

FOR LEASE

1304 RIO GRANDE ST
AUSTIN, TX 78701

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PROPERTY HIGHLIGHTS



LEASE PRICE: \$26/SF + \$10 NNN *Estimate provided by landlord and subject to change

SIZE: 6,742 SF

LAND: .203 ACRES

ROOMS: 7

PARKING: 6 SPOTS

ZONING: GO (GENERAL OFFICE) OR B&B

PROPERTY HIGHLIGHTS



- **THE SUBJECT PROPERTY WAS ORIGINALLY CONSTRUCTED IN 1916.**
- **IT HAS 7 GUEST ROOMS AND A FOYER, KITCHEN AND DINING ROOM, MANAGER'S APARTMENT, HOUSEKEEPING CLOSET, SECOND STORY LOUNGE, AND FINISHED ATTIC.**
- **FLOORING IS MADE OUT OF RECLAIMED HARDWOODS, TRAVERTINE TILE, AND COMMERCIAL CARPETING.**
- **EASY ACCESS TO TWO OF THE LARGEST HIGHWAYS IN THE AUSTIN AREA BEING ONLY 5 MINUTES AWAY FROM HIGHWAY LOOP 1 (MOPAC) AND 5 MINUTES AWAY FROM IH 35.**
- **5 - 10 MINUS AWAY FROM THE COURT HOUSE**
- **ACCOSS FROM ACC COMMUNITY CAMPUS**

Monthly Gross Income Estimate

The Adina by Casulo

PROFIT AND LOSS STATEMENT

1304 Rio Grande, Austin TX 78701
Wednesday, August 1, 2018

Gross Revenue		\$50,100 ¹
Expenses		
Pest Control	\$150	
Waste Proposal	\$150	
Bank Service Fee	\$600	
Cable Service	\$250	
POS and Online Travel Agency Commission	\$2500	
Gas	\$300	
Insurance	\$800	
Miscellaneous	\$1800	
Repair & maintenance	\$2000	
Utilities	\$2,800	
Supplies	\$2200 ²	
Breakfast Purchasing	\$800	
Payroll	\$6000 ³	
Payroll taxes	\$550	
Other taxes	\$1200	
Landscaping	\$400	
Property taxes	\$1200	
Management fees and franchised fees-6%	\$3006	
Total expenses		<u>\$26,706</u>
Income before debt expenses		\$23,394
Monthly loan payment	\$11,000	

¹ \$200/ night * 8 rooms (75% occupancy) = \$1,600 \$1,600*30days=\$48,000 Bottle wine and beers sales \$2100 (no license needed to sell)

² Supplies include hotel guest supply, office supply

³ Payroll includes Front desk and Housekeeping, Part time maintenance

B&B PROFORMA

- 1304 RIO GRANDE ST IS LOACATED IN THE HEART OF DOWNTOWN AUSTIN.
- IT IS ACROSS THE STREET FROM AUSTIN COMMUNITY COLLEGE.
- WITHIN A FEW BLOCKS OF TONS OF AMENITIES AND RESTAURANTS.



