

DOWNTOWN AUSTIN



Austin Bergstrom  
Int'l Airport



TESLA GIGAFACTORY  
5 Miles from Property

71

45-ACRES

# HWY 71 & NORWOOD

# EXECUTIVE SUMMARY

Jones Lang LaSalle (“JLL”) is pleased to offer qualified investors the unique opportunity to purchase 45 acres of developable land along US Highway 71 and Norwood Lane (the “Property” or “Site”) in Austin, Texas. Located in Southeast Austin, just five miles from both Austin Bergstrom International Airport (ABIA) and the recently announced Tesla Gigafactory currently under construction, the Property is positioned in the heart of Austin’s path of growth east. The Site’s location and access is optimal for industrial development with direct access to Austin’s most highly traveled East-West thoroughfare in US Highway 71, which connects Austin to Houston, and offers accessibility to other major highways in State Highway 130, US Highway 183, and Interstate 35. Additionally, the 45-acre Site is located in the Austin ETJ, which offers fewer zoning restrictions and a less stringent development approval process compared to development sites in the Austin Proper. The Site is located in the southeast industrial submarket, the preferred industrial submarket due to the low cost of land relative to other submarkets, proximity to major regional highways, prominent demand drivers in ABIA and Circuit of Americas, and it’s connectivity to the growing Greater Austin-San Antonio Corridor. Highway 71 and Norwood presents an attractive development site in one of the fastest growing cities in the nation.

## PROPERTY SUMMARY

<b>ADDRESS</b>	Highway 71 & Norwood Lane   Del Valle, TX 78617
<b>COUNTY</b>	Travis
<b>SITE AREA</b>	45 Acres (1,960,200 Land SF)
<b>CURRENT IMPROVEMENTS</b>	976 SF (House, Shed and Barn)
<b>ZONING</b>	Austin ETJ

