

# Downtown office tower will be put up for sale

Building on W. Sixth Street could attract international interest, developer says

By Shonda Novak

AMERICAN-STATESMAN STAFF

One of downtown Austin's newest skyscrapers is about to go on the market.

CarrAmerica plans to sell its 23-story office tower named for its address at 300 W. Sixth St., according to real estate sources.

The building, which opened in January 2002, is the second prime downtown office property to go on the market in the past year.

Karen Widmayer, senior vice president of corporate communications for CarrAmerica, a real estate investment trust based in Washington, D.C., declined to comment.

Officials of JER Partners, which co-owns the building, could not be reached for comment.

The building is expected to be marketed by Cushman and Wakefield.

Andrea Peskind, a broker at Cushman & Wakefield of Texas Inc. who specializes in investment properties, declined to comment.

# TOWER: 450,000-square-foot building downtown is nearly 80 percent filled

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"We don't talk to the press about deals," Peskind said.

Appraised at \$65.2 million on the tax rolls, the 450,000-square-foot building is nearly 80 percent filled.

High-profile tenants include venture capital firm Austin Ventures and law firms Akin Gump Strauss Hauer & Feld LLP and Clark Thomas & Winters PC.

Tom Stacy, an Austin developer who last fall bought the Bank of America tower on Congress Avenue, said he doesn't have first-hand knowledge of the deal but added that there's a lot of talk about it in the local brokerage community.

Stacy said he thinks such a "trophy caliber" building could attract interest from around the

world, especially as investors pump money into real estate as an alternative to a slack stock market.

He said he thinks it could bring a price near \$80 million and that the timing for a sale is ideal.

"Austin is such a hot market that this will bring a lot of players that would love to own a practically brand-new downtown office building," Stacy said.

With Austin's office market starting to rebound, "there's a lot of upside in the downtown market now," Stacy said. "Because Austin is a relatively small city, it doesn't take much activity to heat this market up to pretty hot."

300 W. Sixth and Cousins Properties Frost Bank Tower at Congress and Fourth Street,

which opened in January 2004, were the first new office towers built downtown since 1987.

But the CarrAmerica building opened during a vicious downturn that sent rents and occupancies plummeting. In 2001, Austin's office market had the highest vacancy rate in 10 years, and the downturn had months more to run. CarrAmerica had an advantage; the building was 50 percent leased before it was finished.

Stacy said that downtown was the last part of Austin to feel the impact of the downturn and is expected to be the last to recover. He said he thinks rents and occupancies will show substantial improvement later this year if job growth continues as anticipated.

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