NAIOP
COMMERCIAL REAL ESTATE DEVELOPMENT ASSOCIATION
ARIZONA CHAPTER 2023

ARIZONA OUTLOOK

Still a white-hot market?

FROM LEFT: Jeff Dalton, FCL Builders; Ryan Abbott, Clayco; Jenna Borcherding, VanTrust Real Estate; Don MacWilliam, Colliers; and Suzanne Kinney, NAIOP.

AZ BIG MEDIA

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ARIZONA COMMERCIAL REAL ESTATE

Streak breaker?

The industrial market is white-hot, but will water worries and costly capital cool it off?

By KYLE BACKER

A bird's eye view of Greater Phoenix today reveals a much-changed metropolitan area since the turn of century. New freeways, homes and businesses populate Arizona's major population center, despite the economic turmoil caused by the 2008 financial crisis. Since then, the industrial market in particular has enjoyed a hot streak.

AZRE magazine sat down with these NAIOP members to learn about why industrial has been booming, what threat the recent Metro Phoenix groundwater model poses to development and hear their thoughts on the market going forward:

- **Ryan Abbott, executive vice president, Southwest Region, Clayco**
- **Jenna Borcherding, director of development, VanTrust Real Estate**
- **Jeff Dalton, vice president of FCL Builders**
- **Suzanne Kinney, president and CEO of NAIOP**
- **Don MacWilliam, vice chair, Industrial Properties, Colliers**

The following responses have been edited for length and clarity.

AZRE: *Greater Phoenix's industrial market has experienced 14 years of positive net absorption. What are some of the factors that have made the region so attractive?*

Don MacWilliam: First of all, we've had the land for expansion. When you look at some of the West Coast markets, they've been constrained by where they can actually build. The Southwest Valley has become a huge corridor, with a lot of people taking down bigger tracts of land than they ever have before.

We haven't even tapped into Buckeye yet. Buckeye, from a total square mile standpoint, is bigger than the City of Phoenix, so we have another huge horizon in Buckeye.

Jenna Borcherding: In addition to the availability of land that Don hit on is the availability of labor and the talent

WATER PLANNING: Since the implementation of Arizona's Groundwater Management Act of 1980, the objective of Arizona leaders has remained consistent: to encourage the utilization of alternative sources for new development in order to reduce reliance on groundwater. *(Photo licensed from 123RF)*

pipeline. That's what's really attracted a significant number of these companies that have major presences. When you have these companies such as Amazon, UPS and REI coming into the market, others are looking at them as case studies and seeing that they're able to get the talent they need. It's a copycat industry and you get other groups following those big names.

Ryan Abbott: I'd add that there are adjacencies that make a ton of sense when you look at the population bases that surround Phoenix within a day's reach — it's pretty substantial. From a political standpoint, I still think of Phoenix as the place you go to get things done. The timeframe in which somebody can go from concept to land acquisition to having a product in place is impressive.

I do think we do have some things standing in our way when it comes to availability of water and infrastructure, and we've had to come up with a lot of bridging strategies to overcome that. It's not atypical to see retention tanks on a site today that help everyone get through their inspections or have fire suppression systems to serve the building until the infrastructure can catch up.

If you look at other markets, that's not possible — you just delay the project until you can bring everything up together. Whereas here, we can be very creative about which order you go about that, and the municipalities are very much in line to help make that happen.

Jeff Dalton: Really, you can sum it up with "We're not California." Labor, land, location and laws — that's what we've been talking about. But the transportation infrastructure here amazes me. I relocated from the Northwest when the Loop 303 was just being completed. They haven't built a new highway in my area in the Northwest in 30 years. Then I come down here and a freeway is being built in an open desert, and I thought, "These people are looking ahead," and now look at the Loop 303 area.

This type of planning and having business-friendly laws have been huge. We have a corporate build-to-suit project for a client who has been in Los Angeles for 100-plus years, and they're relocating the entire operation to Phoenix.

AZRE: *What should readers know when it comes to water and industrial development considering the recent Phoenix Active Management Area (AMA) groundwater model?*

Suzanne Kinney: I'll start by saying that we're not in a crisis largely because there's been decades and decades of good planning for the reality that we are in a desert, and we have a long-term drought. We do see these stories coming out in the national media, and naturally, they're going to go with the most inflammatory headlines.

But when you actually peel that back and look at the reality, we're not in a dire situation at all. The reality of the moratorium that was put in place is that the 15 largest municipalities in the Phoenix Metro are not impacted at all.

This is only impacting the urban fringe that did not have a supply of surface water in place to meet a 100-year guaranteed supply. And then within that, it's only for new home construction that hasn't already been approved. There is no direct impact on industrial or any other asset classes.

DM: The commercial aspect has been lumped in and everybody created a stink. Our competitors, such as Texas and other states, are using that against us. They're inflaming the whole thing.

SK: Don is right, it gives fodder for some other states to try to make their sales pitch. It's incumbent upon all of us to get the facts out there. And the good thing is that there are a lot of entities, organizations and individuals who are working on doing that right now. But we do have to counter this national narrative that really has a lot of inaccuracies built into that.

Again, an important thing for everyone to realize is that as we are developing, we're moving away from agriculture, which is very positive for our water situation because agriculture, and specifically a lot of the crops that have been grown here, are very water hungry crops. Alfalfa jumps out as one that is particularly intensive and the amount of water it needs to use. But modern industrial developments really don't use a lot of water. There are a few exceptions, but this actually is improving the water situation for the metro area.

JD: Going back to the Hohokam people with their canals, Phoenix has been a national leader in the conservation of water. When you look at what we've got in groundwater and surface storage, reuse and recycling — over 90% of water for industrial uses is recycled in the Phoenix area. We're back down to the water consumption level we were at in 1957 in Maricopa County, despite exponential population growth.

When you look at all of that, and the direction we're going compared to some other states that are not conserving water, and don't have things like groundwater recharge, storage, and 100-year supply requirements, we're in great shape going forward. We have some strict guidelines that some of the very peripheral cities are working to meet as they expand, and they will.

JB: Some of the far west municipalities are relying upon the private sector, and that's where some of the challenges are. I'm no groundwater expert, but my understanding is that the punchline from the model was there's going to be a 4% deficit if we didn't find any new ways to conserve our water over the next 100 years. Arizona has always been a community where we innovate, and plan for the future.

RA: The unfortunate part is that these national media stories minimize the hard work and forthright thought leadership in Arizona around this subject. Look at what we've already done for wastewater treatment. It's 5% of our water, but as we bring water use down, we're going to generate more and more fresh drinking water and we're going to do more to treat industrial processes.

In fact, most of the facilities I see today that are in the microelectronics sector are planning on 80% of their water to be generated on site. It's not that we're missing anything along the way — all the right steps are being taken. That's just not the headline that someone clicks on.

