



AUSTIN NEWS UPDATE

COURTESY OF

KENNEDY WILSON

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Austin among Forbes' best weekend vacation cities

(ABJ – 10/19/11)

Forbes has included Austin on its 10 best U.S. cities for a weekend vacation.

The article references Austin's live music scene, with "more performances per capita than any city in the nation, and of every musical genre."

Forbes also points to the Texas State Capitol, the University of Texas at Austin, and several Texas barbecue joints as good options for tourists.

"Austin also has one of the country's hottest food scenes," according to the article.

The 10 cities weren't ranked, just listed. Other cities on the list include

Charleston, S.C.; Memphis, Tenn.; Indianapolis; San Diego; Denver; New Orleans; Nashville, Tenn.; Seattle; and Boston.

Plans for Seaholm District move forward

(ABJ – 10/9/11)

Construction on the redesign of the Seaholm District in downtown Austin could begin next year.

MARKET TREND: Austin's Office Market Sees Positive Net Absorption in Q3 2011

(CoStar – 10/11/11)

Net absorption for the overall Austin office market was positive 495,876 square feet in the third quarter 2011. That compares to positive 356,415 square feet in the second quarter 2011, positive 58,753 square feet in the first quarter 2011, and positive 316,968 square feet in the fourth quarter 2010.

Tenants moving out of large blocks of space in 2011 include: Cirrus Logic, Inc. moving out of 263,624 square feet at The Terrace VI; Computer Sciences Corporation is moving out of 187,383 square feet at 200 W Cesar Chavez St; and Fullbright & Jaworski moving out of 64,866 square feet at One American Center.

Tenants moving into large blocks of space in 2011 include: Arthrocare Corporation moving into 136,075 square feet at 7000 West 1 & 2; Fulbright & Jaworski L.L.P. moving into 73,225 square feet at San Jacinto Center; and Trident Microsystems, Inc. moving into 71,502 square feet at 9500 Arboretum Blvd.

The Class A office market recorded net absorption of positive 424,566 square feet in the third quarter 2011, compared to positive 34,805 square feet in the second quarter 2011, negative (31,116) in the first quarter 2011, and positive 202,636 in the fourth quarter 2010.

The Class B office market recorded net absorption of positive 28,552 square feet in the third quarter 2011, compared to positive 350,545 square feet in the second quarter 2011, positive 75,105 in the first quarter 2011, and positive 123,249 in the fourth quarter 2010.

The Class C office market recorded net absorption of positive 42,758 square feet in the third quarter 2011 compared to negative (28,935) square feet in the second quarter 2011, positive 14,764 in the first quarter 2011, and negative (8,917) in the fourth quarter 2010.

Austin's residential real estate market remains optimistic

(Neal Spelce Letter – 10/07/11)

Plans for the decommissioned Seaholm Power Plant include redeveloping the area into an urban neighborhood and retail space.

Get more information [here](#) from KXAN-TV.

Improving housing markets: Texas stands tall

(RECON – 10/11/11)

WASHINGTON, D.C. (NAHB) – Nearly a third of the 23 housing markets listed on the October National Association of Home Builders (NAHB)/First American Improving Markets Index (IMI) are in Texas.

The index reveals metropolitan areas that have shown improvement for at least six months in housing permits, employment and housing prices.

Texas markets making the list were Amarillo, McAllen, Midland, Odessa, Sherman, Waco and Wichita Falls.

"While Pittsburgh and New Orleans remain the two largest improving markets, the October IMI is heavily weighted by smaller cities in which energy and agriculture are the primary economic drivers and where the effects of the recession have been less pronounced," said NAHB Chief Economist David Crowe. "In particular, Texas stands out for its seven entries on the improving markets list."

Last month, only 12 housing markets nationally were listed in the index.

Gatti's debuts new store in Austin; 5 more to come

(ABJ – 10/25/11)

Gatti's Pizza announced the opening Tuesday of its new fast casual restaurant concept in Austin.

The new 2,400-square-foot store, simply called Gatti's, is located at 1000 E. 41st in the Hancock Shopping Center at Red River.

The new location is the first of six the company plans to open in Austin.

Gatti's will sport a new logo, along with new menu features, including create-your-own pizzas, salads and sandwiches, and will serve beer and wine.

The new restaurant was designed by architects with Trapp Associates Ltd. and will employ 25 workers.

Gatti's Pizza operates 125 restaurants in 12 states since opening its first location in Austin in 1969.

