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# AUSTIN NEWS UPDATE



October 22, 2017

## Hiring Surge, Especially At Schools, Drops Austin Unemployment Rate

**Austin American Statesman – 10/20/2017**

*Austin-area workers streamed back into the labor force and, for most of them, directly into jobs during September, pushing the metro-area unemployment rate back down below 3 percent, according to preliminary data released Friday by the Texas Workforce Commission.*

*The number of employed Central Texans surged almost four times faster than the typical gains for September, according to commission data. Both the official labor force and the number of employed workers grew at their fastest rates since at least 2000. The combination sent the jobless rate down to 2.9 percent, a drop from a revised 3.3 percent in August.*

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## Manufacturing GDP in Texas is \$226 Billion, More Than Greece's Entire Economy

**ABJ – 10/20/2017**

*Gross domestic product in the manufacturing sector rose 98 percent from 1997 to 2016. That's higher than the total Texas GDP increase of 84 percent over the same time period.*

*"Manufacturing is about 14 percent of our state economy," said Texas Comptroller Glenn Hegar in an interview with the Dallas Business Journal. "That is very significant. That's about \$226 billion in GDP."*

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## Conde Nast Magazine Says Austin

## Austin Makes Its Bid For Amazon's Giant HQ2 Project

**Austin American Statesman – 10/18/2017**

*For the past month, hundreds of cities have scrambled to prepare proposals to win Amazon's second company headquarters after the online retailer announced plans for the \$5 billion project.*

*Austin, considered a contender by industry analysts, has been among those preparing bids. Now, Austin enters the waiting period. The Greater Austin Chamber of Commerce formally submitted the city's proposal for Amazon's HQ2 project on Wednesday, one day ahead of Amazon's deadline, chamber spokesman Mike Berman confirmed to the American-Statesman. Austin is set to compete with many other locations -- some of which have publicly offered extravagant incentives to Amazon -- as it awaits to see whether its selling points were enough to land the deal.*

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## Brandywine Sells More Than 1 Million Square Feet Of Austin Offices, Hopes Amazon Will Come Knocking

**ABJ – 10/20/2017**



*Brandywine Realty Trust has closed one of the largest recent deals in the Austin commercial real estate sector — and executives hope one of the sites it still owns is a prime candidate for Amazon.com Inc.'s second headquarters.*

*Brandywine, a real estate investment trust based in Radnor, Pennsylvania, said it sold on Oct. 18 five Austin office properties totaling 1,164,500 for \$333.3 million. The individual properties weren't identified but the square footage matches up with what was previously reported: Encino Trace, 5707 Southwest Parkway; Cielo Center, 1250 S. Capital of Texas Highway; Crossings at Lakeline, 11001 Lakeline Blvd.; Park on Barton Creek, 3711 S. MoPac Expressway; and 7000 West at Lantana, 7000 W. William Cannon Drive.*

*Separately, Brandywine President and CEO Gerard Sweeney confirmed that the Broadmoor campus his company owns in Northwest Austin was included in the region's bid submitted Oct. 18 for the Amazon HQ2 facility.*

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## Hotel Is Best In Texas

Austin American Statesman – 10/18/2017

*An Austin hotel took top honors in this year's Conde Nast Traveler readers poll. The Kimpton Hotel Van Zandt, 605 Davis St., was named the best hotel in Texas, scoring 97.02 points out of a possible 100. The music-themed hotel in the Rainey Street neighborhood debuted in late 2015, boasting 319 rooms.*

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## WeWork Adding Another Downtown Austin Co-Working Space

Austin American Statesman – 10/19/2017

*WeWork, the New York co-working giant, is opening a second downtown Austin location that can accommodate more than 1,000 members.*

*The new space will debut in spring 2018 in the Chase Bank tower at 221 W. Sixth St. WeWork West Sixth will occupy the third through sixth floors of the building, taking 65,000 square feet in all.*

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## Fast-Growing Austin Software Company Sailpoint Files For \$100M Initial Public Offering

ABJ – 10/21/2017

*SailPoint Technologies Inc., an Austin cybersecurity-focused software company that has seen staggering growth in recent years, has filed regulatory paperwork for an initial public offering of up to \$100 million. If SailPoint's IPO is realized, it would be Austin's first true IPO since April 2016, when biotech company Aeglea BioTherapeutics Inc. listed on the Nasdaq Global Market.*

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## LA Fitness Plans New Gym In Cedar Park

