

1920

SOUTH I-35
AUSTIN, TX



OFFERING MEMORANDUM



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RARE OWNER-OCCUPANT OR
VALUE-ADD OPPORTUNITY



VIBRANT URBAN
INFILL LOCATION & SEAMLESS
ACCESSIBILITY



DYNAMIC EAST RIVERSIDE
MICROMARKET



THRIVING
AUSTIN ECONOMY



EXECUTIVE SUMMARY

JLL is pleased to offer the unique opportunity to purchase 1920 S. I-35. The Property is a two-story 5,123 square foot office building located on the frontage road of Interstate 35 just south of Lady Bird Lake and East of Austin's South Congress District. The Property is situated on a 0.519 acre lot uniquely positioned to be acquired free and clear of any lease obligations, providing optionality as a repositioning or an owner occupant opportunity. The Property also offers exceptional access to Austin's economic drivers including Austin's CBD, the State Capitol, East Austin, and The University of Texas.

RARE OWNER-OCCUPANT OR VALUE-ADD OPPORTUNITY

1920 S. I-35 provide a rare opportunity for an owner occupier to create a personalized workspace in one of Austin's best locations. Based on Buyer's requirement, the building will either be free and clear of tenants upon close, or leased back on a short-term basis, providing an opportunity and runway to reposition the property for a new tenant, or customize it to the owners needs.

PROPERTY OVERVIEW

ADDRESS	1920 S Interstate-35 Austin, TX 78704
SIZE	5,123 SF
% LEASED	0% or 100% (Potential short-term sale lease-back, or immediate vacate)
YEAR BUILT	1980
SITE	+/- 0.519 Acre
STORIES	1 story (with Basement below)

PROPERTY HIGHLIGHTS

- I-35 frontage road Signage
- On-site storage
- Outdoor patio
- Private balconies
- Recent back-of-house capital expenditures

VIBRANT URBAN INFILL LOCATION & SEAMLESS ACCESSIBILITY

Located just across the river in South Austin, 1920 S. I-35 provides the opportunity to work in a vibrant environment supported by South Congress' retail destinations, Waterloo Park, Rainey St. District, and near the employment hubs of Downtown, East Austin, the State Capitol, and Oracle's campus. The Property offers easy access SH-71, Oltorf St., and East Riverside Dr. by way of it's immediate access to I-35.

DRIVETIMES

ENTERTAINMENT

- South Congress District (3-mins)
- Ann & Roy Butler Hike and Bike Trail (3-mins)
- Rainey St Historic District (5-mins)
- East 6th St Entertainment District (6-mins)
- West 6th St Entertainment District (8-mins)
- Moody Amphitheater (8-mins)
- Waterloo Park (8-mins)

ECONOMIC DRIVERS

- St. Edwards University (3-mins)
- Downtown Austin (6-mins)
- Austin-Bergstrom International Airport (7-mins)
- Texas Capitol (7-mins)
- Oracle Headquarters (8-mins)
- The University of Texas (10-mins)
- Dell Seton Medical Center (11-mins)
- Tesla Giga Texas (15-mins)

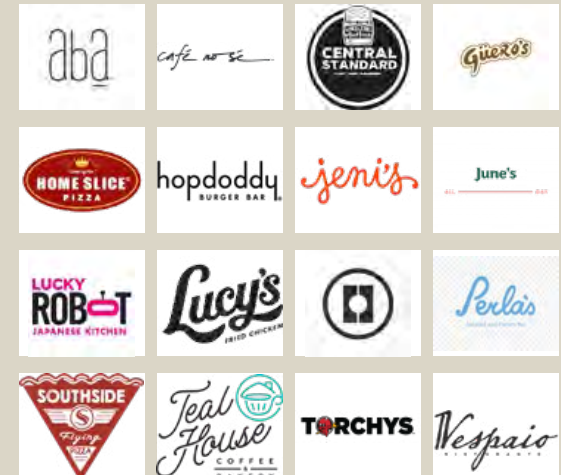
S LAMAR DISTRICT

- 1.1M SF RETAIL | 97.7% OCC.
- 661K SF OFFICE | 150K SF U/C
- 4,590 UNITS | 95.5% OCC.