## INVESTMENT HIGHLIGHTS



**Prime Connectivity to Entire Austin MSA**



**Premier Industrial Development Site**



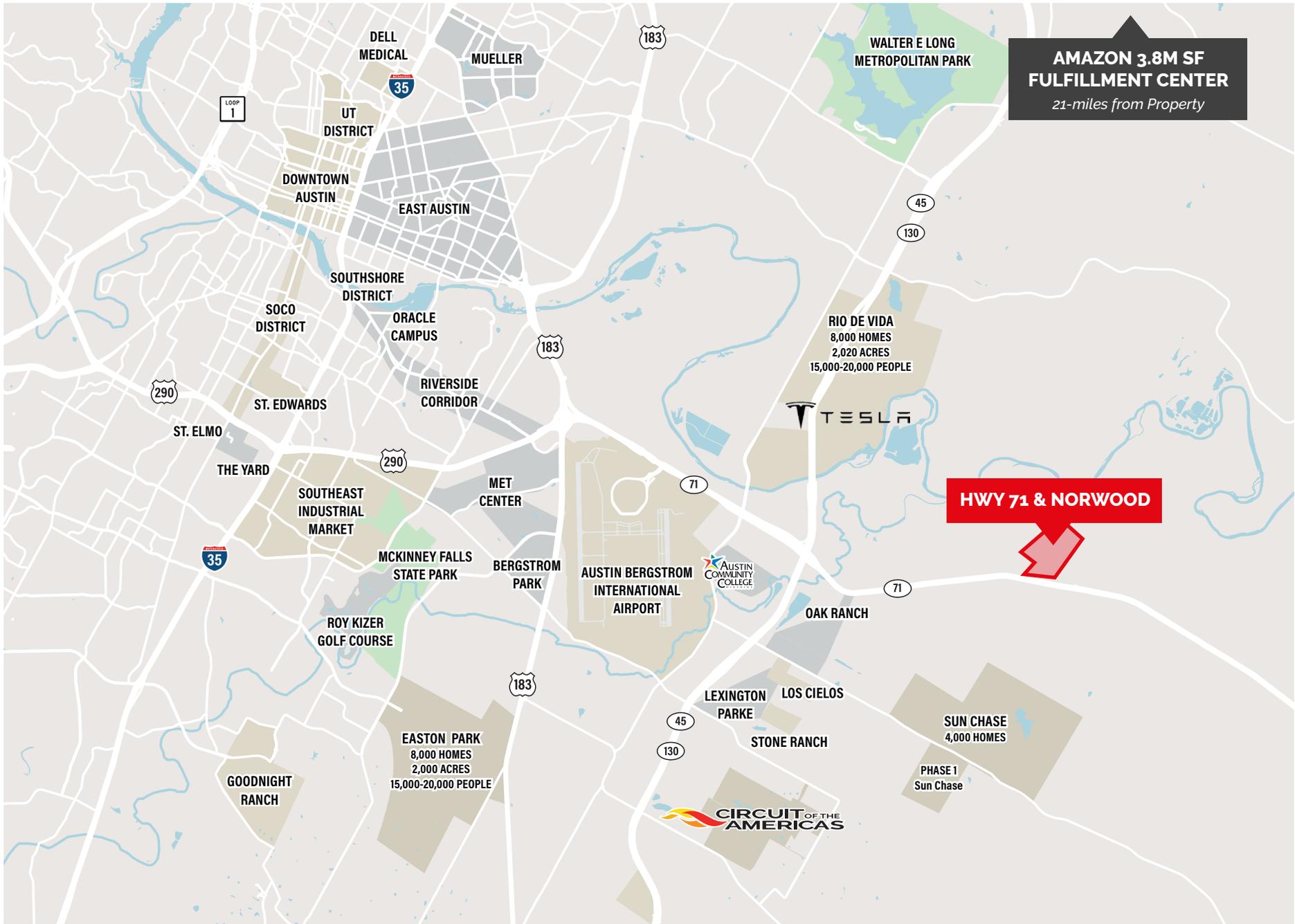
**Rapid Southeast Expansion**



**Robust Southeast Submarket Fundamentals**



**Resilient Austin Economy**



# INVESTMENT HIGHLIGHTS



## Prime Connectivity to Entire Austin MSA

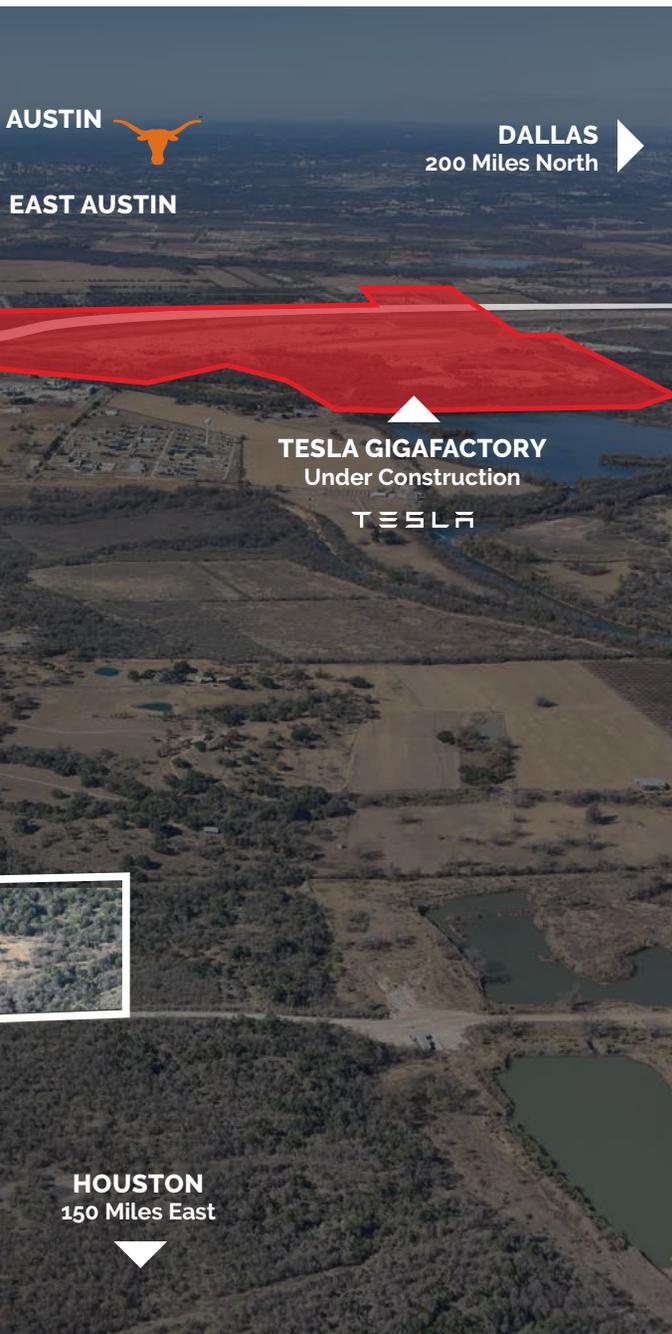
The Site is strategically positioned along Highway 71 and Norwood Lane in high growth southeast Austin, offering ideal access to major regional thoroughfares including Highway 71, US Highway 130, US Highway 183, and Interstate 35, which provides favorable drive times to all of the Austin MSA and other major Texas metros. The site is only six minutes east of the Austin Bergstrom International Airport (AUS) and 18 minutes east of downtown Austin.



## Premier Industrial Development Site

The 45-acre (1,960,200 SF) land site is located in the Austin ETJ, which does not enforce specific zoning restrictions on usage and does not have a maximum FAR restriction. The site will require an on-site septic system, which could accommodate an industrial development upwards of 750,000 SF. The subject site has access to electric service and water supply from Garfield Water. The site represents approximately 627 feet of frontage along SH 71 and 2,342 feet of frontage along Norwood Lane, giving ample visibility and access.





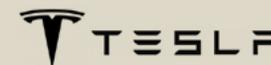
## Rapid Southeast Expansion

With geographic constraints to the west, Austin’s historical growth has stretched north and south, but as those areas continue to increase in cost, southeast Austin has emerged as a leader of the city’s growth given its lower cost of land, proximity to major highways, and recent corporate and development announcements. Most notably, Tesla is currently under construction with their fifth US factory, a 4-5 million square foot facility to be completed in 2021, located seven minutes from the project site. This will be the manufacturing site for the Cybertruck, Model 3, Model Y and Tesla Semi, further driving demand to this region for ancillary companies. Since 2015, the southeast submarket has grown 20% with over 3.3M SF of space delivered to the SE region. With the continued expansion of the Austin Bergstrom International Airport and further expansions to Hwy 71 and SH-130, this region is fueled for growth.