Austin American Statesman – 10/17/2017

*LA Fitness is continuing its push into Central Texas, unveiling plans this week to build a new location in Cedar Park. The 34,000-square-foot gym will serve as anchor of Cedar Park Plaza, a strip center at the northeast corner of Whitestone Boulevard and Bagdad Road.*

## Austin Maintains Elite Spot In Battle With Nation's Capital On Ranking Of Best Cities For Entrepreneurs

ABJ – 10/19/2017

*Austin has maintained its elite status among U.S. cities as a hub where entrepreneurs can thrive, according to the prestigious Growth Entrepreneurship ranking from the Kauffman Foundation.*

*Released Thursday, the 2017 edition of the report found that Austin has retained its No. 2 ranking nationwide, with the Washington, D.C., area remaining No. 1 for the second-straight year among metropolitan areas in terms of entrepreneurship growth. In the head-to-head comparison the Texas capital beat Washington in a measure of how many jobs startups have added over a five-year span.*

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## Austin's International Profile Takes Off: Boost In Global Flights Bodes Well For Central Texas Economy

ABJ– 10/19/2017

*By several measures, Austin is well on its way to becoming a truly global city.*

*Austin-Bergstrom International Airport, the region's primary link to the rest of the planet, needs to keep pace with the region's explosive population and economic growth in order to capitalize on that potential. And that potential could be realized now that a recent multimillion-dollar project and a massive expansion currently underway are significantly increasing the airport's capacity for global traffic. In fact, new data shows how ABIA is doing more than just about any other U.S. airport when it comes to attracting international air carriers.*

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## Developer PSW Continues Love Affair With Austin's South First Street

ABJ – 10/19/2017

*PSW Real Estate LLC is one those residential builders willing and able to create infill housing that is difficult to execute — and less profitable. But such housing stock is greatly needed, especially in rapidly growing Austin.*



*An example is 900 S. First St. — a parcel of land a short distance from downtown across the street from the Texas School for the Deaf. After encountering numerous obstacles and observing the need to provide more*

LA Fitness has more than 800 locations in the U.S. and Canada. In Central Texas, it currently has two locations in Round Rock and three in Austin.

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## Techstars Will Launch Its First 'Impact' Accelerator In Austin

Austin American Statesman – 10/18/2017

Techstars, a Boulder, Colo.-based accelerator, has chosen Austin for its first program aimed at "impact" startups. The Techstars Impact Accelerator will target "for-profit, mission-driven founders" who are building technology to solve pressing social problems.

Ten companies will be picked to participate in the three-month program. Applications will open in December and the program will kick off in June 2018.

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## Now Accepting Applications: Startup Accelerator MassChallenge Launches In Austin

Austin American Statesman – 10/17/2017

Now Accepting Applications: That's the message from MassChallenge, the Boston-based accelerator that officially launched its Texas program on Monday.

At an event at the Bullock Texas State History Museum, MassChallenge celebrated its new presence in Austin and put out a call for startups across Texas to apply. MassChallenge plans to accept up to 100 startups in its first program.

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## Austin Marketing Firm Acquires Canadian Agency To Become Threshold/Carve

Community Impact – 10/19/2017

Austin-based marketing firm Threshold acquired Canadian boutique agency Carve Creative + Strategy. A new agency, **Threshold/Carve**, is now open for business in both the U.S. and Canada and working to deliver customized communication and marketing strategies. Threshold/Carve will have offices in Austin, located at 3809 S. Second St., Ste.

amenities in the area, PSW decided to split the parcel into two sections with the larger portion earmarked for single-family homes that will be built soon.

The 1.5-acre section closest to South First Street will become a mixed-use project that will include office space — for PSW's headquarters — plus a full-service restaurant and a cafe with an extensive outdoor terrace and adjacent open space.

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## Plan Would Demolish Arbor Cinema, Manuel's To Build Apartments, Shops

Austin American Statesman – 10/20/2017

The Great Hills Market shopping center in Austin's Arboretum area is slated to be redeveloped over time into a mixed-use project that would replace a popular arthouse theater and Manuel's Mexican restaurant.

The project is proposed for 17.2 acres bounded by U.S. 183, Great Hills Trail and Jollyville Road, site of Great Hills Market. Manuel's and the Regal 8 Arbor Cinema at Great Hills would be torn down to make way for the first phase of the new project, which would have nearly 400 apartments, plus retail and restaurant space. The earliest ground could be broken would likely be 24 to 36 months from when the zoning case is approved.

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## Economist: Austin Area Needs More Housing Supply

Austin American Statesman – 10/18/2017

The Austin area housing market remains one of the healthiest in the nation, even as it grapples with affordability challenges and an undersupply of housing, a national economist said Wednesday. Lawrence Yun, chief economist for the National Association of Realtors, spoke at the annual membership meeting of the Austin Board of Realtors.