AZRE: *Any final thoughts you want to share on the state of the market?*

RA: I think the two things to track are the cost of debt to get work going and the rent rate. If you can get those things to correlate, you've at least got that side of it solved. We are getting relief in terms of commodities and materials. It used to be that if we needed joists for a job, we'd order them and get them 10 months later; now at least we have more certainty about what's coming and when it'll be there. Just last summer, everybody was on allocations for concrete, but now we're pretty predictable on that side.

Utilities are something that everyone is having to get creative about. There's a long lead time on transformers, and [Arizona Public Service (APS)] is trying to prioritize the list of demands that they're getting for upstream power, and

Going back to the Hohokam people with their canals, Phoenix has been a national leader in the conservation of water. — Jeff Dalton


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they don't have a great mechanism of doing it.

JB: Nor can APS approach it with bias because they're a public utility, so it's just punch a ticket and get in line.

RA: That's right. And for a lot of people, in order to get a tenant, you have to show that there's a commitment for power. But at the exact same time, APS doesn't know what is a real deal or not. Somehow, we have to figure out how APS can prioritize development. I'm not saying I've got a great solution — I don't think cash deposits or early design stuff will solve it, but that's our next big challenge.

JB: The market is much more civil and disciplined as a lot of capital is on the sidelines. Those with access to capital are seeing this as a time of opportunity, and that's another tailwind for those developments. Arizona is well positioned because we've got a talented bench of developers and towns, and we have a significant amount of tenant activity.

Tenant activity doesn't make the headlines, signed deals do. But when you see 45 million square feet of tenant activity circling the Valley, that is significant. Yes, we have 52 million square feet under construction. But I really like to keep a close pulse on what that tenant activity is doing.

DM: Deals for 300,000 square feet or 500,000 square feet are getting a lot more scrutiny, and that's slowing down the whole process. Before, it was like, "If you don't do this deal, we're going to the next guy." That mentality is out now. You may have backup offers and have multiple people working on certain deals at the same time, but it's not the frenzy that we were seeing.

When you start looking at the absorption numbers that we're seeing right now, we've been setting huge records for Phoenix over the last two to three years. And those numbers are probably at least half off right now from last year. Things are pulling back and getting a little bit more conservative. But as Jenna was saying, there's still the tenant activity that seems to be extremely strong.

The largest buildings are a bit light just because we've got 38% of the 1-million-square-footers in the Western U.S. here in Phoenix, which is a big number for us. So, there's a little headwind for the really large buildings, but our basic Bob 250,000- to-500,000-square-foot buildings are extremely active.

JD: On the construction side, we're better off than a couple years ago when we were seeing 3% inflation per month in construction material. That was hard to predict, and our clients were going crazy, but we had no control of it. Now on the commodity side, we definitely have a little more predictability of future costs, we still have some challenges. It can be 60 to 70 weeks to get your main electric gear for the building. As soon as our client goes hard on the land, we're ordering electric gear, and then we'll design the building around it.

With labor, we're still not back to the number of employees in the construction sector in Arizona from 2007. The industry has a long-term issue with bringing new people in at all levels to keep things going. It used to be that we could bang out a project in nine months and get a tenant in there, but now subcontractors are saying, "Here's the production I can guarantee because I just don't have the crews and we're busy." The associations are working really hard with the high schools to get people into the trades and learning what a career in construction can be.

SK: Overall, I think we're still all very optimistic. Arizona is an excellent place to be, especially when you're looking at the bigger picture. There's still tremendous upside here, and we've weathered much more challenging situations than what we're going through right now.

Some of the slowing is a natural correction. As an association executive observing our members, things were crazy and people were running in a million different directions. Now it's still very healthy, but folks are catching up.

We probably don't get as much national recognition as we deserve on the big issues — transportation, energy, water — but we've had decades of thoughtful planning, and we're seeing that continue. I always like to say that Metro Phoenix is a true meritocracy. It's welcoming and if you're willing to work hard, then you're going to have a great career and can build a great business. That remains the reality here.


