



## DivcoWest Spends \$53M on Two-Building Austin Office Park

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By Nicholas Ziegler



San-Francisco based DivcoWest has put its Fund III investment vehicle to the test, rapidly snapping up new properties – and the latest acquisition is Prominent Pointe I & II, a two-building Class A office project in Austin, Texas. Totalling 261,243 square feet, building was sold for a reported \$53 million. Austin-based Aquila Commercial arranged the transaction on behalf of the seller, Aspen Properties.

The Austin purchase is the fifth acquisition for DivcoWest's Fund III since its inception in late 2011. In December, the fund purchased a five-property Silicon Valley office portfolio for \$40 million and, in November, the firm partnered on a joint venture with Stockbridge Capital for the \$47 million buy of Genessee Executive Plaza in the University Town Center submarket in San Diego.

Stuart Shiff, the CEO of DivcoWest, said his firm has been targeting high-value assets in the Austin market, especially in the technology arena. "Austin, as one of the premier tech-oriented markets in the country, is one of our natural targets for investment," he said.

A fourth-quarter report by services firm Cushman & Wakefield Inc. shows that the office sector – especially in the tech sector Shiff mentioned – has continued to outperform the nation in general. The city's unemployment rate stood at 6.6 percent at year's end, compared with Texas' rate of 7.5 percent and the national rate of 8.2 percent. "Throughout the beginning of 2012, look for (office) vacancy to decline, absorption to remain positive and rental rates to steadily increase," the report noted.

Prominent Pointe I totals 153,312 square feet and was completed in 1986, with substantial improvements completed in 2007. Prominent Pointe II totals 107,931 square feet with a 671-space covered parking garage and was completed in 2008.