Yun said builders need to ramp up production; otherwise, job growth could stall as employees who are forced to the suburbs to find attainable housing decide to ditch the longer commutes and seek jobs elsewhere. The Austin area has a three-month supply of housing, making it a seller's market. Experts consider a supply of 6 to 6 1/2-months to be a balanced market, tipped in favor of neither buyers or sellers.

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## Migration Drives Texas Population Growth, State Comptroller Report Reveals

Community Impact – 10/19/2017

Population expansion and migration were the subject of a new report compiled by the Texas Comptroller's office that provides insight into state growth.

According to the report, which was released Thursday, the Lone Star State is growing more than twice the rate as the other 49 U.S. states combined, and 32 percent of the growth is credited to migration from other states. Although more Californians moved to Texas in 2015 than from any other state, 2011-15 U.S. Census Bureau data from Travis County lists California as the third-highest source of migrants behind Florida and New York. International immigration also plays a key role at 19 percent, with Texas' border counties receiving a majority of their new residents from other countries. Overall state migration gain is also attributed to "natural growth," meaning more births and less deaths, as the state

C-300, and in Waterloo, Ontario, near Toronto.

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## In The Money Oct. 16: \$66 Million Raised By Companies From Software To Alcoholic Cider

ABJ – 10/16/2017

*In one of Austin's most active investing periods of 2017, Eight companies reported \$65.9 million in funding this past week.*

- After about 24 years of profits, Baxter Planning Systems Inc. obtained a \$25 million investment from Boston-based Polaris Partners LP.
- Software maker ESO Solutions Inc. raised \$15.5 million in equity funding from four investors
- Alert Media Inc. scored roughly \$8.6 million in equity and other types of capital from 12 investors
- Qvinci Software LLC collected \$5 million in equity funding from 15 investors.
- Austin Eastciders Holdings Inc., parent company of the alcoholic ciders brand, scored \$5 million in equity funding from eight investors.
- Forty-five investors provided about \$3.3 million in equity funding to Entvantage Diagnostics Inc.
- Seaholm Inc. raised about \$1.07 million in equity funding from 18 investors.
- Real Savvy Inc., an Austin-based real estate software developer, raised \$1.05 million in debt funding from two investors.

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### Did You Know?

- ❖ Austin has added an average of 2,900 private-sector jobs each month since 2012.
- ❖ Since its announcement in 2010, Circuit of The Americas has had a cumulative economic impact of \$5 billion on the Austin metropolitan area.

experienced more than twice as many births as deaths from 2010-16.

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## Real Estate Roundup: American Airlines Leases Space And Coffee Wars Heat Up

ABJ – 10/19/2017

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

- The battle of the coffee houses is ratcheting up in Westlake. Summermoon Coffee Bar is taking Trianon's spot in the West Woods Shopping Center at 3201 Bee Cave Road. Now it appears Trianon is staying in the neighborhood, leasing 1,837 sq. ft. at Westlake Square, 3636 Bee Cave Road — about half a mile west.
- Four apartment communities were recently sold: (i) Jimmel Investments LLC purchased 111 units at 708 W. 15th Ave.; (ii) Cooper Street Capital LLC purchased 83 units at 8505 Shoal Creek Blvd. and (iii) 40 units at 4520 Bennett Ave.; (iv) JoCo On The River LP purchased 116 units at 705 River Road.
- Newington Apartment Homes LLC purchased nearly 15 acres at 1312 E. Parmer Lane for new development.
- Global New Millennium Partners Ltd., a Houston-based company, purchased nearly 2 acres at the Carmel Crossing in Hutto.
- Accenture renewed its lease for 37,800 square feet at Monterey Oaks, 5700 S. MoPac Expressway.
- NSS Labs moved into 23,000 square feet for its new corporate headquarters at The Park on Barton Creek, 3711 S. MoPac Expressway.
- American Airlines Inc. leased 16,000 square feet of industrial space at ARCO air cargo facilities at 3400 Spirit of Texas Drive, just west of the main terminal at Austin-Bergstrom International Airport.
- Mitrtech Holdings Inc. expanded into an additional 11,688 square feet at Plaza on the Lake I, 5001 Plaza on the Lake Drive.
- Parsons Services Co. leased 10,318 square feet at 9101 Burnet Road.
- Felix Media Solutions leased 5,605 square feet at Penn Field, 3601 S. Congress Ave.

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