S CONGRESS DISTRICT

- 812K SF RETAIL | 97.5% OCC.
- 1.3M SF OFFICE | 350K SF U/C
- 1,829 UNITS | 96% OCC.





THE UNIVERSITY OF TEXAS AT AUSTIN

Austin CBD



Town Lake

Riverside

S LAMAR DISTRICT

RIVERSOUTH
350K SF OFFICE

BOULDIN CREEK
175K SF OFFICE (2020 DELIVERY)

S CONGRESS DISTRICT

MUSIC LANE
265K SF OFFICE
SOHO AUSTIN: 46 ROOMS
20K SF RETAIL

SOUTH CONGRESS HOTEL
83 LUXURY KEYS

H-E-B

TRAVIS HEIGHTS NEIGHBORHOOD
\$1.2M MEDIAN SALE PRICE
53.5% YOY INCREASE

Oltorf Rd.



1920

RIVERSIDE NEIGHBORHOOD
\$750,000 MEDIAN SALE PRICE
35.7% YOY INCREASE

DYNAMIC EAST RIVERSIDE MICROMARKET

1920 S I-35 is on the edge of the burgeoning East Riverside Micromarket, an area that has seen increased development interest over the last 5 years. Anchored by the global headquarters for Oracle, the worlds second largest software company, the East Riverside Micromarket has become increasingly attractive to businesses and Austin residents due to it's proximity to Downtown Austin, South Congress, Ladybird Lake, and abundant retail along East Riverside Dr.

The delivery of the Oracle Campus in 2018 (Phase I) and 2020 (Phase II) was the catalyst for the micromarket, and has helped drive the success of multifamily developments in the area, causing property values to soar. As Oracle increases its employee headcount at it's Austin headquarters and Austin continues its rampant growth, the East Riverside Micromarket is poised to outperform its projections.