**379K SF Industrial Space Under Construction in SE Submarket**

(Excluding 5 MSF Tesla Gigafactory)



**Tesla Under Construction with \$1.1 Billion Plant with 5,000 Jobs**

[\(Click Here to Read ABJ Article\)](#)



## Robust Southeast Submarket Fundamentals

As of the 4th Quarter 2020, there are 9 building (+/- 430,000 SF) of industrial space under construction, with over 6 million square feet of industrial space planned. Since, 2015, the industrial market has grown nearly 20% with the addition of 3.3M of SF added to the SE Submarket. The current overall vacancy rate is 6.1%, below the Austin Market Average of 6.9%.

The average asking rate for industrial space here is \$8.19 PSF NNN. The current pandemic has elevated the importance of supply chain risk mitigation, and as a result, building greater supply chain resilience will become an increasing area of focus for companies globally.

# SITE OVERVIEW

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## HIGHWAY 71 & NORWOOD LANE

**ADDRESS** Highway 71 & Norwood Lane, Del Valle, Texas 78617

**COUNTY** Travis

**SIZE** 45 Acres (1,960,200 Land SF)

**FRONTAGE** 627 Feet (Highway 71)

**EXISTING IMPROVEMENTS** 976 SF (House, Shed and Barn)

**ZONING** Austin ETJ

**UTILITIES** Electric: Garfield Water  
Water: Garfield Water  
Sewer: Septic



**45-ACRES**

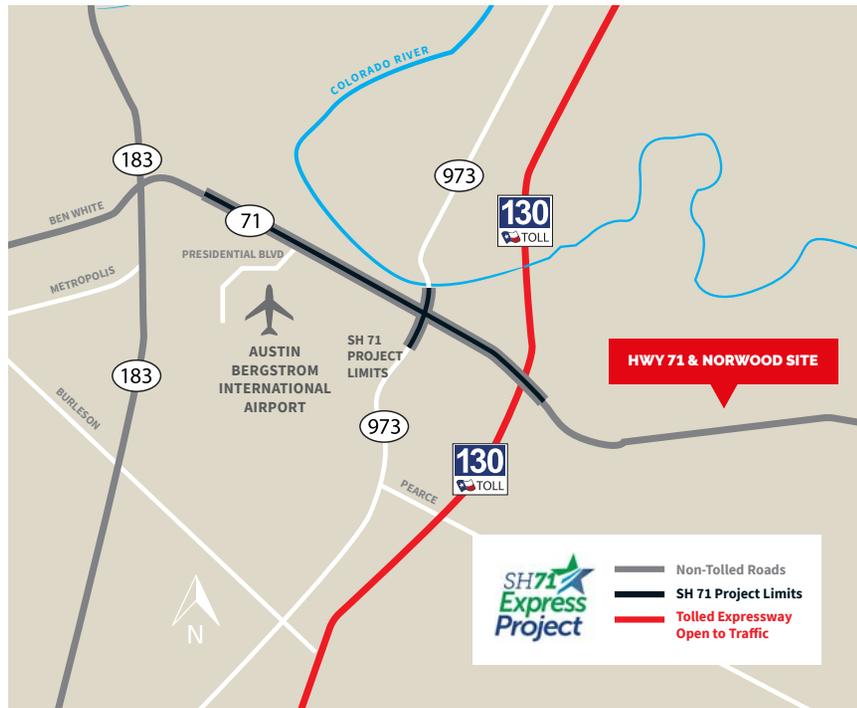
NORWOOD LANE

71

# LOCATION OVERVIEW

## Premier Southeast Austin Location Proximate to Tesla

The Site is strategically positioned along Highway 71 and Norwood Lane in high growth southeast Austin, offering ideal access to major regional thoroughfares including Highway 71, US Highway 130, US Highway 183, and Interstate 35, which provides favorable drive times to all of the Austin MSA and other major Texas metros. With geographic constraints to the west, Austin's historical growth has stretched north and south, but as those areas continue to increase in cost, southeast Austin has emerged as a leader of the city's growth given it's lower cost of land, proximity to major highways, and recent corporate and development announcements.



## Southeast Austin Infrastructure Improvements

With State Highway 71 (SH 71) serving as a major east/west corridor for the region and the continued growth in the immediate area, the Texas Department of Transportation (TxDOT) has a total of 29 SH 71 projects underway totaling an estimated \$239 million, with another 14 projects planned at an estimated cost of \$44 million.

