



Formula 1: Track Location, Projected Cost & Impact on Austin Real Estate

The \$250 million dollar Formula 1 project is one of the most ambitious sports & entertainment venues built in the state of Texas.

The *F1* Track

Austin's F1 track is named **The Circuit Of The Americas (COTA)**.

In an official press release, COTA outlined their plans for a race track and more:

- ★ 5,400 sq. ft. medical building is being built for year-round use as a training facility for area emergency care professionals and medical school students. During races, the building will serve as a trauma care location for driver-athletes who may be injured in competition.
- ★ Paddock building also serves as a 500-person banquet hall for private or corporate dinners and nonprofit fund raising galas.
- ★ Luxury suites can be used for business entertaining with a capacity of nearly 750 people, commercial kitchen and cafe.

★ 14 suites, each 3,600 sq. ft. will be outfitted with the latest A/V gear and high-speed Internet to serve as business suites for up to 75 people each. During race weekends, teams and sponsors will use the suites for meetings and hospitality.

"The impact [of F1] is comparable to Austin landing the Super Bowl for 10 years in a row."

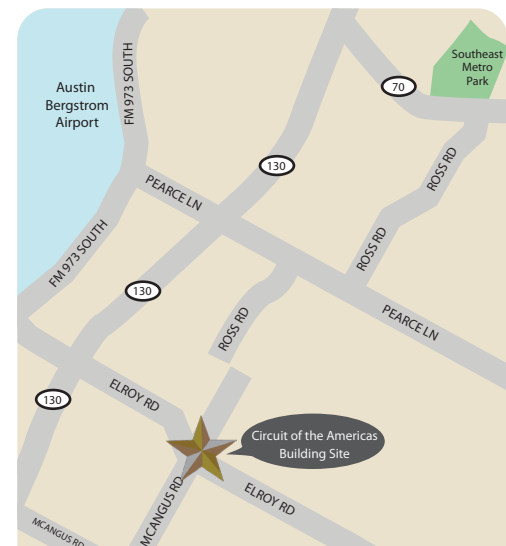
★ World-class performers will be at COTA during race and non-race weekends. Performers can entertain thousands of people. *Source: Official COTA Press Release*

The *Money*

Past Grand Prix events generated big money for local economies.

In 2008, Grand Prix events generated approximately \$221 million in Malaysia and \$394 million in Bahrain. The Texas Comptroller's office projects an economic impact of around \$300 million annually for Austin — a larger windfall than that of South by Southwest and an entire season of UT football home games combined.

That figure takes into account only the



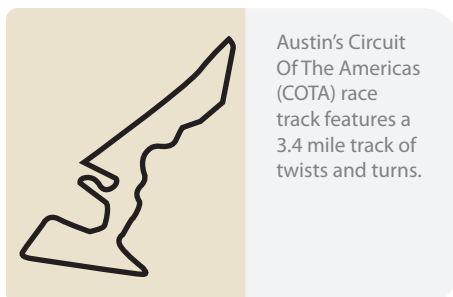
Track site is east of the Austin-Bergstrom Int'l Airport, north of FM 812 and east of Highway 130.

track itself. Often, tracks around the world become development hubs for nearby growth, including condos, amusement parks, driving schools, concert venues and technology centers. *Source: Community Impact News, July 23, 2010.*



Freescale developed an energy reservoir for Formula 1 cars similar to hybrid street car technologies.

Two of Austin's highest-profile business tenants, Freescale Semiconductor Inc. and Advanced Micro Devices Inc., have deep ties to Formula One, as does IBM Inc., which has major Austin-area operations." *Source: Austin Business Journal, June 6, 2010*



Austin's Circuit Of The Americas (COTA) race track features a 3.4 mile track of twists and turns.

Austin *Jobs*

Construction of COTA brings jobs to Austin and boosts local businesses.

Experts project the construction of COTA will bring as many as 2,000 jobs paying \$176.2 million in wages. They also predict COTA will generate about \$850,000 in Austin sales and hotel taxes. *Source: Austin Business Journal, March 8, 2011*



Not Just *Cars*

In addition to hosting the U.S. leg of Formula 1, the track will host MotoGP motorbike racing.



F1 races may be the most watched sporting event in the world, with as many as 600 million viewers in years past.

Starting in 2013, the MotoGP deal brings the motorbike sport to Austin for 10 years. *Source: Austin Chronicle, April 15, 2011*

ATX Real *Estate*

To understand the impact of F1 on Austin real estate, we'll consider broader, city-wide factors impacting appreciation values.

★ **2,000 Jobs** – Formula 1 is expected to create up to 2,000 job opportunities in Austin. Jobs increase the desirability to live in Austin, thereby increasing population and demand for real estate. Demand drives up real estate prices. Austin homeowners know they are in a good spot for equity growth.

★ **Mortgage Rates** – F1 will not have an impact on mortgage rates, but interest rates remain at all-time lows, providing opportunities to homebuyers, increasing demand and home appreciation values.

★ **Population Changes** – F1 will bring 90,000-200,000 people to Austin each year (\$200-400M in revenue). To compare, SXSW brings in an estimated 100,000 people to Austin each year (\$95M in revenue). The F1 stadium seats 200,000 and will host both F1 and MotoGP racing events. Similar to SXSW and the ACL Festival, new visitors decide to relocate to Austin, driving up demand for Austin real estate.

★ **Proximity to Recreation** – F1 adds new entertainment to Austin, placing homeowners close to high-speed racing and even more live music. In their reasons for choosing Austin, F1 cited the close proximity of hotels, downtown, F1 circuit and airport.

Formula 1 is one more reason the Austin area continues to thrive and grow. One thing has remained steady for Austin real estate and that's price appreciation. *Source: Austin Board of REALTORS® Releases March 2011 Real Estate Statistics*



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