Ryan Abbott


Suzanne Kinney


Jenna Borcherding


Don MacWilliam

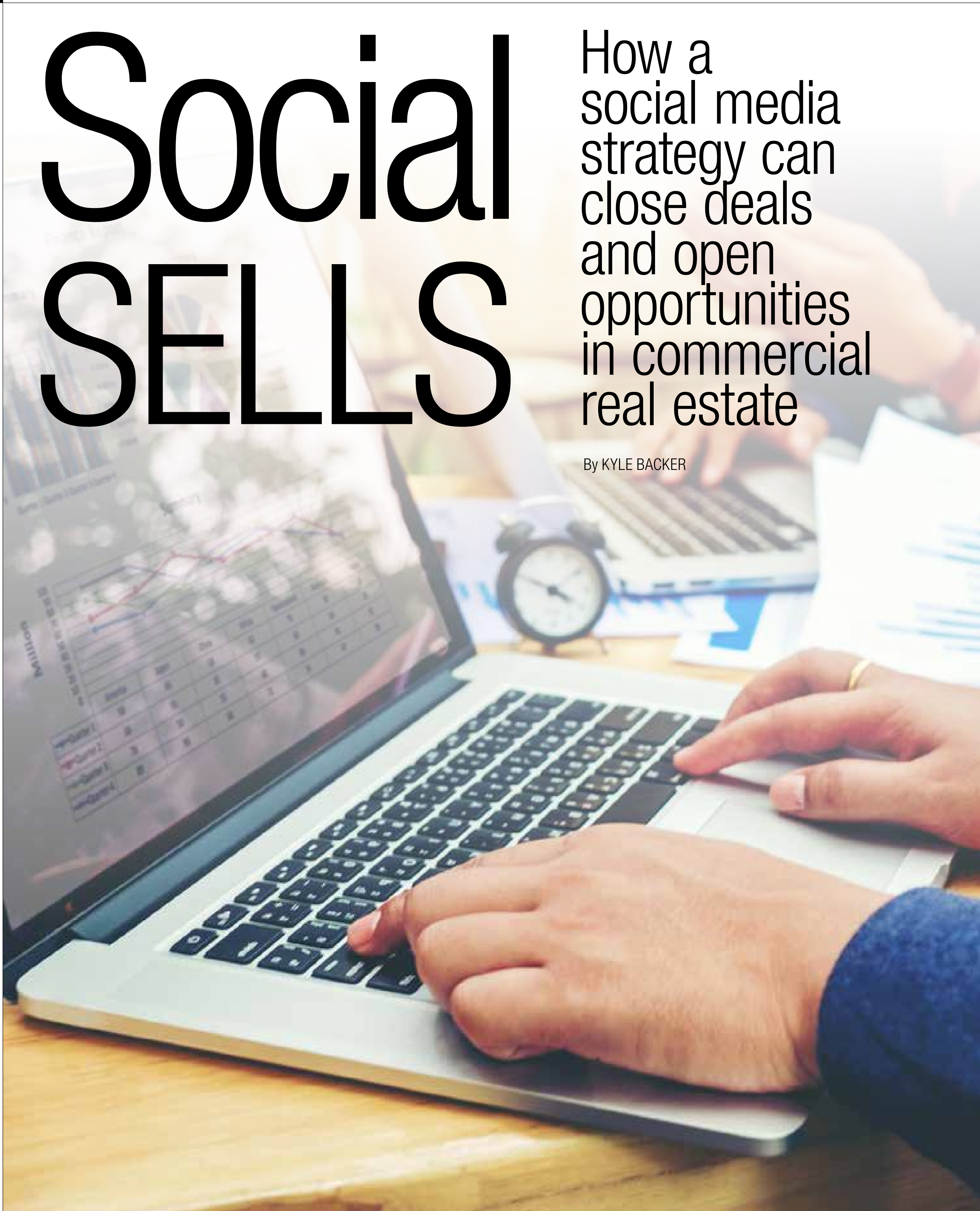

Jeff Dalton

(Photos taken by Mike Mertes)

Social SELLS

How a social media strategy can close deals and open opportunities in commercial real estate

By KYLE BACKER



Kimberley Hoidal

On July 23, Elon Musk announced that the popular social media site Twitter — which he purchased for $44 billion in October 2022 — was being rebranded as X. This change comes after layoffs and the company struggling to attract advertisers. While X's future is uncertain, the staying power of social media is undeniable and can serve an important business function. Commercial real estate brokers, for example, are using social media to make connections and close deals.

"At CBRE, we take our brokers through something called social seller training," explains Kimberley Hoidal, senior corporate communications specialist at CBRE. "It's a strategy for people to engage in content, whether they're sharing content that the company created or a Wall Street Journal article and providing their own comments."

Establishing oneself as a thought leader on sites such as LinkedIn, Hoidal continues, builds trust and expertise that can attract people who are looking for a broker. That requires not only posting content but interacting with the posts of others.

"We always train people to not just set up a profile and leave it," she says. "You've got to find some time to engage, whether that's sharing content or liking and commenting on people's posts."

Taking anywhere from five to 15 minutes a day to interact with relevant content can help a broker stay in tune with what's happening in the industry and expand their network.

"I think [a social media presence] is required at this point," Hoidal says. "If you're not on it, you're missing out on a business development opportunity."

Here are some best practices and pitfalls from four brokers regarding social media strategy.

Jennifer Villalobos

broker with Team Anderson-Strittmatter at Cushman & Wakefield

Prior to her recent move to Cushman & Wakefield, Villalobos spearheaded marketing efforts for Sharp Construction, which was a young company when she came onboard. Social media was an important part of her strategy to increase visibility for the company beyond paid advertising. During her stewardship, Sharp Construction's LinkedIn following grew from approximately 300 to 3,500.

"I've moved over to the broker side, but I'm going to capitalize on everything that I've learned," she continues. "Now, more than ever, I have to market myself and hopefully create some leads."

Consistency is a top priority for Villalobos, and she set a goal to create at least two relevant posts per week. Having a schedule creates slow but steady progress, which is important for building a following.

"That kept us active," she says. "When I was looking at the statistics, it was great to see a smaller firm such as Sharp Construction keep up with these larger companies with marketing departments."

To differentiate the content she was posting, one post each week would be dedicated to something informational, whether that was about a specific project the company was working on or an interesting statistic to create conversation around. The second post would highlight community involvement in organizations such as NAIOP or Girl Scouts to show how the company is building relationships and giving back. Creating content categories can help generate post concepts, which is especially helpful when having trouble coming up with ideas.

As Villalobos settles into being a broker, she is already setting her eyes on new social media goals.

"I've done a good job as being known as this business development marketing person, but now I want to be known for who I am as a commercial real estate broker," she says. "I'm honing in on what my focus is going to be: creating more leads, nurturing new relationships and showcasing this new expertise that I'm building up."

TAKEAWAY TIP: Consistency is key

Mark Cassell

partner at LevRose Commercial Real Estate

After entering the industry in 2015, Cassell noticed that there weren't many people posting about commercial real estate on social media. He was the first in his firm to pursue a social media strategy, and at first, some of his colleagues seemed perplexed by it — but no longer.

"The business is slow to adapt, and taking on new technology is painful sometimes," Cassell explains. "I was fine with being a guinea pig and trying some things out to see what works and what doesn't."

One of those experiments was creating videos about the market and showcasing properties. Cassell found that these videos helped establish his own creditability and added another layer of information for potential tenants beyond typical brochures and listings.

"After we posted a few videos, people would come up to me at networking events and say, 'Hey, saw that video, it was awesome,'" he recalls. "That was completely unexpected. I thought no one was watching, but we were consistently getting 1,000 views on stuff, and it's not like the commercial real estate community is huge."

Making the process enjoyable, Cassell continues, yields the best results.

"Our team does a lot of social media. They love doing it because they're Millennials like me or Gen Z, so they're familiar with the tech and are having fun," he says. "That's the key. There's a lot of boring social media I see about commercial real estate, but our team has a great time doing reels or just making creative posts to stand out."

TAKEAWAY TIP: Be creative and have fun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Lauren Lovell

associate with CBRE's advisory and transaction services, investor leasing

For Lovell, her social media strategy focuses on three platforms: LinkedIn, Instagram and Pinterest. The first two, she says, are focused more on generating business, whereas the latter is more used as a space for collaborating on design ideas with a business owner or a tenant during renovations.

"Instagram and LinkedIn have been super powerful for me both in building my brand and getting clients. I've closed deals from Instagram, and I was recruited to CBRE because of my Instagram," Lovell explains. "LinkedIn is much more contact focused, text heavy [and about] trying to position yourself as a thought leader or market expert, whereas Instagram is purely visual."

Because of the differences between the platforms, Lovell says she never posts the exact same thing to both platforms. An Instagram post will have far less text and needs to be visually appealing, but LinkedIn is better for longer posts about market trends and tagging other people and companies for more exposure.

"To be successful in social media," she says, "you need to make sure that you're not just putting out a one-size-fits-all approach, and your content is tailored toward which platform you're on, who your audience is and what you're trying to accomplish."

Even though social media is a powerful tool, Lovell says spending too much time on it starts to give diminishing returns. Rather than keeping a strict content calendar, she constantly is looking out for ideas and photos that she files away in a spread sheet. That way she has a "savings account" of content to pull from rather than sitting down on a specific day and forcing herself to make a post.

