

BUSINESS

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Section D

Equity expands Austin holdings

Real estate firm buys sixth office building in about a year

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AMERICAN-STATESMAN STAFF

Equity Office Properties Trust has acquired Great Hills Plaza in Northwest Austin, its sixth Austin office building purchase in a little more than a year.

The Chicago-based company recently paid \$16.2 million for the three-story, 135,333-square-foot

building, bringing its investment in Austin since October 2004 to more than \$250 million.

The Great Hills purchase comes just two months after Equity paid \$137.1 million for 300 West Sixth, a 23-story downtown office tower.

Last summer, Equity paid \$64.2 million for two other office complexes in Northwest Austin and just less than \$37 million for the

Stonebridge II office park near the Arboretum. A price was not available for the fourth property, Research Park I and II.

Equity, which entered the Central Texas office market in the early 1990s, owns 15 buildings with about 2.7 million square feet of office space in the Austin area.

See **BUILDING**, D5

Equity in Austin

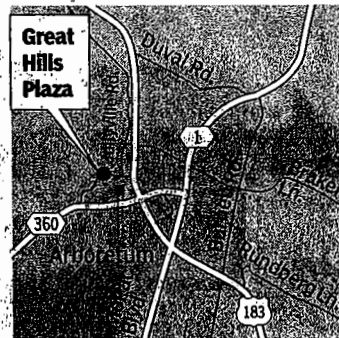
Building	Square footage	Purchase date
San Jacinto Center	403,329	1991
One Congress Plaza	517,849	1993
One American Center	505,770	1995
Stonebridge II	193,131	2004
300 West Sixth	440,203	2005
Research Park I and II	271,882	2005
Park 22	203,716	2005
Westech 360	178,777	2005
Great Hills Plaza	135,333	2005

BUILDING: Equity eyes growth potential

Continued from D1

"I think, certainly versus the size of the market and the portfolio we had, this is probably one of our faster growing markets," said Equity's director of investments, Keyvan Arjomand. "We have been actively buying in some other markets, but those have been where we had a much larger base to start from and markets where our total square footage bases are larger."

Arjomand said the company expects Austin to have one of the strongest rates of population and job growth in the country in the next three to five years.



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The company's expectations for growth are optimistic enough that it has been willing to buy buildings that are not performing well, including Great Hills Plaza, which is

about 50 percent occupied.

Built in 1984, the building was filled with technology and Internet companies in the late 1990s and 2000 and was hit hard by the tech bust. The largest tenants today are HQ Global Workplaces and E2open.

The building is in one of the fastest-recovering areas of the region's office market.

Office complexes in far Northwest Austin were more than 86 percent full in the third quarter, up from less than 80 percent a year ago. Rents for top-class space averaged \$21.20 a square foot, up from \$18.58 a year ago.

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