

November 20, 2011

LONGHORNS HOOK \$64M TOWER

(ABJ -- 11/1/2011)

AUSTIN - A 16-story, 380,000-sf student housing and retail building is about to rise just west of the University of Texas at 2400 Nueces St., the site of the old Wooldridge Hall.

When finished, the \$64 million building will include studio and one-, two-, three- and four-bedroom apartments for students and faculty. The building will house the university's international office and retail on the lower floors.

At the height of construction, the build is expected to involve 30 to 35 subcontractors and employ up to 300 craftsmen.

The demolition of Wooldridge Hall was finished in September, and a notice to proceed was issued in the first week of October. The project was made possible through a 60-year ground-lease agreement with the University of Texas.

The project is scheduled to be ready for occupancy by fall 2013.

Read more at the [Austin Business Journal](#).

AUSTIN'S RIVERVIEW MOVES FORWARD WITH \$35M IN EQUITY

(ABJ - 11/02/11)

Jones Lang LaSalle Inc.'s Capital Markets team in Houston has secured \$35 million in construction financing for Austin's new RiverView Apartments, the company announced Tuesday.

Dallas-based CDK Realty Advisors is providing the equity for the project. Bank of America Corp. (NYSE: BAC) provided the three-year loan with two, one-year loan extension options.

RiverView, the first high-rise residential development south of the lake in Austin, is slated to open in 2013.

Click [here](#) to read more.

AUSTIN COUNCIL GIVES INITIAL APPROVAL TO DOWNTOWN PLAN

(Statesman -- 11/03/11)

The Austin City Council gave a preliminary thumbs-up Thursday night to a years-in-the-making, million-dollar plan intended to guide the growth of downtown, while leaving some key details for further debate.

The Downtown Master Plan lays out the vision of a more walkable, more densely populated, more family-friendly downtown served by a rail system and with more tall buildings and a revitalized system of parks. The 200-page document seeks to clarify the city's development policies and reconcile some emerging conflicts, such as how to preserve downtown's live music scene while expanding a population that might get cranky about the noise outside the window.

The plan was cobbled together over more than four years, with the city paying consultants \$1.6 million. Intended to be big on vision, the plan has been bogged down lately by debate about issues such as how the city should attempt to spread more affordable housing in downtown, defined as the area bounded by Lady Bird Lake, Interstate 35, Martin Luther King Jr. Boulevard and North Lamar Boulevard.

Most of the speakers at Thursday's council meeting said the plan is largely sound, but most also found flaws.

Read more at the [Statesman](#).

AUSTIN INDUSTRIAL ON 'FIRM PATH' TO RECOVERY

(RECON - 10/28/11)

AUSTIN (Grubb & Ellis) - According to Grubb & Ellis' latest quarterly industrial market update, the Capital City's industrial leasing market had 477,518 sf of positive net absorption during third quarter 2011, pushing the annual growth tally to 800,580 sf.

"Demand has accelerated over the last several quarters, and the local market has witnessed five consecutive quarters of positive net absorption, a key indicator the market is firming up," the report said.

All sectors had positive net absorption, but the warehouse-distribution and general industrial sectors led the way with 183,577 and 150,121 sf, respectively.

Overall vacancy was down 50 basis points, ending the quarter at 13.1 percent.

While overall asking rents are not yet rising with the improved market activity, Grubb & Ellis reports that they do appear to have stabilized, indicating the worst may be over. The firm expects rents to fluctuate slightly until landlords regain more negotiating leverage over tenants but should generally remain flat over the next year.

Overall, the report said, Austin's industrial market seems to be on a firm path to recovery as more positive net absorption is expected to close out 2011.

SOCIAL MEDIA STARTUP GETS \$2.5M IN FUNDING FROM CALIF. ANGELS

(ABJ – 11/28/11)

Five months after moving from San Francisco, social media provider Main Street Hub reached back to California as the source for \$2.5 million in seed funding.

The Austin-based company, which is operated by Keepwheel Inc., received the funding from a syndicate of 24 angel investors, CEO Andrew Allison confirmed following a regulatory filing with the U.S. Securities and Exchange Commission.

Main Street Hub provides a service designed to enable small and midsize businesses to manage their online reputations. In May, the company, which was founded in late 2009, disclosed plans to move its headquarters to downtown Austin with 29 workers.

It now employs 41 workers, said Allison, who plans to top 50 workers by the end of the year. That's part of the purpose of the additional capital — to hire additional software engineers and marketing workers during 2012, co-founder and President Matt Stuart said.

Main Street Hub is just the latest in a series of social media companies to set up operations in Austin.

Click [here](#) to read more.

KBS REIT BUYS LAS CIMAS IV IN SW AUSTIN

(ABJ -- 11/01/11)

The KBS Real Estate Investment Trust III has bought Las Cimas IV in Southwest Austin.

The 138,008-square-foot office building is in the Las Cimas office park, eight miles from downtown.

California-based KBS REIT III will pay \$35.9 million plus closing costs for the property, according to the U.S. Securities and Exchange Commission .

The company funded the purchase with proceeds from a Portfolio Bridge Loan of \$18 million and proceeds from its ongoing initial public offering. The seller was not identified.

Built in 2008, Las Cimas IV was 94 percent leased as of Oct. 28 with nearly 13 tenants, including Wilson Sonsini Goodrich & Rosati, and Intersil Corp. Asking rent per square foot in the five-story building averages \$20.64.

This latest deal, one of Austin's biggest office transactions this year, follows another KBS REIT III purchase on Sept. 29 when the company bought the Domain Gateway, a 173,962-square-foot, five-story office building in the northwest part of the city.

To find out more about this story, click [here](#).

TEXAS CRANKING OUT JOBS

(RECON – 10/25/11)

COLLEGE STATION (Real Estate Center) – Texas was responsible for 19.4 percent of the total jobs created nationwide from September 2010 to September 2011, according to the Real Estate Center's latest Monthly Review of the Texas Economy.

Texas gained 248,800 nonfarm jobs during the period, an annual growth rate of 2.4 percent compared with 1.1 percent for the United States.

The state's private sector added 281,400 jobs, an annual growth rate of 3.3 percent compared with 1.7 percent for the nation's private sector.

Texas' seasonally adjusted unemployment rate increased to 8.5 percent in September 2011 from 8.2 in September 2010. The nation's rate decreased from 9.6 to 9.1 percent.

All industries except the information industry and the state's government sector had more jobs in September 2011 than in September 2010. The state's mining and logging industry ranked first in job creation, followed by construction and the professional and business services industry.

All Texas metro areas except Abilene, Wichita Falls and Killeen-Temple-Fort Hood had more jobs in September 2011 than in September 2010. Victoria ranked first in job creation, followed by Corpus Christi, Laredo, Odessa and College Station-Bryan.

The state's actual unemployment rate in September 2011 was 8.4 percent. Midland had the lowest rate followed by Amarillo, Odessa, College Station-Bryan and Lubbock.

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