

COMMERCIAL REAL ESTATE

March 30, 2012

THIS ISSUE:

A look inside current Valley construction projects and trends, and the top-dollar sales of last year

PHOENIX
Business Journal

ALSO:
Best of NAIOP 2012



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Commercial Real Estate 2012

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Bar-S Foods signed an 11-year lease after its new landlord committed to major upgrades and tenant improvements. **PAGE 22**

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BEST OF NAIOP

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This 330,651-square-foot build-to-suit project was voted NAIOP's Talk of the Town winner. **PAGE 35**



CONSTRUCTION CREW
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ON THE COVER

Construction on the Salvation Army Herberger campus expansion, which houses the Southwest division headquarters.

JIM POULIN | PHOENIX BUSINESS JOURNAL

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Phoenix development gains steam after recession

BY JAN BUCHHOLZ

Phoenix Business Journal

In summer 2007, construction in the Valley was at such a fever pitch that developers were competing for tower cranes to get their projects positioned for vertical development.

By the following summer, much of that activity had dropped off; and for the past four years, development has been largely in hibernation.

Little by little the situation is changing, with a few developments leading the way to more robust scenarios and optimistic prognostications.

Some public projects have secured the biggest headlines. The \$330 million PHX Sky Train at Phoenix Sky Harbor

International Airport and the \$129 million Arizona Board of Regents Health Sciences Education Building at the Phoenix Biomedical Campus in downtown Phoenix will be completed this year. The \$340 million Maricopa County Court Tower, also downtown, was completed in February.

Even a smattering of private projects have made headway, including the \$90 million Kimpton Palomar Hotel, which will be completed downtown this spring.

But what else is in the works? For the latest details, the *Phoenix Business Journal* asked a variety of real estate professionals for an overview of what's happening in four main sectors: multifamily, office, industrial and retail.

MULTIFAMILY PROJECTS CONTINUE TO BOOM

Every week, it seems a developer is proposing a new apartment complex. Based on data provided by Hendricks & Partners, nearly 40 proposed projects are in the preliminary development phase and that number is increasing weekly.

"You hear stories about 12,000 to 13,000 units," said Don Arones, executive vice president of Cassidy Turley BRE Commercial in Phoenix. "We don't believe all those projects are going to go. It's still too hard to find equity."

Mark Forrester, senior partner at Hendricks & Partners in Phoenix, said he expects about half of them to come to fruition "if debt and equity are available."

Some of the Valley's strongest apartment developers already are solidly back in the game after being dormant since 2007.

"They're pretty experienced people. I expect them to do well," Forrester said.

Brad Cooke, vice president of multifamily investments at Colliers International in Phoenix, said some of those experienced names are Mark-Taylor, P.B. Bell Cos., Alliance Residential and Gray Development.

"Those are the core guys driving our market," he said.

Still, several out-of-state companies and new players are looking to take advantage of what they see as a growing and healthy rental market. With so many projects being announced, is there a chance of overbuilding in the market, as condos were

overbuilt as the Great Recession hit?

"Right now I'd say, 'No, it's not going to be overbuilt,' but let's talk next year," Cooke said.

Projects under construction this year include San Norterra in north Phoenix and San Marquis in Tempe, both by Mark-Taylor; Broadstone on Camelback in Phoenix, by Alliance Residential; and Optima Sonoran Village in Scottsdale, by Optima.

Most are high-end luxury developments with projected rents of \$1.50 per square foot or more.

"The only question I have is: How many tenants want to or can pay those rents?" Forrester said.

Still, he is optimistic.

"Demand for rental housing is going to increase for a while," he said. "It's a good future for apartment developers."

LARGE CLASS A OFFICE SPACE SCARCE

With vacancy rates in the 20 to 25 percent range, building new office space might seem an unlikely proposition, but there's more to the market than meets the eye. For instance, larger tenants looking for 100,000 square feet or more of Class A have limited choices.

"For more than 150,000 square feet, there are only three buildings available," Arones said. "It sounds strange with such high vacancy, but it's the kind of space that we're talking about."

While the Valley has thousands of square feet of Class B and C available, Class A properties are hard to come by. For instance, two of the newest buildings in downtown Phoenix — CityScape and One Central Park East — filled up quickly when construction finished, even though the effects of the recession lingered over much of the office market.

With an influx of law firms and the Phoenix School of Law's move downtown, there have been whispers about another office building in the works.

"There's a lot of rumblings in downtown Phoenix," said

Phil Breidenbach, senior vice president of office properties for Colliers International. "Some groups are circling, and it wouldn't surprise me if someone announced this year that they are building a high-rise."

For now, however, the focus is on Chandler, where a spec office building is under construction. The Douglas Allred Co. is the first developer out of the ground since the recession, building the second phase of Allred Park Place, a 92,109-square-foot Class A building at the business park on the northeast corner of Price and Willis roads.

Mark Krison, senior vice president of CBRE, represents Allred Park Place. He said some observers have wondered about the wisdom of building a spec office building now. He agreed with Arones that there is a "dichotomy of demand," with Class A space in rarer supply than older product.

"Almost all of the A product has been absorbed. That's good news," Krison said.

He believes he'll find one tenant to take the entire new building, and that a deal will be signed by July.

Some agents last year touted north Phoenix and Deer Valley as the likely area for a market comeback, but that has not materialized — at least, not yet. For now, the hot spot is Chandler. Breidenbach said the city is popular because of its highly educated, technology-savvy workforce.

"The city of Chandler is pro-business. It's a great community to live and work in, and there's a lot of infrastructure in the Price (Road) corridor," he said.

Breidenbach is representing Chandler 101, a proposed 844,000-square-foot multitenant office development east of Chandler Fashion Park on the east side of Loop 101.

"They're blading the site," he said, adding no dates have been set for going vertical on the three buildings. One is likely to be built and filled before the other two are

'Demand for rental housing is going to increase for a while. It's a good future for apartment developers.'

Brad Cooke

Vice president of multifamily investments, Colliers International

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started. “We still need an anchor tenant... I’d like to think we’d have an anchor tenant signed this year.”

Though the medical office market has been soft in recent years, one large project is under construction: the Cigna Medical Group building at Third Street and Earll Drive in Phoenix.

“That’s good for the market,” Krison said. “That’s a user-driven deal that’s 100 percent leased.”

INDUSTRIAL TAKING OFF IN WEST VALLEY

Two corporations have the biggest industrial construction projects under way in the Valley: Intel Corp.’s Fab 42 is under construction in Chandler; and First Solar Inc. is building a manufacturing plant near Phoenix-Mesa Gateway Airport in Mesa.

The First Solar facility will not be operational for some time, as the company is dealing with a hit in demand for its panels. While both of those East Valley projects are huge — more than 1 million square feet each — much of the industrial buzz is about leasing and construction in the West Valley.

‘It wouldn’t surprise me if someone announced this year that they are building a high-rise.’

Phil Breidenbach
Senior vice president of office properties, Colliers International

“The West Valley is the best-performing submarket,” said Pat Feeney, senior vice president at CBRE. “There are only three alternatives to look at now, and I have four requests for proposals for tenants. I’ve not seen this in 26 years of doing business.”

In addition to tenant demand, build-to-suit construction is in full swing, with several projects under way. One is a 259,200-square-foot building for MiTek Industries Inc., which supplies engineered products and services for the building components industry. Another is a 600,000-square-foot distribution facility for Dick’s Sporting Goods.

Most build-to-suits involve expansions, but some users are new to the market.

“What’s driving the build-to-suits is there is no available product,” said Payson MacWilliam, senior vice president of industrial properties at Colliers International. “For space above 300,000 square feet, there are two options.”

A lot of the new business is coming from the West Coast, Feeney said.

“It’s directly influenced by current conditions in California,” he said.

That state’s issues include taxes, the regulatory environment and the high cost of living.

“Businesses think our economic environment is more stable than California,” Feeney said.

Many of the deals are distribution-driven, but not all.

“We’ve never seen so many manufacturing deals come to Phoenix,” he said. “That’s a nice trend. I’m very optimistic.”

RETAIL SHOWS SIGNIFICANT LIFE

After months of speculation, officials at Tanger Factory Outlet Centers Inc. announced that they are building a shopping center at Westgate City Center in Glendale. Within hours of the announcement, the company started moving equipment onto the parcel at Loop 101 and Glendale Avenue.

The company hasn’t disclosed when the 328,000-square-foot first phase will be delivered, but Mark Bramlett, executive vice president of Cassidy Turley/BRE Commercial, who handles Tanger’s real estate in the Valley, said it likely will open by the end of the year.

“This will be a game-changer for the West Valley and Phoenix at large,” Bramlett said. “We’d like to be open around Christmas.”

He said the outlet mall will be a destination that will drive millions to the site.

“A patron at an outlet store stays three to four hours,” Bramlett said. “This will be a really unique experience.”

Greensboro, N.C.-based Tanger also plans to build an outlet mall at Talking Stick, near Loop 101 and Indian Bend Road in Scottsdale. Details of that timeline are yet to be released.

In addition to the huge Tanger deal, other smaller deals are in the works.

Throughout the recession, drugstores and banks cropped up all over the Valley. Fast food also stayed strong, with Habit Burgers, Chipotle, Smashburger, Jack in the Box and Twin Peaks opening restaurants.

Recently, RED Development broke ground on a 35,000-square-foot Nordstrom Rack at the Town & Country shopping center in central Phoenix. Much of the exterior work is completed and the store will open later this year, according to RED spokeswoman Robyn Young.

The developer also is building a 20,000-square-foot addition at Town & Country along Camelback Road. Tenants include Cafe Rio, Five Guys, PotBelly Sandwich Shop and



DARRYL WEBB | SPECIAL TO PHOENIX BUSINESS JOURNAL

Mike Bramlett, executive vice president of retail for Cassidy Turley/BRE Commercial, walks where the Tanger Outlet stores will be at Westgate.



PHX Sky Train

PHOTO PROVIDED BY THE CITY OF PHOENIX

Choice Pet Market.

Whole Foods is taking over the former Linens ‘N Things space at Highland Avenue and 20th Street, at the southwest edge of Town & Country. The store is expected to be open early next year.

RED also is moving forward with about 115,000 square feet of development at Paseo Lindo, near Arizona Avenue and Ocotillo Road in Chandler, according to Steve Backman, the company’s vice president of development.

Though almost no speculative space has been built, David Jarand, former senior vice president of Grubb & Ellis in Phoenix, represented Gateway 101 at the northeast corner of Frank Lloyd Wright Boulevard and Loop 101 in Scottsdale.

“They’re going vertical with the buildings and delivering 34,000 square feet by July 1,” he said.

The developer is PK Enterprises of San Diego. Tenants signed include Starbucks, Tide Dry Cleaning, Vitamin Shoppe, Pet Club, Bruegger’s Bagels, T&T Nails, Teharu Sushi and Jersey Mike’s Subs. Jarand said two spaces remain available.

The retail market, he said, is improving modestly. “Things are not getting worse. It’s getting slightly better,” he said. “Retailers are looking for infill opportunities, and the best centers are almost all fully leased.”

Connect with **Jan Buchholz** at jbuchholz@bizjournals.com or on Twitter at [@jreenebuchholz](https://twitter.com/jreenebuchholz).

VALLEY OFFICE STATS

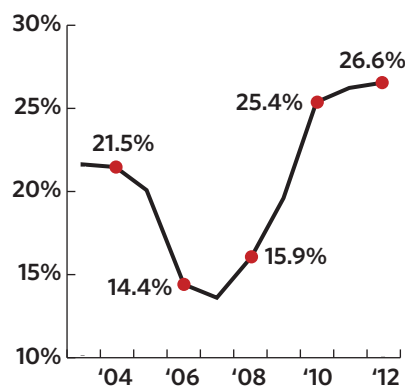
Total vacancy rates and average lease rates per square foot as of February, for all building classes:

CORE PHOENIX MARKET:	26.6%	\$21.10
SCOTTSDALE SUBMARKETS:	26.0%	\$21.59
SOUTHEAST MARKET:	26.5%	\$20.02
WEST MARKET:	27.9%	\$18.80

Source: Mark Dancer, senior analyst, Jones Lang LaSalle, Phoenix

1Q VACANCIES VALLEYWIDE

Total vacancies for all building classes for the first quarter of each year:



Source: Mark Dancer, senior analyst, Jones Lang LaSalle, Phoenix



Planned Dick’s Sporting Goods distribution facility

RENDERING PROVIDED BY BUTLER DESIGN GROUP



Planned Chandler 101 office development

RENDERING PROVIDED BY COLLIERS INTERNATIONAL

Tenant improvements big business during downturn

BY CATHY LUEBKE
Contributing Writer

Old faces are showing up in new and unusual places — and, in many cases, in much nicer spaces.

That's what real estate brokers are seeing around town. Maybe it's Fox Restaurant Concepts' new North Fattoria Italiana replacing a car wash at 40th Street and Camelback Road. Or Castle Boutique's trademark blue-and-white paint job giving way to a new headquarters for DPL Construction.

Most of today's activity involves tenant improvements and new owners improving or completing properties, said Susan LaGanke, managing director of project management at CBRE. Many landowners are just waiting out the storm, as less than 10 percent of the market is new construction, she said.

OFFICE LEASES COME DUE

Boom or bust, leases come due, said Chris Carrell, a senior vice president of Jones Lang LaSalle in Phoenix. In the still-stagnant office and retail sectors, it's an opportunity for businesses to move into nicer spaces at better locations.

In central Phoenix, the overall office vacancy rate was 26.6 percent in February, up from a low of 12.7 percent in 2006.

John Pierson, JLL's executive vice president, calls it a "flight to quality."

Many of those in Class B and C space are moving to Class A buildings at little or no cost, he said. Rates have hit bottom and should remain stagnant for a while.

"Tenants are signing good long-term deals right now," Pierson said.