"I've had people ask, 'Do you spend all night working on this?' and I tell them no. I probably spend one hour a week editing photos or graphics, writing out content or browsing the internet for ideas," Lovell says. "If it's much more work than that, I'm not sure it's the best use of time."

TAKEAWAY TIP: Tailor content to the platform

Kristina Cutillo

senior associate at Cushman & Wakefield

When Cutillo started at Cushman & Wakefield about three and a half years ago, she had no brokerage experience and knew nothing about commercial real estate. She wanted to add value right away and saw that most people in the firm were using traditional prospecting methods — drip campaigns, putting listings on third-party real estate platforms, cold calling and door knocking.

"I wanted to create a more comprehensive marketing plan that still incorporated the traditional approach, but have it go hand-in-hand with a more modern-day approach. I figured that if I make a method that gets to the decision makers right away, that'd be the most effective way to lease the building."

LinkedIn and Instagram are the two platforms Cutillo focuses on and where she has built different audiences. She has multiple Instagram accounts that cater to specific user types — such as medical — to avoid blind marketing.

"I'll post on one of my Instagram accounts, and then tag all my other accounts, my business partner Scott Boardman and anyone involved with the building," she says. "Then I'll have everyone share that post, so you have multiple spheres of influence getting their eyeballs on it."

Taking some time to understand each platform's built-in analytics helps identify what content works best, Cutillo continues. This setting allows her to see how many people viewed a post, if they shared it and how long they looked at it.

"If you don't have any sort of way of tracking what is working for the audience, then there's really no return," she says. "I'm also able to screenshot [those analytics] and include them in our leasing activity reports to show landlords how we're marketing the building. It's about getting creative in a tough marketplace, getting exposure and utilizing what's at your fingertips."

TAKEAWAY TIP: Utilize free analytics


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Collaboration is king

How design can encourage a return to the office

By KYLE BACKER

When COVID-19 made being in an office unsafe, many employees found themselves in a novel working environment — their spare room, couch or kitchen table. As the public health crisis has subsided, more companies are requiring workers to be present in the office at least a few days each week, citing the benefits of collaboration and creating culture. A curated space can facilitate these goals and show reluctant returning employees the purpose of the decision to return to the office.

Scott Maxwell, managing principal at Cresa, says that the pandemic accelerated some of the trends already present in the office sector. Prior to smartphones and the ubiquity of Wi-Fi connections, workers were tethered to their desks. Today, work can be done from anywhere, and the pandemic proved that to be true.

"The question is how do you get people back [in the office]? That's what [employers] are asking," Maxwell says. "It's about the 'why' of bringing people back in the office. Figure that out and they'll come. If it's a matter of trying to cram people in an office, that won't go over well with today's workforce."

Traditional office space, he continues, was all about density and trying to be efficient with the floorplate. Now, the challenge is to create a place where workers can build camaraderie.

"Design is a key element in this discussion," says Sara Yehia, founding principal of Kenzy Architects. "COVID-19 changed how we work, and that change is here to stay. The flexibility, the virtual meetings, working from home — we figured out how we can make it all work and we cannot unlearn that. Employers should keep offering hybrid work to retain employees, because it's expected now, but there's so much they can do to encourage employees to come back to the office."

NEW WORLD OF WORK

A company's need for office space in a post-pandemic world is influenced by the industry it operates in and how many days a week it expects employees to be in-person, according to Maxwell. Professional services, he says, tend to be in the office more and are improving their spaces to make it more attractive for employees. But call centers can operate efficiently on a full-time work from home basis.

"[Call centers] figured out how to track productivity among their employees way before the pandemic," Maxwell says. "They know exactly how many calls a certain person made during the day, so it doesn't matter if they're in a cubicle or if they're at home as long as they're making or taking calls. There are these huge swaths of sublease space out on the market, and most of it is call center space."

Shedding the expense of office space can be huge for the bottom line of a business, but it forgoes the culture-building nature of seeing coworkers in person, as well as a site for training. A static company that isn't planning on adding too many more employees can utilize about 30% less square footage in a hybrid work model, Maxwell says, whereas a growing business will continue to need more space.

WHAT IS GOOD DESIGN?

If the physical space of an office encourages employees to work together and create a sense of belonging, what design elements should be incorporated? For Lynne Orlowski, director of interior architecture and design at Ware Malcomb, the first thing that catches her attention when evaluating a space is the energy it exudes.

"I look at the people using it and ask myself, 'Are they happy? Does the space feel activated? Are they using the space as intended? Can I feel their culture and the type of work that they do by the design and branding of their space? Is this someplace I'd want to work or visit?'" she says. "[Good design] comes from a combination of the different [function] of spaces within the environment, the colors and textures used, but it's really about the people and the culture."

Alissa Franconi, principal and interiors studio leader at RSP Architects, adds that what type of work occurs in an office should inform the layout. For example, she worked on the award-winning Sprouts Farmers Market corporate headquarters, which had different needs than a lawyer's office.

"We can create this beautiful space that gets featured in magazines, but if it doesn't function for [the client's] specific business, that's a failure," she says. "Sprouts has vendors that are trying to get the company to sell their products in the store. We're talking about 30 people a day that could potentially go [to Sprout's offices], so the lobby area had to house many different vendors coming in. Does Sprouts want to take vendors through their entire office? Or do they want to have meeting spaces near the front? The function of the space is key to the design."

HUMAN-CENTERED SPACES

A well-designed office space meets the unique needs of the tenants, but how have those needs changed in a post-pandemic environment? Yehia says the answer is based in human centered design that focuses on the employee experience.

"We're adapting hospitality design aspects into the office spaces now to make them more welcoming and comfortable," she continues. "When working at home, there's not as many distractions so it's easier to focus, but the office is great for collaboration, talking face to face or having a quick, last-minute meeting. Having spaces that allow for both collaboration and focus time is important."

Conference rooms and other casual open spaces can facilitate teamwork, whereas small "Zoom rooms" for employees to take a video call, along with other private areas, allow for more focused task completion.

"What shifted most with the pandemic is that we went from having traditional types of meeting spaces and workspaces to now the office being centered around those gathering spaces," Franconi adds. "Studies show that what's really drawing people back into the office is their colleagues and mentorship opportunities. The physical space can encourage all of those things."

Prior to the pandemic, a popular office trend was unassigned workstations — sometimes called hot desking, hotel desking or desk sharing. Rather than having a designated cubicle, employees either reserve a desk on a specific day to work at when in the office, or simply find an open spot when they arrive.

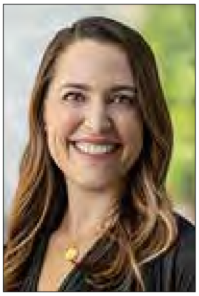
"We're seeing a shift from unassigned workstations to people wanting to personalize their space," Franconi says. "If employees are giving up the opportunity to be at home, they want that sense of comfort back in the office. They want to a sense of ownership over a specific space where they can leave items and not have to cart everything back and forth."

