Lamar Blvd.](#), said this week the longtime restaurant and live music venue known for being the place where Janis Joplin got her start was closed permanently because of the pandemic.

"We are heartbroken to close Threadgill's. It was a restaurant for 40 years and a music venue for 87 years," Wilson's wife, Sandra, told CoStar News.

The Wilsons have hired Scott Carr, president of Austin-based Carr Development, to represent them in the sale of the property. Sandra Wilson said there could be an auction, but they are still determining how to proceed with a sale.

The Wilsons closed the only other Threadgill's at [301 W. Riverside Drive](#) in South Austin in 2018, citing the city's boom town status and rising property taxes.

Independent music venues and locally owned shops are [often the first casualties](#) of fast-growing cities such as Austin, which touts itself as the live music capital of the world and [was named the No. 1 city](#) for overall real estate prospects and investments in 2020 on Urban Land Institute's annual industry survey.

"Threadgill's tries to serve as a link between the new Austin and its past. In matters of music and food, we represent a time before disco or microwaves," Eddie Wilson said in a description of the venues on its website.

In the past two decades, live music venues once considered part of the Austin music scene's soul, such as Liberty Lunch, Emo's, Momo's and Rattle Inn, have closed their doors, unable to operate in the evolving Austin real estate scene.

Brokers expect the single-story mom-and-pop shop location, which is in central Austin about 6 miles north of the Capitol, to garner a lot of interest.

"This is a very well-located property," Patrick Shelton, a commercial real estate broker and owner of Duncan & Shelton Commercial, an Austin-based brokerage firm, said in an interview. He is not working directly on the deal, but is a longtime broker in Austin.

"That area has experienced a lot of regentrification in the last half decade," Shelton added. "That's a really good infill site. The whole complexion of that neighborhood is changing."

The ongoing pandemic isn't likely to impact the long-term pricing of the land, he said, which for infill parcels have been rising in recent years. Shelton declined to comment on specific pricing of the tract because entitlements on the land and other elements could change drastically from property to property.

Some [deals in Austin](#) have had difficulty landing financing and investment in the short term because of the coronavirus, but Shelton said he doesn't expect any long-term impacts in Austin or the rest of the Lone Star State.

"The quality sites are very difficult to come by, partly because the entitlement environment in the Austin region can be difficult," he added. "I think there will be a competitive bidding process for this property despite the pandemic. Good sites for any use are very competitive and this site is very rare."

Google, an online search engine, which has been growing its footprint in Austin and Texas, announced last week it would [slow its hiring](#) as the pandemic pummels its advertising business. The California-based firm has leased nearly a million square feet of new office space in the city as it planned to ramp up its business, with [plans to invest billions](#) of dollars in the Lone Star State.

The impact of Google's decision to slow its hiring may not impact Austin's plans too much given the biggest chunk of the expansion isn't expected to be ready for move-in until early 2023.

For new development projects, the pandemic's impact on the local real estate market is still relatively unknown. Prior to the pandemic hitting Texas, Austin had nearly 8 million square feet of new construction, or about 7% of its supply, under construction. According to CoStar's market analytics, if a recession hits or the impact of the pandemic on the economy continues, this could prove troubling to some landlords looking to still lease up space.

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