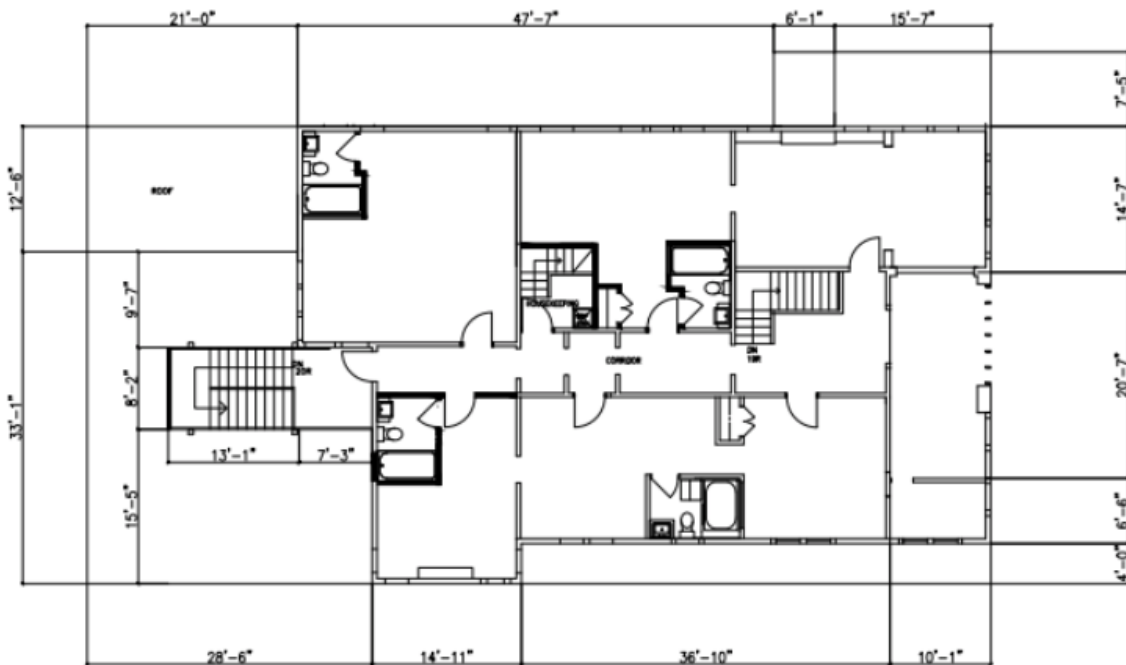


PROJECT EXTERIOR CONCEPT

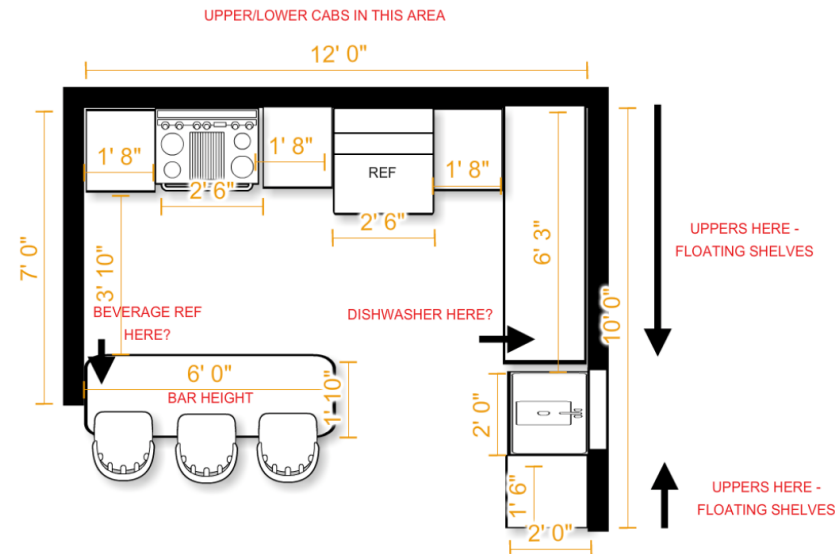


NOTES TO DRAWING:

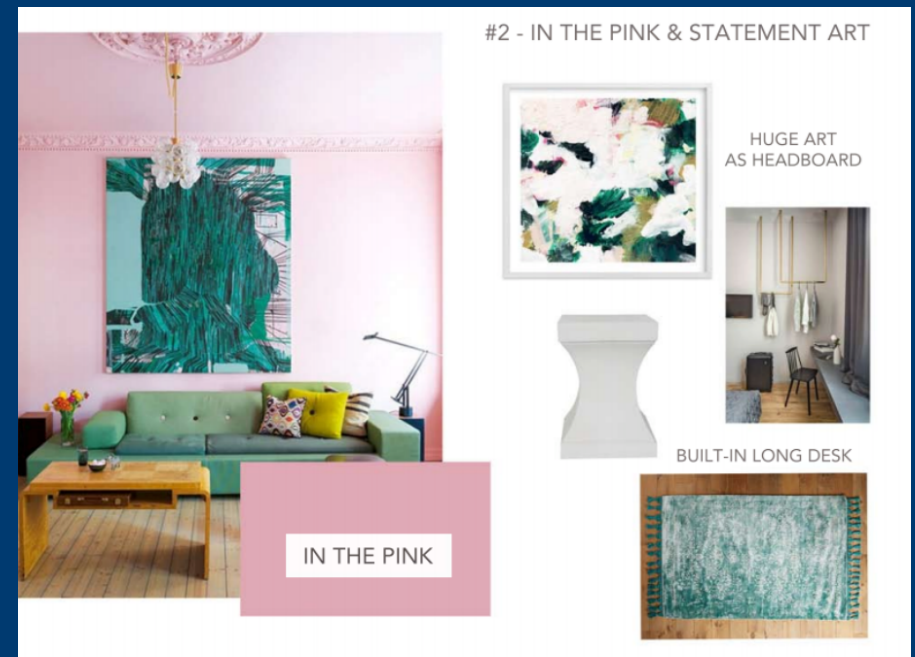
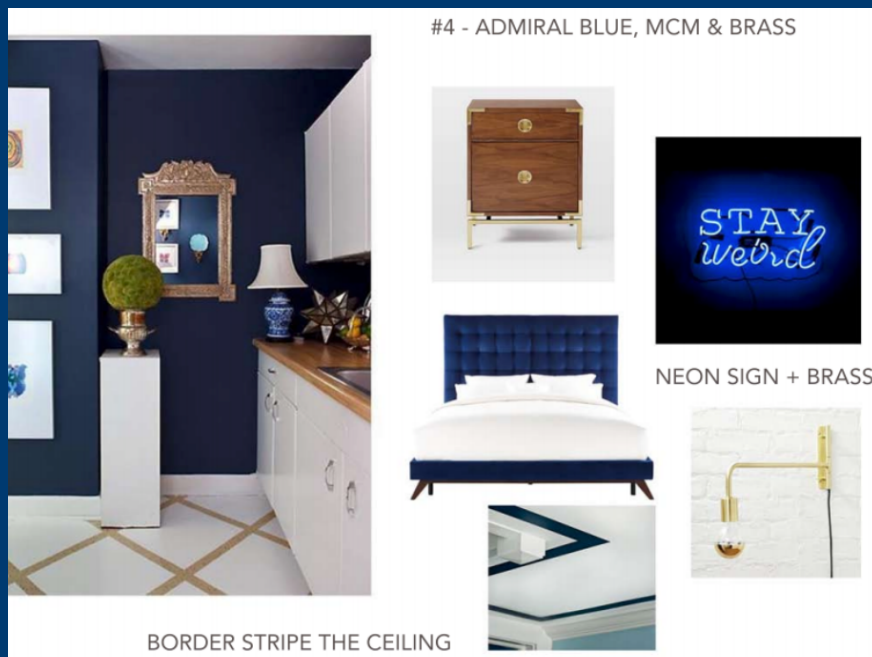
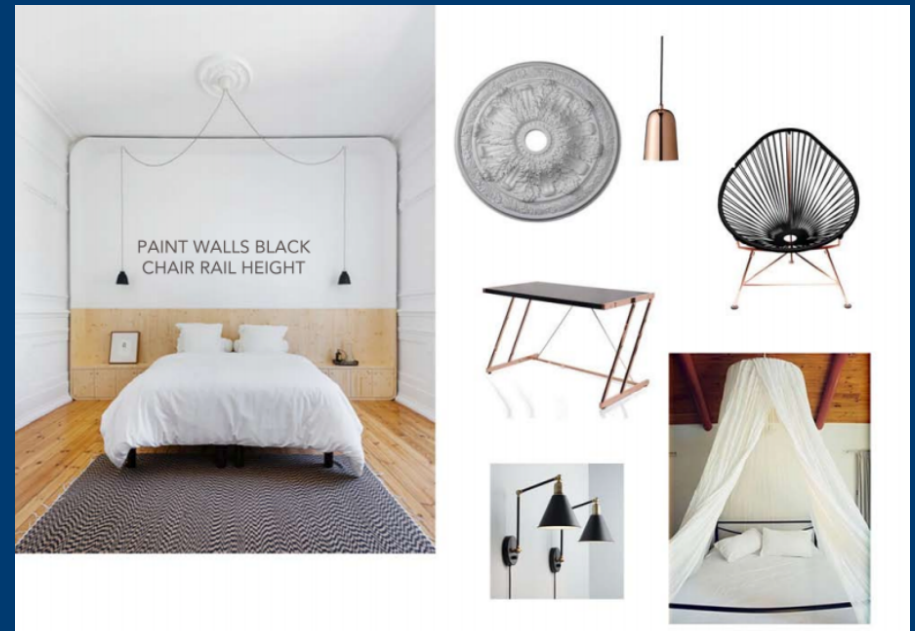
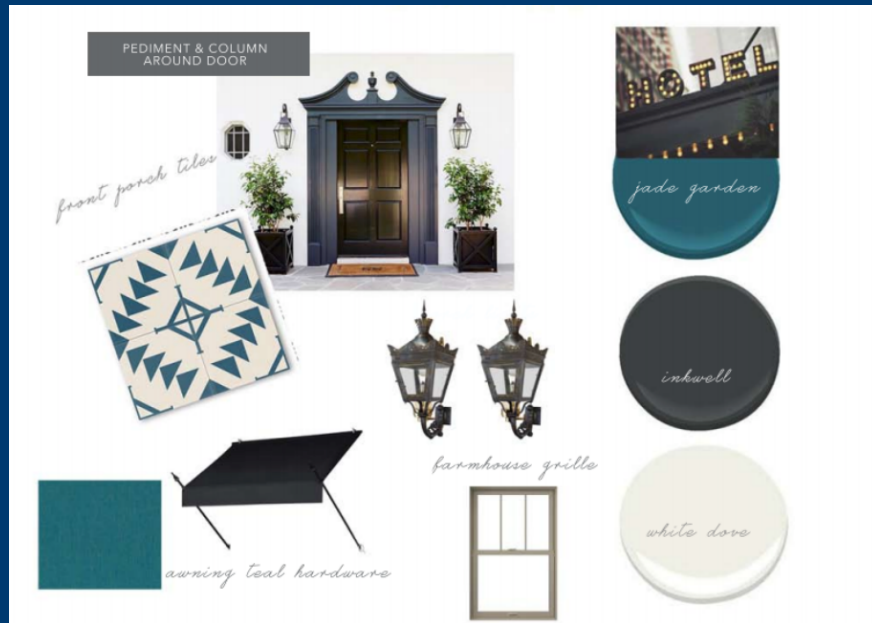
SPERRY
 COMMERCIAL
 GLOBAL AFFILIATES
 LT COMMERCIAL GROUP