On the other hand, Orlowski points out that it can be hard to align the amount of space needed with the number of employees, especially for fast growing companies. In a hybrid work environment where employees are coming in on different days, unassigned workstations offer flexibility over having a designated desk for every person, even when they're not in the office.

"I think [unassigned workstations are] still going to be a trend, but we might increase the total number of desk-sharing spaces," she says. "We also find that lockers are good for storing your personal belongings so you can just grab them and sit down at a computer."

Flexibility, both as a design philosophy and employer mindset, is an important concept for the post-pandemic office, Yehia says.

"A truly flexible space gives a permanent spot or an [unassigned workstation], because at the end of the day, it comes down to one's personality, their workflow and how much time they plan to spend in the office," she concludes. "The ability to personalize your space increases the employee's sense of belonging and creates a better connection with the company. But some people spend the majority of their time outside their office and only need a desk for a short time. [Assigned or unassigned desk arrangements] is something that companies should study before implementing, because it's not a one-size-fits-all solution."

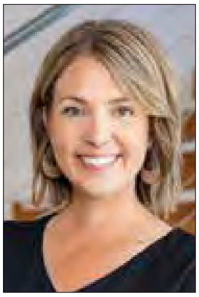


Alissa Franconi

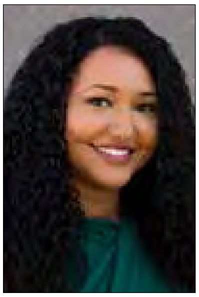
Scott Maxwell

By the numbers

7	Q2 2023 is the **SEVETH** consecutive quarter with negative net absorption, according to JLL's Phoenix office.
37%	The top 10 sublessors account for **37%** of total sublease availability, according to JLL's Phoenix office report for Q2 of 2023.
24.6%	Quarter-over-quarter vacancy rate increased to **24.6%**, according to CBRE's Phoenix office figures for Q2 of 2023.
935,789	The number of square feet of **NEGATIVE NET ABSORPTION** to close out Q2 of 2023, according to CBRE.
1,100,000	Sales volume fell almost 60% year-over-year to **1.1 MILLION** square feet, according to Kidder Matthews' Phoenix office market update for Q2 of 2023
7,500,000	Sublease availability hit an all-time high of **7.5 MILLION** square feet, according to Kidder Matthews' Phoenix office market update for Q2 of 2023



Lynne Orlowski



Sara Yehia

The cost of affordability

Here's why building affordable housing units in Greater Phoenix is a challenge

By KYLE BACKER

Maricopa County continues to be a hotspot for population growth, with the U.S. Census Bureau reporting that the county remained the largest-gaining in the nation in 2022, adding 56,831 residents — an increase of 1.3% since 2021. With so many newcomers to the region — combined with elevated home prices, mortgage rates and rents — does Greater Phoenix have enough affordable housing?

According to Natalia Chavez, development associate for Dominium, the answer is no, even with the recent uptick of apartment construction.

"There are more than 100,000 new residents moving to Arizona each year and a shortfall of 270,000 new homes and apartments that are needed to meet the current demand," she explains. "About half of [the units needed] are in the Phoenix Metro, so we're not there despite all the cranes you're seeing around town."

Alex Popovic, regional vice president of the Richman Group, puts it another way: "I don't think you can ever have enough affordable housing."

WHAT'S AFFORDABLE

When it comes to apartment development, there's a slew of similar sounding terms to describe units — affordable, attainable, workforce, market rate, missing middle, luxury. Some are simply a different name for the same thing, but only one is defined by the federal government. According to the U.S. Department of Housing and Urban Development (HUD), housing is affordable when the occupant is paying no more than 30% of their gross income for housing costs, including utilities.

"Whether someone makes $30,000 or $300,000 a year, that's the definition," Chavez explains. "It's based off that person's household income."

That said, the conversation around affordable housing generally refers to projects utilizing the Federal Low-Income Housing Tax Credit (LIHTC) program, which incentivizes private developers and investors to finance the construction or rehabilitation of rental housing units for low-income households. These tax credits are allocated to qualified affordable housing projects, which must adhere to specific guidelines and rent restrictions.

One of these requirements is that the units must be affordable to people earning 60% of the area median income (AMI) — a figure determined by HUD each year for the entire Phoenix-Scottsdale-Mesa metropolitan statistical area. Any units in the 60%-120% range of AMI, Popovic says, is considered workforce, missing middle or attainable housing targeting residents such as teachers, nurses, police officers and firefighters.

Part of the difficulty of building affordable housing is that the LIHTC

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program is a limited resource, Popovic explains.

"This year's round of tax credits went so quickly that lots of good projects weren't chosen," he says. "There's a finite pool [of LIHTC incentives] that the state gets from the federal governments and pushes down to the municipalities."

TIME IS MONEY

Cities in Arizona utilize a general plan for land use and transportation planning purposes, which, according to Arizona statute, are effective for up to 10 years and are voted on by residents. Once adopted, a zoning ordinance is derived from the general plan that implements its goals through regulations and standards on the individual uses of property. In other words, the owner of a single-family home can't tear down their house and build a restaurant in its place due to the underlying zoning of the land.

"There's not much land zoned for multifamily in Greater Phoenix," Chavez explains. "Because of the limited supply of this coveted, zoned land, there's a higher price for it, and market rate developers are more likely to afford it. Affordable housing developers will then have to rezone a site, and that means you're opening the door to the public process, which adds a lot of time."

Changing a parcel's zoning from what was laid out in a municipality's general plan is a multistep procedure that culminates in a vote by the city council on whether to approve the change. Not only are affordable housing developers unlikely to outbid market rate developers, Chavez reiterates, but rezoning also means extending the overall project timeline — sometimes by months.

The rezoning process also invites the public to comment on the proposed land use change, and multifamily projects, especially those receiving LIHTC incentives, are often met with various levels of skepticism. Some fear that higher density housing will strain surrounding schools, lower property values and increase traffic and crime. Those with the most extreme views are called NIMBYs — short for "not in my backyard" — and are opposed to many forms of development.

"NIMBYism is a recent trend that comes down to people who are passionate about the community they live in and want to have an impact on what's coming in there," Popovic says. "We understand that, and the biggest thing is to be open and available to speak to any community groups to manage expectations and try to compromise."

BUILDING TO SUCCESS

One solution Chavez offers is that cities should reevaluate their general plans and consider zoning overlays which allow for multifamily housing, which will quicken the pace of affordable units coming to the market by avoiding the cumbersome rezoning process. Another vector of change can be streamlining the plan review process.