Last fall, for example, Bar-S Foods signed an 11-year lease for 35,000 square feet — two-thirds of the third floor at 5090 N. 40th St. It had operated at 3838 N. Central Ave. for about 20 years.

The landlord committed to general building upgrades as well as tenant improvements, Carrell said.

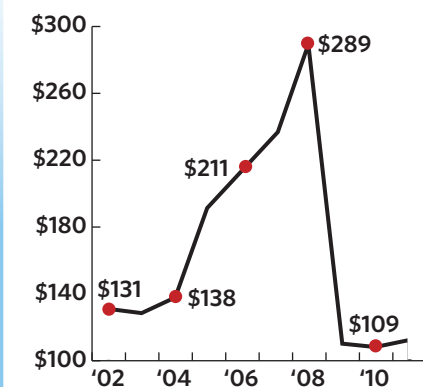
Tom Weinman, vice president of administration at Bar-S, said the primary reason for choosing 5090 was to keep everyone on one floor. The employee count is about 100 now — up from 66 in 2010, when it merged with Sigma Alimentos of Mexico.

'The larger tenant improvement companies that have survived the cliff dive continue to win business.'

Susan LaGanke
Managing director,
CBRE

OFFICE SALE PRICES

Average price per square foot for Class A and B multitenant buildings larger than 100,000 square feet in metro Phoenix:



Source: Mark Dancer, senior analyst, Jones Lang LaSalle, Phoenix

"The good news is, Phoenix is remaining the headquarters for U.S. operations," Weinman said.

When Bar-S officials looked at the space initially, it was just concrete and girders, he said. The new offices basically were built from the ground up. Move-in was in December, and "now it's just beautification."

In more of a switch-up, Harrison Properties LLC is converting industrial buildings that once housed the *East Valley Tribune's* printing operations so the Arizona Department of Economic Security can consolidate its offices. Improvements will cost \$1.5 million, but the Phoenix company bought the site for only \$900,000 — more than \$2 million off the original asking price.

A TOUGH DYNAMIC

There is one caveat for tenants looking around: With many properties underwater, most landlords are not in a position to freshen them up, said Pierson.

"They don't want to spend a nickel until they have a tenant ready to move in," he said.

From a tenant's perspective, the first question to ask is about the financial condition of the landlord, he said. Can the landlord deliver on commitments made to a business?

Sometimes a deal closes, then suddenly the bank calls and says it now owns the property, added David Jarand, senior vice president of retail for Grubb & Ellis.

WHO'S DOING THE WORK?

"We're still seeing a consistent amount of tenant improvement work, whether it be new first-generation space or second-generation space," Carrell said. "There aren't a lot of newcomers. The same contractors that have been in the market a long time are getting the work."

"The larger tenant improvement companies that have survived the cliff dive continue to win business with reduction in profit," LaGanke said.

Wespac Construction Inc., in business here for 19 years, has seen a shift. Whereas tenant improvement work accounted for 15 to 20 percent of its work load before the recession, said Vice President Jim Zoderow, it now comprises 50 to 55 percent of its business.

The current market also has contractors and clients watching budgets.

"Everybody has become aware of costs, being sure money is spent correctly," Zoderow said.

Although Wespac made some cuts in 2008, the Phoenix contractor was able to hire seven or eight people back last year and likely will do more this year, he said.

Recent projects include completing a building in Chandler for a Countrywide Financial center; upgrading an old Honeywell building at Talavi Office Park in Glendale, and doing tenant improvements for the Phoenix School of Law downtown.

OWNER-OPERATORS TAKE ACTION

But it's not just landlords taking action. Businesses such as Sunrise Preschools and DPR Construction are among businesses buying unused buildings to create new work space.

In January, Sunrise opened its 19th site in a former insurance call center. It had been vacant for more than two years at Gilbert Road and Hampton Avenue in Mesa.

"We invested \$1.3 million in an extensive remodeling project," said Dana Vela, president of Sunrise. "The building was the perfect lot size and allowed us to also provide a spacious outdoor play area."

Another major face-lift came from DPR, which turned an old Castle Boutique at 44th and Van Buren streets into an ultra-modern headquarters with the latest in energy efficiency.

"It was a good deal. No. 1 is the location," said Dave Elrod, DPR's regional manager.

RETAIL GETS CREATIVE

The retail vacancy rate Valleywide stood at 12.2 percent at year-end and has been in the double digits since 2009. It was about 5 percent in 2006, according to CBRE research.

"It's a tenants' market for the most part," said Jarand, adding it could stay that way for an additional 18 months. "A lot has to do with the vacant houses and foreclosures. Retail's all about rooftops."

As a result, landlords have to compete

CONTINUED ON PAGE 23



Jim Zoderow of Wespac Construction Inc. is amazed at the increase in tenant improvement work his company has seen.

JIM POULIN | PHOENIX BUSINESS JOURNAL



PROVIDED BY SUNRISE PRESCHOOLS

Sunrise Preschools remodeled a former insurance call center to suit its needs.

CONTINUED FROM PAGE 22

for tenants with free rent and prices as much as 40 to 50 percent off boom levels, he said.

Most retailers looking for space are existing players with a gap in coverage, or national tenants repositioning for better space. But landlords don't necessarily expect to get the same kind of tenant that was there previously. Heavy discounters such as Tuesday Morning, Aaron Rents, Dollar General and Family Dollar are snapping up space, Jarand said.

Dentists, urgent care centers, chiropractors and even charter schools are becoming common in retail centers, Jarand said.

The Joint chiropractic centers, for example, are all about retail as a convenience for clients, said Jessica Owens, national director of real estate for the Scottsdale-based franchisor. Since its move to a membership model, stores have opened in 13 states. Eleven retail locations have opened in Arizona since October 2010 and six more are in development, she said.

But getting prime spots can be competitive, Owens said, as the Joint's demographic calls for locations in neighborhoods with average household incomes of at least \$50,000.

BIG-BOX DILEMMA

One area of concern for property owners has been big-box retail space. The closing of Borders Books and Ultimate Electronics stores added to the vacancy mix last year for a Dec. 31 total of 8.6 million square feet, CBRE Research reports.

Again, that means landlords have to find new types of users. That could mean, for example, the Goodwill store that recently took over an old Safeway location at 83rd Avenue and Lake Pleasant Parkway.

A couple of brokers also mentioned the big spaces with lots of parking, could be a good fit for call centers.

When it comes to larger neighborhood centers that lost tenants such as Borders and Ultimate, though, landlords will be picky, Jarand said, adding: "It will be interesting to see what happens."



JIM POULIN | PHOENIX BUSINESS JOURNAL

In order to house all of its employees on one floor, Bar-S Foods conducted extensive renovations to this location. The company moved into its new headquarters in December.

Top Producers 2011

CAPITAL MARKETS



Eric Wichterman
Top Overall Producer
Capital Markets - Office



Paul Boyle



Rick Danis



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Bob Buckley



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High-end apartment projects replacing failed retail

BY CATHY LUEBKE
Contributing Writer

Luxury apartment developers have found a sweet spot in the Phoenix market as retail continues to stumble and a few property owners find the price is right to spiff things up.

The trend is to level once-thriving retail projects in favor of high-end apartments.

And while most building owners wait for tenant commitments to spend money, some are taking advantage of current pricing to move forward. Cities also are providing incentives as they compete for business, easing up on permit fees and expediting review times.

Phoenix, for example, started an adaptive reuse program three years ago and expanded it 18 months ago to include big-box and commercial strip centers, said Planning and Development Director Debra Stark.

The original idea was to focus on central locations, she said, but “we realized other parts of the city have some of the same issues, and therefore the program is citywide.”

“Landlords are positioning themselves for market recovery,” said Susan LaGanke, managing director of project management at CBRE. “They want to have the most desirable property when the market recovers in Arizona.”

The catch is that only well-capitalized landlords are able to do this now.

MULTIFAMILY HOT ON INFILL

Dining favorites such as the Hard Rock Cafe on Camelback Road and Barcelona Restaurant off Scottsdale Road have been torn down as the retail market remains under pressure and apartment living revs up.

“Quality infill and retail sites that have been previously unavailable to multifamily developers are, for now, attainable as a

‘There is quite a shift in the market right now.’

Brad Cooke

Vice president of multifamily investments,
Colliers International

result of the downturn in the economy,” said John Cunningham, executive vice president of the Phoenix office of real estate services firm Jones Lang LaSalle.

“There is quite a shift in the market right now,” agreed Brad Cooke, vice president of multifamily investments at Colliers International. “Multifamily fundamentals are strong.”

It’s a trend focusing on high-end projects in core areas of Scottsdale, Tempe, parts of Phoenix and Chandler, where Intel Corp.’s new plant is driving growth. Most properties in these areas are 95 percent occupied and rents are going up, Cooke said. That compares with 90.7 percent overall occupancy Valleywide.

Cost to buy an existing complex is \$160,000 per unit, versus \$130,000 to build, including property purchase and tear-down, he said. In addition, Fannie Mae, Freddie Mac and many banks are lending to these developers.

Alliance Residential Co. of Phoenix purchased the former Hard Rock Cafe site at 26th Street and Camelback for \$10.5 million. Plans for a Trump tower and luxury condos fell apart years ago amid zoning spats and the market collapse, resulting in foreclosure.

Construction of a 270-unit apartment complex on the property is about 10 percent complete, said Ian Swiergol, development partner at Alliance.

It is a unique site, with an unrealized value given the location, he said. There are no Class A apartments for people who work in the area, creating pent-up demand, he said.

“Demand is being fueled in part by the 20-something Gen Y or millennials who range from 16 to 33 years old and represent approximately one-quarter of the U.S. population,” said Cunningham. “This demographic prefers to rent.”

“We didn’t overbuild multifamily last cycle,” Cooke said, but retail, office and single-family all were overbuilt, so property

owners see opportunity in rezoning from retail to multifamily.

If there is a challenge to such infill projects, Swiergol said it’s that developers must work closely with neighbors to ensure the project complements its surroundings.

PRICE IS RIGHT FOR REHAB

One of the biggest central Phoenix redevelopments is nearing completion at the Salvation Army’s Herberger campus in the Discovery Triangle, a 25-acre economic development area promoted by Phoenix, Tempe and business interests.

The project at 2707 E. Van Buren St. is replacing 160,000 square feet of aging space with two new buildings and a renovated warehouse. Improved efficiencies will save more than \$1 million a year. An additional 6 acres are available for future development.

“They were able to make their construction dollar go a long way,” said John Pierson, executive vice president of Jones Lang LaSalle in Phoenix.

The nonprofit also was able to continue operating in existing buildings during construction — a big plus, he said.

This is the best time in 20 years for such a project, said Jim Sadler, executive vice president in tenant representation for Jones Lang LaSalle in Phoenix.

“Land availability, construction costs and other financial incentives for corporate users are almost unprecedented,” he said.

The project cost about \$15 million, but competitive bidding and the right market conditions led to more than \$1.5 million in additional value compared with the peak of 2006-07, he said.

Another Discovery Triangle project completed late last year is transformation of an abandoned grocery and pharmacy into a 46,000-square-foot office for U.S. Citizenship and Immigration Services.

A major undertaking in the private sector is the former home of Motorola’s Iridium satellite program being turned into a 152-acre science-technology park called Continuum. The last of Motorola’s staff left in September 2008, according to Lucas Walker, a senior vice president of CBRE in Phoenix.

Capital Commercial Investments Inc. paid \$18.5 million for the site in 2009, including the Motorola building and surrounding land.

Cincinnati Bell unit Cyrus One bought the 40 acres last year to build a 1 million-square-foot data center. However, it’s been difficult to reposition the 512,000-square-foot “monstrosity” of a building, Walker said.

“It was time for an upgrade since it was built in 1986,” he said.

The structure is being reskinned to the tune of about \$4 million. An additional



JIM POULIN | PHOENIX BUSINESS JOURNAL

Alliance Residential Co. of Phoenix purchased the former Hard Rock Cafe site at 26th Street and Camelback and now is constructing a 270-unit apartment complex there.

OFFICE LEASE RATES

Average rates per square foot for all building classes:



Source: Mark Dancer, senior analyst, Jones Lang LaSalle, Phoenix

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\$15 million is going toward infrastructure, with the city in for \$10 million.

One anomaly in the local market is a 76,000-square-foot office building at 2929 E. Camelback Road, which former owner Orsett Properties Ltd. of Massachusetts invested money into before putting it up for sale, said Chris Carrell, a Jones Lang LaSalle senior vice president in Phoenix. Greenlaw Partners of Newport Beach, Calif., purchased the building last year for \$7.5 million, fresh off a rehab for small tenants, but still only 52 percent leased.

TIME TO FRESHEN UP RETAIL

With retail overbuilt during the boom, alternative uses make sense, especially for Class C and D sites, said David Jarand, a senior vice president of retail at Grubb & Ellis.

Change-ups such as the strip center planned for multifamily use at Scottsdale and Curry roads in Tempe are a good choice, because apartments add to the area's population, which in turn supports other retailers, he said.

While most retail leasing involves find-

ing new tenants, an exception is Scottsdale-based Reddy Development. It purchased the grocery-anchored Mesa Ranch Plaza at Stapley Drive and Southern Avenue in July for \$19.1 million and is finishing up a Mercado-style rehab.

The situation is the same for large malls, but one project under way is at Phoenix Town & Country in the heart of Camelback Corridor. RED Development, known for its CityScape project in downtown Phoenix, became a 50-50 partner in May.

Old Black Angus and Bookstar buildings have been demolished to make way for new tenants, with a Nordstrom Rack under construction. Some 20,000 square feet of new shops along Camelback Road will include Cafe Rio, Five Guys, PotBelly and Choice Pet Market, said RED spokeswoman Robyn Young. A Whole Foods store also is set to open there early next year.