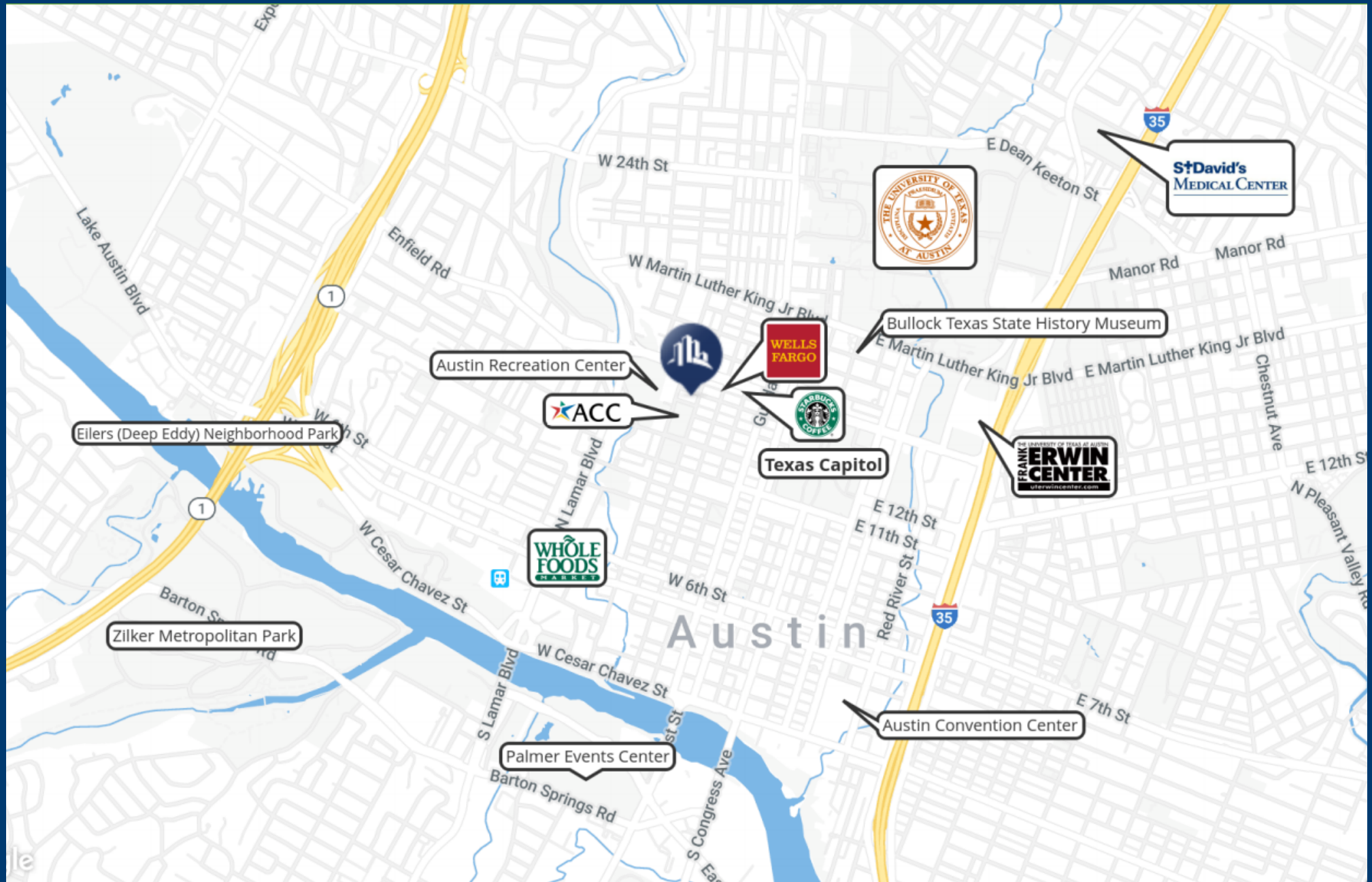
1 SECOND FLOOR PLAN
1/4" = 1'-0"