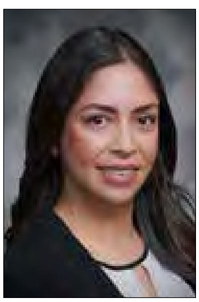
"Long review times make it hard for a project to pencil out and actually get executed, whether it's market rate or affordable," Chavez says. "Sometimes there are stringent design standards or excessive parking requirements that contribute to the ability to make units affordable. Meeting early on reduces some of the back and forth. If changes are needed, it's better to know earlier than later. Any changes mean paying your architect and civil engineer, and that adds up."

She applauds the Arizona Department of Housing (ADOH) for making it easier for affordable housing developers to understand and meet the requirements for the Qualified Allocation Plan (QAP), which the agency's tax credit application is based off of.

"[ADOH] significantly reduced the number of pages of their QAP and removed some criteria, which made it more feasible for affordable housing developers to meet and therefore get an allocation of federal housing tax credits, which are needed," she says.

Popovic adds that some of the problems with developing multifamily housing of all types stems from the differences inherent between the public and private sectors.

"We always adjust a lot quicker to market demand in the private sector, and municipalities are typically slow, just because that's the nature of government," he concludes. "Density has been a bad word for years, but municipalities are seeing now that it's more efficient — a traditional single-family residence uses a lot more natural resources than multifamily built on the same footprint — and it generates a lot more tax revenue. I think cities are slowly accepting that density is a good thing and the way forward [for Greater Phoenix] as the tapestry of our neighborhoods change."



Natalia Chavez

Alex Popovic

> Long review times make it hard for a project to pencil out and actually get executed.
> – Natalia Chavez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NAIOP member projects to watch

By MICHAEL GOSSIE

From a more than 2.5 million square foot industrial project on 183 acres to a 44-room boutique hotel that will pay homage to the traditions of the Hopi people, commercial real estate is showing few signs of slowing down — despite challenges with financing and supply chains. NAIOP Arizona members have been busier than ever, delivering an abundance of innovative, high-tech, high-style product to the market — with many more on the horizon. The following pages showcase some of the amazing projects, small and large, that NAIOP members are producing throughout Arizona. All photos were provided to AZRE.

1500 PAPAGO BUTTES LOBBY RENOVATION

Developer: Metro Commercial Properties
General contractor: Nitti Builders
Architect: SmithGroup
Broker: Cushman & Wakefield
Location: 1500 N. Priest Dr., Tempe
Size: 12,450 SF
Value: $3 million
Completion date: Under construction
Highlight: This interior refresh includes the main lobby, secondary lobby, elevator lobbies, corridors, dining room, lounge, game room and cafe.

303 LOGISTICS PHASE II

Developer: Barclay Group/W.M. Grace Companies
General contractor: A.R. Mays Construction
Architect: Butler Design Group
Broker: JLL
Location: 6701 N. Logistics Way, Glendale
Size: 377,028 SF
Value: $28,000,000
Completion date: July 2023
Highlight: This is one of the Valley's first tilt industrial projects utilizing castellated beams in lieu of joists. The speculative building consists of concrete tilt panels, 1,400 castellated beams, 75 roll-up doors and 10 dock levelers.

4300 E. CAMELBACK

Developer: RED Development
General contractor: Stevens Leinweber Construction
Architect: Lamar Johnson Collaborative
Location: 4300 E. Camelback Rd., Phoenix
Size: 43,247 SF
Completion date: June 2023
Highlight: The layout includes an employee lounge with breathtaking views of Camelback Mountain and a large expandable café for hosting events. Other spaces include a makerspace, a construction mock-up area, a golf simulator, a materials library, a 3D print station and a VR room.

AGAVE RIDGE BEHAVIORAL HOSPITAL

General contractor: Adolfson & Peterson Construciton
Architect: Stengel - Hill Architecture
Location: 3322 S. Ellsworth Rd., Mesa
Size: 73,930 SF
Completion date: March 2024
Highlight: The facility will provide specialized care for adults and adolescents through inpatient nursing units. It will feature outdoor activity areas, an indoor activity center, group therapy spaces, administrative offices, clinics for PHP/IOP/ECT treatments, a pharmacy, a kitchen, a dining hall, as well as training and conference rooms.

NAIOP

CAVASSON RETAIL

Developer: Nationwide Realty Investors
General contractor: Layton
Architect: Butler Design Group
Location: 7965 E. Cavasson Blvd., Scottsdale
Size: 16,000 SF
Completion date: December 2022
Highlight: Featuring copper-tone metal panels, stone and glass elements, the design showcases a 16,000 SF retail space enveloped in the elegance of limestone and glass. The composition frames the captivating views of the McDowell Mountains, creating a visually stunning experience.

AIRPARK LOGISTICS CENTER

Developer: Creation
General contractor: LGE Design Build
Architect: LGE Design Build
Broker: JLL
Location: 14555 W. Yuma Rd., Goodyear
Size: 1,441,140 SF
Value: $350 million
Completion date: August 2023

Highlight: Airpark Logistics Center is located in a federally approved Foreign Trade Zone, and is an unprecedented opportunity to deliver scalable inventory in the fastest growing county in the U.S.

