



REAL ESTATE HUB

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NICK SIMONITE | ABJ

Steve LeBlanc, left, and Tom Stacy, founders of CapRidge Partners.

An eye on office space

CapRidge ramps up acquisitions with plans to double portfolio value, backed by wide array of investors

CapRidge Partners in Austin is rapidly building its real estate portfolio, acquiring about \$140 million in office properties in Texas since its creation in 2012.

Founded by veteran real estate investor Tom Stacy with former pension fund director Steve LeBlanc, CapRidge Partners has been aggressive in its acquisitions and dispositions of key properties.

Stacy said the investment company plans to double its portfolio value in 2014, reaching into select markets around the country.

Those markets include Atlanta, Denver, Orlando, Fla., and Raleigh-Durham and Charlotte, N.C., in addition to Dallas, Houston, San Antonio and Austin.

On Jan. 14, CapRidge closed on a 110,000-square-foot office building in West Houston, the second acquisition in that city in the past three months. During the last week of December, CapRidge acquired the 255,920-square-foot Gramercy Center in Dallas.

Meanwhile, CapRidge has sold two of its largest Austin holdings — the Bank of America building and surrounding properties at 515 Congress Ave. and 823 Congress Ave., both significant downtown Austin office towers. But that doesn't mean the company is moving away from Austin.

"Austin is still really a good value relative to other markets in the country," LeBlanc said.

CapRidge owns the 136,400-square-foot Pecan Park office building at 10800 Pecan Park Blvd. in far Northwest Austin.

An interesting transaction last year that flew under the radar was CapRidge's acquisition of Arboretum Point at 9505 Arboretum Blvd.

The firm purchased it in June, secured a long-term lease with a national corporation for the 150,000-square-foot building — and sold it for a profit four months later.

"We bought it off-market and created a lot of value with that lease and then sold it to a major institutional buyer," Stacy said. "Our message to investors is that we create value, and once we do, we sell. Our average hold is less than three years."

Those investors include high net worth individuals and institutional entities, many of which LeBlanc got to know as the former managing director of private markets at the Teacher Retirement System of Texas.

Stacy said LeBlanc's connections in the upper real estate echelons have helped CapRidge identify properties most in sync with the firm's investment strategy.

"We're attacking these deals from every angle," Stacy said.

CapRidge also has hired some young guns to take the company to the next level.

Alex Kaczmariski joined the firm as chief accounting officer after a stint at Walton Street Capital in Chicago. A University of Texas graduate, he also worked in public accounting in Dallas, St. Louis and Chicago.

In addition, Jason Levine was named an associate. He was an asset manager at New York-based Pearson Partners Inc. and earned an MBA from UT. Dan Terpening is CapRidge's analyst, formerly with Heitman Inc. in Chicago. He has a master's degree in accounting from the University of Illinois.

"We're a very disciplined company. We stay focused on a certain type of product. We figure out what our value is and our exit is," Stacy said.

BY THE NUMBERS

Austin office market snapshot with 4Q 2013 statistics:

Vacancy: 12.1 percent, down by 0.3 percent since 3Q 2013

Asking rates: \$28.15 per square foot, down 22 cents since 3Q 2013

Net absorption: 205,463 square feet, down from 235,308 square feet in 3Q 2013

Under construction: 1.37 million square feet, down from 1.4 million square feet in 3Q 2013

Delivered construction: 64,459 square feet, up from zero in 3Q 2013

Source: CBRE Group Inc.

HOT DATE

JAN 23

FORM: FUNCTION

What: The Austin Foundation for Architecture's annual awards event honors several Austinites who have demonstrated a commitment to affordable housing initiatives. This year Tom, Lynn and Will Meredith will be on the podium along with Austin Mayor Pro Tem Sheryl Cole and Kelly Weiss, the president and CEO of Austin Habitat for Humanity. The awards honor residents who have helped create a healthy and beautiful physical environment.

Where: The Thinkery, 1830 Simond Ave.

When: 6:30-8:30 p.m.

Cost: \$150

For more: austinfo.org

SOMEONE TO WATCH

Nathan Wilcox

Director of architectural design and senior associate
Sixthriver Architects



Austin-based Sixthriver Architects scored a major coup by hiring away BOKA Powell's lead designer in its Austin office, Nathan Wilcox. The University of Oklahoma architectural graduate had been with Dallas-based BOKA Powell for six years. His team in Austin recently won a design competition for the empty Seaholm Water Intake building on Lady Bird Lake, but Wilcox decided to make a switch.

"The culture of collaboration and teamwork are the great strength of Sixthriver's practice, which makes for a perfect complement to my approach to architecture," Wilcox said.

Said Sixthriver President Rollie Roessner: "We are very pleased and fortunate that such a talented, young design professional will be heading up our architecture practice."

During his years at OU, Wilcox also studied in Germany. He's worked for firms in Oklahoma City, London, Chicago, Los Angeles and Dallas.

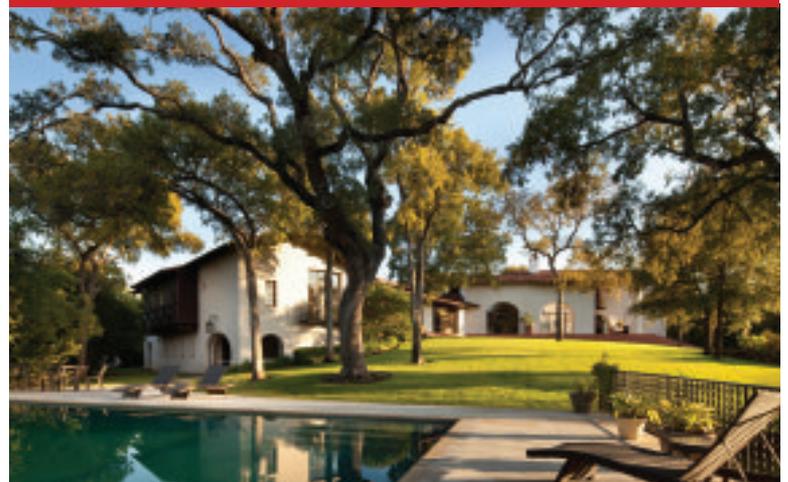
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ON THE MARKET



2600 Kenmore Court

Casa Santuario, a five-acre estate in Tarrytown, will be auctioned to the highest bidder on Feb. 12. The owner previously had the house on the market for \$15 million but decided she wanted to move on with her life and see what the market would pay for the one-of-a-kind property about 10 minutes from downtown. Concierge Auctions of New York is handling the sale with assistance from Austin real estate agent Jeannette Spinelli of Austin Portfolio Real Estate, a division of Keller Williams Realty, and Dallas agent Kyle Crews.

For more, including photos: bizj.us/u3ht7