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From the Austin Business Journal:

<https://www.bizjournals.com/austin/news/2019/01/08/rolling-in-fresh-2b-from-softbank-wework-buys.html>

Rolling in fresh \$2B from SoftBank, WeWork buys chunk of downtown Austin

Coworking giant broadens name to The We Company on path to diversificationJan 8, 2019, 12:28pm CST **Updated: Jan 9, 2019, 9:26am CST**Subscriber-Only Article Preview | For full site access: [Subscribe Now](#)

As it embarks on a radical new phase of its global business, WeWork Companies Inc. appears to be quietly moving ahead with a blockbuster Austin real estate deal.

County records show that last month WeWork purchased 4.7 acres at Red River and East Cesar Chavez streets in downtown Austin, although it's still unclear exactly what's planned for the high-profile

intersection that connects the Austin Convention Center to the Rainey Street entertainment district.

Meanwhile, the company on Jan. 8 announced the launch of The We Company, a rebranding that encapsulates three business lines: the flagship WeWork coworking business; WeLive, a housing initiative that emphasizes communal living spaces; and WeGrow, an education initiative that aims "to unleash every human's superpowers." WeWork has also raised another \$2 billion from SoftBank.

"WeWork is disrupting a multi-trillion-dollar industry with a technology platform that provides a complete solution for space needs," said SoftBank Group Corp. Chairman and CEO Masayoshi Son in the announcement. "WeWork has already experienced unparalleled growth and we are confident that with [The We Company CEO Adam Neumann's] vision and this growth capital the company will be able to aggressively pursue the enormous market opportunity ahead of them."

Rumors have swirled since November that WeWork was interested in buying the Waller Park Place site from McCourt Global. That stands out, given that WeWork tends to lease existing office space.

The company is a gold mine for landlords. WeWork opened its first Austin location in 2015; it is now the city's largest coworking company, with five locations totaling about 400,000 square feet. A sixth is on the way in the renovated Westview building near the Texas Capitol.

A special warranty deed filed Dec. 17 in Travis County shows that Waller Creek Land Company LLC — an entity owned by former Los Angeles Dodgers owner Frank McCourt through McCourt Global — sold the land on Cesar Chavez Street to Waller Creek Owner LLC, a company registered to WeWork at 115 W. 18th St. in New York City, its global headquarters.



ARNOLD WELLS/STAFF

Inside WeWork's downtown Austin location on Sixth Street.

Jordan Lang, managing director of McCourt Partners, confirmed the sale through McCourt Global's communications team.

"McCourt Global has been and continues to be excited about the development potential in Austin," Lang said in an email. "After a highly competitive process, we were offered a purchase price for the project that confirmed the value of our efforts and the strength of the market. The new owners we selected will make the Waller Creek development a crown jewel in Austin's future."

A WeWork spokesman declined to comment for this story.

The deed was first reported by ATX Real Estate News. No purchase price was disclosed but Real Estate Report estimated last fall the site was on the market for \$150 million.

The site WeWork appears to have bought is in a prime location, across the street from the new Fairmont Austin hotel and the Austin Convention Center. To the south, Endeavor Real Estate plans a 30-story apartment tower.

The land consists of 3.3 acres west of Red River Street on the banks of Waller Creek and 1.4 acres east of Red River Street that's currently a parking lot next to an IHOP restaurant.



McCourt Global at one point had big plans for the prime tract: a \$1 billion complex that would have been downtown's largest development, with three million square feet in several buildings, including a 50-story skyscraper. ABJ reported in July that McCourt Global was seeking a partner for the Waller Park Place project.

But a Nov. 5 story from The Real Deal, a New York-based real estate news site, detailed WeWork's effort to purchase Waller Park Place from McCourt Global. At that time, The Real Deal reported WeWork was planning its "first acquisition of a major ground-up development site."

The vision for Waller Park Place was originally laid out by Austin-based development firm The Sutton Company, which brought in McCourt Global in 2014. McCourt Global subsequently bought out Sutton in 2017, but Sutton President Wally Scott was hopeful last summer that the company could get back involved with the project.

“I think (McCourt) got to the point where they weren’t sure what they wanted to do with the property and they just decided they wanted to buy it out and put it out on the market and see what they could get for it in a sale or in a partnership,” Scott said at the time.

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