

In Texas Without Oil

In Austin, Texas, there will be a new community, which barely needs energy. For a long time, the project of 7,500 houses was put on hold, but now the diggers are rolling. The money is coming from German families.

By Christine Mattauch

There are cities that suddenly experience an upswing, seemingly out of nowhere. Austin, Texas, is such a case. A progressive stronghold in a conservative environment;

likeable, but not particularly exciting. The city has, what is called, a momentum. One tech-company after another is setting foot at this location, 85,000 visitors will be at the art- and innovation festival SXSW, the metropolis is also a magnet for young people - it is growing faster than any other American city.

Thus, Austin could be the perfect location for the project that Lorenz Reibling, a native-born German and chairman of Taurus Investment Holdings in Boston, has in mind. A zero energy community is to be built in the hills east of the city center, 7,500 single- and multi-family homes, offices, shops and green areas on an area as big as the Tegernsee in Germany. Total costs: up to two billion dollars. Mr. Reibling hopes that the project will resonate well: "Whisper Valley could be a breakthrough for energy-efficient communities in America." Assuming the experiment succeeds.

Germany already started experimenting with zero-energy projects in the 90ies, compared to the US, where these kind of experiments just started. Energy has been and still is much cheaper than in Germany and environmental awareness has less meaning to Americans. But that is about to change, particular highly qualified pioneers who are moving to Austin are more environmentally aware. The city has set itself the goal of becoming climate-neutral by 2050. This reflects the attitude of the population.

15 years ago, Mr. Reibling already had the idea of building an eco-community on a large scale in America, when most of his colleagues still thought that energy eldorado America would never become environmentally conscious. In 2006 he found the right area with Whisper Valley conveniently located near a new highway, the corporate headquarters of Samsung and the computer company Dell, both only ten minutes away by car. The acquisition appeared to be risk-free. Reibling recalls that "Austin was already growing back then, so it was obvious that the value of building land would rise". Then the financial crisis came, for years the industry came to a standstill. So now there is a new start, the diggers are rolling. 247 houses are being built during the first phase. Roads, water and power lines have already been laid, followed by model homes in fall. And by spring 2016, the first families are to move in. The



project would be much further along, if there had not been a series of severe storms that shut down the site in spring.

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Lorenz Reibling is experienced in the real estate business: In 1976, he founded Taurus in Munich, together with his brother Günther. In the 80ies they expanded into the US and turned the investment firm into an internationally operating company, with offices in Buenos Aires, Istanbul, London, Trivandrum in India and Toronto. In 2002, they managed investment assets worth more than one billion dollars, in 2007 more that two billion dollars and today it is more than three billion dollars. In addition to institutional investors such as BlackRock or Invesco many high net-worth individuals entrust the brothers with their investments.

It was not easy to convince investors of the concept of Whisper Valley, says Mr. Reibling. After all, the entire capital requirement is enormous: The starting capital is about \$200 million, sourced through a fund of wealthy families interestingly from Germany. Lorenz Reibling likes to keep the names confidential. The Investors are obviously not only interested in ecology, because if the demand is as high as assumed, there will be double-digit returns. Technically, the zero-energy standards will be achieved through a combination of geothermal and solar energy. The Taurus subsidiary EcoSmart, cooperates with Bosch USA, which equips each house with geothermal heat pumps and highly efficient hot water technology. It is already the second large community project for EcoSmart, the first one, Badger Mountain South, is located in Richland, Washington State. In the first phase, 150 energy efficient homes are being built, followed by an additional 5,000. The developer for this project is Nor Am, which is based in Tacoma.

In Whisper Valley, Bosch also equips the homes' kitchens. And that is by no means irrelevant, because in the US, Bosch has an excellent image as a European luxury brand. The other partners enjoy a great reputation too: solar panels are provided by Aten Solar from New Jersey and BASF USA contributes highly insulating composite walls called HP+.

Currently, the lots are being marketed to real estate developers in combination with the geothermal infrastructure, who are to build the houses in agreement with the builders. The developers also have to accept the provisions of the concept. An energy efficient house will cost between USD 175,000 and USD 300,000. In comparison to the average price of USD 350,000 for a single-family home in Austin, the price for a house in Whisper Valley is relatively low. Admittedly, it's a 20-minute-drive from Whisper Valley to downtown Austin. Additionally, the monthly costs for the eco-technology amounts to USD 175 - the Taurus subsidiary EcoSmart is making advanced payments with this prototype. This is profitable for home buyers, who will have to pay no further energy costs - i.e. if their energy consumption remains moderate. This will mean a lot of explanatory work, admits Bosch CEO Mike Mansueti.

A project like this would be impossible in Germany because of its enormous area requirements. Theoretically, the concept would work, but on a smaller scale, and therefore the houses would be considerably more expensive. "We need the economies of scales" says Lorenz Reibling. Developers from Canada have already expressed their interest. There is also plenty of space after all.