JIM POULIN | PHOENIX BUSINESS JOURNAL

Salvation Army's Herberger campus at 2707 E. Van Buren St. is replacing aging space with two new buildings and a renovated warehouse.

RETAIL GOES MULTIFAMILY

Here are some examples of high-end apartment complexes going up or planned on former retail sites around the Phoenix area.

Former Hard Rock Cafe

LOCATION: Northwest corner of 26th Street and Camelback Road
DEVELOPER: Alliance Residential Co., Phoenix
DESCRIPTION: 270 units, four floors plus loft areas
STATUS: Construction 10 percent complete, with the first units to be ready next January

Former Barcelona restaurant

LOCATION: Scottsdale Road and Greenway-Hayden Parkway
DEVELOPER: Investment Property Associates and P.B. Bell & Associates
DESCRIPTION: 240-unit luxury apartment complex in four four-story buildings constructed over podium parking
STATUS: Groundbreaking expected in fourth-quarter 2012, with units to be available by end of 2013

Former Robb & Stucky store

LOCATION: Scottsdale Road and Kierland Boulevard
DEVELOPER: JLB Partners LP, Irvine, Texas
DESCRIPTION: Luxury apartment project
STATUS: Rezoning pending

Former strip center

LOCATION: Northwest corner of Curry and Scottsdale roads
DEVELOPER: Archstone, Englewood, Colo.
DESCRIPTION: 234-unit apartments in two-, three- and four-story buildings
STATUS: Rezoning pending

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2011's top-dollar real estate sales in 9 categories

NOTE: Properties are categorized based on their zoning at the time of their sale. The nine Top 10 lists run through page 34.

TOP 10 COMMERCIAL LAND SALES

1. Riverwalk Square NEC Scottsdale and Camelback roads

CITY: Scottsdale
SALE PRICE: \$15 million
PER ACRE: \$3.5 million
RECORDING DATE: May 19
FINANCING: Cash
DESCRIPTION: For apartments, restaurant, supermarket
ACRES: 4
BUYER: Gray Development Group, Phoenix
SELLER: MidFirst Bank, Phoenix
SELLER'S BROKER: CBRE — Jim Fijan, Kevin Calihan and Tyler Anderson

2. SWC Baseline Road and 59th Avenue

CITY: Laveen
SALE PRICE: \$13.6 million
PER ACRE: \$79,351
RECORDING DATE: Sept. 14
FINANCING: Bank of America
DESCRIPTION: Zoned C-2
ACRES: 172
BUYER: Kitchell Development, Phoenix
SELLER: JOJO I LLC, Grass Valley, Calif.

3. NWC Florence Boulevard and Hacienda Road

CITY: Casa Grande

SALE PRICE: \$13.5 million
PER ACRE: \$21,160
RECORDING DATE: Dec. 16
FINANCING: Adair Insurance Ltd.
DESCRIPTION: For retail, office, mixed-use, apartments and single-family development
ACRES: 638
BUYER: Walton International Group Inc., Calgary, Alberta
SELLER: Insight Realty Advisors, Henderson, Nev.
BUYER'S BROKER: Land Advisors — Bret Rinehart, Ryan Semro, Kirk McCarville

4. Riverwalk Square 4625 N. Scottsdale Road

CITY: Scottsdale
SALE PRICE: \$12 million
PER ACRE: \$3.2 million
RECORDING DATE: May 19
FINANCING: Cash
ACRES: 4
BUYER: Brooks Capital Management LLC, Grand Haven, Mich.
SELLER: Gray Development Group, Phoenix

5. NEC Loop 202 and Elliot Road

CITY: Mesa
SALE PRICE: \$10.8 million
PER ACRE: \$83,881
RECORDING DATE: Sept. 27
FINANCING: Cash
DESCRIPTION: Holding for development as retail power center
ACRES: 129
BUYER: El Dorado Holdings, Phoenix
SELLER: First National Bank of Wynne, Wynne, Ark.
BUYER'S BROKERS: City to City Commercial — Rick Jellies, Chris Benjamin; Benjamin Group — Dean Ingram

SELLER'S BROKERS: City to City Commercial — Rick Jellies, Chris Benjamin; Benjamin Group — Dean Ingram

6. SEC Chandler Boulevard and 50th Street

CITY: Phoenix
SALE PRICE: \$10.4 million
PER ACRE: \$306,299
RECORDING DATE: Oct. 19
FINANCING: Cash
DESCRIPTION: Apartment site
ACRES: 34
BUYER: Investment Property Associates LLC, Grand Haven, Mich.
SELLER: ML Manager LLC, Peoria
BUYER'S BROKER: Colliers International — Cindy Cooke, Brad Cooke, Carrie Burton
SELLER'S BROKER: Garlan Realty Group Ltd. — Richard Garland

7. Pinal County Community College NWC Bella Vista and Sierra Vista roads

CITY: Queen Creek
SALE PRICE: \$8.65 million
PER ACRE: \$41,527
RECORDING DATE: Sept. 30
FINANCING: Cash
DESCRIPTION: For schools and other commercial purposes
ACRES: 208
BUYER: Central Arizona College, Coolidge
SELLER: Harvard Investments, Scottsdale
BUYER'S BROKER: Nathan & Associates Inc. — Nate Nathan
SELLER'S BROKER: Nathan & Associates Inc. — Nate Nathan

8. SEC Earll Drive and Third Street

CITY: Phoenix

SALE PRICE: \$8.05 million
PER ACRE: \$972,276
RECORDING DATE: Aug. 17
FINANCING: The PrivateBank and Trust Co.
DESCRIPTION: For medical construction
ACRES: 8
BUYER: Clarius Partners LLC, Chicago
SELLER: MAM Wealth Management LLC, Encino, Calif.

9. NEC Loop 202 and Elliot Road

CITY: Mesa
SALE PRICE: \$7.7 million
PER ACRE: \$59,856
RECORDING DATE: June 15
FINANCING: Cash
DESCRIPTION: Holding for development, retail, mixed-use
ACRES: 129
BUYER: First National Bank of Wynne, Wynne, Ark.
SELLER: Security Title Agency Inc., Phoenix

10. Storey Farms NWC Highway 287 and Signal Peak Road

CITY: Casa Grande
SALE PRICE: \$6.39 million
PER ACRE: \$12,733
RECORDING DATE: Aug. 19
FINANCING: Cash
DESCRIPTION: Land for commercial, retail, mixed-use
ACRES: 502
BUYER: AZ Sourcing LLC, Laveen
SELLER: H&S International, Scottsdale

Source: Ruth Darby, director of research and marketing, Grubb & Ellis Co.

Riverwalk Square
at Scottsdale and
Camelback roads

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TOP 10 HOTEL SALES

1. InterContinental Montelucia Resort

ADDRESS: 4949 E. Lincoln Drive, Paradise Valley
SALE PRICE: \$116 million
RECORDING DATE: May 20
FINANCING: Cash
ROOMS: 293
COST PER ROOM: \$394,439
YEAR BUILT: 2008
BUYER: ML Villas LLC, Colorado
SELLER: EHNH Montelucia LLC, New York



PROVIDED BY MONTELUCIA

2. Xona Resort Suites

ADDRESS: 7677 E. Princess Blvd., Scottsdale
SALE PRICE: \$34 million
RECORDING DATE: Jan. 27
FINANCING: Capmark Bank
ROOMS: 483
COST PER ROOM: \$70,393
YEAR BUILT: 1987
BUYER: Sunstone Realty, British Columbia
SELLER: Capmark Bank

3. Embassy Suites Hotel

ADDRESS: 4400 S. Rural Road, Tempe
SALE PRICE: \$19 million
FINANCING: Goldman Sachs
ROOMS: 224
COST PER ROOM: \$84,821
YEAR BUILT: 1985
BUYER: Sunstone Realty Advisors, British Columbia
SELLER: FelCor Lodging, Texas

4. Hilton Garden Inn

ADDRESS: 8550 E. Princess Drive, Scottsdale
SALE PRICE: \$16.3 million
RECORDING DATE: Oct. 3
FINANCING: 65 percent loan from US Bank
ROOMS: 122
COST PER ROOM: \$133,607
YEAR BUILT: 2005
BUYER: Apple Ten REIT, Virginia
SELLER: Scottsdale Lodging Investors LLC, Wisconsin

5. Hotel Theodore

ADDRESS: 7353 E. Indian School Road, Scottsdale
SALE PRICE: \$16.25 million
RECORDING DATE: Feb. 16
FINANCING: New loan
ROOMS: 194
COST PER ROOM: \$87,763
YEAR BUILT: 1975
BUYER: Sydell Scottsdale LLC, New York
SELLER: Wells Fargo

6. Radisson Hotel

ADDRESS: 3333 E. University Drive, Tempe
SALE PRICE: \$8.5 million
RECORDING DATE: March 11
FINANCING: 70 percent loan from Enterprise Bank
ROOMS: 159
COST PER ROOM: \$53,459
YEAR BUILT: 1988
BUYER: DSW Development, Missouri
SELLER: Servico Hotels II LLC, Georgia

7. SpringHill Suites

ADDRESS: 5211 S. Priest Drive, Tempe
SALE PRICE: \$5.45 million
RECORDING DATE: June 8
FINANCING: 83 percent loan from Compass Bank
ROOMS: 121
COST PER ROOM: \$45,000

YEAR BUILT: 1998**BUYER:** Texas Western Hospitality, Texas
SELLER: Apple Six Hospitality, Virginia**8. TownPlace Suites**

ADDRESS: 5223 S. Priest Drive, Tempe
RECORDING DATE: June 8
FINANCING: 77 percent loan from Compass Bank
ROOMS: 118
COST PER ROOM: \$45,000
YEAR BUILT: 1998
BUYER: Texas Western Hospitality, Texas
SELLER: Apple Six Hospitality, Virginia

9. Hampton Inn

ADDRESS: 5152 W. Latham St., Phoenix
SALE PRICE: \$5.2 million
RECORDING DATE: March 31
FINANCING: Seller
ROOMS: 123

COST PER ROOM: \$42,726**YEAR BUILT:** 1997
BUYER: RS-1-10 West LLC, Utah
SELLER: Sachan Bank, California**10. Residence Inn by Marriott**

ADDRESS: 8242 N. Black Canyon Highway, Phoenix
SALE PRICE: \$5.1 million
RECORDING DATE: July 13
FINANCING: Cash
ROOMS: 168
COST PER ROOM: \$30,357
YEAR BUILT: 1988
BUYER: Imara Holdings Inc., British Columbia
SELLER: Winston Phoenix Associates LLC, Illinois

Note: Broker information was not available for these sales.
 Source: CBRE, from data supplied by CoStar Group



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Brokers for Kids 2012 Raises Over \$242,000



Presented by the Scottsdale Active 20-30 Club & Foundation

CONGRATULATIONS TO THE 2012 CHAMPIONS



Brokers Cup

◆ COLE ◆

Team Captain: **Angie Kory**



Olympiad



GRUBB & ELLIS.

2012 COMPETING TEAMS



The Inaugural Brokers for Kids event was held in 1999 and eight teams participated. This year's event fielded 38 teams who came together to celebrate their collective accomplishments in raising money for children's charity. The Scottsdale Active 20-30 Club and Foundation created Brokers for Kids with the sole purpose of uniting the Greater Phoenix commercial real estate community to help out children in need. We are proud to continue this event that past active members of our club worked so hard to initiate. Since its inception, Brokers for Kids has raised more than \$1.2 million for Valley children.

Brokers for Kids is only successful because of the hard work and dedication of the participating team captains. It is with a great sense of pride to announce that the 2012 event brought in over \$242,000 for local children's charities! These team captains balanced their busy work schedules in order to support something they believe in and are the reason that Brokers for Kids is one of the largest children's fundraising events in metropolitan Phoenix.

On Friday, February 17th, 2012, the 38 competing teams celebrated the winner of the coveted Brokers Cup: **Cole Real Estate Investments**. The Brokers Cup is awarded to the company that raises the most money over the course of the year. The teams also celebrated their combined efforts at the Brokers for Kids Olympiad: a fun day of games and spirited competitions at Tempe Town Lake. This year's Olympiad winner is Grubb & Ellis.

We would like to thank all of the sponsors who contributed to make this event such a huge success, with special thanks to Ztejas Southwestern Grill and Grimaldi's Pizzeria for their continued support and delicious food. Boys Hope Girls Hope is our primary beneficiary and has been a great partner. We look forward to continuing the long term relationship.

As chairman, I would like to thank all the team captains as well as my fellow members of the Scottsdale Active 20-30 Club. You are all differentiators. All of you have stepped up and will change lives. You have made a difference and should be proud. I want to recognize all the members of my committee: Mike Coy, Ben Hawkins, Matthew Sawhill, Dave Block, Pat Hedges, Ben Tobias, Fred Bueler, Jeremy Keck, James Neal, and Manny Mungaray. This event is organized by the members of The Scottsdale Active 20-30 Club and without their dedication, this event would not be possible.

We are already starting to work on the 2013 event. If you're interested in participating or sponsoring the event, please contact any of the teams listed or our 2013 Chairman, Ben Hawkins, 602 410 6388.