### SH 71 EXPANSION

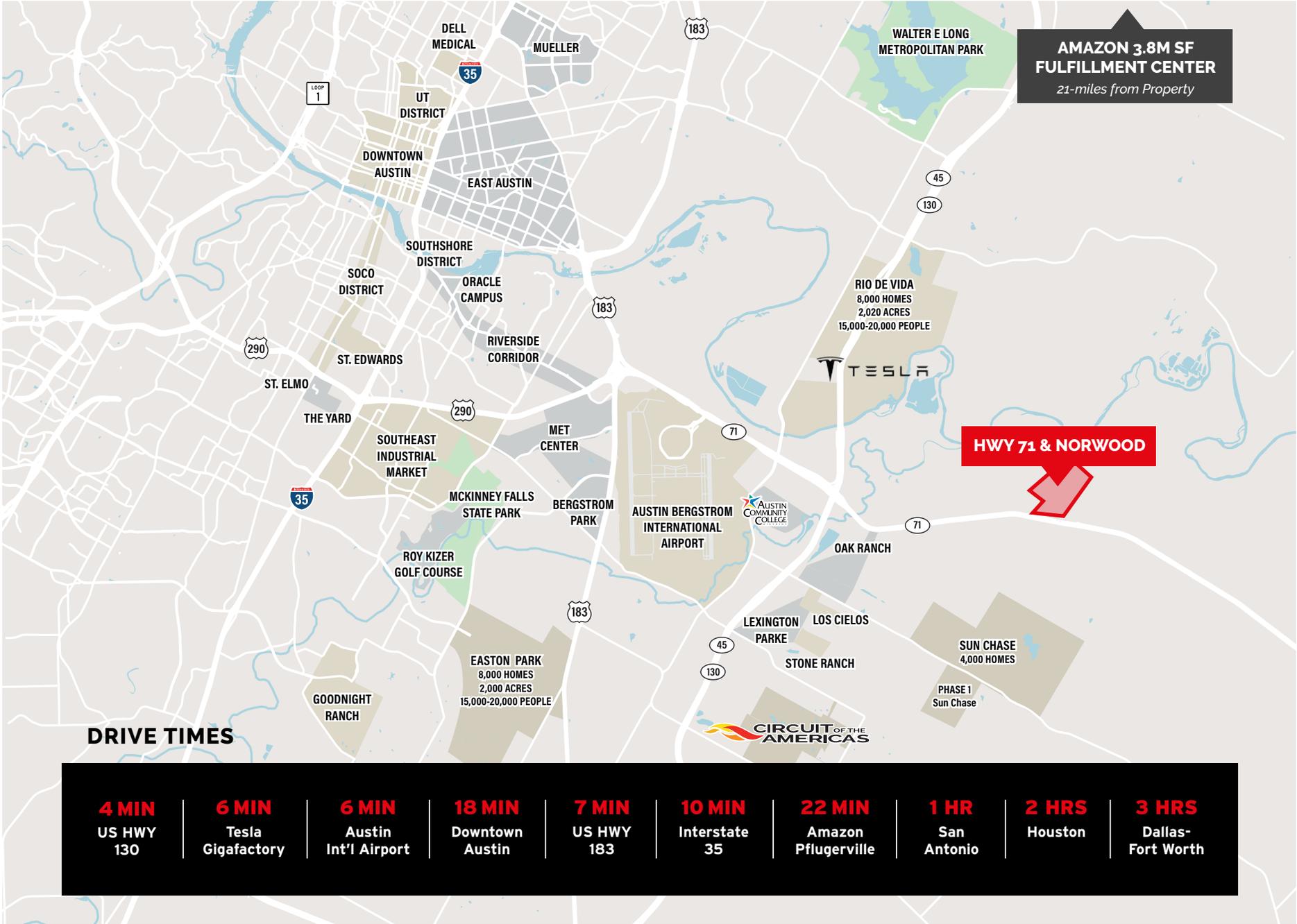
In 2014, due to the rapid growth of southeast Austin, TxDOT approved \$190 million in funding for a major expansion of SH 71 which was completed in February of 2017. Traffic in the project area has increased 158% since 1990 driven by the nation's leading population growth. The expansion is expected to reduce travel time by 26% by 2026. Additional projects currently underway include 2-miles of new bridge construction a half-mile west of the Site, which will include two new overpass bridges over existing traffic intersections, improving mobility along SH 71.

### FM 973 EXPANSION

FM 973 runs along the eastern side of the airport offering four lanes of traffic, slated for improvements per CAMPO 2035 and 2040. As part of the SH 71 expansion, a flyover was installed over FM 973.

### SH 130 EXPANSION

SH 130 serves as one of four major north/south arteries in Austin. Traffic along the SH 130 from SH 71 near the Property to SH 45 in Pflugerville has surged 286% since 2009 as motorists look to avoid the immense congestion along Mopac (Loop 1) and I-35. This continued demand has prompted TxDOT to schedule a four to six lane road expansion between SH 71 and SH 45. TxDOT is nearing completion on a \$56 million project to add an additional lane in each direction along the highway, estimated to complete in July 2021.



### **Tesla Gigafactory** *(5-miles from Property)*

Announced in August 2020 and currently under construction with vehicle production estimated to begin in late 2021, the Tesla Gigafactory is a 5 million square foot, state-of-the-art manufacturing facility on 2,000-acres that will manufacture Tesla's Semi-Truck and Cybertruck, as well as Model 3 and Model Y for consumers in the eastern half of the United States. The Gigafactory is estimated to cost \$1 billion and bring nearly 5,000 new jobs the factory alone with hundreds to thousands more jobs created by third party services.