RIVERSIDE NEIGHBORHOOD

\$750,000 Median Sale Price
35.7% YoY Increase

40%

INCREASE IN CLASS A
MF UNITS SINCE 2018

22%

INCREASE IN CLASS A
MF ASKING RENTS
SINCE 2020

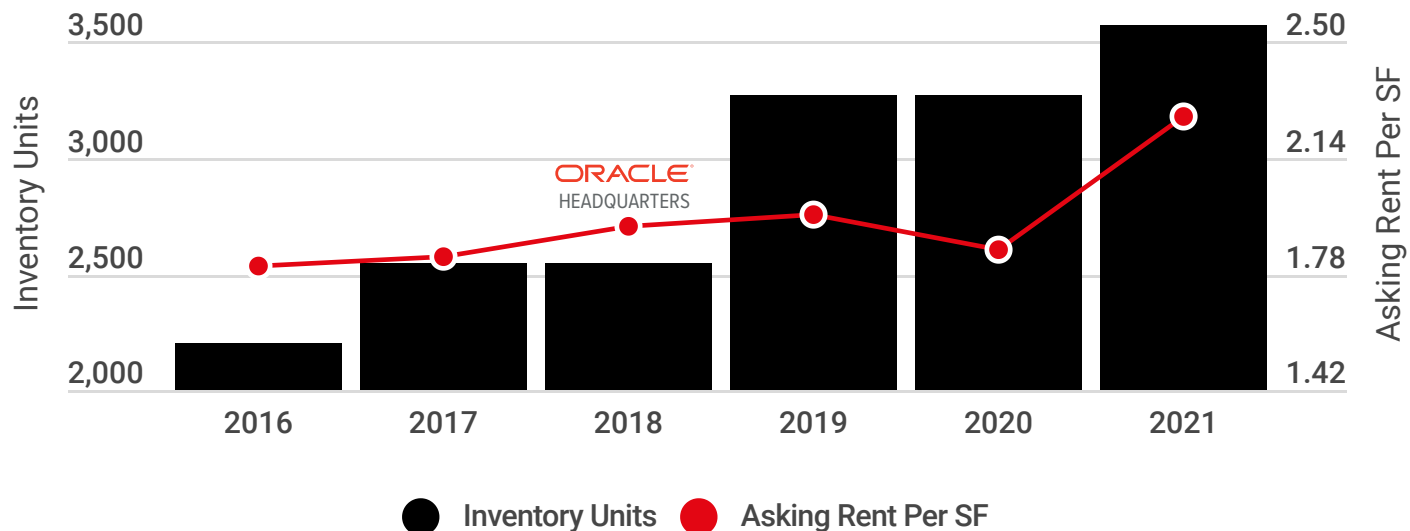
89%

MF OCCUPANCY

PLEASANT VALLEY NEIGHBORHOOD

\$445,000 Median Sale Price
86.6% YoY Increase

East Riverside Multifamily Inventory & Asking Rents



TESLA GIGA ACRES
2,400+ ACRES
3.6M SF
\$108 INVESTMENT

183

EAST AUSTIN

ROY G. GUERRERO PARK

S Pleasant Valley Rd

LADY BIRD LAKE

THE MARLOWE
324 MF UNITS
BUILT IN 2020

LAKESHORE PEARL APARTMENTS
199 MF UNITS
BUILT IN 2013

SOUTH SHORE DISTRICT
506 MF UNITS
BUILT IN 2013

AML1 SOUTH SHORE
450 MF UNITS
UNDER CONSTRUCTION

ASPEN HEIGHTS RIVERSIDE
323 MF UNITS
UNDER CONSTRUCTION

ALEXAN RIVERSIDE
313 MF UNITS
UNDER CONSTRUCTION

RIVERSIDE NEIGHBORHOOD
\$750,000 MEDIAN SALE PRICE
35.7% YOY INCREASE

ARIA GRAND
70 MF UNITS
BUILT IN 2019

35

1920

SKYLINE BUILDING
33,900 SF OFFICE

SOUTHCLIFF BUILDING
54,406 SF OFFICE

SOUTHGATE BUILDING
53,817 SF OFFICE

TRAVIS HEIGHTS NEIGHBORHOOD
\$1.2M MEDIAN SALE PRICE
53.5% YOY INCREASE



PROPERTY OVERVIEW

General Information

Address	1920 S Interstate-35 Austin, TX 78704
Site Area	.5139 acres
Parking	19 spaces
Zoning	GR-MU-CO-NP
Signage	One (1) lighted pylon sign