Best Regards,

Brian Ackerman

Chairman - Brokers for Kids 2012

www.brokersforkids.org

www.scottsdale2030.org

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- Brian Ackerman - Chairman
 Ben Hawkins, Patrick Hedges - Operations
 Dave Block, Ben Tobias - Treasury
 Matthew Sawhill - Marketing

Mike Coy, Fred Bueler, Jeremy Keck, James Neal, Manny Mungaray - Team Liaisons

For Information on Brokers for Kids 2013, Contact Ben Hawkins at (602) 410-6388 or e-mail at bhawkins@scottsdale2030.org

WE WOULD ALSO LIKE TO THANK



TOP 10 OFFICE BUILDING SALES

1. University of Phoenix

ADDRESS: 4025-4045 S. Riverpoint Parkway, Phoenix
SALE PRICE: \$170 million
RECORDING DATE: March 24
FINANCING: Cash
SQUARE FEET: 599,664
BUYER: Cole Real Estate Investments, Phoenix
SELLER: Apollo Group, Phoenix

2. Fountainhead Office Plaza

ADDRESS: 1601 and 1625 W. Fountainhead Parkway, Tempe
SALE PRICE: \$137 million
RECORDING DATE: Sept. 12
FINANCING: Cash
SQUARE FEET: 439,070
BUYER: KBB Realty Advisors, Newport Beach, Calif.
SELLER: USAA, San Antonio
SELLER'S BROKER: CBRE — Kevin Shannon, Michael Moore, Bob Young and Glenn Smigel

3. Arizona Center

ADDRESS: 500 N. Fifth St., Phoenix
SALE PRICE: \$136.5 million
RECORDING DATE: March 4
FINANCING: Cash
SQUARE FEET: 1.06 million
BUYER: CommonWealth REIT, Newton, Mass.
SELLER: General Growth Properties, Chicago
SELLER'S BROKER: CBRE — Bob Young, Glenn Smigel, Steve Brabant and Rick Abraham

4. PetSmart headquarters

ADDRESS: 19601 N. 27th Ave., Phoenix
SALE PRICE: \$103 million
RECORDING DATE: Aug. 23
FINANCING: Cash
SQUARE FEET: 365,672
BUYER: Cole Real Estate Investments, Phoenix
SELLER: Prudential Real Estate, Newark, N.J.
SELLER'S BROKER: CBRE — Barry Gabel, Mindy Korth, Kevin Shannon and Kenn White

5. Pima Center

ADDRESS: 9200 Pima Center Parkway, Scottsdale
SALE PRICE: \$60 million
RECORDING DATE: May 31
FINANCING: Bank of America
SQUARE FEET: 546,487
BUYERS: MainSpring Capital, GEM Realty and Farallon Capital, Scottsdale, San Francisco
SELLER: Bank of America, Charlotte, N.C.
BUYER'S BROKER: Ross Brown Partners — Robert Crum
SELLER'S BROKER: CBRE — Jim Fijan and Will Mast

6. Viad Tower*

ADDRESS: 1850 N. Central Ave., Phoenix

SALE PRICE: \$56 million
RECORDING DATE: May 20
FINANCING: Bank of America
SQUARE FEET: 482,108
BUYER: Morgan Stanley and McCarthy Cook, San Francisco, El Segundo, Calif.
SELLER: McCarthy Cook
SELLER'S BROKER: Eastdil Secured LLC

7. Sky Harbor Operations Center

ADDRESS: 1820 E. Sky Harbor Center, Phoenix
SALE PRICE: \$53.5 million
RECORDING DATE: Sept. 30
FINANCING: Cash
SQUARE FEET: 396,179
BUYER: CBRE Realty Trust, Los Angeles
SELLER: Brookfield Real Estate Opportunity Fund, New York
SELLER'S BROKER: CBRE — Bob Young, Glenn Smigel, Steve Brabant and Rick Abraham

8. Phoenix City Square*

ADDRESS: 3800-4000 N. Central Ave., Phoenix
SALE PRICE: \$47.6 million
RECORDING DATE: May 5
FINANCING: Private company
SQUARE FEET: 723,908
BUYER: Angelo Gordon and Pacific Office Properties, New York, Santa Monica, Calif.
SELLER: Pacific Office Properties, Santa Monica, Calif.

9. One, Two and Three Gateway*

ADDRESS: 410, 426 and 432 N. 44th St., Phoenix
SALE PRICE: \$42 million
RECORDING DATE: Dec. 22
FINANCING: Cash
SQUARE FEET: 432,906
BUYER: Oaktree Capital Management and Pearlmark Real Estate Partners, Los Angeles, Chicago
SELLER: Pearlmark Real Estate Partners, Chicago

10. Hayden Ferry Lakeside I

ADDRESS: 80 E. Rio Salado Parkway, Tempe
SALE PRICE: \$39.4 million
RECORDING DATE: June 30
FINANCING: Wells Fargo
SQUARE FEET: 203,113
BUYER: Parkway Properties, Jackson, Miss.
SELLER: Arden Realty, San Diego
SELLER'S BROKER: Eastdil Secured LLC — Adam Edwards

* Transactions involve recapitalizations or joint ventures. Morgan Stanley took a position at the Viad Tower. Angelo Gordon partnered with Pacific Office Properties at Phoenix City Square, and Oaktree Capital Management teamed with Pearlmark at One Gateway. The half of the joint venture that was in place shows as both buyer and seller.

Source: Pete O'Neil, senior research analyst for Colliers International and CoStar Group

TOP 10 MEDICAL BUILDING SALES

1. Edwards Medical Plaza

ADDRESS: 1300 N. 12th St., Phoenix
SALE PRICE: \$20.3 million
RECORDING DATE: Dec. 1
SQUARE FEET: 143,985
YEAR BUILT: 1983
BUYER: Ventas Inc., Newport Beach, Calif.
SELLER: Universal Health Realty Income Trust, King of Prussia, Pa.

2. Papago Medical Park

ADDRESS: 1331 N. Seventh St., Phoenix
SALE PRICE: \$13.1 million
RECORDING DATE: Dec. 1
SQUARE FEET: 79,247
YEAR BUILT: 1989
BUYER: Ventas Inc., Newport Beach, Calif.
SELLER: Universal Health Realty Income Trust, King of Prussia, Pa.

3. Estrella Health Center

ADDRESS: 9250 W. Thomas Road, Phoenix
SALE PRICE: \$8.6 million
RECORDING DATE: Dec. 8
FINANCING: Cash
SQUARE FEET: 80,000
YEAR BUILT: 2008
BUYER: Archway Holdings Corp., Beverly Hills, Calif.
SELLER: McShane Development Co., Rosemont, Ill.
BUYER'S BROKER: Cassidy Turley BRE Commercial — Eric Wichterman
SELLER'S BROKER: Cassidy Turley BRE Commercial — Eric Wichterman

4. Paseo Medical Center

ADDRESS: 6120-6202 W. Bell Road, Glendale
SALE PRICE: \$3.76 million
RECORDING DATE: Feb. 11
FINANCING: Wells Fargo
SQUARE FEET: 20,594
YEAR BUILT: 1989
BUYER: Healthcare Trust of America Inc., Scottsdale
SELLER: The Plaza Cos., Peoria

5. Dunlap Health Center

ADDRESS: 2423 W. Dunlap Road, Phoenix
SALE PRICE: \$3.02 million
RECORDING DATE: Jan. 31
FINANCING: Alliance Bank of Arizona
SQUARE FEET: 28,183
YEAR BUILT: 1992
BUYER: Boehle Family Trust, Phoenix
SELLER: Gyro Engineering Corp., New River

6. Ironwood Office Suites Building A

ADDRESS: 10101 N. 92nd St., Scottsdale
SALE PRICE: \$2.5 million

RECORDING DATE: Dec. 16
FINANCING: Private company
SQUARE FEET: 19,982
YEAR BUILT: 2003
BUYER: Platinum Advisors, Scottsdale
SELLER: Scottsdale Health Group, Scottsdale

7. Good Samaritan Health Center

ADDRESS: 925 E. McDowell Road, Phoenix
SALE PRICE: \$2.47 million
RECORDING DATE: Feb. 4
FINANCING: Cash
SQUARE FEET: 36,325
YEAR BUILT: 1972
BUYER: Banner Health, Phoenix
SELLER: Sohail Sam Mahboubian, Encino, Calif.
BUYER'S BROKER: Jones Lang LaSalle — Vicki Robinson

8. Medical offices

ADDRESS: 325 E. Baseline Road, Phoenix
SALE PRICE: \$2.37 million
RECORDING DATE: Aug. 1
FINANCING: FirstBank
SQUARE FEET: 18,427
YEAR BUILT: 1979
BUYER: John and Marilyn Graham, Evergreen, Colo.
SELLER: VHS of South Phoenix Inc., Nashville
BUYER'S BROKER: Colliers International — Kim Soule
SELLER'S BROKER: Transwestern — Kate Morris

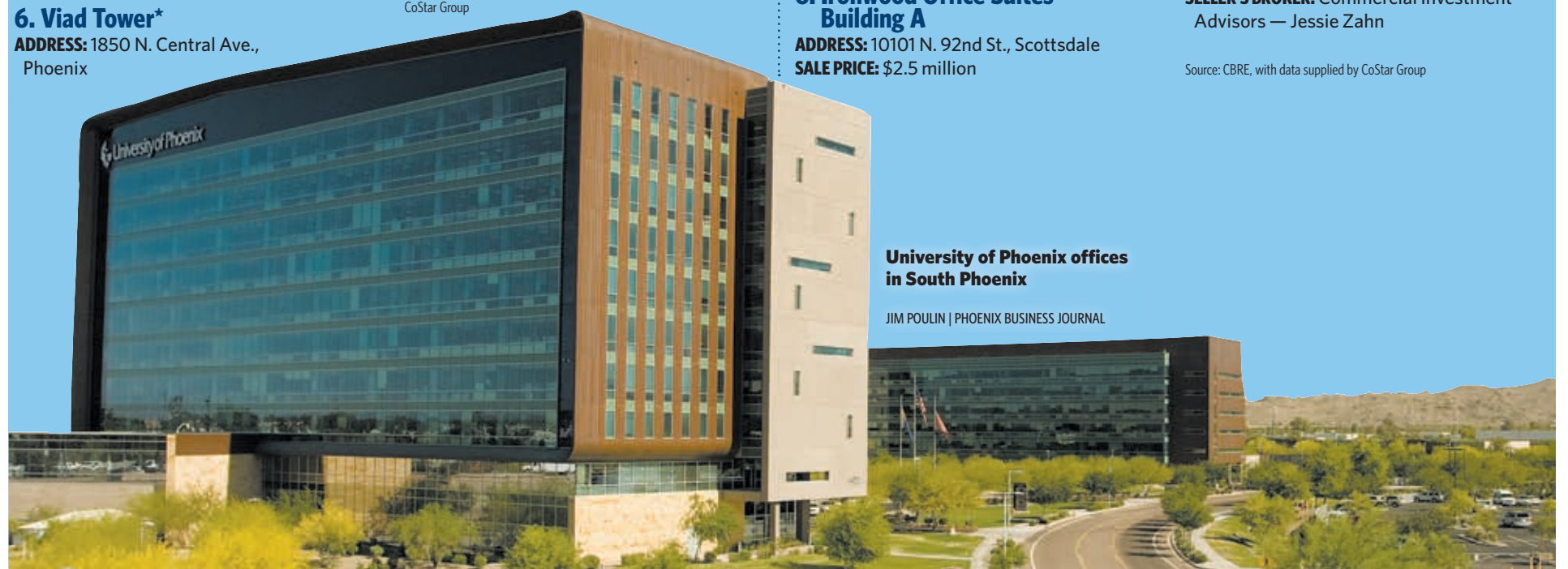
9. Thunderbird Commons Medical Building D

ADDRESS: 6790 W. Thunderbird Road, Peoria
SALE PRICE: \$2.15 million
RECORDING DATE: Dec. 15
FINANCING: REO sale
SQUARE FEET: 20,383
YEAR BUILT: 2006
BUYER: Second City Capital Partners
SELLER: Heritage Bank, Phoenix
BUYER'S BROKER: Colliers International — Bob Broyles
SELLER'S BROKER: Cassidy Turley BRE Commercial — Rick Danis

10. Medical office

ADDRESS: 1760 E. Florence Blvd., Casa Grande
SALE PRICE: \$2.1 million
RECORDING DATE: July 8
FINANCING: Cash
SQUARE FEET: 6,000
YEAR BUILT: 2001
BUYER: Evans Charitable Remainder UniTrust, Pebble Beach, Calif.
SELLER: Ronald and Janet Halter
BUYER'S BROKER: CBRE — Charles Strouss
SELLER'S BROKER: Commercial Investment Advisors — Jessie Zahn

Source: CBRE, with data supplied by CoStar Group



University of Phoenix offices in South Phoenix

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TOP 10 APARTMENT SALES

1. Pinnacle Peak Apartments

(Since renamed Aspire)
ADDRESS: 24250 N. 23rd Ave., Phoenix
SALE PRICE: \$78 million
RECORDING DATE: May 31
FINANCING: Keycorp R.E. Capital Markets
UNITS: 724
BUYER: Weidner Investments, Kirkland, Wash.
SELLER: Trillium Residential, Tempe
SELLER'S BROKER: Hendricks & Partners — Mark Forrester and Ric Holway

2. GlenEagles

ADDRESS: 8275 E. Bell Road, Scottsdale
SALE PRICE: \$55.4 million
RECORDING DATE: Oct. 21
FINANCING: Cash
UNITS: 330
BUYER: AEW Capital Management, Boston
SELLER: Pillar Communities, Scottsdale
SELLER'S BROKER: CBRE — Tyler Anderson and Sean Cunningham

3. Red Mountain Villas Apartments

ADDRESS: 815 N. 52nd St., Phoenix
SALE PRICE: \$46 million
RECORDING DATE: Feb. 1
FINANCING: Fannie Mae
UNITS: 768
BUYER: Weidner Investments, Kirkland, Wash.
SELLER: Spruce Grove Inc., Santa Ana, Calif.
BUYER'S BROKER: Orion Investment Real Estate — Rue Bax and Doug Lazovick
SELLER'S BROKER: Kevin Hanford Brokerage — Kevin Hanford

4. Windsor at Mountain Park Ranch

ADDRESS: 13820 S. 44th St., Phoenix
SALE PRICE: \$44.6 million
RECORDING DATE: July 29
FINANCING: Cash
UNITS: 360
BUYER: Cornerstone Real Estate Advisors, Santa Monica, Calif.
SELLER: GID Investment, Boston
SELLER'S BROKER: CBRE — Tyler Anderson and Sean Cunningham