### **Austin-Bergstrom International Airport** *(5-miles from Property)*

Austin Bergstrom International Airport (ABIA) supports over 40,000 jobs in the Austin area and was voted the second-fastest mid-size airport in the U.S. in 2019, recording a record-setting 16 million passengers in 2018. ABIA is slated for a five-phase expansion project called AUS2040, which will increase capacity to 31 million, add 33 new gates, increase parking, and increase cargo space to over 2 million SF. Economically, the airport contributes \$7.1 billion in overall economic impact and 74 thousand direct and indirect jobs to the Austin economy, up 212% since 2010. Additionally, the airport has a \$4.6 billion impact in the off-airport economy.

### **Circuit of Americas** *(4-miles from Property)*

Circuit of Americas is the first track in the United States to be purpose-built for Formula One racing, attracting over 200,000 people to the venue during the US Grand Prix weekend. The venue has had a cumulative economic impact in excess of \$5 billion for the Austin area and is a boon for southeast Austin drawing increased attention and interest to the area. Circuit of Americas also hosts the Motorcycle Grand Prix, Road Racing World Championship, FIA World Endurance Championship, and the WeatherTech SportsCar Championship, in addition to multiple music and entertainment events each year.



*Austin-Bergstrom International Airport*



*Circuit of Americas*



Austin Bergstrom  
Int'l Airport

DOWNTOWN AUSTIN

DALLAS  
200 Miles North

EAST AUSTIN

Future 200+ Acre  
Mixed-Use Development



TESLA GIGAFACTORY  
Under Construction



71

45-ACRES

HOUSTON  
150 Miles East

# MARKET OVERVIEW

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## Austin-Round Rock Industrial Market Overview

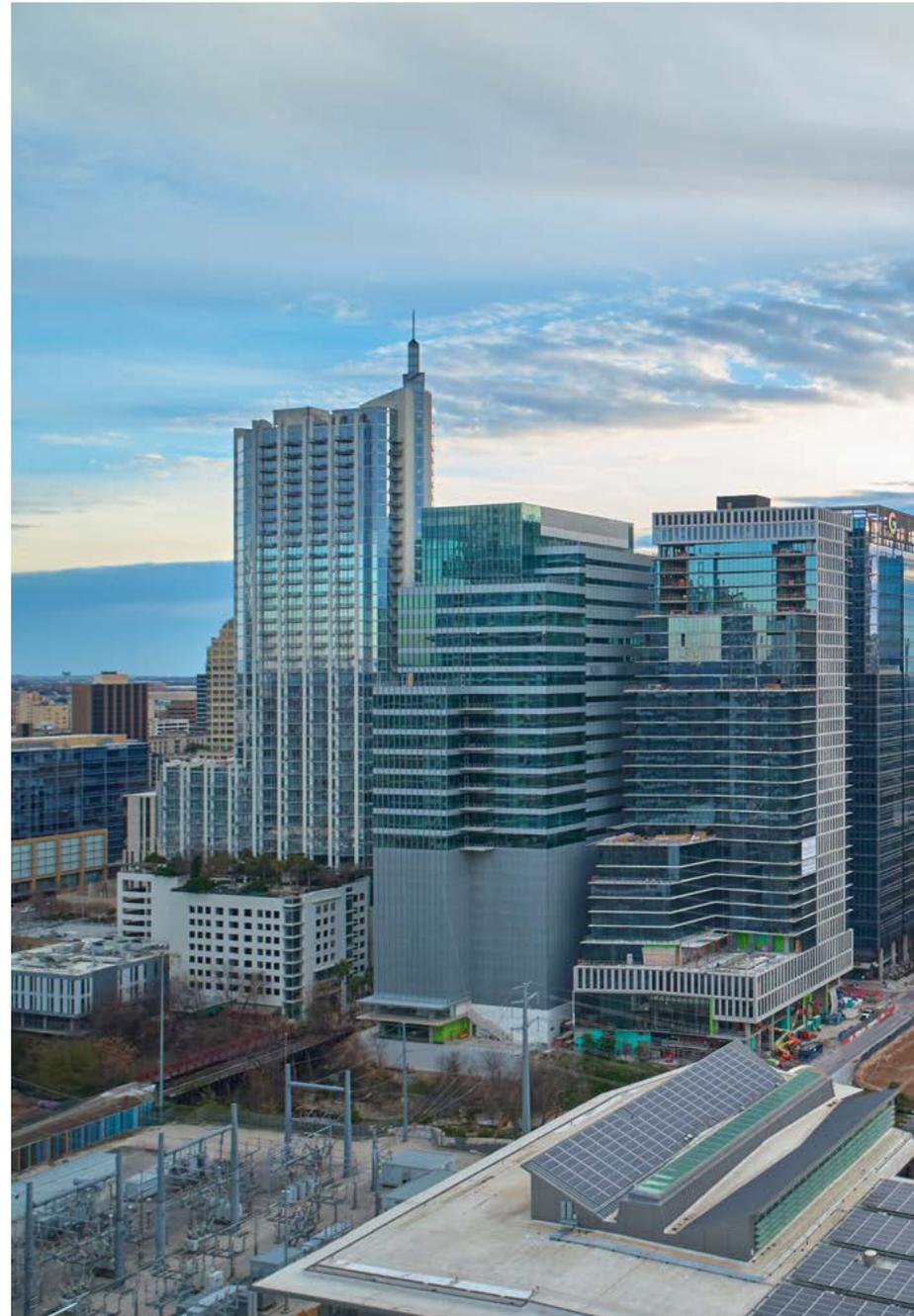
The Austin-Round Rock industrial market is currently comprised of 53,727,369 square feet broken-out between 41.9 million square feet of warehouse & distribution and 11.8 million square feet of manufacturing.