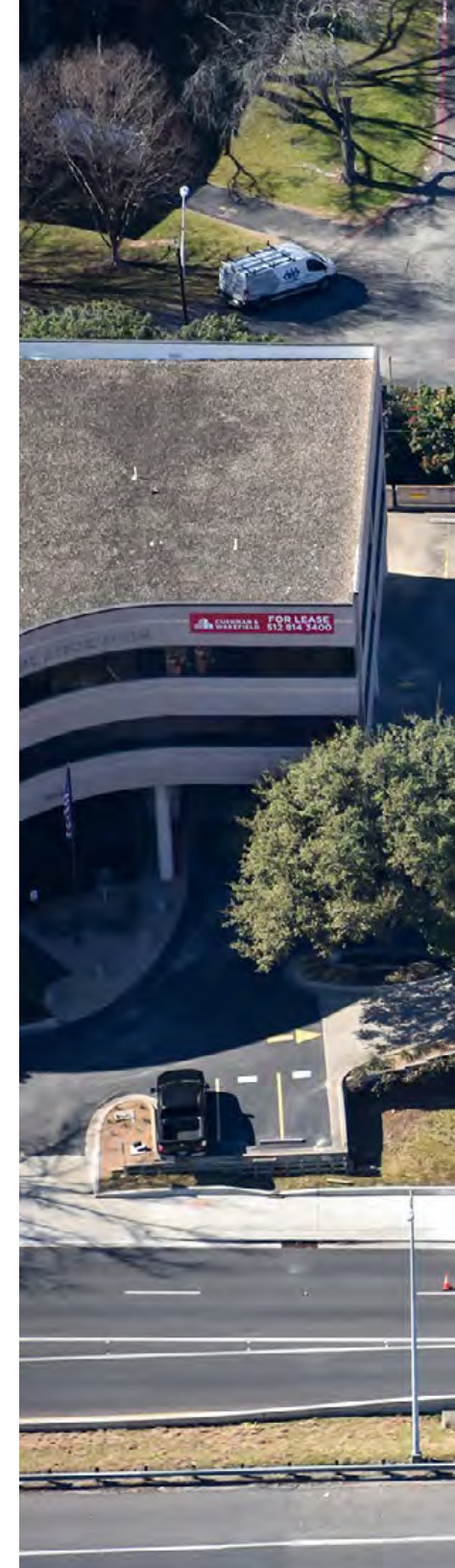
Design & Construction

Structure	2 Stories, 5,213 SF on main floor with unfinished basement space
Roof	Roof is architectural shingles. Replaced in 2021 with 25-year warranty on the materials which can be transferred once.
Existing layout	8 offices, 2 sets of men's and women's restrooms, 2 open workspaces, 1 kitchen, reception / waiting area
HVAC	<p>HVAC system consists of 5 packaged roof top units (RTUs) that provide heating and cooling. The