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Austin housing developers turning their gazes east

Mixed-use projects, including some with moderately priced housing, are sprouting east of Interstate 35

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A transformation is taking place in East Austin, with several new mixed-use projects slated to break ground and more to follow.

Two developers behind the Pedernales Lofts on East Sixth Street, the city's first live-work project, plan to start a second complex in February. The Saltillo Lofts, with condominiums and ground-floor commercial spaces, is slated for a one-acre site at the southeast corner of Fifth and Comal streets, across the street from Saltillo Plaza, a Mexican-style public square.

More is on tap, including apartments priced for lower-income residents, a modernistic condominium project with some units going for \$339,000 and single-family homes in the Chestnut Hill neighborhood.

East Austin is becoming increasingly attractive for developers amid heightened demand for central-city living, said Larry Warshaw and Perry Lorenz, developers of the Saltillo Lofts. Developers can build more moderately priced housing in East Austin because of cheaper land.

"East Austin is not a compromise for people," Warshaw said. "It's become a preference. There's a concentration of locally owned businesses, restaurants and coffee shops within walking distance."

Additionally, Saltillo Plaza is slated to become a stop **on** a future commuter rail line. As evidence of the demand, he said all 105 units at the Pedernales are sold out, although the project isn't quite finished.

Campbell-Hogue & Associates Inc. broke ground this week **on** the \$16 million **Villas on Sixth** project at East Sixth and Robert Martinez Jr. streets. The project will have 160 apartments, with most reserved for households making less than \$40,000 a year. Rents for the more moderately priced units will start at \$385 for a one-bedroom unit. The other

units would start at about \$600, with the highest priced 3-bedroom unit renting for more than \$1,000 a month.