

# Commercial firms picking up new business as more properties change hands

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Endeavor Real Estate Group has added 10 employees this year, as it expands its commercial management and leasing operations, including new assignments such as managing the Mueller retail development.

Live Oak Gottesman just picked up the job of handling leasing for all Austin properties — a total of 3.3 million square feet — for the region's biggest industrial landlord, Prologis Inc.

Across the city, other commercial firms, including Thomas Properties Group, one of the area's biggest office owners, are picking up new business by managing office, retail and industrial properties, or finding tenants for them.

The changes reflect a pickup in commercial sales, as new owners seek to get the most return for their investments in office complexes and other properties, and are "a sign that the overall real estate economy improving in Austin," said Rob Golding, CEO of Live Oak Gottesman.

"Simply put, assets are beginning to change hands," Golding said. And typically, new owners "take a fresh look" at management and leasing services to make sure they're getting the best value, he said.

Leasing and managing commercial properties is a bread-and-butter business for some firms, and for others a way to diversify and have a buffer during development down cycles.

It has become more important to Endeavor as the pipeline for new development came to a "screeching halt" after Wall Street melted down in 2008, principal Chad Marsh said.

"Endeavor has redoubled its efforts to grow its leasing and property management platform over the last two years," he said.

In the past four months, Endeavor has picked up property management contracts for 1.35 million square feet of space and leasing for 564,000 square feet, Marsh said.

The new management duties include the Las Cimas II and III office buildings in Southwest Austin and Lavaca Plaza downtown.

Endeavor also now leases and manages Prominent Point I and II; 8303 Mopac; and Colina West.

In all, Endeavor leases or manages 5.7 million square feet of retail, office and industrial space in Central Texas.

"This is a business we want to continue to be in for the long haul," Marsh said. "We have committed the resources to make this a bigger component of the overall company," he said, noting that the company will continue to be involved in development and acquisition as the market dictates.

Endeavor now employs about 65 people, down from about 100 at the peak in 2008 but up from about 50 in 2010.

At Stream Realty Partners, leasing and management "has always been and will continue to be our primary focus," said Derek Land, co-managing partner of Stream's Austin office.

By April, Stream Austin had marked its fifth year by adding more than 1.5 million square feet of leasing and management contracts. It has since gained three more: leasing for University Park and leasing and management of Research Park Place and of Plaza 35.

Thomas Properties Group owns several prime downtown properties, including the Frost Bank Tower, plus suburban complexes.

It now also handles management and leasing for Austin Centre at 701 Brazos St. and 816 Congress.

Aquila Commercial took over the leasing for Aspen Lake, the Northwest Austin office complex, when Houston-based Crimson Real Estate Fund bought the property in March from its lender.

Karen Judson, a vice president at Transwestern, said she expects more properties to change hands both as the market improves, and as loans that were made in 2006-07 during the buying spree ahead of the crash come due this year and next.

"There is a lot of interest in Austin real estate," Judson said. "My guess is there is going to be a lot more properties coming to market."

Transwestern recently picked up management and leasing of the Jefferson Building, a medical office building in Central Austin, and leasing for Spyglass Point on South MoPac Boulevard (Loop 1).

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