RTUs have cooling capacities of 23 tons. RTUs are original to the Property.</p> <p>All condensers are heat pump units. The two 5 ton units on the side are 410A units and the 3 units on the front elevation are R22 units. One R22 was replaced in 2020. All other are original.</p>

CAPITAL EXPENDITURES

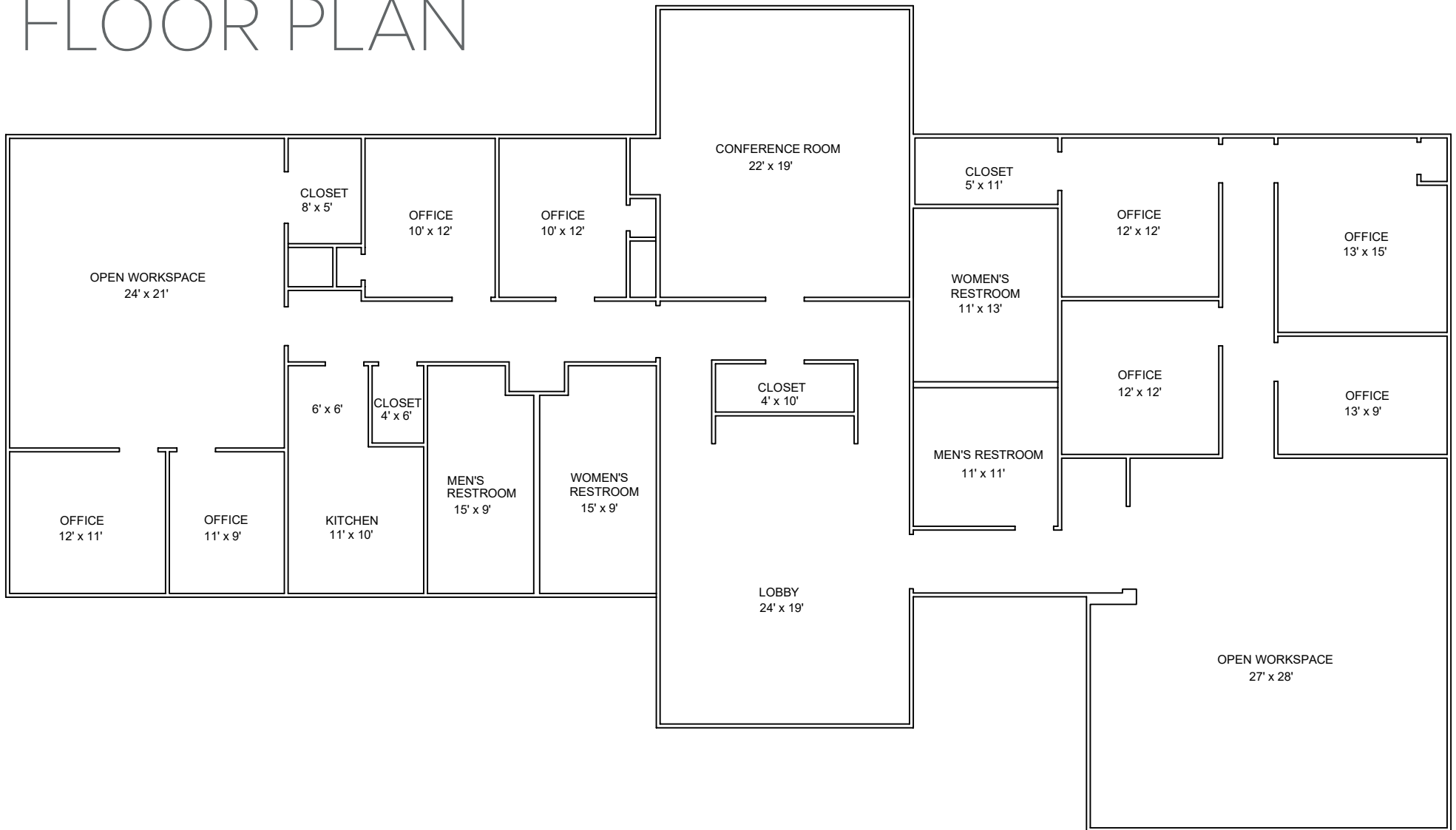
Ownership has spent significant money over the past 5 years on improvements and repairs, limiting the need for immediate CapEx work