5. Residences at FortyTwo 25

ADDRESS: 4225 E. McDowell Road, Phoenix
SALE PRICE: \$42 million
RECORDING DATE: Aug. 16
FINANCING: NorthMarq Capital
UNITS: 357
BUYER: Lawrence Hess, San Diego
SELLER: Embrey Partners Ltd., San Antonio
SELLER'S BROKER: CBRE — Tyler Anderson and Sean Cunningham

6. Desert Homes/Remington Place

ADDRESS: 17249 and 17435 N. Seventh St., Phoenix
SALE PRICE: \$41.4 million
RECORDING DATE: April 14
FINANCING: Citibank
UNITS: 824
BUYER: Onni Real Estate, Vancouver, British Columbia
SELLER: Equity Residential, Chicago
BUYER'S BROKER: Hendricks & Partners — Arthur Wadlund, Mark Forrester and Ric Holway
SELLER'S BROKER: Hendricks & Partners — Arthur Wadlund, Mark Forrester and Ric Holway



Pinnacle Peak (now Aspire) apartments

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7. Indigo at the Park/Barossa at the Park

ADDRESS: 7725 and 7777 W. McDowell Road, Phoenix
SALE PRICE: \$40.9 million
RECORDING DATE: April 29
FINANCING: Citibank
UNITS: 558
BUYER: Weidner Investments, Kirkland, Wash.
SELLER: Gray Development, Phoenix

8. Level at Sixteenth

ADDRESS: 1550 E. Campbell Ave., Phoenix
SALE PRICE: \$40 million
RECORDING DATE: July 6
FINANCING: Cash
UNITS: 240
BUYER: Cornerstone Real Estate Advisors, Santa Monica, Calif.
SELLER: Alliance Residential, Phoenix
SELLER'S BROKER: Hendricks & Partners — Mark Forrester and Ric Holway

9. The Station on Central

ADDRESS: 4140 N. Central Ave., Phoenix

SALE PRICE: \$36.5 million
RECORDING DATE: May 3
FINANCING: Great West Life & Annuity Life Co.
UNITS: 414
BUYER: Baron Property Services, Greenwood Village, Colo.
SELLER: CW Capital, Washington
SELLER'S BROKER: Apartment Realty Advisors — Bradley Goff and David Lord

10. San Cierra

ADDRESS: 2400 N. Arizona Ave., Chandler
SALE PRICE: \$33.9 million
RECORDING DATE: May 3
FINANCING: Freddie Mac
UNITS: 332
BUYER: Premiere Residential, San Diego
SELLER: Belkorp Industries, Vancouver, British Columbia
SELLER'S BROKER: CBRE — Tyler Anderson and Sean Cunningham

Source: Pete O'Neil, senior research analyst for Colliers International and CoStar Group

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TOP 10 RESIDENTIAL LAND SALES

1. Amaranth Highway 238 and 91st Avenue

CITY: Mobile
SALE PRICE: \$32.5 million
PER ACRE: \$3,186
RECORDING DATE: May 25
FINANCING: Cash
DESCRIPTION: Master-planned community
ACRES: 10,200
BUYER: Arcus Private Capital Solutions, Gilbert
SELLER: The Goldman Sachs Group Inc., New York
BUYER'S BROKER: City to City Commercial — Bill Olsen and James Pickett
SELLER'S BROKER: Nathan & Associates Inc. — Nate Nathan and Courtney Buck

2. Bella Vista Farm NEC Bella Vista and Gantzel roads

CITY: Queen Creek
SALE PRICE: \$30 million
PER ACRE: \$22,951
RECORDING DATE: Jan. 5
FINANCING: Cash
DESCRIPTION: Master-planned community, single-family development
ACRES: 1,309
BUYER: Harvard Investments, Scottsdale
SELLER: Vanderbilt Farms LLC, Tempe
SELLER'S BROKER: Nathan & Associates Inc. — Nate Nathan, David Mullard and Courtney Buck

3. SWC McDowell and Miller roads

CITY: Scottsdale
SALE PRICE: \$9.1 million
PER ACRE: \$443,723
RECORDING DATE: Nov. 30
FINANCING: Private company
DESCRIPTION: Apartment site
ACRES: 21
BUYER: Mark-Taylor Residential Inc., Scottsdale
SELLER: ATI Properties, Tempe
BUYER'S BROKER: None
SELLER'S BROKER: Cassidy Turley BRE Commercial — Steve Nicoluzakis

4 (tie). NWC County Road 85 and Jackrabbit Trail

CITY: Buckeye
SALE PRICE: \$8 million
PER ACRE: \$10,400
RECORDING DATE: Sept. 16
FINANCING: Agrifinance Inc.
DESCRIPTION: Holding for investment
ACRES: 769
BUYER: Rexco LLC, Phoenix
SELLER: Stearns Bank Arizona, Scottsdale
BUYER'S BROKER: Land Advisors Organization — Greg Vogel and Michele Pino
SELLER'S BROKER: None

4 (tie). Union Square C at DC Ranch SWC Union Hills Drive and 91st Street

CITY: Scottsdale
SALE PRICE: \$8 million
PER ACRE: \$864,865
RECORDING DATE: Nov. 19
FINANCING: Cash
DESCRIPTION: Apartment site
ACRES: 9
BUYER: Archstone, Santa Ana, Calif.
SELLER: HCW Development Co., Branson, Mo.
BUYER'S BROKER: Michael Lieb

6. SWC Pecos and Higley roads

CITY: Gilbert
SALE PRICE: \$7.53 million
PER ACRE: \$120,439
RECORDING DATE: Nov. 4
FINANCING: Cash
DESCRIPTION: Single-family development
ACRES: 62
BUYER: Meritage Homes of Arizona Inc., Scottsdale
SELLER: Axys Group, Austin

7. Wildcat Hill SEC Cave Creek and Bartlett roads

CITY: Scottsdale
SALE PRICE: \$7.5 million
PER ACRE: \$21,238
RECORDING DATE: May 17
FINANCING: Cash
DESCRIPTION: Single-family development
ACRES: 353
BUYER: Quantum Capital, Phoenix
SELLER: Stearns Bank Arizona, Scottsdale
BUYER'S BROKER: Citadel Land Advisory Group LLC — Larry Kush
SELLER'S BROKER: CRA LLC — Michael Martindale, Todd Vesledahl

8. Villas at Desert Park Village DC Ranch NEC Union Hills Drive and 91st Street

CITY: Scottsdale
SALE PRICE: \$7.25 million
PER ACRE: \$1.2 million
RECORDING DATE: Nov. 18
FINANCING: Cash
DESCRIPTION: Single-family development
ACRES: 6
BUYER: Standard Pacific of Arizona Inc., Scottsdale
SELLER: Paulson & Co. Inc., New York
BUYER'S BROKER: Pacific Land Co. — Chad Lafferty, Derek Harris and Brad Kuiper
SELLER'S BROKER: None

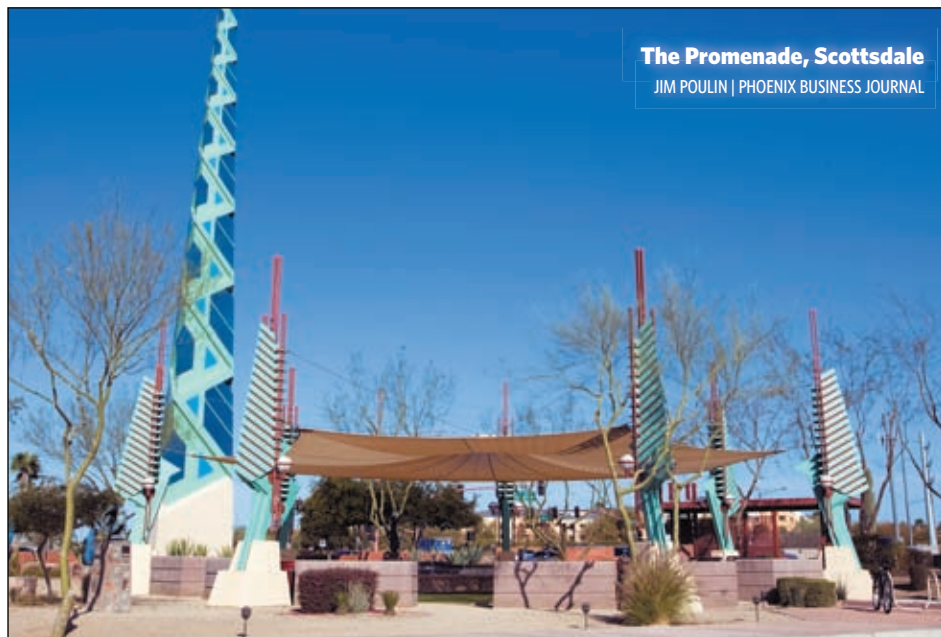
9. Desert Oasis and Sunrise Ranch NEC Jomax Road and 179th Avenue

CITY: Surprise
SALE PRICE: \$7.08 million
PER ACRE: \$19,741
RECORDING DATE: March 3
FINANCING: Cash
DESCRIPTION: Holding for investment, single-family development
ACRES: 359
BUYER: MPC Homes, Scottsdale
SELLER: Desert Troon Cos. Inc., Scottsdale
BUYER'S BROKER: Land Advisors Organization — Ben Heglie, Ryan Semro and Bret Rinehart
SELLER'S BROKER: Land Advisors Organization — Ben Heglie, Ryan Semro and Bret Rinehart

10. Jen Lilly Terrace 919-1005 E. Apache Blvd.

CITY: Tempe
SALE PRICE: \$6.58 million
PER ACRE: \$1.1 million
RECORDING DATE: Nov. 1
FINANCING: Cash
DESCRIPTION: Apartment-dorm site
ACRES: 6
BUYER: The Ecclestone Organization Inc., West Palm Beach, Fla.
SELLER: RockBridge Capital LCC, Columbus
BUYER'S BROKER: CBRE — Bert Kempfert
SELLER'S BROKER: CBRE — Bert Kempfert

Source: Ruth Darby, director of research and marketing, Grubb & Ellis Co.



The Promenade, Scottsdale
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TOP 10 RETAIL CENTER SALES

1. The Promenade

ADDRESS: 16203-16255 N. Scottsdale Road, Scottsdale
SALE PRICE: \$110 million
RECORDING DATE: July 11
FINANCING: US Bank
SQUARE FEET: 443,018
BUYER: Excel Trust, San Diego
SELLER: Pacific Cos., Phoenix
BUYER'S BROKER: Lucescu Realty — Mark Lucescu
SELLER'S BROKER: Lucescu Realty — Mark Lucescu

2. Shea Scottsdale and Shea Scottsdale East

ADDRESSES: 10653 N. Scottsdale Road and 7366 E. Shea Blvd., Scottsdale
SALE PRICE: \$50.3 million
RECORDING DATE: Sept. 29
FINANCING: Cash
SQUARE FEET: 277,253
BUYER: Karlin Real Estate, Los Angeles
SELLER: Herberger Enterprises, Scottsdale
SELLER'S BROKER: Cassidy Turley — Ryan Schubert, Michael Hackett and Eric Jorgensen

3. Kierland Commons

ADDRESS: Scottsdale Road and Greenway Parkway, Scottsdale
SALE PRICE: \$34.2 million
RECORDING DATE: Feb. 28
FINANCING: Cash and debt assumption
SQUARE FEET: 363,001
BUYERS: The Macerich Co. and Institutional Mall Investors, Santa Monica, Calif., and Skokie, Ill.
SELLER: Woodbine Southwest Corp., Scottsdale

4. Tatum Point

ADDRESS: 4601-4747 E. Bell Road, Phoenix
SALE PRICE: \$30 million
RECORDING DATE: June 29
FINANCING: Farm Bureau Life Insurance Co.
SQUARE FEET: 173,529
BUYER: West Valley Properties Inc., Los Altos, Calif.
SELLER: Cornwell Corp., Scottsdale
SELLER'S BROKER: Cassidy Turley — Ryan Schubert and Michael Hackett

5. Village Crossroads

ADDRESS: SEC Cactus Road and Tatum Boulevard, Phoenix
SALE PRICE: \$29.2 million
RECORDING DATE: July 29
FINANCING: Cash
SQUARE FEET: 184,828
BUYER: Kimco Realty Corp., Vista, Calif.
SELLER: ACF Property Management, Los Angeles

6. The Pinnacle of Scottsdale

ADDRESS: 23415-23623 N. Scottsdale Road, Scottsdale
SALE PRICE: \$29 million
RECORDING DATE: Dec. 22
FINANCING: US Bank
SQUARE FEET: 113,106
BUYER: Whitestone REIT, Houston
SELLER: Westwood Financial Corp., Los Angeles
SELLER'S BROKER: Lee & Associates — Patrick Dempsey and Jan Fincham

7. Bulk portfolio site

ADDRESSES: Tolleson, Gilbert, Avondale
SALE PRICE: \$26.8 million
RECORDING DATE: Dec. 19
FINANCING: Cash
SQUARE FEET: 369,903 total
BUYER: Trigate Capital LLC, Dallas
SELLER: C-III Asset Management, Irvine, Texas
SELLER'S BROKER: Savills LLC, John Williams

8. North Valley Power Center

ADDRESS: 8215 W. Bell Road, Peoria
SALE PRICE: \$23.4 million
RECORDING DATE: Dec. 13
FINANCING: Cash, debt assumption
SQUARE FEET: 167,997
BUYER: Kimco Realty Corp, Vista, Calif.
SELLER: ACF Property Management, Studio City, Calif.