POSSIBLE B&B INTERIOR DESIGNS



AREA RETAILERS



TRAFFIC COUNT

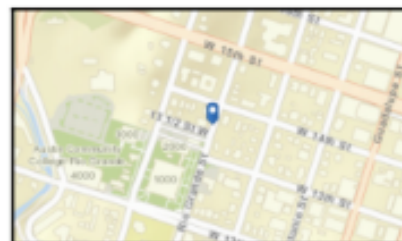
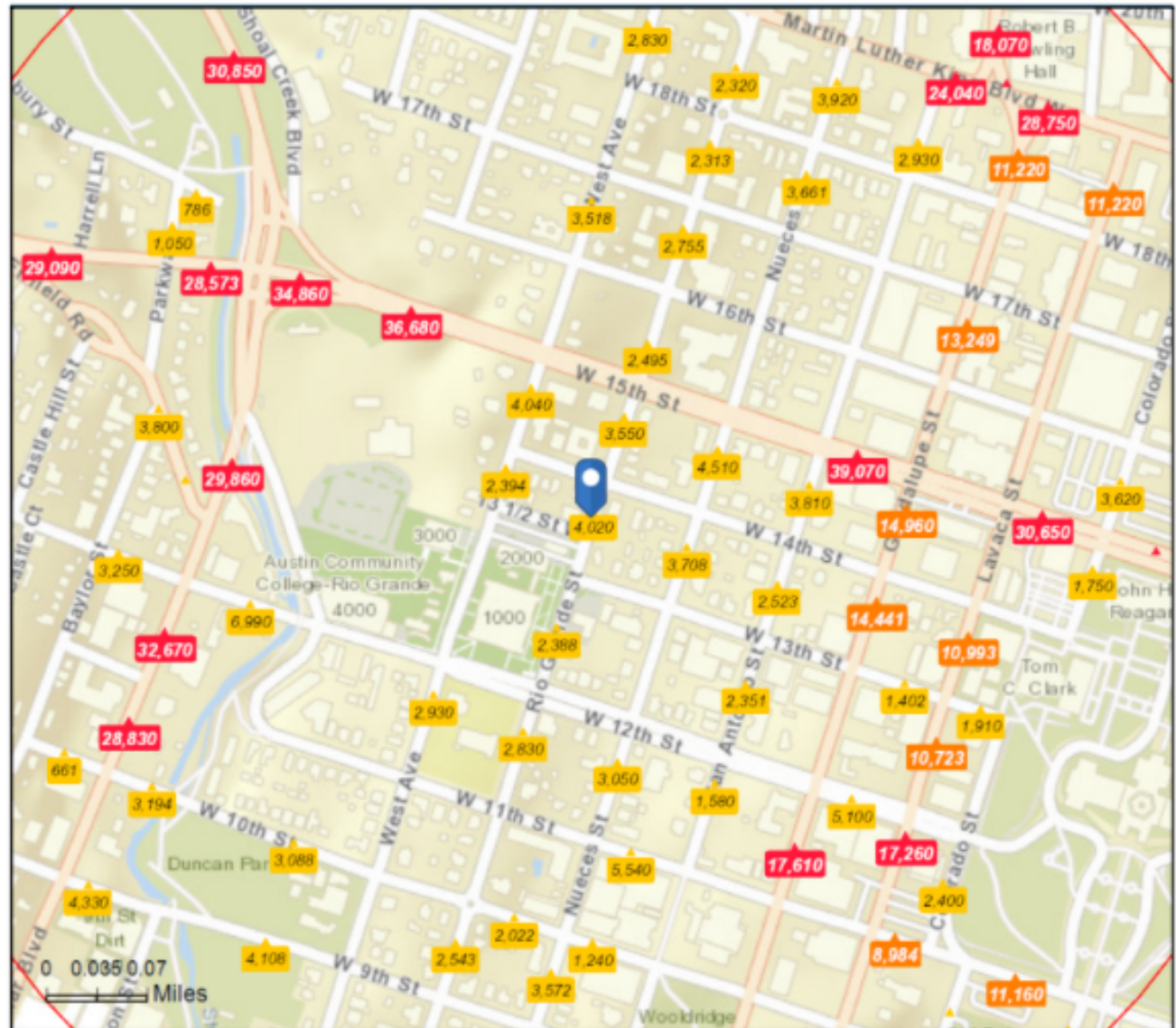
- RIO GRANDE ST:
4,020 VPD
- 15TH ST:
39,070 VP
- GUADALUPE ST:
14,960 VPD



