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Dear Client:

Property values are increasing dramatically in high-demand, low-availability parts of Austin. Take the land west of the UT Austin campus where hot new development projects include high-rise (and high-dollar) luxury living units. But, prime land is at a premium. So, how do you meet strong demand? An emerging trend is to build in *air space* above existing structures that are ideally located. At the forefront of this trend is a church. That's right, a church.

You couldn't ask for a much more ideal location for high rise student living units than in the **2000 block of Guadalupe Street (The Drag), alongside the UT Austin campus. This is the location of St. Austin's Catholic Parish. St. Austin's is in active negotiation for air space development rights *above* its property.** This could be a big win-win for both parties.

“Currently we are negotiating an exclusive agreement with Greystar, where we will spend the next couple of months developing the financial model that tells us if we could make a project work for all of us,” the pastor, Rev. Fr. **Charles Kullman,** told his parish. The property is huge. It not only includes the church facility itself but other buildings such as the rectory, offices, school, etc.

Greystar, he said, is a global leader in student housing with assets close to \$30 billion. “They stood out with their global experience and specific experience in West Campus, and **it has the balance sheet needed to support a potential project of this size,**” said Fr. Kullman.

Negotiations are not public, but the church will probably want to **improve its existing facilities and negotiate ongoing payments from the development,** while it maintains ownership and control of the land and church assets. Greystar would, within existing city zoning regs, see **how many living units (condos? rentals?) it can build and how high it can rise above the church facilities.**

So, what's the timetable? “No decision to move forward will be made until everyone is comfortable with the financial model and it is approved by the Diocese,” said Fr. Kullman. “I expect it would be **sometime in late February** before we get through this next step.” **St. Austin's, by the way, tried to work a similar air space deal with UT Austin, but was told the university's business model does not include student housing off their own property.** Also, we understand a small UT Austin fraternity, Acacia, is also working on an air space deal.

The demand for living units in the Austin area has been well-documented. And the demand is expected to continue as the population increases. Even as many new residents opt for settling in the suburban cities of the 5-county Austin metro area, population is expected to increase *inside* the Austin city limits as well. How much of an increase? Here's the latest estimate.

Hard to believe, but next year – that's right, 2020 – **the City of Austin will have more than one-million residents *inside* its city limits.** Let this sink in. Sure, the metro area has long surpassed that million-person-marker. And it's being fueled daily by people opting to live in the suburbs, rather than inside the city limits. But, if the current rate of people moving to Austin continues, the million population milestone inside the city will be surpassed soon.

Longtime City of Austin demographer **Ryan Robinson** points out that just a few weeks ago, **January 1st, the population of Austin was 981,035** – getting really close to the million-person mark. **When it hits a million, it will become one of only 11 US cities with at least that many residents.**

Wait a minute, you say, aren't there are more cities than just 10 that are larger than Austin? Well, **most of those cities you think of as much bigger than Austin are surrounded up-close by large suburban cities, creating a mass of people.** The mass *is* bigger. But they are different cities that appear as one.

This is important because cities have their own governing systems. Put it another way. **Austin's City Council will have the burden of governing a million-population city.** And it is even more difficult than the population indicates. Why? Because, **unlike most US cities, Austin is also the operator of a major airport and major utilities.** Operating entities, other than city-owned, handle those tasks in other cities around the nation.

There are other facets to this population growth that Robinson revealed to **John Egan** with *CultureMap*. The demographer pointed out that, even with Austin's impending population milestone, **the city's portion of the entire region's population is dropping to an all-time low.** This, of course, is due to fast population gains in the metro area outside Austin.

He notes, from July 1, 2016 to July 1, 2017, the Census Bureau estimates the Austin metro grew by more than 55,000 people. But, out of that number, the population increased by just more than 12,500 in the city proper. **The city's portion of the 5-county metro's total gain was at an all-time low of 23%.**

“Austin continues to be a rapidly growing city within the framework of the country's largest cities, **but they are a far cry from when Austin dominated the rankings during the earlier part of the decade,**” Robinson told Egan.

Meantime, keep an eye on 2020 when the million milestone will be reached in Austin.

Spiffy, expensive high-rise downtown hotels are the most visible symbol of Austin's outsized increase in hotel rooms. But, they are only a part of the picture. The total number of hotel rooms increased by 12.4% within the last two years and is expected to increase by approximately 11% during the next two years, according to an industry analysis. Smaller properties, outside the downtown Austin core, are dominating the recent hotel boom.