9. Mesa Ranch Plaza

ADDRESS: 1036-1060 E. Southern Ave., Mesa
SALE PRICE: \$19.1 million
RECORDING DATE: June 28
FINANCING: Cash
SQUARE FEET: 207,820
BUYER: Reddy Development LLC, Scottsdale
SELLER: KeyBank, Cleveland
BUYER'S BROKER: CBRE — Bruce Francis and Dana Summers
SELLER'S BROKER: CBRE — Philip Voorhees, Glenn Smigel and Kevin Schuck

10. DC Ranch Crossing

ADDRESS: 18261 N. Pima Road, Scottsdale
SALE PRICE: \$16.5 million
RECORDING DATE: June 9
FINANCING: Cash
SQUARE FEET: 68,113-square-foot building plus 3.24 acres of land
BUYER: Stockbridge Capital Group LLC, San Francisco
SELLER: DMB Associates, Scottsdale
SELLER'S BROKER: CBRE — Bob Young, Glenn Smigel, Steve Brabant and Rick Abraham

Source: Pete O'Neil, senior research analyst for Colliers International and CoStar Group



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Parkway Properties, Inc. ■ Phoenix Design One, Inc. ■ Polsinelli Shughart
Prologis ■ Quarles & Brady LLP ■ Sunbelt Holdings
Sun State Builders ■ Tratt Properties, LLC ■ The Weitz Company
Wentworth Webb & Postal, LLC ■ Wespac Construction, Inc.

TOP 10 INDUSTRIAL LAND SALES

1. Gila River Entegra Power NWC Old Highway 80 and Watermelon Road

CITY: Gila Bend
SALE PRICE: \$212 million
PER ACRE: \$196,238
RECORDING DATE: July 8
FINANCING: Cash
DESCRIPTION: For utility substation
ACRES: 1,080
BUYER: Wayzata Investment Partners, Wayzata, Minn.
SELLER: Entegra Power Group LLC, Tampa, Fla.
BUYER'S BROKER: None
SELLER'S BROKER: None

2. Lot 3 Continuum final plat NEC Queen Creek and Price roads

CITY: Chandler
SALE PRICE: \$12.2 million
PER ACRE: \$305,791
RECORDING DATE: Sept. 6
FINANCING: Cash
DESCRIPTION: For industrial use
ACRES: 40
BUYER: Cincinnati Bell, Cincinnati
SELLER: Capital Commercial Investments Inc., Austin
BUYER'S BROKER: Jones Lang LaSalle — Mark Bauer
SELLER'S BROKER: CBRE — Luke Walker and Dave Carder

3. First Solar site SWC Signal Butte and Elliot roads

CITY: Mesa
SALE PRICE: \$11.6 million
PER ACRE: \$87,120
RECORDING DATE: July 15
FINANCING: Cash
DESCRIPTION: For industrial use
ACRES: 133
BUYER: First Solar Inc., Tempe
SELLER: DMB Holdings LP, Scottsdale

4. SEC Barnes Road at White and Parke roads

CITY: Maricopa
SALE PRICE: \$6.66 million
PER ACRE: 7,568
RECORDING DATE: June 3
FINANCING: Cash
DESCRIPTION: Holding for development
ACRES: 880
BUYER: Zinke Dairy Inc., Gilbert
SELLER: El Dorado Holdings, Phoenix

5. Crescent Crown Distributing NWC Brooks and Broadway Road

CITY: Mesa
SALE PRICE: \$6.41 million
PER ACRE: \$283,077
RECORDING DATE: Jan. 25
FINANCING: Cash
DESCRIPTION: For industrial, office
ACRES: 23
BUYER: Crescent Crown Distributing, Phoenix
SELLER: Mesa Leasing Corp., Tempe
BUYER'S BROKER: Colliers International — Eric Bell and Mike Ciosek
SELLER'S BROKER: REB Ltd. — Randall Blum

6. Dick's Sporting Goods distribution site 4651 N. Cotton Lane

CITY: Goodyear
SALE PRICE: \$5.79 million
PER ACRE: \$107,755
RECORDING DATE: Nov. 14
FINANCING: Cash
DESCRIPTION: For distribution facility
ACRES: 54
BUYER: Dick's Sporting Goods Inc., Coraopolis, Pa.
SELLER: Sunbelt Holdings, Scottsdale
BUYER'S BROKER: Jones Lang LaSalle — Anthony Lydon and Bill Honsaker

7. SEC U.S. 60 and Idaho Road

CITY: Apache Junction
SALE PRICE: \$5.1 million
PER ACRE: \$65,323
RECORDING DATE: July 15
FINANCING: Cash
DESCRIPTION: For commercial, industrial, mixed-use
ACRES: 78
BUYER: Amerco Real Estate Co., Phoenix
SELLER: Oreo Corp., Cleveland
BUYER'S BROKER: SRS Real Estate Partners — Ed Beeh, Jami Savage and Chuck Gibson
SELLER'S BROKER: Colliers International — Ramey Peru, John Finnegan and Chaz Smith

8. SEC Barnes and Porter roads

CITY: Maricopa
SALE PRICE: \$4.82 million
PER ACRE: \$7,524
RECORDING DATE: June 3
FINANCING: Cash
DESCRIPTION: Holding for development
ACRES: 640
BUYER: Zinke Dairy Inc., Gilbert
SELLER: El Dorado Holdings, Phoenix

9. NWC Van Buren Street and 75th Avenue

CITY: Phoenix
SALE PRICE: \$3.43 million
PER ACRE: \$211,265
RECORDING DATE: July 24
FINANCING: Arizona Business Bank
DESCRIPTION: For industrial use
ACRES: 16
BUYER: RWC-SRC Ltd., Phoenix
SELLER: EJM Development, Scottsdale
BUYER'S BROKER: Cassidy Turley BRE Commercial — Gregson Dodge
SELLER'S BROKER: Jones Lang LaSalle — Anthony Lydon and Mark Hertzberg

10. NWC Kyrene Road and Loop 202

CITY: Chandler
SALE PRICE: \$3.2 million
PER ACRE: \$101,587
RECORDING DATE: May 31
FINANCING: Cash
DESCRIPTION: Industrial park
ACRES: 32
BUYER: EastGroup Properties LP, Phoenix
SELLER: First National Bank of Olathe, Scottsdale
BUYER'S BROKER: Colliers International — Paul Sieczkowski, Rob Martenson and Steve Larsen
SELLER'S BROKER: Colliers International — Paul Sieczkowski, Rob Martenson and Steve Larsen

Sources: Ruth Darby, director of research and marketing, Grubb & Ellis Co.



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TOP 10 INDUSTRIAL BUILDING SALES

1. Papago West

ADDRESS: 4405 and 4411 W. Roosevelt St.
SALE PRICE: \$32.3 million
RECORDING DATE: Nov. 28
FINANCING: Cash
SQUARE FEET: 629,764
BUYER: CreXus Investment Corp., New York
SELLER: Alliance Beverage, Phoenix
BUYER'S BROKER: Colliers International — Don MacWilliam and Payson MacWilliam

2. 10 Chandler

ADDRESS: 450-570 N. 54th St., Chandler
SALE PRICE: \$30.5 million
RECORDING DATE: Jan. 25
FINANCING: ASVRF Funding LLC
SQUARE FEET: 552,370
BUYER: Alliance Commercial Partners LLC, Lakewood, Colo.
SELLER: RREEF America LLC and Lincoln Property Co., San Francisco, Dallas
BUYER'S BROKER: Cushman & Wakefield — Mark Detmer, Bo Mills and Will Strong

3. Riverside Business Center

ADDRESS: 4570 W. Lower Buckeye Rd., Phoenix
SALE PRICE: \$24 million
RECORDING DATE: April 29
FINANCING: Cash
SQUARE FEET: 603,910
BUYER: Duke Realty, Indianapolis
SELLER: Lincoln Financial Group, Radnor, Pa.
BUYER'S BROKER: Duke Realty — Chris Burns and Kevin Rogus
SELLER'S BROKER: CBRE — Patrick Feeney, David Carder, Daniel Calihan, Rusty Kennedy and Joe Porter

4. Pinnacle Park and Deer Valley

ADDRESS: 23040 N. 11th Ave., Phoenix
SALE PRICE: \$23.9 million
RECORDING DATE: Nov. 28
FINANCING: Cash
SQUARE FEET: 340,646
BUYER: Lincoln Property Co., Phoenix
SELLER: Cornerstone Real Estate Funds, Irvine, Calif.
SELLER'S BROKER: CBRE — Darla Longo, Barbara Emmons, Joe Porter and Patrick Feeney

5. Ryan Airpark II

ADDRESS: 7499 E. Paradise Lane, Scottsdale
SALE PRICE: \$21.4 million
RECORDING DATE: Sept. 15
FINANCING: Wells Fargo
SQUARE FEET: 98,555
BUYER: Artis Real Estate Investment Trust, Winnipeg, Manitoba
SELLER: Ashton Capital Corp., Renton, Wash.

6. FedEx distribution facility

ADDRESS: 23000 N. 74th Ave., Phoenix
SALE PRICE: \$20 million
RECORDING DATE: Nov. 18
FINANCING: Cash
SQUARE FEET: 194,262
BUYER: American Realty Capital Trust, Jenkintown, Pa.
SELLER: Scannell Properties, Indianapolis

7. Multiple properties

ADDRESSES: 1825 S. 43rd Ave. and 3404 W. Papago St., Phoenix
SALE PRICE: \$17.6 million
RECORDING DATE: Sept. 21
FINANCING: Thrivent Financial for Lutherans
SQUARE FEET: 437,250 total
BUYER: Lincoln Property Co., Phoenix
SELLER: Ruth Development, Phoenix
BUYER'S BROKER: CBRE — Patrick Feeney, Daniel Calihan and Joe Porter
SELLER'S BROKER: CBRE — Patrick Feeney, Daniel Calihan and Joe Porter

8. Santa Fe Business Center

ADDRESSES: 4524 N. 44th Ave. and 5502 W. Buckeye Road, Phoenix
SALE PRICE: \$13.2 million
RECORDING DATE: Oct. 5
FINANCING: Principal Life Insurance Co.
SQUARE FEET: 244,295
BUYER: Environmental Development Ltd., San Diego
SELLER: Tratt Properties LLC, Phoenix
SELLER'S BROKER: NAI Horizon — Jeff Hays, Isy Sonabend and Chad Nepl

9. Banner Health

ADDRESS: 7300 N. Detroit St., Chandler
SALE PRICE: \$12.2 million
RECORDING DATE: May 11
FINANCING: Cash
SQUARE FEET: 196,791
BUYER: Banner Health, Phoenix
SELLER: Valley Citrus Packing Co., Phoenix
BUYER'S BROKER: Jones Lang LaSalle — Steven Corney, Vicki Robinson and Pat Williams
SELLER'S BROKER: Cassidy Turley — Bruce Calfee and Josh Wyss

10. Prologis Distribution Center

ADDRESS: 9704 W. Roosevelt St., Tolleson
SALE PRICE: \$9.95 million
RECORDING DATE: Aug. 9
FINANCING: Cash
SQUARE FEET: 302,640
BUYER: Prologis, Denver
SELLER: Eleanor Sade, San Rafael, Calif.
SELLER'S BROKER: Jones Lang LaSalle — Anthony Lydon and Marc Hertzberg

Source: Pete O'Neil, senior research analyst for Colliers International and CoStar Group

ANNUAL AWARDS PROGRAM

BEST OF
NAIOP

HONORING INDIVIDUALS, PROJECTS

The Best of NAIOP program highlights the year's most successful projects, companies and individuals in real estate with awards such as Firm of the Year, Office Broker of the Year, General Contractor of the Year, and Talk of the Town. We received 64 submittals in 19 categories for this year's Best of NAIOP awards, beating the previous two decades.

The annual event is attended predominantly by real estate owners, designers, brokers, lenders and people from other real estate-related industries.

This could be viewed as a "change-up" year, with some new additions and changes to the category lineup. Due to the less-than-robust real estate market conditions (putting it very lightly), NAIOP had two different paths it could have taken for 2011: either stick with the bricks-and-mortar categories and wait for the real estate market to come back, or stick with the real estate market and change the lineup by making them more relevant. NAIOP chose to change the lineup, and we're glad we did based on the strong response in submittals. Previous high-point category examples such as Developer of the Year and Spec Development of the Year were changed to Owner-Developer of the Year and Transaction of the Year.

The 2011 Best of NAIOP committee (chaired by Tom Johnston of Cushman & Wakefield and Tom Knoell of Desert Tron Cos.) worked hard to ensure the event was appropriate and relevant for 2011 without diluting substance by adding inappropriate categories such as "small deal of the year" or, even worse, "empty building of the year," which unfortunately was a reality for 2011.

— Tom Johnston, Cushman & Wakefield;
and Tom Knoell, Desert Tron Cos.

2012 BEST OF NAIOP JUDGES:

- Maria Baier, Arizona State Land Department
- Richard Hubbard, Valley Partnership
- Don Keuth, Phoenix Community Alliance
- Michelle Rider, Westmarc
- Brad Smidt, Greater Phoenix Economic Council
- Mark Stapp, ASU Master of Real Estate Development program
- Deb Sydenham, Urban Land Institute

All photos in this section provided by NAIOP unless otherwise indicated.

TALK OF THE TOWN

Crescent Crown Distributing

DEVELOPER: LGE Design Build
EXTERIOR ARCHITECT: PHArchitecture
GENERAL CONTRACTOR: LGE Design Build
INTERIOR ARCHITECT: PHArchitecture
TENANT IMPROVEMENT GENERAL CONTRACTOR: LGE Design Build

The 330,651-square-foot Crescent Crown Distributing facility was a build-to-suit project. The major challenge for architect PHArchitecture and developer LGE Design Build was to create a cost-efficient, air-conditioned distribution center that also looks like and serves as a corporate headquarters. To accomplish this, they made the south wall (facing the street) tile concrete with an attractive rounded glass entrance, and the other three walls insulated metal paneling, which allows for easy cooling.