Traffic Count Map - Close Up

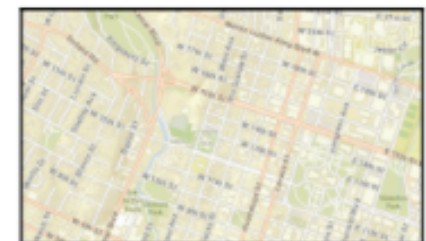
1304 Rio Grande St, Austin, Texas, 78701
Rings: 0.5, 1, 2 mile radii

Prepared by Esri
Latitude: 30.27751
Longitude: -97.74673

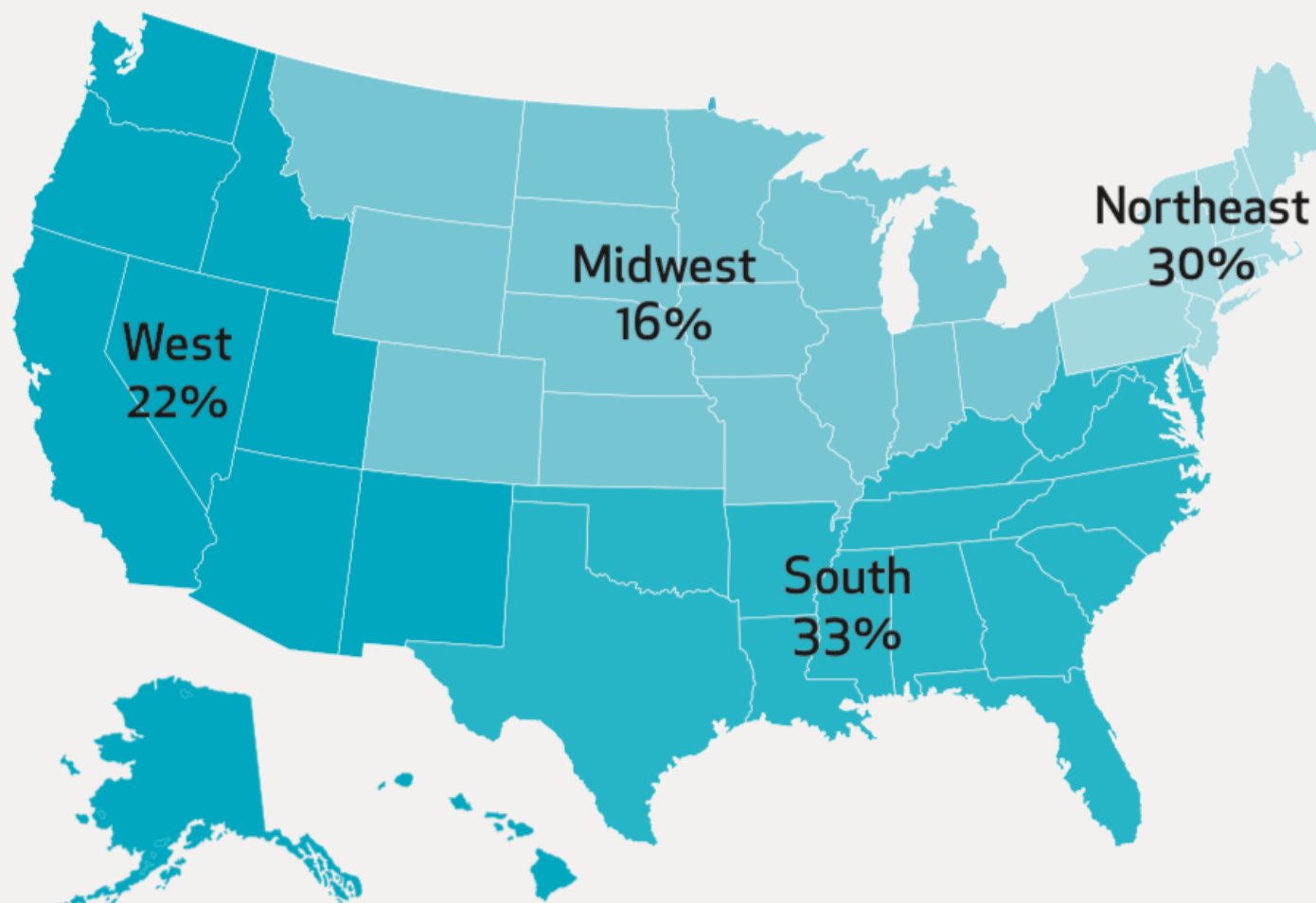


Average Daily Traffic Volume

- ▲ Up to 6,000 vehicles per day
- ▲ 6,001 - 15,000
- ▲ 15,001 - 30,000
- ▲ 30,001 - 50,000
- ▲ 50,001 - 100,000
- ▲ More than 100,000 per day



WHERE ARE B&B'S LOCATED?



