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DivcoWest dives into Austin

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By JK Dineen

San Francisco-based DivcoWest is hot on Austin.

The value-add investor, which has been buying in the Bay Area and Silicon Valley recently, has completed the purchase of Prominent Pointe I & II, a two-building Class A office project totaling 261,243 square feet in northwest Austin.

Chad Barrett and Bart Matheney of Austin-based AQUILA Commercial arranged the sale of both buildings to DivcoWest on behalf of former property owner Aspen Properties. Terms of the transaction were not disclosed.

The purchase is the fifth acquisition made to date for DivcoWest's Fund III, an \$871 million vehicle raised late last year. Among the assets acquired for the fund thus far are Howard Hawthorne and 1275 Market St. in San Francisco, the Walsh @ Bowers portfolio in Santa Clara and Genesee Executive Plaza in San Diego. The 1275 Market St. buy was a joint venture with TMG Partners.

According to Stuart Shiff, CEO of DivcoWest, Austin has been a favored market of the firm over the years and continues to attract its attention. "We've had good success investing in the Austin market over the years as an owner/operator with a strong reputation among technology tenants. Austin, arguably one of the premier tech-oriented markets in the country, is one of our natural targets for investment," he said.

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.

The acquisition increases DivcoWest's office, R&D and flex space portfolio in Austin to more than 700,000 square feet. The firm also owns Parmer Business Park in the northwest market, as well as Building 312, a 200,000 s.f. two-building office/flex complex in the southeast section of Austin.