Investors are taking notice. In fact, last year, CBRE Hotels sold **an average of one hotel a month in Central Texas, seven in the Austin metro and four in San Antonio.** The buyers have often been international, or from out of state, according to GlobeSt.com.

The Austin area hotels that sold are: Staybridge Suites **Austin South** ... Holiday Inn Express & Suites **Bastrop** ... Holiday Inn Express & Suites **Hutto** ... Holiday Inn Express & Suites **Georgetown** ... **Austin Suites Hotel** ... Best Western **Marble Falls** ... and Econo Lodge **Austin.**

Two of the larger units sold are being converted to micro units and apartments.

A famous (some say "infamous") Austinite has received a dubious distinction. Alex Jones, "who helped create a world where facts don't matter," was chosen the top 2019 Bum Steer of the Year out of a field of "Texas's most ridiculous and idiotic endeavors, featuring political personalities, flashy figures, and plenty of nameless ne'er-do-wells." As it has done since 1974 *Texas Monthly (TM)* bestowed the honors.

Jones started out years ago on one of Austin's free community cable TV channels. He built his conspiracy theory rants into a multi-million dollar empire around the program he called "Infowars." **In 2018, it unraveled big-time amid lawsuits and being kicked off social media platforms Facebook, Twitter and YouTube. The sites cited repeated violations of their policies against harassment and hate speech.** Noted *TM*: "For a man as dependent on social media as Jones, seeing those accounts go dark was like having a plastic bag tied over his head."

What was so egregious about Jones' rants and actions? Well, for one he said the **killings of many children at Sandy Hook never happened. It was all staged by actors.** Three parents of dead kids filed defamation lawsuits against Jones. He also capitulated after claiming yogurt company **Chobani imported migrant rapists.** He even claimed a US military exercise near Bastrop, called Jade Helm, was a **prelude to martial law.** There's more, but you get the picture.

TM reported that **"for the foreseeable future we will still be living in the world Jones helped create, a place where facts are infinitely malleable, conspiracy theories are the coin of the realm, and rage overruns decency.** In that sense he has won, but in doing so he has made sure the rest of us have lost. That's why Alex Jones is our Bum Steer of the Year."

Austin – Live Music Capital of the World. That is soooooo yesterday. Is Austin now the Bachelorette Capital of Texas? You might think so if you wander downtown on a weekend and see groups of about 10 or 12 young ladies, laughing, boozing and sporting phallic accessories as they party day and night. They are most visible sipping beer on pedal-powered Pub Crawler party bikes between downtown drinking establishments.

“Austin consistently ranks among the top bachelorette spots in the nation,” reports *Texas Monthly (TM)* in its January 2019 issue. One wedding website writes: **“People love the food, the music, the ambience, the local flavor.** It’s really a fun destination to go for a weekend and immerse yourself in.”

TM reports that *Brides* magazine’s *Wedding Wire*, and countless wedding blogs claim **the city offers amazing cocktails, adorable murals, and the artsy vibe the modern bride-to-be (and her six to twelve best friends) are looking for.** They are young, affluent and parachute in from other cities.

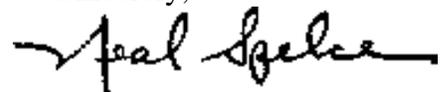
(To continue, reader discretion advised!) These bachelorette groups are big business in Austin. There are several **bachelorette party planning services, one charges \$450/person** just for the *planning*. Another company, **an online retailer, caters to bachelorettes** with customizable balloons, sunglasses, koozies, etc., and X-rated items like phallic-shaped pool floats and water bottles.

Rainey Street is the party area of choice (Sixth Street is soooooo yesterday), a two-block stretch that is home to about 15 bars at last count. *TM* printed pics of bachelorettes wearing phallic looking tiaras and sipping exotic cocktails from phallic-shaped straws. **These are not your grandmom’s bridal shower events.**

Who knows? Austin may adopt Las Vegas’ slogan: **“What happens here, stays here.”**

Dr. Louis Overholster says bachelorettes tell a lot of stories/jokes about guys, but only one is printable: “Men are just like the weather – nothing can be done to change either of them!”

Sincerely,



Editor/Publisher