Year	CapEx Amount	Scope of work
2017	\$42,658	Interior improvements
2018	\$7,300	Exterior improvements
2019	\$0	
2020	\$13,786	HVAC replacement / repair, interior improvements, fencing
2021	\$46,892	Roof replacement, exterior improvements, Parking Lot improvements
	\$110,636	\$21.59 PSF





FLOOR PLAN





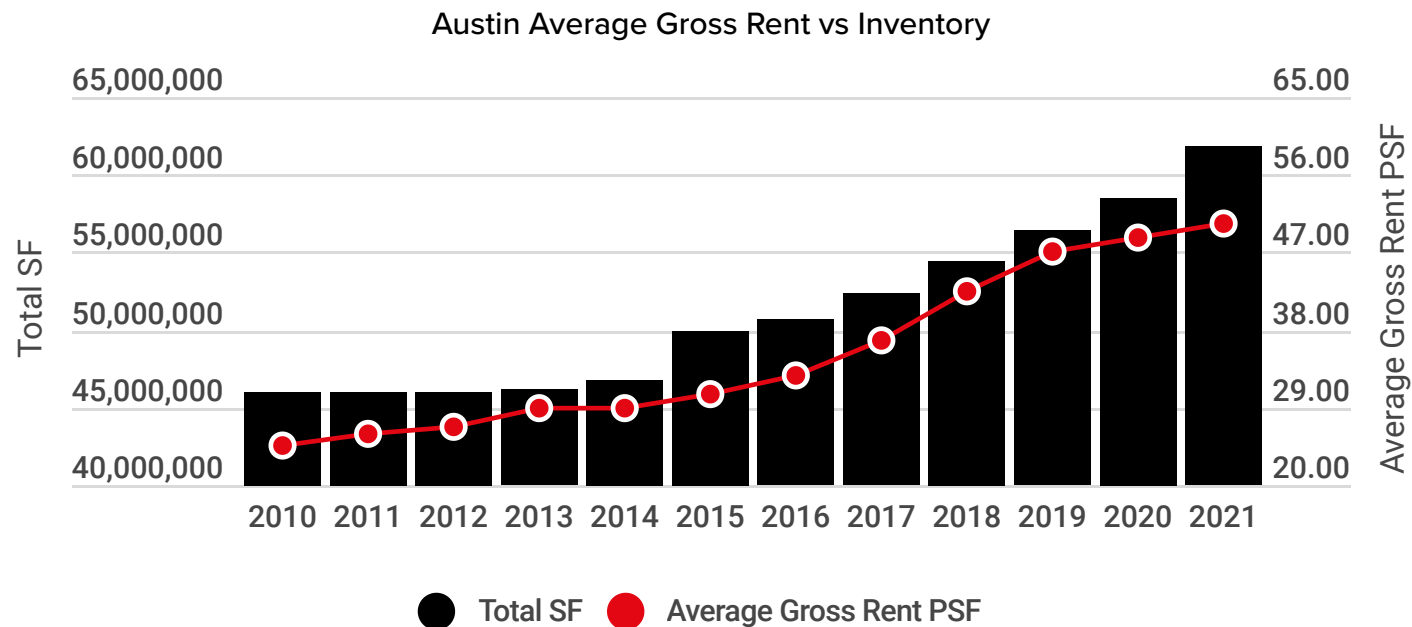
AUSTIN OFFICE MARKET

The Austin office market is comprised of over 60 million square feet, reflecting an increase in inventory of 18.1% (approximately 9.5 MSF) in the last 5 years

Despite delivering 11 million square feet of new office space since 2017, the Austin office market has averaged over 1.25M square feet of positive net absorption for each of the past five years, resulting in an average occupancy of 90% over the same period

Current occupancy is approximately 86%, slightly below the 5-year occupancy rate average of 90%

Average gross office rents in the market are \$50.36 per square foot, an increase of 36.7% since 2017 rates (\$36.81 PSF)