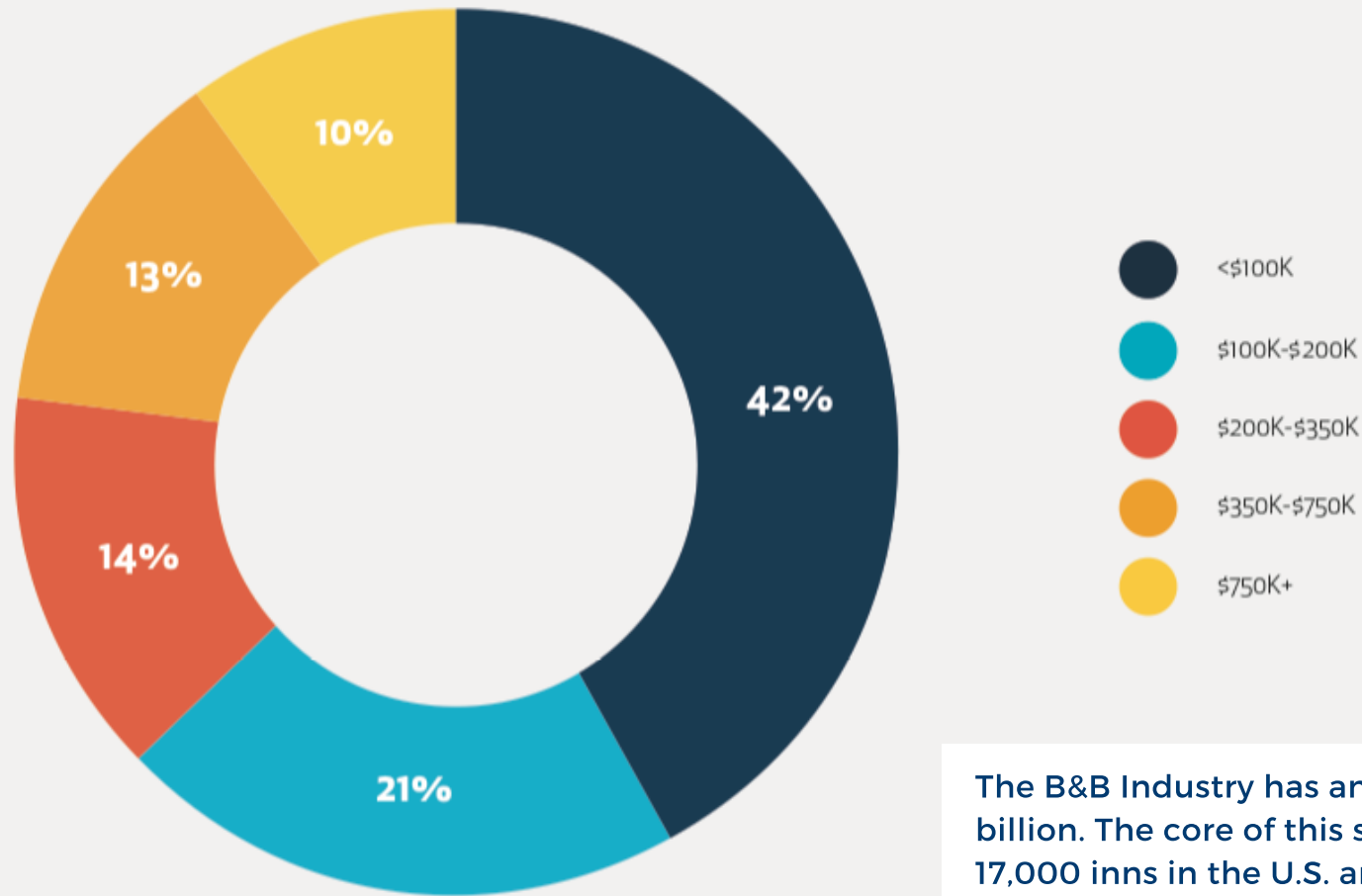
Base: Lodging establishments (N=503)

Source: Phocuswright's B&Bs Unbound – The State of B&Bs in the U.S.



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TOTAL REVENUE FROM B&B IN 2016



Base: Lodging establishments (N=503)

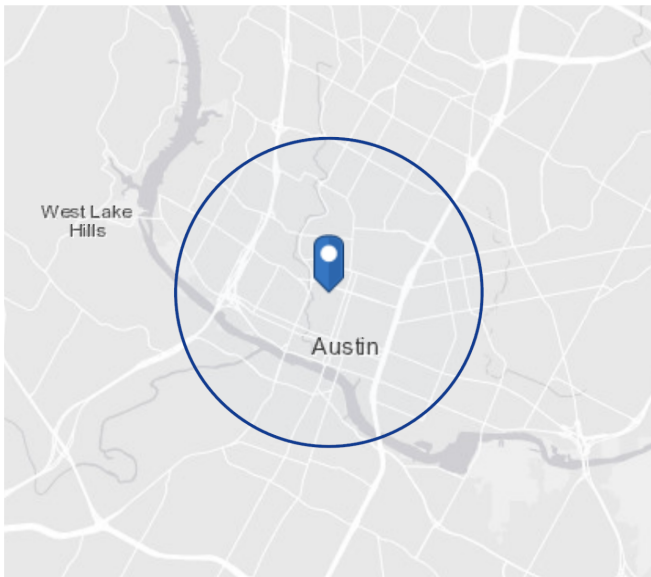
Source: Phocuswright's B&Bs Unbound – The State of B&Bs in the U.S.

The B&B Industry has an estimated worth of \$3.4 billion. The core of this starts with the estimated 17,000 inns in the U.S. and then branches out to all the product and services needed to enable these inns to be the desired destination for millions and millions of travelers, both domestic and international.

