

DOMAIN OFFICE LEASE

## **IndyMac buyer plans expansion in Austin**

### **OneWest's deal for site near Domain is largest transaction in about a year, brokers say**

By: Shonda Novak

AMERICAN-STATESMAN

STAFF Friday, April 17, 2009

OneWest Bank Group, which recently acquired failed IndyMac Bank, plans to expand in Austin and has leased an entire office building in North Austin to accommodate its growth. It is the largest lease deal in the past 12 months or so, local office brokers said.

The lease for 173,962 square feet was signed this week, said Diane Henry, a spokeswoman for OneWest. OneWest will occupy the Domain Gateway office building, which Endeavor Real Estate Group is building near Burnet Road and Braker Lane.

The office building is part of a large mixed-use project that Endeavor is developing just east of Simon Property Group's Domain shopping center.

OneWest currently employs about 800 people in about 100,000 square feet it leases at Freescale Semiconductor Inc.'s Parmer Lane campus. OneWest plans to move in August, said Chad Marsh, a principal with Endeavor.

"It is our understanding that they will have in excess of 1,000 people occupying the building eventually," Marsh said.

Marsh said Endeavor is "extremely excited to have a tenant of their standing and size, and we think it's a great fit for the mixed-use environment that is the Domain."

Henry, the OneWest spokeswoman, said details were not yet available on how many people OneWest eventually plans to hire in Austin, or over what period of time.

Rick Whiteley, a partner with Oxford Commercial in Austin, said the deal "represents a significant positive development in the marketplace."

Whiteley said other large office transactions are expected in the next few months. Endeavor plans an additional 200,000 square feet of office space at its Domain project, along with 500 apartments and 800,000 square feet of retail, Marsh said. An Aloft hotel with 140 rooms is due to open there in early December.

OneWest Bank Group LLC is a newly formed holding company owned by private investors that includes MSD Capital, a New York-based firm that manages a large portion of Michael Dell's fortune.

IndyMac, based in California, expanded to Austin in 2007, opening a mortgage servicing center with several hundred workers.

But burdened by a portfolio heavy with risky mortgages, the bank collapsed in July. It was the third-largest bank to fail since the government began insuring deposits in 1934.

When OneWest announced plans to buy IndyMac in January, it had more than 700 Austin workers who were servicing loan customers across the country.

Endeavor's Jamil Alam, along with Jim Coleman with Hanley Realty in New York, represented OneWest in negotiations on the Domain lease. Endeavor's Travis Dunaway and Jonathan Tate represented the landlord.

Austin's office market has been sluggish, with vacancies rising to their highest level in more than four years.

Although the market is expected to remain soft this year, activity has been picking up, and local brokers say they are optimistic about some potential expansions and relocations.

Vic Russo, an Oxford broker who represents landlords, said early this month that about a half-dozen companies are considering Austin among their relocation destinations, and three of those are "very serious about Austin" and would require sizable blocks of space.

Decisions are expected over the next year, Russo

said. [snovak@statesman.com](mailto:snovak@statesman.com); 445-3856