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CBD buildings find buyers

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Three downtown Austin office buildings have already sold this month and another was expected to sell by Dec. 26.

By the end of the month, Central Business District buildings expected to have changed hands in December are Norwood Tower, Littlefield Tower, the Scarbrough Building and 815 Brazos.

Jim McBride, LBJ Holding Co. chief financial officer, says Norwood Tower, a 15-story office building at Seventh and Colorado streets, sold Dec. 18 to The LBJ Holding Co.

In exchange, Norwood Tower owner Washington, D.C.-based real estate investment trust CarrAmerica received the deed to the Tower of the Hills office building on Research Boulevard. In addition, LBJ Holding received an undisclosed sum of cash from CarrAmerica.

LBJ Holding Co. will move its headquarters from its current cramped quarters on I-35 to the third floor of the 114,000-square-foot Norwood Tower at 114 W. Seventh St.

Moving the company's headquarters to Norwood Tower gives it proximity to the company's loft apartment project in the Brown Building.

"It continues our commitment to downtown," McBride says. "The Norwood Tower location across the street from the Brown Building will enable us to realize some economies of operation."

Another CarrAmerica holding, the Littlefield Building at 106 E. Sixth St. and Congress Ave., was expected to sell Dec. 23 to Tom Stacy, president of T. Stacy & Associates of Austin, and Highgate Holdings of Dallas and Vancouver, British Columbia. The partners also own Austin Centre and the former Stephen F. Austin Hotel downtown.

The Littlefield is actually two buildings totaling 135,000 square feet. Built in 1911, the Littlefield includes a parking garage and retail space in Littlefield Mall across Sixth Street from the main building. The office building is considered Class B.

CarrAmerica officials declined to comment regarding Norwood Tower or the Littlefield.

Jeff Stone of Cushman & Wakefield in Dallas and exclusive listing agent for

CarrAmerica's downtown buildings would not comment on recent or pending sales.

The same partners buying the Littlefield closed Dec. 22 on the historic Scarbrough Building, a 105,000-square-foot office at 522 Congress Ave. Headed by former Downtown Austin Alliance Chairman Tom Stacy, the partners are currently renovating the Stephen F. Austin across Seventh Street from the Littlefield to reopen under a new flag next fall.

The previous owners of the Scarbrough, Scarbrough Building Partnership, consisted of general partners Lem Scarbrough Jr., Robert R. Blake, and a trust under the will of Jack Mouton Jr.

Fred Higgins, the Commercial Industrial Properties Co. broker who represented the seller, says the new owners will revitalize the Scarbrough.

"The previous owners kept and maintained this building for decades, and the new owners are going to take over and provide it with something it badly needed, and that is parking," Higgins says. "This building is going to be good for downtown. It's going to be re-energized with the parking, with the new ownership, with the new capital investment. It should lease up pretty quickly."

The parking garage for the Littlefield is half a block from the Scarbrough, opening an opportunity for shared parking between the buildings being purchased by Stacy and Highgate Holdings.

Stacy says his group is excited about the opportunity to preserve part of Austin's downtown.

"It's great that those two buildings are staying in local hands," Stacy says of the Littlefield and the Scarbrough. "It's unusual to have three historic buildings under common ownership, [so] we can coordinate the restorations."

Neither Higgins nor Stacy would discuss specific terms of the sale, but Higgins says the building sold for a reasonable price. The asking price for the Scarbrough was \$4.85 million.

A few blocks away from the Scarbrough, Ravenwood Properties Inc. has purchased the 11-story 815 Brazos building to lease out and occupy.

Ravenwood bought the 41,437-square-foot building in mid-December from a local partnership. The new owners declined to give a purchase price, but the previous owners had asked for more than \$1 million.

"We needed the parking lot that came along with the Brazos building and we needed about 4,000 square feet to move our offices," says Jeff Blatt, chief financial officer of Ravenwood Properties.

Ravenwood owns 805 Congress and 807 Congress, and is the general partner of Baustin Brazos Ltd., which purchased the 815 Brazos building.

The 66 parking spaces Ravenwood acquired along with the Brazos building at the northwest corner of Eighth and Trinity streets will help leasing efforts for Ravenwood's historic office building at 805 Congress and historic restoration in the works at 807 Congress.

Ravenwood will move from its current offices at 1701 Nueces to the fourth

floor of 815 Brazos in January, bringing the building's occupancy to about 88 percent. Blatt says Ravenwood will upgrade the building and focus on leasing the remaining space.

"Downtown has some positive momentum with regard to leasing and rental rates," Blatt says.

Jeff Rogers and Helen Jobes of Synermark Commercial Real Estate Co. represented Ravenwood. Glen Sorrel of Synermark represented the seller.

Parking spaces are often a motivating factor in downtown purchases, says Jeff Coddington of Oxford Commercial Inc.

"Parking, in a manner of speaking, is just as valuable as office space in the downtown area. That's not the first time you're going to see a transaction like that, nor will it be the last."