CI303

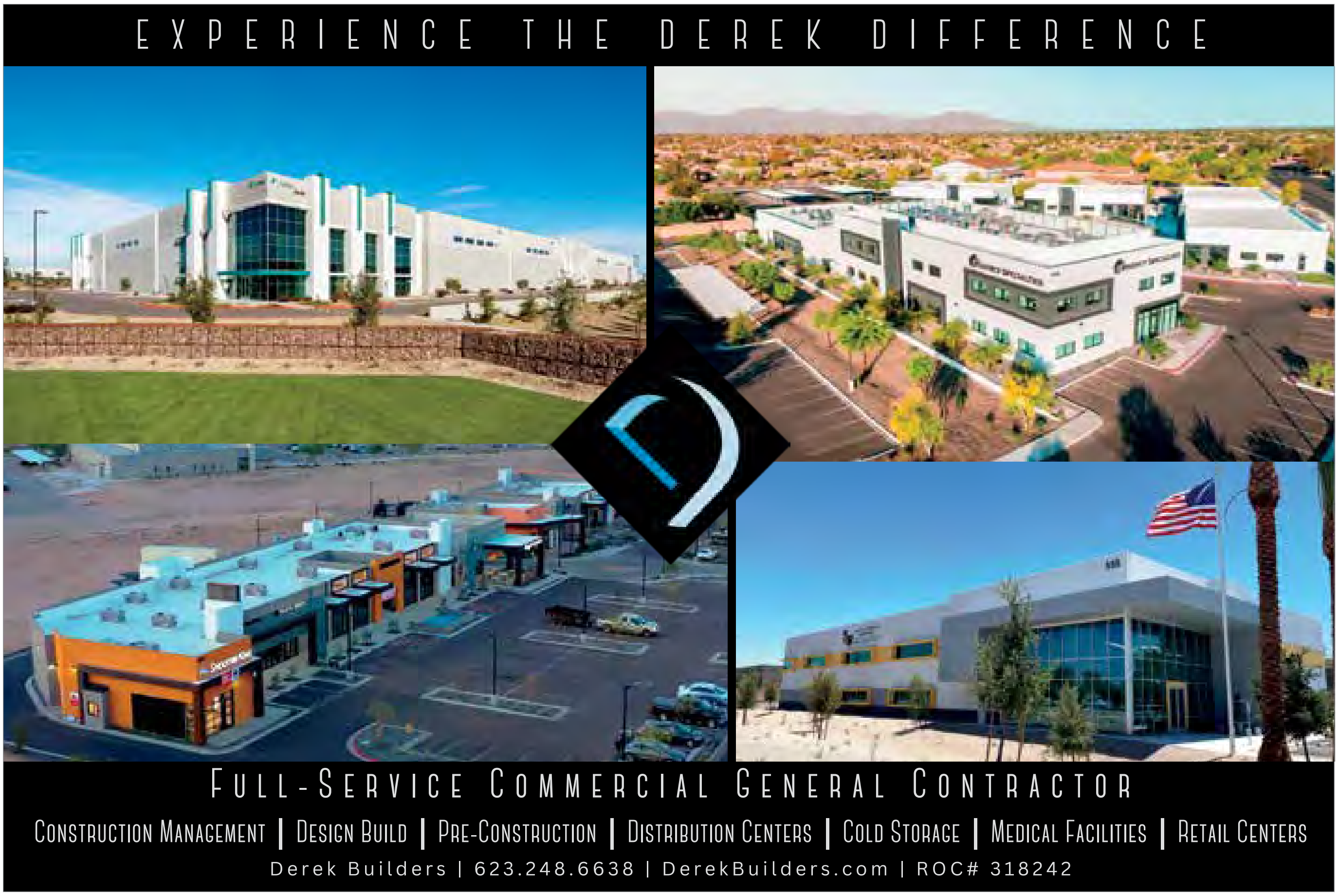
Developer: Merit Partners
General contractor: Stevens-Leinweber Construction
Architect: Butler Design Group
Broker: JLL
Location: Northwest corner of Loop 303 and Camelback Road, Glendale
Size: 1,750,000 SF
Completion date: First quarter of 2024

Highlight: CI303 is a 570-acre logistics park occupying one mile of Loop 303 frontage in Glendale, with enough land to support 9 million square feet of new Class A industrial/data center space.

CCS SYSTEMS CORPORATE HEADQUARTERS

Developer: BYXBEE Development Group
General contractor: Wespac
Architects: Butler Design Group, SmithGroup, Threaded Studios
Location: 1426 Bass Pro Dr., Mesa
Size: 36,281 SF
Completion date: November 2022

Highlight: The new CCS Presentation Systems Headquarters is a tech-forward, vibrant and modern office. CCS started 30 years ago with two people and has expanded to be one of the largest AV integration groups in the U.S., with more than 300 employees with offices in 17 states.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ELLIOT GATEWAY

Developer: Trammell Crow Company
General contractor: Graycor Construction
Architect: Butler Design Group
Broker: CBRE
Location: 9020 E. Elliot Rd. and 8903, 8945 and 9029 E. Peterson Ave., Mesa
Size: 517,000 SF
Value: $95 million
Completion date: March 2023
Highlight: Visibility and access off of the Loop 202 via a full diamond interchange allow for 10 acres of retail pads for sale and a 30-acre, 517,000-square-foot speculative industrial project to be delivered in phases.

CHAPTER AT NORTH TEMPE

Developer: CRG
Architect: Lamar Johnson Collaborative
Location: 1035 E. Curry Rd., Tempe
Size: 347 units
Completion date: First quarter of 2025
Highlight: CRG plans to develop the 5.9-acre parcel of land in Tempe and build a six-story residential product with approximately 347 multifamily units and 430 parking spaces. The property will offer residents the lifestyle associated with today's renter, including outdoor spaces, fitness center, pool, and a co-working lounge for residents who work from home.

CUTTER AVIATION - NEW HANGARS AT DEER VALLEY

General contractor: GCON Inc.
Architect: ADM Group
Location: 914 W. Deer Valley Rd., Phoenix
Size: 64,774 SF
Value: $12.86 million
Completion date: May 2023
Highlight: The project consists of the construction of a pre-engineered metal building — three hangar bays for Cutter Aviation on the property of the City of Phoenix for storage of aircrafts that bring a fresh look to the 60-year-old Deer Valley Airport.

EASTMARK CENTER OF INDUSTRY I AND II

Developer: IndiCap and AECOM-Canyon Partners
General contractor: Layton Construction
Architect: Deutsch Architecture Group
Broker: JLL
Location: 3821 S. Everton Terrace, Mesa
Size: Phase I, 977,600 SF; Phase II, 663,520 SF
Value: Phase I, $ 85,800,000; Phase II, $78,249,600
Completion date: Phase II planned completion is March 2024
Highlight: Upon completion, the 113-acre park will total 10 buildings offering more than 1.6 million square feet of mid-bay and cross-dock Class A industrial space.

NAIOP

IMMEDIA

General contractor: LGE Design Build
Architect: LGE Design Build
Location: Bell Road and 82nd Street, Scottsdale
Size: 32,054 SF
Completion date: Second quarter of 2023
Highlight: The two-story Immedia building serves as an office for employees and a showroom for vendors to operate out of. The modern design includes floor-to-ceiling windows that provide stunning views of the surrounding desert landscape, along with multiple outdoor patios that effortlessly blend the indoors with the outdoors.

INDUSTRIAL METAL SUPPLY

Developer: Bondar
General contractor: A.R. Mays Construction
Architect: Cataldo Architects
Location: 5700 S. 38th St., Phoenix,
Size: 156,953 SF
Value: $15,000,000
Completion date: January 2023

Highlight: The new tilt warehouse facility is comprised of 160,000 square feet of space including a 15,000-square-foot retail showroom, 10,000 square feet of office space and a fitness center.

JUGGERNAUT CASE

General contractor: LGE Design Build
Architect: LGE Design Build
Broker: Cutler Commercial
Location: Southeast corner of 93rd St. and Verde Grove View, Scottsdale
Size: 28,550 SF
Completion date: Second quarter of 2023

Highlight: The Juggernaut Case project showcases the scenic McDowell Mountain views in a building designed to represent the Juggernaut brand. Metal panel and steel wraps around the masonry building to embody their main product – their rugged phone case.