The property is in what was an economically blighted area of central Mesa. The city provided expedited review, reduced project permit fees and structured a government property lease excise tax, or GPLET, which allows the owner to avoid property taxes for 20 years. The total construction cost was about \$18 million, or \$52.24 per square foot. The entire project, from design through construction, took less than 12 months.

Crescent Crown also was a NAIOP finalist this year in two categories: Economic Impact of the Year and Industrial Build to Suit.



Crescent Crown distribution facility

PHOTOS BY DUSTIN REVELLA | LGE DESIGN BUILD

ANNUAL AWARDS PROGRAM

BEST OF
NAIOP

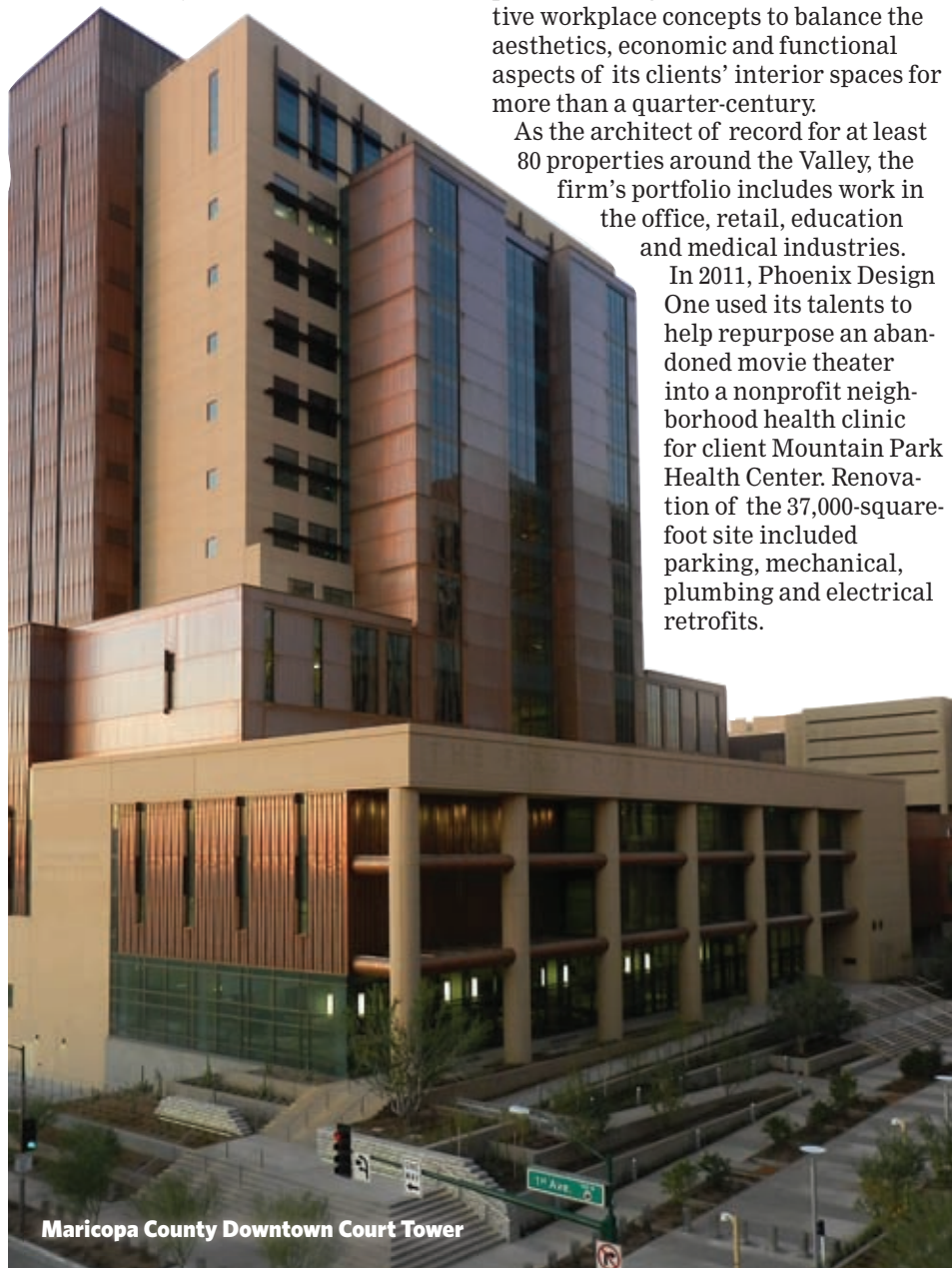
HONORING INDIVIDUALS, PROJECTS

ECONOMIC IMPACT PROJECT OF THE YEAR**Maricopa County
Downtown Court Tower**

DEVELOPER: Maricopa County Facilities Management Department
EXTERIOR ARCHITECT: Gould Evans
GENERAL CONTRACTOR: Gilbane Building Co. & Ryan Cos. US Inc.
INTERIOR ARCHITECT: Aecom
TENANT IMPROVEMENT GENERAL CONTRACTOR: Gilbane Building Co. & Ryan Cos. US Inc.

The construction of Maricopa County's downtown court tower created more than 1,600 jobs: 1,200 in the construction trades, 300 in the professional services sector and 100 miscellaneous positions. Using local construction materials added to the positive economic impact.

Ultimately, county taxpayers are the true beneficiaries of this building, which expertly serves both the general public and the inmate population, and provides ample room to grow in the future. Energy-efficiency controls built into the structure will result in additional savings over the life of the building, amounting to about \$278,000 annually based on current rates.



Maricopa County Downtown Court Tower

Also nominated:

American Sports Complex Retail Center
DEVELOPER: City of Avondale
EXTERIOR ARCHITECT: SmithGroup JJR
GENERAL CONTRACTOR: Sundt Construction Inc.
INTERIOR ARCHITECT: Various for different tenants
TENANT IMPROVEMENT GENERAL CONTRACTOR: Sundt Construction Inc.

Crescent Crown Distributing
DEVELOPER: LGE Design Build
EXTERIOR ARCHITECT: PHArchitecture
GENERAL CONTRACTOR: LGE Design Build
INTERIOR ARCHITECT: PHArchitecture
TENANT IMPROVEMENT GENERAL CONTRACTOR: LGE Design Build

**INTERIOR ARCHITECT
OF THE YEAR****Phoenix Design One**

Phoenix Design One has been using practical design solutions and innovative workplace concepts to balance the aesthetics, economic and functional aspects of its clients' interior spaces for more than a quarter-century.

As the architect of record for at least 80 properties around the Valley, the firm's portfolio includes work in the office, retail, education and medical industries.

In 2011, Phoenix Design One used its talents to help repurpose an abandoned movie theater into a nonprofit neighborhood health clinic for client Mountain Park Health Center. Renovation of the 37,000-square-foot site included parking, mechanical, plumbing and electrical retrofits.

REDEVELOPMENT PROJECT OF THE YEAR

DPR Construction Phoenix regional office

**DPR Construction
Phoenix regional office**

DEVELOPER: DPR Construction
EXTERIOR ARCHITECT: SmithGroup JJR
GENERAL CONTRACTOR: DPR Construction
INTERIOR ARCHITECT: DPR Construction
TENANT IMPROVEMENT GENERAL CONTRACTOR: DPR Construction

"A high-performance living lab" — that's how DPR Construction describes its new headquarters building at 40th and Van Buren streets, which was a 40-year-old distressed retail property before the Phoenix construction company got hold of it.

Today, the 16,533-square-foot structure functions as a showcase for DPR's corporate dedication to adaptive reuse, as well as a place to illustrate its work capabilities. The building features an open floor plan, a fitness room, a shaded courtyard and numerous green-building design elements.

Also nominated:

Adelante Healthcare Surprise
DEVELOPER: LGE Design Build & One World Development Corp.

**GENERAL CONTRACTOR
OF THE YEAR****Sundt Construction Inc.**

In 2011, Sundt Construction's local office wrapped up nearly 1.6 million square feet in projects ranging from a biomedical campus to its own corporate headquarters.

Despite the challenging economy, Sundt's work on some of the most notable projects in the metro Phoenix area remained uninterrupted. The company's list of achievements in 2011 includes construction of the award-winning Chandler City Hall and completion of the Fountainhead Office Plaza A & B — one of the few major developments of its kind last year — for owner USAA Real Estate. The two-building Class A Fountainhead complex in Tempe is fully occupied.

Also nominated:

LGE Design Build
The Renaissance Cos.
Ryan Cos. US Inc.

EXTERIOR ARCHITECT: Cawley Architects Inc.
GENERAL CONTRACTOR: LGE Design Build
INTERIOR ARCHITECT: Cawley Architects Inc.
TENANT IMPROVEMENT GENERAL CONTRACTOR: LGE Design Build

Mountain Park Health Center

DEVELOPER: NA
EXTERIOR ARCHITECT: Butler Design Group
GENERAL CONTRACTOR: Jokake Construction
INTERIOR ARCHITECT: Phoenix Design One
TENANT IMPROVEMENT GENERAL CONTRACTOR: Jokake Construction

Paradiso Medical Plaza

DEVELOPER: Mark IV Capital
EXTERIOR ARCHITECT: Lamb Architects LLC
GENERAL CONTRACTOR: Build Strategic
INTERIOR ARCHITECT: Lamb Architects LLC
TENANT IMPROVEMENT GENERAL CONTRACTOR: Build Strategic

Talavi Tech Center

DEVELOPER: West Coast Capital Partners
EXTERIOR ARCHITECT: PHArchitecture
GENERAL CONTRACTOR: Wespac Construction Inc.
INTERIOR ARCHITECT: SE Design

**OWNER-DEVELOPER
OF THE YEAR****Ryan Cos. US Inc.**

Ryan Cos. US considers its work on the 225,921-square-foot headquarters building for Unisource Energy and Tucson Electric Power in Tucson among its most notable in 2011.

From design to construction, the developer brought the nine-story structure — the first new office tower in downtown Tucson in more than a decade — to fruition despite tough market conditions. Ryan officials not only delivered the project on time and on budget, but also applied to have the building LEED-NC gold-certified by the U.S. Green Building Council.

After the project was completed, Unisource hired Ryan to manage the property, ensuring a seamless transition from construction to operations.

Also nominated:

Desert Troon Cos.
Duke Realty

BEST OF NAIOP

ANNUAL AWARDS PROGRAM HONORING INDIVIDUALS, PROJECTS

OFFICE TENANT IMPROVEMENT OF THE YEAR

Aecom

DEVELOPER: Hines
EXTERIOR ARCHITECTS: Pickard Chilton & Kendall and Heaton Associates Inc.
GENERAL CONTRACTOR: Holder Construction Co.
INTERIOR ARCHITECT: Aecom
TENANT IMPROVEMENT GENERAL CONTRACTOR: Holder Construction Co.

Aecom wanted an office space that would consolidate employees on one floor and double as a working canvas for the team's talents as an architecture, landscape, planning, interiors and transportation engineering firm.

It also wanted to demonstrate to clients that good design doesn't have to be flashy or pricey.

All of these objectives were achieved through a tenant improvement that artfully showcases the firm's capabilities in a 36,387-square-foot space, complete with exposed concrete columns, perforated wallboard and artwork fashioned from reclaimed materials. An open floor plan, plenty of collaborative meeting spaces and a centralized reception area add to the appeal.

Also nominated:

- Arizona Public Service Co.**
Deer Valley mission critical Operations building
DEVELOPER: Arizona Public Service
EXTERIOR ARCHITECT: Gensler
GENERAL CONTRACTOR: Sundt Construction Inc.
INTERIOR ARCHITECT: Gensler
TENANT IMPROVEMENT GENERAL CONTRACTOR: Sundt Construction Inc.
- Education Management Corp.**
DEVELOPER: Douglas Allred Co.
EXTERIOR ARCHITECT: Balmer Architectural Group
GENERAL CONTRACTOR: Hardison Downey Construction
INTERIOR ARCHITECT: Phoenix Design One
TENANT IMPROVEMENT GENERAL CONTRACTOR: Hardison Downey Construction
- Progressive Insurance**
DEVELOPER: Liberty Property Trust
EXTERIOR ARCHITECT: Balmer Architectural Group
INTERIOR ARCHITECT: Balmer Architectural Group
TENANT IMPROVEMENT GENERAL CONTRACTOR: Wespac Construction Inc.



Keller Williams
INTERIOR ARCHITECT: Notch Enterprises LLC
TENANT IMPROVEMENT GENERAL CONTRACTOR: Willmeng Construction Inc.

Mobile Mini
National Sales Center
INTERIOR ARCHITECT: McCarthy Nordburg

TENANT IMPROVEMENT GENERAL CONTRACTOR: McShane Construction Co.

