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## \$20M industrial complex slated for RR

Austin Business Journal - by [Sandra Zaragoza](#) ABJ Staff

Stream Realty is moving speedily on Raceway Crossing, a new warehouse development in Round Rock.

**The \$20 million Raceway Crossing is poised to be the only new industrial product in the Round Rock submarket completed by the end of this year -- one competitive advantage in an industrial market that's only expected to get tougher, industry watchers say.**

**Stream Realty is building a 51,200-square-foot building and two approximately 99,000-square-foot buildings at Raceway. The project is springing up just west of I-35 and south of State Highway 45. The warehouses, which include flexible space, are expected to be completed by October.**

Raceway will be part of a burgeoning area marked by corporate offices, including **Dell Inc.**'s headquarters and shopping destinations such as La Frontera. It will also be close to Travesia corporate park, an office project under development by **Champion Partners** and **Stream Realty Partners LP**.

David Blackbird, who is marketing the property, says that Raceway's location close to SH 45, MoPac Expressway and I-35 make it ideal for warehouse tenants and regional vendors. Its Round Rock location also puts it within miles of Cedar Park, Leander and Pflugerville.

"Interest has been good. We've toured with a number of prospects..." Blackbird says.

Raceway's design will allow for the warehouses to be carved into smaller sizes. Blackbird expects that the average warehouse size will range between 20,000 to 40,000 square feet.

Tim Harrington of Oxford Commercial says that occupancy and rental rates appear to be dwindling in the North Austin area.

"Long term it'll be a good site. It's a good area. But in the short term I think it will be a challenging time," Harrington says. "We think the industrial market is pretty soft."

With 1.6 million square feet of industrial space under construction in the Austin and Round Rock market, vacancy rates are expected to slowly rise throughout 2008, according to Oxford research. In the first quarter of 2008, vacancy in the Round Rock market was at 9.6 percent, while vacancy in the overall Austin area market was at 11.8 percent.

Round Rock is one of the smaller industrial markets in the greater Austin area with about 3 million square feet of industrial space available. To compare, the Northeast Austin submarket boasts more than 10 million square feet of industrial space.

The Round Rock industrial market is also expected to be hard hit in the coming months by Dell's workforce reduction. If some Dell vendors decide to depart, it could bring a spate of vacated space to the market, experts say.

**Courtesy of JB Goodwin**