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REAL ESTATE

Wells Fargo Tower sold

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A Swiss foundation has made Wells Fargo Tower, a landmark downtown office building, its first Texas investment.

Aspen Properties has sold the 17-story building at West 15th and Guadalupe streets to AFIAA, a Zurich, Switzerland-based foundation that invests in international real estate. The price was not disclosed.

AFIAA said the building was desirable because it's downtown and near the Capitol and the University of Texas campus.

"We believe in the economy of Austin," said Christopher Duisberg, managing director of AFIAA U.S. Investment Inc., the asset management arm of parent AFIAA Investment AG. "There's a good combination there of different industries ... and we also felt that there's a high standard of living that will attract companies" and prompt existing ones to expand.

In addition, he said: "Tenants like to be in that building. It's an address that's known in the city."

Duisberg said AFIAA will be seeking more acquisition opportunities in Austin.

Stream Realty Partners LP has been chosen to lease and manage Wells Fargo Tower, which has 281,196 square feet of rentable office space and is 96 percent leased to tenants such as IBM Corp., Deloitte LLP and law firms.

"I think it's a big deal when one of the true icons of downtown Austin trades hands," said Matt Frizzell, a senior associate with Stream Realty. "The building has always been a stable downtown asset, and we're trying to keep it that way."

The transformation of downtown, which is getting an influx of new residents, retail and redevelopment projects, also factored in AFIAA's acquisition, Duisberg said.

He said the company also looked at potential purchases in Houston and San Antonio, but ultimately, "we really felt it was important to invest in downtown (Austin). It's really where the tenants want to be. There's a lot going on there, and people want to be there."

Frizzell said no major renovations are planned for the building, which Aspen had owned since 2004.

Russell Young, executive vice president with Commercial Texas LLC, an Austin brokerage firm, said the acquisition "certainly makes sense as a long-term investment for a European buyer given the current value of the dollar relative to the euro."

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