Vacancy rates across the Austin-Round Rock market have slowly increased since 2016 as the bulk of new construction over the last decade has been delivered over the trailing 5-years. Despite total inventory increasing by 10.3 MSF or 19% since 2010, the market has experienced significant positive net absorption of 12.4 MSF over the period, outpacing deliveries by 2.1 MSF.

As of Q3, the Austin-Round Rock industrial market is continuing its trend of robust rental rate growth year-over-year. Average asking rental rates of \$7.88 PSF through Q3 2020 reflect a 2% growth over 2019 and trending to continue the market's incredible run that has seen a 49% increase in rental rates since 2011.

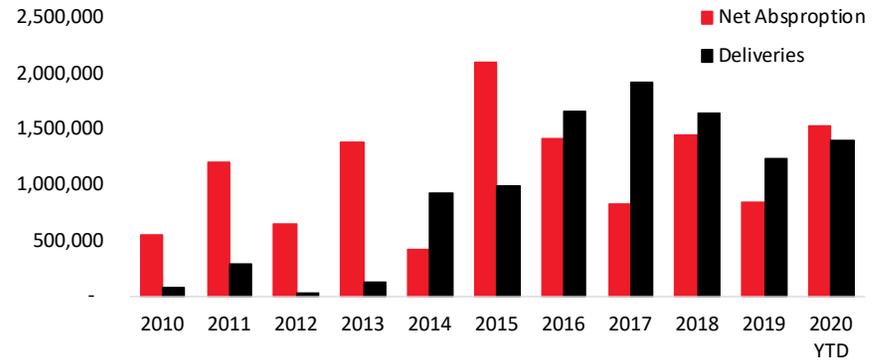
## FUNDAMENTALS

<b>YTD NET ABSORPTION</b>	<b>1,539,670 SF</b>
<b>UNDER CONSTRUCTION</b>	<b>5,406,646 SF</b>
<b>TOTAL VACANCY</b>	<b>8.7%</b>
<b>AVERAGE ASKING RENT (NNN)</b>	<b>\$7.88 PSF</b>

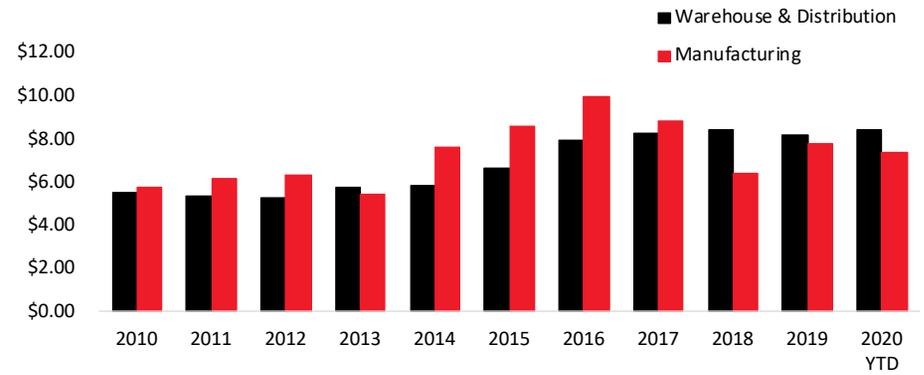




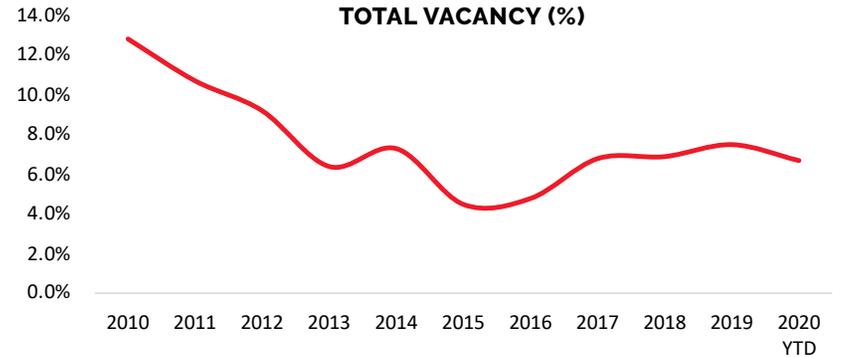
### SUPPLY & DEMAND (SF)



### AVG. ASKING RENTS (\$/SF)



### TOTAL VACANCY (%)



## Southeast Submarket Overview

As the third largest industrial submarket in the Austin-Round Rock market, the Southeast submarket accounts for approximately 17% of the total market inventory with 8.9 MSF of product. The Southeast is one of the Austin's primary industrial submarkets as a result of its location proximate to downtown, South Austin, East Austin, and the high-growth suburbs of Buda and Kyle. The submarket also boasts immediate access to the region's major thoroughfares including Interstate 35, US Highway 71, and US Highway 130.