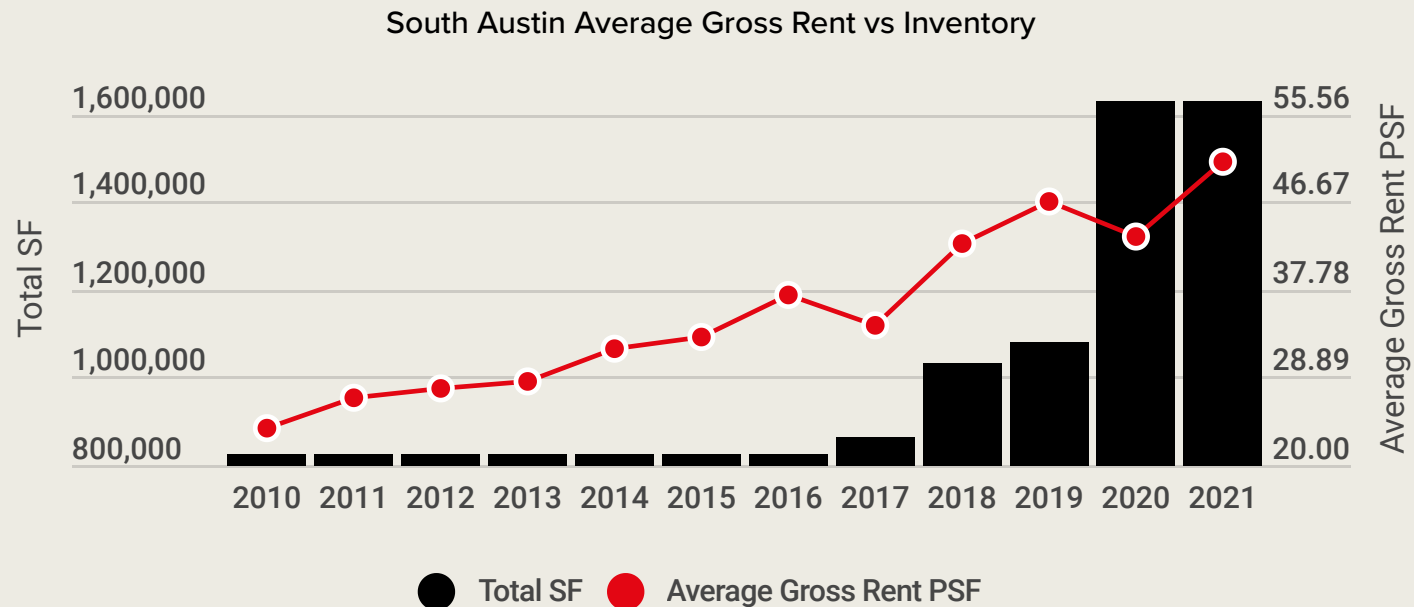
SOUTH AUSTIN OFFICE MARKET

With a current inventory of over 1.7 million square feet, the South Austin office market inventory has increased 47.5% (approximately 554,000 SF) since 2017

The submarket is currently 85.4% occupied and has averaged 89.7% occupancy the past 5 years

The submarket has experienced only 600,000 SF of new construction over the past 5 years, with net absorption averaging over 127,000 SF annually

Average gross office rents in the submarket are \$50.08 PSF, representing over a 50% increase from 2017 rates (\$34.31 PSF)



LOCATION OVERVIEW

SOUTH CONGRESS DISTRICT

1920 S. I-35 is just a few blocks east of the South Congress District – one of Austin’s premier retail destinations. Directly across Lady Bird Lake from Downtown, “SoCo” is Austin’s only truly walkable strip of shopping and entertainment venues featuring an eclectic mix of shops, restaurants, bars, food trailers, music venues and galleries. This neighborhood is abundant with things to see, places to shop, and bars and restaurants at which to drink and dine, making it one of the strongest retail destinations in the country. Due to the eclectic nature of the area as well as the best in class restaurants such as Perla’s Seafood & Oyster Bar, Hopdoddy Burger Bar, Homeslice Pizza and Guerro’s, and retailers including Kendra Scott, By George, Impeccable Pig and Service Menswear, to name but a few, South Congress is truly a cultural destination for locals and tourists alike. This abundance of quirky retail and world class restaurants, as well as Austin’s most coveted hotels make this area one the strongest live-work-play destinations in the city and an emerging hotspot for more established tenants such as Warby Parker, Shinola, and Tecovas.





RECENT & UPCOMING SOUTH AUSTIN DEVELOPMENTS

MUSIC LANE

The recently delivered Music Lane furthers South Congress' high street retail presence along with attracting additional corporations seeking creative office space. The total development consists of three buildings, with approximately 45,000 square feet of retail and restaurant space, 45,000 SF of creative office and a 70,000 SF Soho House. Notable office and retail tenants who have taken space at Music Lane include: Gensler, Everlane, Madewell, Ray-Ban, and Nike.

RIVER SOUTH

Stream Realty and QuadReal recently broke ground on a 15-story mixed-use project set to bring more than 330,000 square feet of Class A office space and 17,000 square feet of ground-floor retail to the intersection of South First Street and Riverside Drive. The development was funded completely spec but is now approximately 55% pre-leased with expected delivery later this year in Q2 2022. With limited available space Downtown, the development has received significant interest from a variety of large users, and has signed leases with rents over \$46.00 PSF NNN.

801 BARTON CREEK

Generational Commercial Properties developed the 90,500 SF Class A office building which consists of four floors of office space atop four and a half levels of parking in addition to 1,800 SF of retail space on the ground floor. The project delivered late 2017 and secured a lease with WeWork for 100% of the building. WeWork's is an ideal fit for the district as their typical tenant base is well-suited for the eclectic amenity set the South Congress District provides.

AUSTIN AMERICAN STATESMAN SITE

The 18.9-acre site, currently utilized as the Austin American Statesman's headquarters, is owned in a joint-venture between Endeavor and the Cox Family. While in the early stages of planning, the development is projected to bring approximately 2.1 million square feet of new product to the South Shore District. Although not formally announced, the project is expected to be a mix of office and multifamily with the potential for a hotel development on site.