Universal Technical Institute
corporate headquarters
INTERIOR ARCHITECT: Phoenix Design One
TENANT IMPROVEMENT GENERAL CONTRACTOR: Jokake Construction

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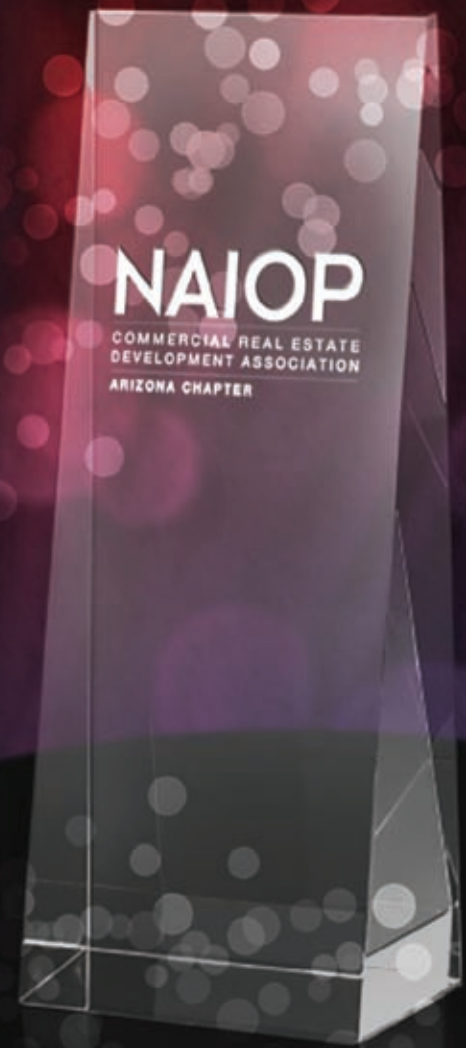


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ANNUAL AWARDS PROGRAM

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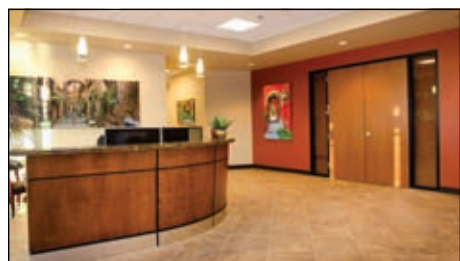
FIRM OF THE YEAR**CBRE**

Market conditions may have changed during CBRE's six decades in Arizona, but that hasn't prevented the company from rising to prominence in the metro Phoenix commercial real estate field.

Recognizing that success depends on more than transaction volume alone, the company remains true to its core values — respect, integrity, service and excellence — which have helped the local office earn a reputation as a valued business community leader.

Also nominated:

The Alter Group
Cassidy Turley

INDUSTRIAL BUILD-TO-SUIT OF THE YEAR**NOV Goodyear Modular Datacenter**

EXTERIOR ARCHITECT: DPA Architects
GENERAL CONTRACTOR: DPR Construction
INTERIOR ARCHITECT: DPA Architects
TENANT IMPROVEMENT GENERAL CONTRACTOR: DPR Construction

DPR Construction's charge was to build a data center in less than a year with minimal load and maximum ability for expansion to accommodate growth. The company delivered with the 28,512-square-foot NOV Goodyear Modular Datacenter. Officials implemented cutting-edge modular technology for the center and the redundant power equipment.

Also nominated:

Buckeye Logistics Center, Amazon expansion
DEVELOPER: Duke Realty
EXTERIOR ARCHITECT: Ford and Associates Architects
GENERAL CONTRACTOR: Wespac Construction Inc.
INTERIOR ARCHITECT: Ford and Associates Architects
TENANT IMPROVEMENT GENERAL CONTRACTOR: Wespac Construction Inc.

Crescent Crown Distributing

DEVELOPER: LGE Design Build
EXTERIOR ARCHITECT: PHArchitecture
GENERAL CONTRACTOR: LGE Design Build
INTERIOR ARCHITECT: PHArchitecture
TENANT IMPROVEMENT GENERAL CONTRACTOR: LGE Design Build

EMERGING BROKER OF THE YEAR**Scott Boardman, Cassidy Turley**

Scott Boardman started his commercial real estate career at Cassidy Turley as a retail group runner, honing his skills for five years before transitioning to a senior associate position with the

firm's office group.

In 2011, he and teammates Jeff Hartland and Trevor Klinkhamer leased 486,046 square feet and sold 219,336 square feet of office and industrial property, plus 6.94 acres of land. State and regional headquarters leases for AAA of Arizona and Clear Channel Outdoor are considered among their most outstanding transactions of the year.

Also nominated:

Chris Walker, Cushman & Wakefield

OFFICE BROKER OR TEAM OF THE YEAR**Jim Fijan, Tom Adelson, Jerry Roberts and Kevin Calihan CBRE**

CBRE's Jim Fijan, Tom Adelson, Jerry Roberts and Kevin Calihan continue their reign as NAIOP's Office Broker Team of the Year, taking home the award 15 of the past 18 years.

In 2011, the team's 2.6 million square feet in office and industrial transactions included the 110,875-square-foot Fender lease at the Perimeter Center and the sale of Pima Center, a 546,877-square-foot Class A office park. At \$109.71 per square foot, the \$60 million Pima Center deal was recognized as one of the year's highest price-per-square-foot sales transactions.

Also nominated:

Jeff Hartland, Trevor Klinkhamer and Scott Boardman, Cassidy Turley

Keith Lambeth and Todd Noel, Colliers International

Jay Hoselton, Cushman & Wakefield

Sheila Bale and Ryan O'Connor, Grubb & Ellis

Steve Corney, Pat Williams, John Wyss and Andrew Medley, Jones Lang LaSalle

R. Craig Coppola and Andrew Cheney, Lee & Associates

TRANSACTION OF THE YEAR**Arizona Center**

Besides being one of the most recognizable mixed-use gathering spots in downtown Phoenix, Arizona Center captured the real estate community's attention in 2011 by being one of the largest sale transactions of the year, in terms of both square footage and price.

The deal, which pulled together elements of office, retail, theater, parking and development specialties, was complicated by a ground lease with a government property lease excise tax, which was foreign to many investors. CBRE worked with Phoenix city staff, as well as the buyer and seller, to convert the GPLET to a fee-simple arrangement, which also benefited the city's annual tax collections.

Also nominated:

Cyrus One Land at Continuum

Fountainhead Office Plaza A & B

Mitel North American corporate HQ lease

PetSmart corporate HQ

River Corporate Center

United Healthcare/

Progressive Casualty Insurance

ROOKIE BROKER OF THE YEAR**Kyle Westfall Cushman & Wakefield**

As a junior member of Cushman & Wakefield's industrial brokerage team, Kyle Westfall receives high marks from teammates Pat Harlan and Steve Sayre for his ability to identify transaction opportunities and provide

supreme client service.

Westfall's 2011 stats include his contribution to the team's leasing more than 1.3 million square feet and selling 851,042 square feet of industrial property. Most significantly, he took the lead on a \$2.1 million transaction at 24850 N. 19th Ave. that came together based on his persistent client follow-up and strong relationship with a local lender.

INDUSTRIAL TENANT IMPROVEMENT OF THE YEAR**Cosma Power Systems**

DEVELOPER: Duke Realty

INTERIOR ARCHITECT: Ware Malcomb

TENANT IMPROVEMENT GENERAL CONTRACTOR: Willmeng Construction Inc.

Tight deadlines, significant power upgrades and express permitting requirements proved to be no match for Willmeng Construction's ability to get Valley newcomer Cosma Power Systems' 166,720-square-foot manufacturing, office and warehouse operations up and running at Riverside Business Center in short order.

Cosma issued the construction green light in October, and by December, Willmeng had not only completed manufacturing infrastructure improvements, but also was working on 10,000 square feet of office and manufacturing support areas. The project was completed in time for Cosma to meet a product-delivery commitment to a major customer.

Also nominated:**Dirt Factory Showroom**

EXTERIOR ARCHITECT: Butler Design Group

GENERAL CONTRACTOR: McShane Construction Co.

INTERIOR ARCHITECT: Phoenix Design One

TENANT IMPROVEMENT GENERAL CONTRACTOR: McShane Construction Co.

Hanchett Entry Systems

DEVELOPER: Douglas Allred Co.

EXTERIOR ARCHITECT: Balmer Architectural Group

GENERAL CONTRACTOR: Hardison Downey Construction

INTERIOR ARCHITECT: Ware Malcomb

TENANT IMPROVEMENT GENERAL CONTRACTOR: Hardison Downey Construction

BEST OF ANNUAL AWARDS PROGRAM **NAIOP** HONORING INDIVIDUALS, PROJECTS

LEED-CERTIFIED PROJECT OF THE YEAR

Fountainhead Office Plaza A & B

DEVELOPERS: Metro Commercial Properties and USAA Real Estate Co.
EXTERIOR ARCHITECT: Davis
GENERAL CONTRACTOR: Sundt Construction Inc.
INTERIOR ARCHITECT: Davis
TENANT IMPROVEMENT GENERAL CONTRACTOR: Sundt Construction Inc.

Style and sustainability: That's the winning combination Fountainhead Office Plaza A & B offers to its sole tenant, the University of Phoenix.

The two-building, 439,070-square-foot project utilizes high-efficiency electrical and HVAC fixtures, including roof-mounted chilled water plants with redundant centrifugal chillers.

Energy-recovery ventilators, occupancy-sensor switches and a Delta DDC energy management system also contribute to the building exceeding energy-efficiency standards by 14 percent and capturing LEED-CS 2.2 gold certification from the U.S. Green Building Council.

Also nominated:

3900 Camelback Center

DEVELOPER: Ryan Cos. US Inc.
EXTERIOR ARCHITECT: PHArchitecture
GENERAL CONTRACTOR: Ryan Cos. US Inc.
INTERIOR ARCHITECTS: Davis, FoRM Design Studios and ADM Group
TENANT IMPROVEMENT GENERAL CONTRACTOR: Ryan Cos. US Inc.

INVESTMENT BROKER OR TEAM OF THE YEAR

Bob Young, Glenn Smigiel, Steve Brabant, Rick Abraham and Nancy Romanovsky CBRE

Veteran real estate investment professionals Bob Young, Glenn Smigiel, Steve Brabant, Rick Abraham and Nancy Romanovsky boast a combined total of 114 years of experience among them.

The team sold more than 2.2 million square feet of office/industrial building space in 2011, representing \$336 million in consideration. The \$136.5 million Arizona Center sale and the \$137 million sale of Fountainhead Office Plaza A & B topped their list of achievements.

Also nominated:

Christopher Toci and Chad Littell, Cushman & Wakefield

INDUSTRIAL BROKER TEAM OF THE YEAR

Joe Porter, Pat Feeney, Dan Calihan, Rusty Kennedy and Julie Becker, CBRE

CBRE's team of Joe Porter, Pat Feeney, Dan Calihan and Rusty Kennedy consistently rank among the company's top industrial brokerage performers, both locally and nationally.

Assisted by client services specialist Julie Becker, the team's significant transactions in 2011 included inking a Western U.S. distribution center lease for the Home Shopping Network and a 123,048-square-foot shell facility lease to Maxwell Technologies Inc. on behalf of Mack Arrowhead Phase II.

Also nominated:

Don MacWilliam & Payson MacWilliam, Colliers International

Bo Mills & Mark Detmer, Cushman & Wakefield

Anthony Lydon & Marc Hertzberg, Jones Lang LaSalle

MEDICAL OFFICE PROJECT OF THE YEAR

Banner MD Anderson Cancer Center

EXTERIOR ARCHITECT: Cannon Design
GENERAL CONTRACTOR: DPR Construction
INTERIOR ARCHITECT: Cannon Design
TENANT IMPROVEMENT GENERAL CONTRACTOR: DPR Construction

The Banner MD Anderson Cancer Center is the first phase of a \$500 million master plan that will be executed on the Banner Gateway Medical Center campus in Gilbert over the next 11 years.

The facility is anchored by a 133,000-square-foot cancer outpatient center and supported by 76 patient beds inside the medical center. A "lantern of hope" serves as a signature design element, symbolically lighting a path of healing and hope for patients and their families.

Also nominated:

Paradiso Medical Plaza

DEVELOPER: Mark IV Capital
EXTERIOR ARCHITECT: Lamb Architects LLC
GENERAL CONTRACTOR: Build Strategic
INTERIOR ARCHITECT: Lamb Architects LLC
TENANT IMPROVEMENT CONTRACTOR: Build Strategic

TENANT IMPROVEMENT CONTRACTOR OF THE YEAR

Wespac Construction Inc.

Wespac Construction contributed nearly 1.4 million square feet of tenant improvement projects to the market in 2011, but that was just the beginning of its giving.

In addition to demonstrating professional prowess on projects such as the redesign of Progressive Insurance's Phoenix headquarters, employees of the 20-year-old firm also managed to donate nearly 2,000 hours to more than 32 organizations last year. Wespac continues to give back to the community at large with its signature event, the McDowell Mountain Music Festival, which supports local youth-centric charities.



Also nominated:
Willmeng Construction Inc.

Cushman & Wakefield of Arizona, Inc. Honors It's 2011 TOP PRODUCERS

					
Jay Hoselton Tenant Advisory Services	Chris Toci Investment Properties	Larry Downey Corporate Services	Mark Detmer Industrial Properties	Bo Mills Industrial Properties	Jerry Jacobs Office Properties
					
Dave Seeger Office Properties	Karsten Peterson Office Properties	Mike Sayre Office Properties	Mark Gustin Office Properties	Bo Mills Appraisals & Valuations	Jon Cowen Retail Properties



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 Lisa Churchill Sr. Real Estate Manager Asset Services <i>Team Leader of the Year</i>	 Sean Cunningham Vice Chairman Multifamily Properties	 Pat Devine First Vice President Office Properties	 Pat Feeny Senior Vice President Industrial Properties	 Jim Fijan Executive Vice President Office Properties	 Barry Gabel Executive Vice President Investment Properties	 Chris Hook Senior Vice President Labor Analytics

CBRE *congratulates*

its **TOP REAL ESTATE PROFESSIONALS** for their achievements.

 Mindy Korth Executive Vice President Investment Properties	 Susan LaGanke Managing Director Project Management	 Michell Miles Real Estate Manager Asset Services <i>Real Estate Manager of the Year</i>	 Rocco Mandala Executive Vice President Debt & Equity Finance	 Rob Marsh Senior Vice President Labor Analytics	 Chuck Nixon Senior Vice President Corporate Services	 Jerry Noble First Vice President Office Properties	
 Jerry Roberts Executive Vice President Office Properties	 Bryan Taute Senior Vice President Office Properties	 Jim Trobaugh Senior Vice President Labor Analytics	 Anthony Valenzuela Vice President Valuation & Advisory				



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