MARKET OVERVIEW

- **Economic** forces are changing quite rapidly and can and do have an immediate impact on innkeepers. Energy costs (gas, fuel, oil), access to credit, consumer spending and confidence are just a few areas that have a direct correlation to the ability of innkeepers to operate.
- **Technological** forces probably have the greatest impact on innkeepers with the presence and growth of the digital information world. Understanding online review sites, “social networks” and the ways in which potential guests make their decisions on where to stay is just the beginning. Devising strategies and tactics to successfully compete in this new marketplace is critical.
- **Social** forces impact the industry as well. Take the aging population: not only do they have physical needs that require special attention with their accommodations, but the impact on their financial resources – retirement funds, health care and pharmaceutical expenses – greatly impacts their ability to use discretionary dollars for travel.
- **Political** forces play a role in the industry as well. This isn't only in issues specific to the travel and lodging field – such as taxes, governmental spending on tourism promotion, and labor laws – but in broader areas as well. For example, look at the impact of the loss of much of the business community's travel that involved leisure activities due to political forces that view such travel as wasteful in today's economy.

DEMOGRAPHICS



POPULATION TRENDS AND KEY INDICATORS

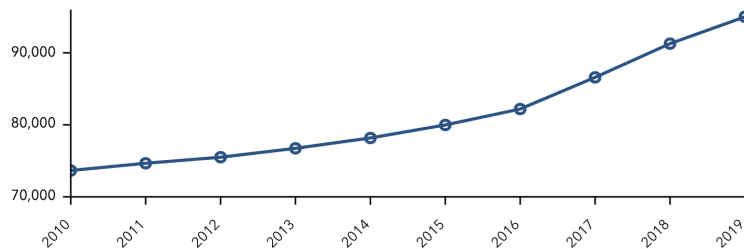
1304 Rio Grande St, Austin, Texas, 78701

95,006	43,330	1.88	26.9	\$64,385	\$520,936	94	54	61
Population	Households	Avg Size Household	Median Age	Median Household Income	Median Home Value	Wealth Index	Housing Affordability	Diversity Index

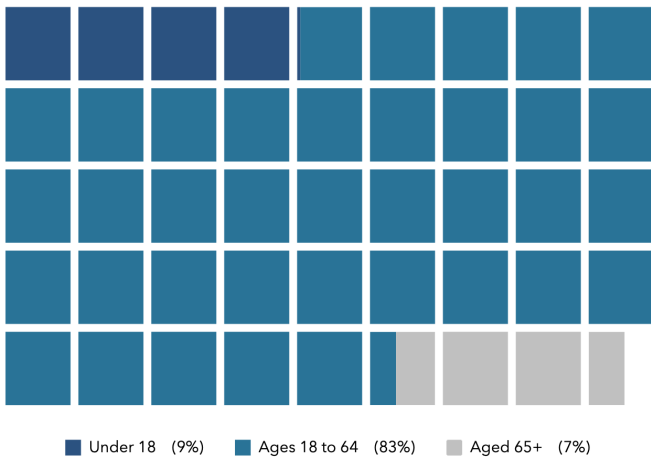
MORTGAGE INDICATORS



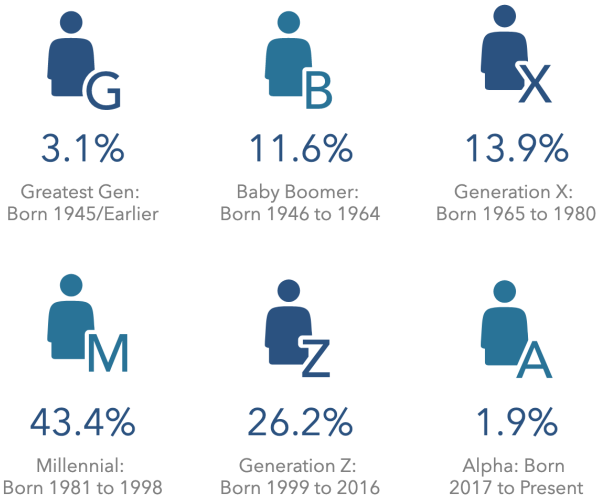
Historical Trends: Population



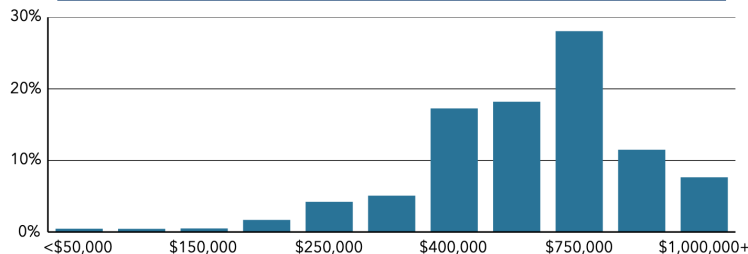
POPULATION BY AGE



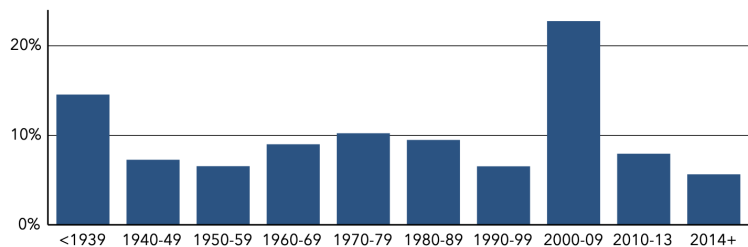
POPULATION BY GENERATION



Home Value



Housing: Year Built





Demographic and Income Comparison

1304 Rio Grande St, Austin, TX 78701

Prepared by Esri

2018 Summary

Population	4,214	33,984	93,792
Households	1,902	13,464	42,691
Families	347	2,475	11,561
Average Household Size	1.78	1.70	1.87
Owner Occupied Housing Units	559	3,728	13,196
Renter Occupied Housing Units	1,343	9,736	29,495
Median Age	26.2	23.5	26.7
Median Household Income	\$39,169	\$49,766	\$51,412
Average Household Income	\$74,411	\$87,317	\$89,720

