

EXCLUSIVE REPORTS

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Rebirth in West Campus

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An Austin developer is giving the West Campus area a \$115 million makeover by adding more than 650 apartments tailored toward University of Texas students.

[Simmons Vedder & Co.](#) has assembled ownership of about 8 acres just west of the UT campus and plans to redevelop area properties over the next three years.

The first phase, representing a \$40 million investment, involves replacing private student housing projects, including Contessa and Madison, with about 250 new rental units.

About 150 units and 4,000 square feet of ground-floor retail space will rise where the Contessa stood. An additional 100 units and 5,000 square feet of retail are in the works for the former Madison South site.

The first phase kicked off just a few weeks ago and should finish in the summer of 2006, says John McKinnerney, a partner at Simmons Vedder.

A second phase totaling \$75 million is set to begin in the spring of 2006. It will feature 400 to 500 apartments along with 45,000 square feet of retail, and will mean the demolition of the Madison North and University Gardens student housing projects.

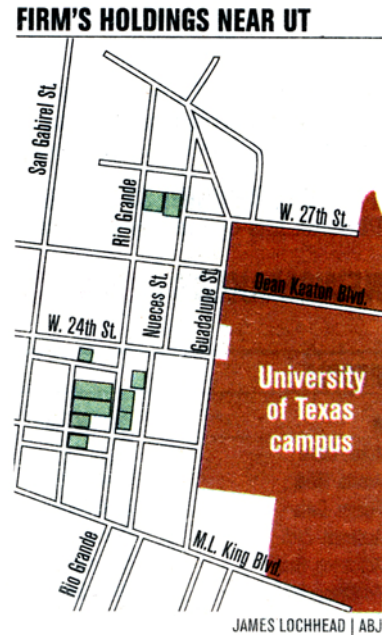
Only one structure, the private Hardin House dormitory, is expected to remain intact among all the property bought by Simmons Vedder.

"There seems to be quite a bit of demand close to the university," McKinnerney says. "If you look at student housing across the country, the biggest draw is being close to campus."

About 18,000 students live on the UT campus or within walking distance, McKinnerney says. Another 32,000 students either drive or take shuttles to the campus.

Simmons Vedder's new projects, which haven't been named, are designed to offer modern amenities in an area where fewer than 400 units have been constructed since 1982, McKinnerney says. Greater density is being encouraged in the area, thanks to a new development plan adopted by the City of Austin last August.

However, that plan hasn't been "spurring development like you'd like to see," McKinnerney says. "I think it's because there's so few sites, and property is so expensive."



A real estate expert says housing in the West Campus area is behind the times.

"Most of the product that's available in the West Campus area was built in the '70s, '80s or earlier, and it really doesn't have all the full range of amenities that students expect in their accommodations today," says Charles Heimsath, president of Austin-based Capitol Market Research Inc.

Heimsath says the Villas on Guadalupe, a 150-unit project built in 2003, is regarded as the new "high standard." That upscale project and two others have features such as security cameras and covered parking.

In comparison with the Villas, Simmons Vedder's projects "won't have all the amenities -- and consequently won't have as high a price," Heimsath says. "Frankly, to me that makes sense to deliver more units that appeal to a broader range of students."

McKinnerney says pricing for the new units hasn't been determined. Also, the company hasn't decided whether it will hold the properties or sell them after completion.



Founded in 1992, Simmons Vedder specializes in buying and developing commercial real estate and multifamily properties. The company has built or purchased more than \$500 million in office and multifamily projects since 1995 in Austin, San Antonio, Houston, Atlanta, Denver, Orlando, Fla., and Washington, D.C.

The company's other Austin projects include the residential portion of The Triangle, a 22-acre, mixed-use development at 45th Street and Lamar Boulevard, and The Reserve at Bull Creek, a 132,000-square-foot office complex that it sold in 2000.

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