Downtown Austin condo sales rise

The Austin area's real estate market is not only important to those who buy and sell homes, but also to homeowners and soon-to-be homeowners, homebuilders and Realtors®, retailers that sell home furnishings, etc. -- and even to city and county governments who assess taxes based upon the value of residential real estate. So, what does it look like as the end of the year looms less than 3 months from now?

One key measure of the vibrancy of the residential real estate market is the time it would take to sell all the homes listed for sale, at the current sales pace. It's called months of inventory. A rule of thumb is that more than six months of inventory, is a buyer's market and below six months is a seller's market. So, six months is considered "equilibrium."

Given that, the Real Estate Center at Texas A&M calculated that, as of 9/29/11, the Austin area had 5.8 months of inventory – very close to a healthy equilibrium. Mission Mortgage's Mark Sprague said "Austin has been blessed in that the last 6+ years, we have remained close or under that number. Other national, as well as regional metros, cannot say that."

Another marker that bears mentioning is that Austin home sales are up 31% from last year (Dallas, up 31%, Houston, up 29%, San Antonio, up 9% and statewide, up 24%). At the same time, homebuilders started construction of new homes at a pace that was a bit ahead of the number of closings.

All this indicates a level of optimism that the Austin area may continue its steady pace -- much of it based upon a vibrant employment picture and actual real estate results.

Downtown Austin apartment tower to replace old Whitley building

(Statesman – 9/22/11)

Demolition work has begun on the former Whitley Printing Co. building at East Third and Brazos streets in downtown Austin to make way for a 16-story tower with 277 luxury apartments planned by Austin-based Riverside Resources.

In addition, Endeavor Real Estate Group said Thursday that it plans to build 350 apartments in a previously announced tower planned for West Fifth and Bowie streets. Jamil Alam, a principal with Austin-based Endeavor, said the building will have about 34 stories and will include 45,000 square feet of office space.

Endeavor and Riverside Resources, a real estate investment and development company, are among the developers planning or contemplating apartment projects downtown.

The apartment market is currently the strongest segment of the local commercial real estate market and among the healthiest in the nation.

Riverside Resources' tower will take a year and a half to complete, with the building ready for tenants by spring 2013, said John Needham, a principal with the firm.

Tech company ScienceLogic to make Austin its sales, marketing hub

(Statesman – 10/19/11)

Virginia-based information technology company ScienceLogic is making Austin its sales and marketing hub so it can tap into the area's talent pool.

To lead the effort, ScienceLogic has hired two former executives from NetQoS Inc., an Austin software company that CA Technologies acquired in 2009 for \$200 million.

Steve Harriman, senior vice president of marketing, and Scott Sherwood, senior vice president of sales, held similar roles at NetQoS and were instrumental in the growth of that company,

(RECON – 10/25/2011)

Condo sales in downtown Austin's newest high-rise projects were up this year compared with 2010, according to locally based Capitol Market Research.

The firm reported that, from January through September of this year, buyers purchased and moved into 251 units in the Four Seasons Residences, Spring, Austonian, W Residences and Barton Place (technically just outside of downtown). Last year, 198 units were sold in those buildings.

However, the *Austin American-Statesman* reports that 45 percent of the units in those five buildings have not yet been sold, indicating the downtown market has not been entirely immune to the economic downturn.

To learn more about interest in high-rise living in downtown Austin, read "Up in the Air" in the April 2010 issue of *Tierra Grande* magazine.

ScienceLogic CEO David Link said.

Founded in 2003, ScienceLogic sells IT services and cloud management software. Last year, the company raised \$15 million from New Enterprise Associates, which fueled the expansion in Austin, Harriman said.

Click [here](#) to read more from the *Statesman*.

Texas near the top for recession job growth

(ABJ – 10/25/11)

Texas was among a handful of states able to grow jobs between 2007 and 2011, according to an On Numbers analysis of new employment data.

Between September 2007 and September 2011, Texas gained 157,400 jobs, the report said. North Dakota, District of Columbia, Alaska, Louisiana and Wyoming also increased jobs over the four-year period.

North Dakota led the nation in the percentage of job growth during that time with an increase of 10.41 percent.

California and Nevada experienced the largest job losses since 2007, the report said. The recession officially began in December 2007.

California lost nearly 1.1 million jobs, while Nevada had the biggest percentage of job decline at 12.97 percent.

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