2018 Population by Age

	Number	Percent	Number	Percent	Number	Percent
Age 0 - 4	60	1.4%	428	1.3%	2,732	2.9%
Age 5 - 9	50	1.2%	300	0.9%	2,412	2.6%
Age 10 - 14	41	1.0%	259	0.8%	2,136	2.3%
Age 15 - 19	480	11.4%	7,914	23.3%	11,872	12.7%
Age 20 - 24	1,363	32.4%	11,403	33.6%	24,239	25.8%
Age 25 - 34	804	19.1%	5,537	16.3%	18,793	20.0%
Age 35 - 44	448	10.6%	3,086	9.1%	10,678	11.4%
Age 45 - 54	355	8.4%	1,996	5.9%	7,463	8.0%
Age 55 - 64	281	6.7%	1,593	4.7%	6,768	7.2%
Age 65 - 74	193	4.6%	968	2.8%	4,206	4.5%
Age 75 - 84	84	2.0%	334	1.0%	1,666	1.8%
Age 85+	54	1.3%	166	0.5%	829	0.9%



Demographic and Income Comparison

1304 Rio Grande St, Austin, TX 78701

Prepared by Esri

2018 Households by Income	0.5 miles		1 mile		2 miles	
	Number	Percent	Number	Percent	Number	Percent
<\$15,000	542	28.5%	3,655	27.1%	9,734	22.8%
\$15,000 - \$24,999	180	9.5%	1,064	7.9%	3,704	8.7%
\$25,000 - \$34,999	168	8.8%	1,050	7.8%	3,450	8.1%
\$35,000 - \$49,999	181	9.5%	975	7.2%	3,999	9.4%
\$50,000 - \$74,999	255	13.4%	1,828	13.6%	5,810	13.6%
\$75,000 - \$99,999	144	7.6%	1,011	7.5%	3,659	8.6%
\$100,000 - \$149,999	201	10.6%	1,621	12.0%	5,072	11.9%
\$150,000 - \$199,999	82	4.3%	764	5.7%	2,736	6.4%
\$200,000+	149	7.8%	1,496	11.1%	4,528	10.6%
Median Household Income	\$39,169		\$49,766		\$51,412	
Average Household Income	\$74,411		\$87,317		\$89,720	
Per Capita Income	\$40,304		\$36,876		\$41,996	

2018 Race and Ethnicity	Number	Percent	Number	Percent	Number	Percent
White Alone	3,130	74.3%	24,252	71.4%	69,321	73.9%
Black Alone	176	4.2%	1,363	4.0%	5,403	5.8%
American Indian Alone	20	0.5%	109	0.3%	465	0.5%
Asian Alone	618	14.7%	5,848	17.2%	10,131	10.8%
Pacific Islander Alone	2	0.0%	18	0.1%	48	0.1%
Some Other Race Alone	131	3.1%	1,229	3.6%	5,273	5.6%
Two or More Races	136	3.2%	1,165	3.4%	3,151	3.4%
Hispanic Origin (Any Race)	563	13.4%	4,884	14.4%	17,574	18.7%

EXECUTIVE SUMMARY

1304 RIO GRANDE ST
AUSTIN, TX 78701

Market Overview

The Austin office market recorded just under 708,000 square feet (sf) of overall positive absorption during Q1 2019. Move-ins by major tenants, including HomeAway, which occupied approximately 316,000 sf in The Domain, helped strengthen already impressive absorption figures. In the Central Business District (CBD), positive absorption was seen once again with approximately 67,000 sf of overall positive absorption recorded. Leasing activity also remained strong with more than 1.7 million square feet (msf) of office space leased city-wide during Q1 2019.

The overall vacancy rate in Austin fell to 10.5%, down 10 basis points from the 10.6% posted in Q4 2018. The CBD saw yet another drop in vacancy, with an overall rate of 7.3% for all classes and 5.9% for Class A properties. Asking rates in Austin continued to accelerate. The overall asking rate for the entire Austin market increased to \$37.48 per square foot (psf), while the CBD average rental rate of \$53.89 psf maintained its position as the highest across all submarkets. Additionally, the average Class A rate in the CBD climbed to yet another all-time high of \$59.21 psf, a year-over-year increase of 4.9%.

Economy

The Austin economy started 2019 with the same vigor as 2018. The unemployment rate of 3.0% remains one of the lowest of the top 50 large metro areas in the United States. Additionally, the Austin market continues to generate jobs. According to the U.S. Bureau of Labor Statistics, the city added just under 21,000 jobs over the last 12 months. Many of these new jobs can be attributed to the ongoing growth of the high-tech industry and its demand for Austin's abundant and talented labor pool.

Outlook

A plethora of high-profile office developments with large block take-downs remain the trend in Austin. With large corporate users, including Google, Amazon, Indeed, WeWork, and others leading the way, pre-leasing has held vacancy levels in check even as office inventories continue to rise. With city-wide construction at an all-time high of 5.6 msf and demand from tenants growing, these trends should continue. Barring any unforeseen circumstances, asking rates should remain on an upward path and occupancy levels healthy.

REPORT PREPARED BY:



CUSHMAN &
WAKEFIELD



Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

11-2-2015



TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - o that the owner will accept a price less than the written asking price;
 - o that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - o any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

LT Commercial Group, LLC dba Sperry Commercial Global Affiliates - LT Commercial Group	9007504	info@ltcommercialgroup.com	512-490-6666
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
Tram H Le	650951	info@ltcommercialgroup.com	512-490-6666
Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
Tram H Le	650951	lezlie@ltcommercialgroup.com	512-490-6666
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date

Regulated by the Texas Real Estate Commission

Information available at www.trec.texas.gov

IABS 1-0

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LT COMMERCIAL GROUP