

2 downtown landmarks again sport for-sale signs

■ The Scarbrough building and Littlefield properties back on the market

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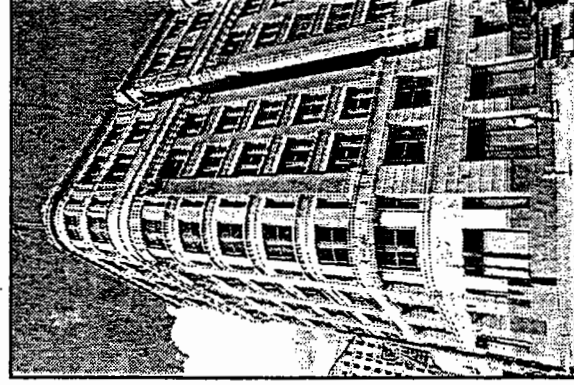
Some of downtown Austin's most historic buildings are back on the market.

Real estate companies Highgate Holdings and T. Stacy and Associates plan to sell the Scarbrough building and the Littlefield complex, which have stood at the corner of Sixth Street and Congress Avenue for nearly 90 years. They bought the properties, which include two office buildings, apartments and a parking garage, in December 1997.

"I have mixed emotions," said Tom Stacy, the Austin partner in the properties. "These are two great, historic properties at ground zero in a great capital city. How many times in your career will you have the opportunity to own properties like this?"

But with a downtown office occupancy rate of 94 percent — and the potential for big profits — Stacy said the time is right to sell the buildings. Several potential buyers inquired about the property before it was even put on the market, he said.

Highgate bought the eight-story Scarbrough building on the southwest corner of Sixth and



Rebecca McEntee/1996 AA-S
The Littlefield tower on the northeast corner of Sixth and Congress was Austin's first skyscraper when George Littlefield built it in 1910.

Congress from the descendants of E.M. Scarbrough, who built it in 1910. At one time, it was among the tallest structures in Austin.

Until January 1989, it housed what was then the only department store downtown, the 100,000-square-foot main location of Scarbroughs. The Scarbroughs chain left downtown after it opened new locations in suburban malls.

When Highgate bought the building, it had an occupancy rate of 40 percent. Now it's nearly full.

Earlier this year, Ruth's Chris Steak House moved in. A major software company is expected to lease the remaining 23,000 square feet, Stacy said.

The Littlefield properties include the office tower on the northeast corner of Sixth and Congress and the parking garage, apartments and retail center across the street on East Sixth Street. The tower was Austin's first skyscraper when George Littlefield built it in 1910. The Littlefield properties have had three owners in the past three years.

About 40 percent of the Littlefield complex was empty when Highgate bought it a year and a half ago. Now it is nearly 95 percent leased, Stacy said.

Highgate entered the Austin market in April 1996 with the acquisition of the 990,000-square-foot Austin Centre at 701 Brazos St. It bought it for \$62.7 million and sold it for \$97 million in January 1997.

Highgate bought the Stephen F. Austin Hotel two years ago and plans to open it in September as a luxury hotel. It also owns the Perry Brooks Building, at Brazos and Seventh streets.

In a separate partnership, Stacy purchased 823 Congress Ave. in 1994.

With the proceeds from the sale, Stacy said Highgate and T. Stacy and Associates plan to buy other downtown properties.

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