



Hillwood buys foreclosed Rocky Creek Ranch

By [Shonda Novak](#)

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Rocky Creek Ranch, a 468-acre planned residential community in southwestern Travis County, has a new owner.

Hillwood Residential, a division of Hillwood Development Co., the Dallas real estate company founded by Ross Perot Jr., purchased the single-family subdivision on Hamilton Pool Road for an undisclosed price. CB Richard Ellis Group Inc., which had marketed the property, announced the sale Tuesday. The closing was Aug. 31.

A Hillwood official said the company plans to develop a project with 400 homes, and two builders — Highland Homes and Drees Custom Homes — have contracted to buy the first 151 lots, which are ready to be built upon. Those homes will be priced from the \$290,000s to about \$500,000, said Brian Carlock, a senior vice president with Hillwood Residential.

The seller was Plano-based LegacyTexas Bank, which had foreclosed on the property in July 2009 after the mortgage went into default. Kerby Development had borrowed \$19.5 million for the project but later filed for bankruptcy.

Kerby had planned 396 high-end home sites, with the first phase of construction to be completed in 2008. No homes were built, however.

Rocky Creek Ranch was among the larger foreclosures in Central Texas, where the real estate market took a hit during the recession.

It also was one of the larger residential projects planned or under construction in the Texas 71-Lakeway corridor. Like some of those projects, Rocky Creek Ranch had also stirred opposition from some neighbors and environmentalists.

Carlock said all the required approvals are in place for Hillwood to build as many as 400 homes at Rocky Creek Ranch. He said Hillwood expects to have the first 10 homes, including two model homes, ready by Jan. 1.

The project will include an amenity center, playground, trails and about 325 acres of open space, he said.

Carlock said Hillwood expects to complete the project in five or six years. He said subsequent phases will have homes in the \$300,000 to \$600,000 price range, which he said is "arguably a very affordable home" in that part of Travis County, where the price of a new home averages about \$450,000.

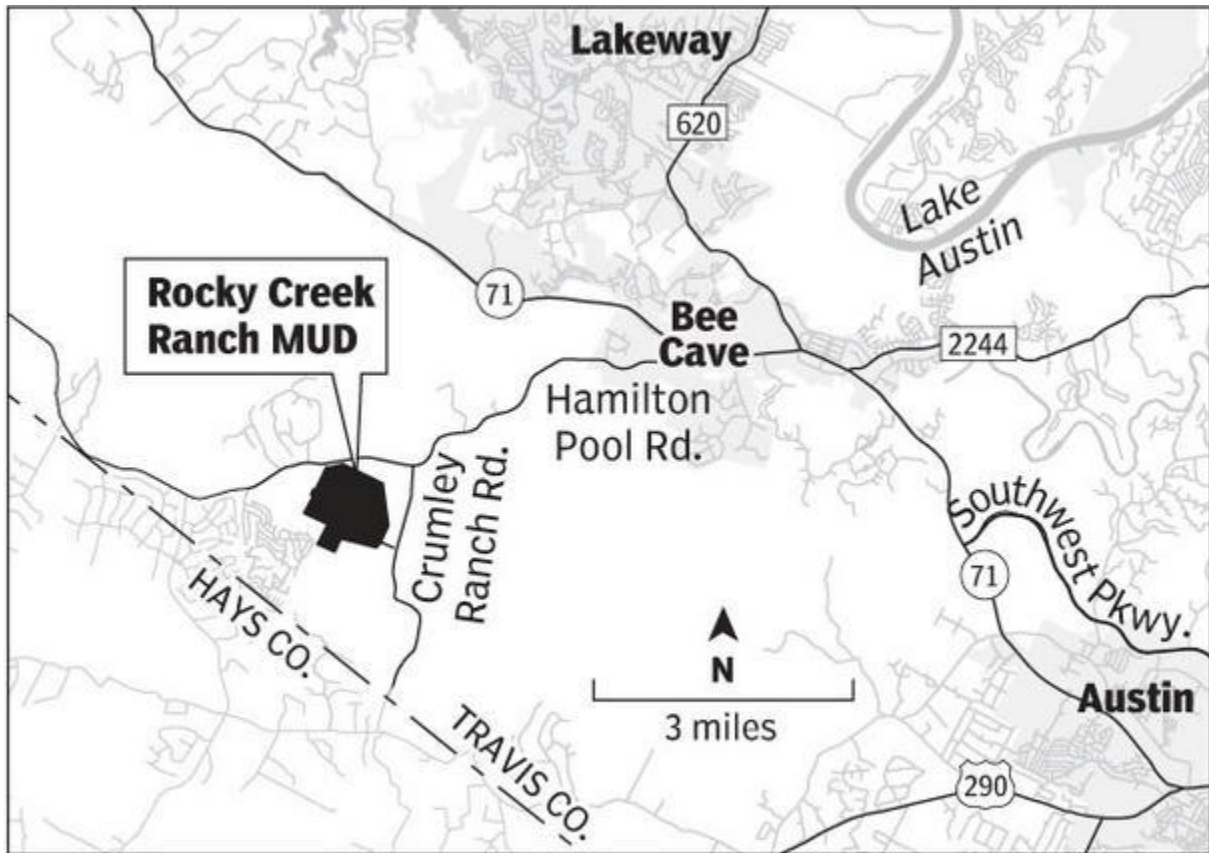
Carlock said that although there is an oversupply of lots in the area, "almost all of the excess lots are at a price point well above what we're targeting."

He said home prices in the nearby Falconhead West community are in a similar range to those for the homes planned for Rocky Creek Ranch, and Falconhead is one of the most successful projects in the Austin area, with 119 sales in the past four quarters.

"The demand is certainly showing in that price point, and we're hoping to come in underneath them," Carlock said.

Hillwood Development was a partner in Spanish Oaks, the nearby upscale residential and golf course community whose lender foreclosed on the project Tuesday.

Carlock said the two projects are two separate investments for Hillwood — two different deals with different Hillwood groups involved and otherwise unconnected.



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Courtesy of JB Goodwin