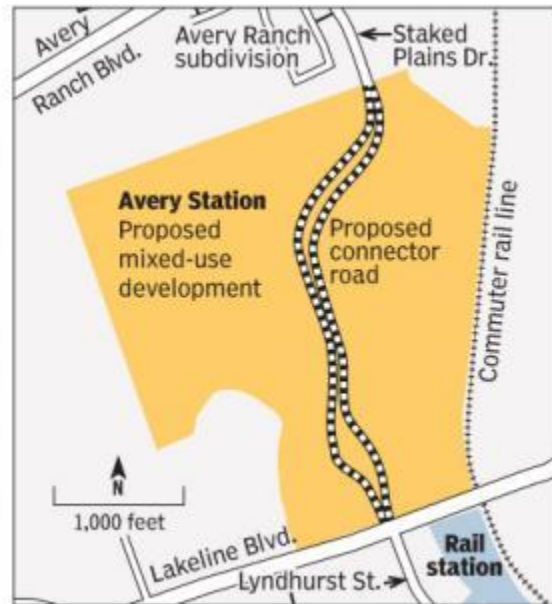
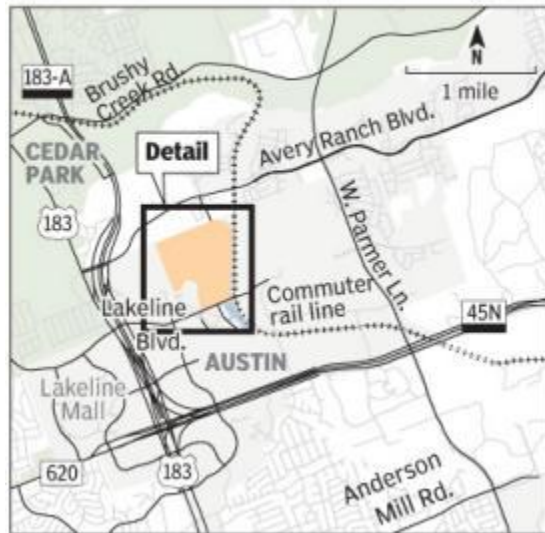


Avery Station plans



Robert Calzada AMERICAN-STATESMAN

Developer plans new community south of Avery Ranch

Land bought near commuter rail line at foreclosure sale planned as \$250 million mixed-use project.

By Shonda Novak
AMERICAN-STATESMAN STAFF
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Within a few years, residents of Avery Ranch could have more than 2,000 new neighbors to the south.

Developer Bob Wunsch said Wednesday that he plans to build a \$250 million project with about 700 homes and townhomes, two shopping centers and, possibly, an assisted-living or nursing-home facility on 178 acres near Lakeline Mall. International Bancshares is his partner in the project.

Local housing industry observers say the move is a sign that the housing market might be turning around.

The master-planned community, Avery Station, would be connected by a boulevard to the Avery Ranch development. Wunsch is a co-developer of that project, which now has 3,400 homes and has been one of the top-selling subdivisions in Central Texas, averaging nearly 500 home starts from 2003 to 2007.

"We think this is obviously the next logical extension for Avery Ranch's western boundary," said Bob Barnes, president and CEO of IBC Bank-Austin, a subsidiary of International Bancshares. "We feel that the economy is improving, and that based on our evaluation of the market, we feel there will be a definite need for lots in this part of the city, certainly during the next nine to 12 months."

The Avery Station land previously was owned by PCG Northwoods, a California developer that filed for bankruptcy last year after defaulting on its loans to IBC Bank. IBC took the property back at a foreclosure sale in January, Barnes said.

The original plans called for 1,200 homes in what was to be one of the first high-density residential and commercial developments along the new rail line.

Wunsch, however, said he will build "plus or minus 700" homes, along with two neighborhood shopping centers, each with about 30,000 to 40,000 square feet. He said he is in talks with three homebuilders.

The development will have an amenity center, clubhouse, pool and tennis courts, Wunsch said.

Pending approval of his plans by the City of Austin over the next few months, Wunsch hopes to start work on roads and utilities in about nine months.

He said he anticipates that construction will start on the first homes in about a year, with the first residents moving in during the fall of 2010.

Wunsch said the homes will start in the \$170,000 to \$180,000 range and go up to about \$450,000.

Eventually, over about four years, the community could have upward of 2,000 residents, Wunsch said.

"This is a very good business deal for IBC and for us," said Wunsch, chief executive of Waterstone Development. "We've seen the market the last four months start to turn around. Things are starting to pick up."

Wunsch said he has sold all 392 lots to several builders in his Pearson Place subdivision, which adjoins Avery Ranch on the east side of Parmer Lane. And he said he is negotiating with builders to buy more than 300 lots in two communities in Leander and Hutto.

Eldon Rude, the Austin director of housing-market tracker Metrostudy, said the Avery Station land is in a strategic location, with good access to area employers, Round Rock schools and major roads.

"The fact that Bob Wunsch, who is one of the prominent developers in our market, is buying this piece of land and making this investment is an indication that they're feeling that this is a great long-term investment for housing, and that they see the market improving over the next year or so," Rude said.

Brannin Prideaux, executive vice president of IBC-Austin, said builder interest in the property is high.

"We expect this to be a profitable venture," Prideaux said. "It's a great piece of property in a great location. That's never been in doubt or in question by anyone."

Barnes and Prideaux said at least five qualified developers approached the bank when the land went into foreclosure.

Barnes said there's "every reason to expect" that Avery Station will mirror the success of Avery Ranch, "and that's one of the reasons we went with Bob Wunsch," noting also that Wunsch "made the best proposal to the bank."

Rude said that although builders are reporting that activity and sales have picked up in the past three months, "the core of demand for housing in our market is still job growth, and we're having minimal job growth at this point."

"Until we get back to stronger job growth numbers, we won't begin to experience significant increases in housing demand," Rude said.

Courtesy of JB Goodwin