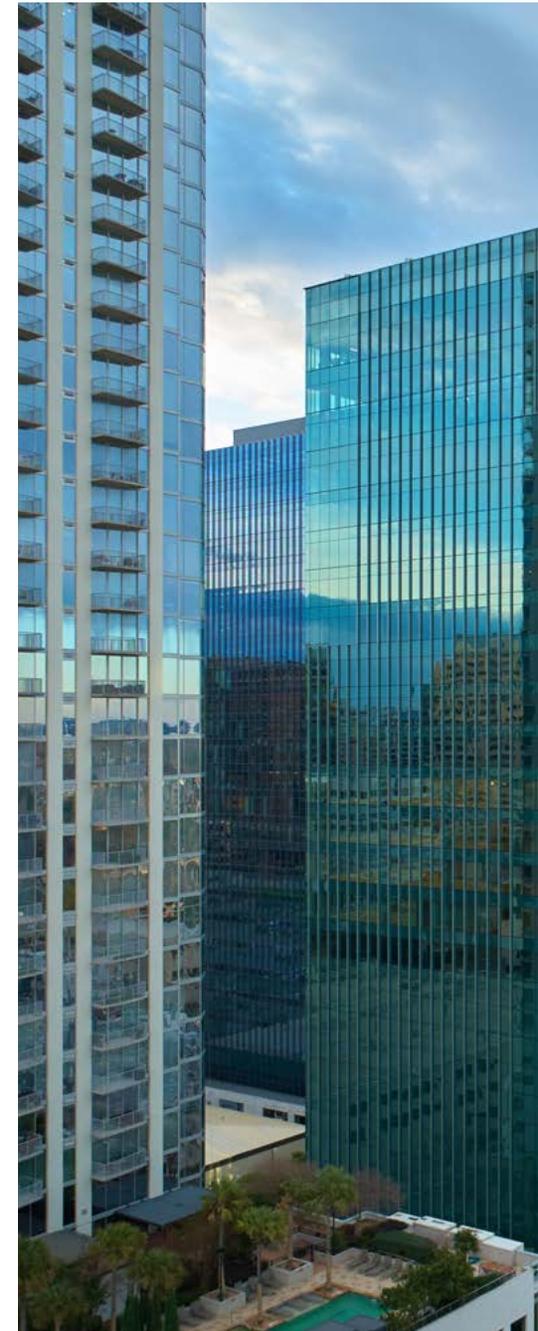
The Southeast Industrial submarket has been a major contributor of new supply since 2015, adding 29% of all space delivered in the Austin-Round Rock market. Despite the substantial increase in inventory, vacancy rates for the submarket have decreased to 6.5% as of Q3 2020. Demand for distribution space in Southeast Austin is expected to remain robust in the coming years, bolstered by the 5 MSF Tesla Gigafactory currently under construction at the intersection of Highway 130 and 71, which is estimated to create at least 5,000 new jobs.

### FUNDAMENTALS

<b>YTD NET ABSORPTION</b>	<b>579,953 SF</b>
<b>UNDER CONSTRUCTION</b>	<b>379,476 SF</b>
<b>TOTAL VACANCY</b>	<b>6.1%</b>
<b>AVERAGE ASKING RENT (NNN)</b>	<b>\$8.19 PSF</b>

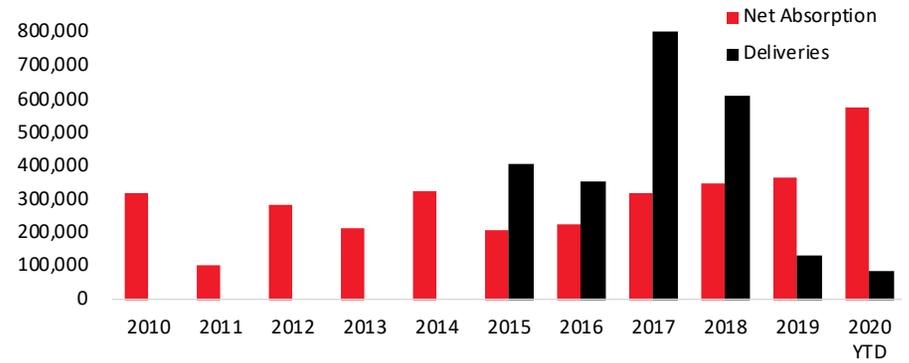
### Resilient Supply Chain Shift

The current pandemic has elevated the importance of supply chain risk mitigation, and as a result, building greater supply chain resilience will become an increasing area of focus for companies globally. This will likely result in significant changes in demand for and the location of industrial and distribution facilities across the U.S. – with more sourcing closer to markets of consumption, higher levels of inventory across supply chains, and higher levels of automation in both manufacturing and warehouse operations. In addition, the shift to online (B2C and B2B, E-commerce), which long predates COVID-19, will continue, and potentially accelerate. The Site presents developers with an opportunity to tap into the increased tenant demand, within an infill core location surrounded by high growth population centers, allowing for real estate and tenant outperformance.

