

[Listen to Statesman News Network](#)

**Austin American-Statesman**  
SERVING OUR COMMUNITY SINCE 1871

## REAL-ESTATE

# 50-acre industrial center in the works in Williamson County

**Shonda Novak** Austin American-Statesman

Published 3:11 p.m. CT Aug. 31, 2021 | Updated 3:14 p.m. CT Aug. 31, 2021

As Central Texas' industrial real estate market continues to boom, Texas-based Stonelake Capital Partners says it plans to develop a warehouse and distribution center on 50 acres in Georgetown.

Stonelake said its Georgetown Logistics Park will have 625,000 square feet of industrial space across three buildings. The company said it will build the project on a speculative basis, meaning without any tenants lined up when it breaks ground on the Williamson County property.

The development is intended to help meet the growing demand for larger tenant warehouse space driven by e-commerce, last-mile delivery and manufacturing tenants, said Travis Eickenhorst, a partner with real estate private equity firm Stonelake.

**Rents rising:** Austin apartment market shifts into overdrive as pandemic recovery continues

That's against a backdrop of Austin's blazing industrial market, which is experiencing "unprecedented market conditions," Blake Patterson, a senior vice president and industrial expert at Austin-based Aquila Commercial, wrote in Aquila's latest Austin industrial market report.

Stonelake's new development will be located at the southwest corner of Interstate 35 and Texas 130 along Aviation Drive, just east of Georgetown Municipal Airport.

Stonelake expects to start construction in the first quarter of next year, with the first space — 431,360 square feet — ready in the third quarter of 2022. Construction is expected to wrap up on the entire project in the first quarter of 2023.

Georgetown Logistics Park will be suited to larger warehouse/distribution and manufacturing tenants in the greater Central Texas region, Stonelake said.

**More:** Would Samsung really pick tiny Taylor over Austin for new \$17 billion factory?

Georgetown Logistics Park will bring Stonelake's total industrial portfolio in Austin to 1.5 million square feet, the company said.

Eickenhorst, along with Stonelake's John Detamore, will be handling the leasing for Georgetown Logistics Park.

In July, Stonelake announced it had closed fundraising on its sixth opportunistic real estate fund, raising \$555 million and topping its \$500 million goal.

Stonelake's development planned for Georgetown comes as the industrial market in the five-county Austin region is seeing strong demand, according to industrial brokerage firms.

**Real estate:** While prices continue to rise, Austin's home sales have slowed. Is the market cooling?

In Austin, leasing volume of industrial space exceeded 2.7 million square feet, largely driven by automotive and e-commerce companies, according to global commercial real estate services firm JLL.

"Industrial demand in Austin is expected to continue, with remarkable population growth and company relocations being major drivers," JLL said in a recent report. "There will remain a need in the foreseeable future for new supply to accommodate relocating companies and last-mile suppliers that service the (Austin region) and are looking to expand their footprint."

Aquila's Patterson said the Austin-area industrial market continued its "red-hot pace" in the second quarter of this year. Unemployment rates continued to decrease, vacancy rates declined and the net amount of space leased across the region remained "well in the positive," Patterson wrote.

With the market continuing its upward climb after the pandemic struck last year, "tenant and transaction activity...has been very robust through the first half of 2021, and Aquila expects that trend to continue through the year's end," Patterson said.

Amazon, for instance, continues to expand significantly with large new leases. And several Tesla-related tenants have been circling the market looking for space -- or signing leases.

"Tesla's vendors and companies hoping to gain synergies by locating near the Tesla plant have significantly increased demand for space in the region," Patterson wrote. "So far, two companies with a direct relationship to Tesla have leased a sizable amount of space in Austin."

One is Plastikon Industries, which has leased 98,380 square feet in the Plum Creek Industrial Center. The plastic injection molding company, which is in the automotive and healthcare industry, will create roughly 200 jobs at that location, Aquila's report said.

Another is Tesla supplier Simwon North American Corp., which also signed a lease for about 500,000 square feet in the development's second phase. Simwon is expected to employ about 400 people at their new location, Aquila said.

Ed Latson, executive director of the Austin Regional Manufacturers Association, said more companies are on the way.

"Manufacturing in Central Texas is expanding at the fastest rate I have ever seen," Latson said in the Aquila report. "Tesla suppliers are moving to the region. The exact number is unknown, but most experts agree it will be more than 50 within the next few years, with several requiring significant space and people."