AUSTIN, TEXAS

BEST PLACE TO LIVE IN THE U.S.
2017, 2018, 2019, 2020

U.S. News & World Report

AUSTIN, TEXAS, WILL BE 'THE BIGGEST BOOMTOWN THAT AMERICA HAS SEEN IN 50 YEARS'

ELON MUSK
CEO OF TESLA



No. 1

JOB MARKET

The Wall Street Journal



No. 1

SOARING TECH SALARIES

Bloomberg



No. 1

NATION'S HIGH-TECH HUB

The Wall Street Journal



No. 1

BEST CITY TO START A BUSINESS

Inc.

▶ ANNUAL REVENUE **\$1 BILLION** COTA/FORMULA 1



▶ ANNUAL REVENUE **\$265 MILLION** ACL MUSIC FESTIVAL



Named by U.S. News and World Report as the Best Place to Live in the U.S. for four consecutive years, Austin has transformed from a quiet state capital into one of the fastest-growing metros in the country. Universally regarded for its thriving economy and prosperous employment opportunities, Austin's quality of life truly sets it apart from other cities. People are drawn to the city's cultural vitality, outdoor spaces, and vibrant food and entertainment scene. Known as the "Live Music Capital of the World", Austin boasts hundreds of music venues and is home to SXSW and ACL Music Festival, two of the largest media events in the nation. Austin is celebrated for its enchanting natural beauty and oasis of outdoor activities found in more than 300 parks, 18,000 acres of green space, and 227 miles of trails. Austinites enjoy a reasonable cost of living with home prices below the national average, no state income tax, and the highest per capita income in the state. With a unique diversity of lifestyles within its boundaries, it is not hard to see why many people love to call Austin home.

 **\$27.4 M** ANNUAL VISITORS

 **\$8.7 B** ANNUAL ECONOMIC IMPACT FROM VISITOR SPENDING



No. 1

CITY AMERICANS ARE MOVING TO
Business Insider



No. 1

MARKET FOR REAL ESTATE INVESTMENT 2020
Emerging Trends in Real Estate® 2020



No. 2

BEST JOB MARKET
Forbes



No. 2

LARGEST MILLENNIAL POPULATION
Commercial Cafe

AUSTIN, TEXAS

Corporate Expansions & Relocations

- Austin is a hot spot for tech companies from all over the world with a total of 138,000 tech-related jobs (14% of total jobs compared to 7% nationally)
- In the past decade, Austin is the No. 1 city gaining company migrations from California
- Austin has the highest tech salaries in the nation with an average salary of \$202,000 (adjusted for cost of living)
- Austin's strong tech presence fuels \$31 billion into the economy, accounting for about 35% of the total



133 IN 2020 *(Creating 21,235 new jobs)*

144 IN 2019 *(Creating 12,328 new jobs)*

135 IN 2018 *(Creating 18,213 new jobs)*



Major Tech Employers

Dell 14,000 EMPLOYEES	Samsung 8,935 EMPLOYEES	Amazon 8,850 EMPLOYEES
Apple 7,000 EMPLOYEES <i>(11,000 Potential)</i>	IBM 6,000 EMPLOYEES	Oracle 5,000+ EMPLOYEES <i>(10,000 Potential)</i>
Indeed 2,800 EMPLOYEES <i>(4,500 Potential)</i>	GM 2,200 EMPLOYEES	Facebook 1,200 EMPLOYEES



TESLA ANNOUNCES RELOCATION OF THEIR HQ TO AUSTIN PLUS A \$1 BILLION MANUFACTURING EXPANSION

Gigafactory Texas is an electric vehicle manufacturing facility that will create at least 5,000 new jobs. The 2,000-acre site will be an "ecological paradise" with public access, a boardwalk, hiking and biking paths, and other environmentally friendly features. The factory will produce the Model Y, Model 3, Semi, and Cybertruck.

APPLE ANNOUNCES NEW \$1 BILLION AUSTIN CAMPUS AS PART OF BIG US 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.

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