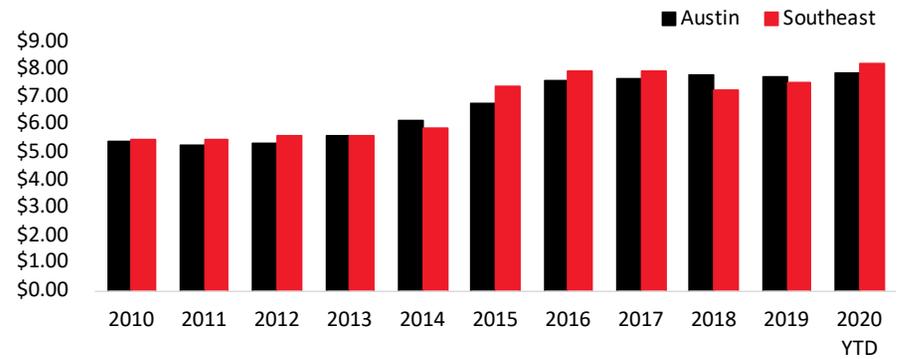




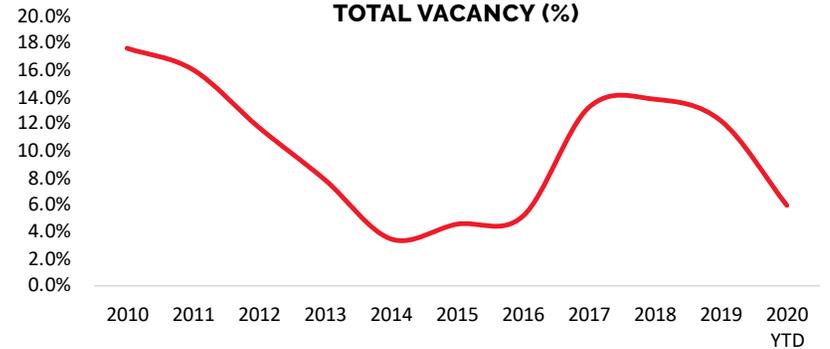
### SUPPLY & DEMAND (SF)



### AVG. ASKING RENTS (\$/SF)



### TOTAL VACANCY (%)







# AUSTIN ECONOMIC OVERVIEW

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**2017-2019**  
**BEST PLACE TO LIVE IN THE U.S.**  
*U.S. News & World Report*

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**No.1**  
**MARKET FOR REAL ESTATE INVESTMENT 2020**  
*Emerging Trends in Real Estate® 2020, ULI*

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**No.1**  
**RISING CITY FOR STARTUPS**  
*Inc.*

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**No.2**  
**BEST JOB MARKET**  
*Forbes*



# AMAZON

## 3.8M SF FULFILLMENT CENTER

In July 2020, Amazon announced a 4-story, 3.8 MSF fulfillment center along Highway 130 in Pflugerville, Texas. Expected to deliver in 2021, the facility will employ 1,000 people.

# APPLE

## ANNOUNCES NEW \$1 BILLION AUSTIN CAMPUS AS PART OF BIG UNITED STATES EXPANSION

The new 133-acre development is expected to make it the largest private employer in Austin. Apple expects the new campus to accommodate 5,000 employees at first, though it will ultimately have a total capacity of 15,000.

## MAJOR TECH EMPLOYERS



**13,000**  
AUSTIN EMPLOYEES

**AMAZON**

**6,600**  
AUSTIN EMPLOYEES  
*(7,400 Potential)*

**APPLE**

**6,000**  
AUSTIN EMPLOYEES

**IBM**

**6,000**  
AUSTIN EMPLOYEES

**ORACLE**

**5,000**  
AUSTIN EMPLOYEES  
*(10,000 Potential)*



**3,800**  
AUSTIN EMPLOYEES

**FACEBOOK**

**2,700**  
AUSTIN EMPLOYEES



## TOTAL NUMBER OF CORPORATE EXPANSIONS & RELOCATIONS

**144**

**IN 2019** Creating 12,328 New Jobs

**135**

**IN 2018** Creating 18,213 New Jobs

**115**

**IN 2017** Creating 13,051 New Jobs

- In the past decade Austin is the No. 1 city gaining company migrations from California.
- Austin's strong tech presence fuels \$31 billion into the economy, accounting for about 35% of the total.





**2.1 MILLION**

**MSA POPULATION**

*11th Most Populous City in the U.S.*

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**18.60%**

**HOUSING GROWTH SINCE 2010**

*Emerging Trends in Real Estate® 2020*

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**45%**

**OF POPULATION WITH A  
BACHELOR'S DEGREE OR HIGHER**

*Inc.*

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**No.1**

**FOR NATION'S HIGH-TECH HUB  
& SOARING TECH SALARIES**

*Bloomberg*

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