LUKE FIELD

Developer: Lincoln Property Company
General contractor: Layton Construction
Architect: Butler Design Group
Location: 13803 W. Northern Ave., Glendale
Size: 2,428,278 SF
Value: $515 million
Completion date: Third quarter of 2023

Highlight: Luke Field is a 2.4-million-square-foot Class A industrial commerce park situated on 140 acres in Glendale. The $515 million development is adjacent to Northern Parkway, a new 12.5-mile high-capacity roadway that provides a direct and rapid connection between Loop 303 and Loop 101.

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LUKE LOGISTICS

Developer: CA VENTURES
General contractor: LGE Design Build
Architect: LGE Design Build
Broker: JLL
Location: 16800 and 17000 W. Glendale Ave., Glendale
Size: 1.5 million SF
Completion date: August 2023
Highlight: Luke Logistics will feature nearly 1.5 million square feet of best-in-class, modern industrial product. The buildings will range in size from 175,000 to 522,000 square feet and will spread across 95 acres of land on the northwest corner of Route 303 and Glendale Avenue.

MACK INNOVATION PARK SCOTTSDALE

Developer: Mack Real Estate Group
General contractor: Currently in bidding
Architect: Butler Design Group
Brokers: Stream Realty Partners, CBRE, Shell Commercial
Location: Loop 101 and Bell Road, Scottsdale
Size: 1,082,160 SF
Value: $400 million
Completion date: Fourth quarter of 2024
Highlight: Mack Real Estate Group is developing this master-planned industrial business park, showcasing Frank Lloyd Wright inspired state-of-the-art design.

MERCY GILBERT MEDICAL OFFICE BUILDING III

Developer: PMB
General contractor: Venn Construction
Architect: Orcutt | Winslow
Broker: Colliers
Location: 3477 Mercy Rd., Gilbert,
Size: 45,000 SF
Value: $28 million
Completion date: September 2023
Highlight: This project is the third medical office building located near the Dignity Health Mercy Gilbert Medical Center campus between Dignity Health and PMB, a healthcare real estate developer.

MACK INNOVATION PARK DEER VALLEY

Developer: Mack Real Estate Group
General contractors: Nitti Builders (Sites A and C) and Graycor (Site B)
Architect: McCall & Associates Architects
Broker: Stream Realty Partners
Location: 1775 W. Alameda Road, Phoenix
Size: 1,329,537 SF (Phase 1 and Phase 2);
Value: $650 million
Completion date: Fourth quarter of 2023
Highlight: Upon completion, Mack Innovation Park Deer Valley will offer 1,329,537 square feet of industrial space minutes from TSMC's $40 billion semiconductor plant and an incredible labor pool.

PALMtower

Developer: North American Development Group
General contractor: Clayco
Architect: Will Bruder Architects | Lamar Johnson Collaborative
Location: 440 E. Van Buren St., Phoenix
Size: 510,000 SF
Completion date: Summer 2024
Highlight: PALMtower will be a distinctive addition to Phoenix's urban skyline. This 352-unit residential tower transforms the entry sequence into the Arizona Center, making it the heart of the neighborhood.

THE LOFT - FOOD FOR THE HUNGRY

Developer: Cypress Office Properties
General contractor: Willmeng Construction
Architect: Evolution Design Inc.
Broker: Cushman & Wakefield
Location: 2 N. Central Ave., Phoenix
Size: 23,730 SF
Value: $1.2 million
Completion date: January 2023

Highlight: The Loft is a newly refreshed spec suite in Downtown Phoenix Renaissance Square that features a clean, modern, and versatile aesthetic. Warm hues of wood and pops of color engage users throughout the environment with special consideration for how artificial and natural lights intertwine.

MIDWAY COMMERCE CENTER

Developer: Creation
General contractor: LGE Design Build
Architect: LGE Design Build
Location: Germann Road and Hamilton Street, Chandler
Size: 301,994 SF
Value: $75 million
Completion date: Second quarter of 2023
Highlight: Located in the heart of the Chandler Airport infill submarket, Midway Commerce Center is a state-of-the-art, 301,994-square-foot project featuring three buildings with cutting-edge architecture, ample parking and truck maneuverability.

MET 202

Developer: Eisenberg Company
General contractor: Willmeng Construction
Architect: Butler Design
Location: Elliot Road and Crismon Road, Mesa
Size: 780,832 SF
Completion date: September 2023

Highlight: The MET202 project entails the construction of five ground-up warehouse buildings with site work, utilities and offsite improvements. Designed for distribution purposes, these warehouses are built with tilt-panel walls and panelized roof systems.

NEXTWAVE TEMPE

Developer: Overton Moore Properties
General contractor: Layton Construction
Architect: HPA
Broker: CBRE
Location: 1480, 1520, 1560 N. McClintock Dr., Tempe
Size: 689,109 SF
Value: $155 million in total capitalization
Completion date: Fourth quarter of 2024

Highlight: The project consists a state of the art, high-image, three-building speculative industrial project totaling 689,109 square feet, located in the middle of the Valley with immediate access to the Loop 202 and Loop 101.

PALOMA VISTA LOGISTICS CENTER – PHASE I

Developer: US Capital Development
General contractor: Willmeng Construction
Architect: Ware Malcomb
Broker: Cushman & Wakefield
Location: McDowell and Perryville Roads, Buckeye
Size: 1,476,592 SF
Completion date: March 2024

Highlight: Phase I of Paloma Vista Logistics Center comprises two spec warehouse buildings, road improvements, and parking accommodations. Spanning 153 acres, the project entailed the ground-up construction of Buildings 1 and 2.

PARK CENTRAL HOTELS

Developers: Plaza Companies, Holualoa Companies and Fayth Hospitality Group
General contractor: Layton Construction
Architect: PK Architects
Location: 3110 N. Central Ave., Phoenix
Size: 112,400 SF
Value: $55.5 million
Completion date: Third quarter of 2024

Highlight: The dual-branded Home2 Suites/Tru by Hilton hotels will add 207 total guest rooms to the Park Central property, spanning five stories and covering 112,400 square feet of space. The new, dual-branded hotels will combine features and perks from both brands.

POWER GATEWAY 202 PHASES I AND II

Developer: Hopewell Development
General contractor: FCL Builders
Architect: Deutsch Architecture Group
Broker: CBRE
Location: 4521 E. Warner Rd. Gilbert
Size: 266,118 SF
Value: $32,966,612
Completion date: Third quarter of 2023

Highlight: Power Gateway 202 Phase I and II includes four industrial shell buildings, with anticipated spec suites in the end-cap areas. Located on the Warner Road frontage, it provides excellent visibility and signage opportunities for future tenants.

SANDERS & WOHRMAN CORP.'S ARIZONA HEADQUARTERS

Developer: AZ Ventures JG LLC
General contractor: Derek Builders
Architect: Grant L. Olds Architecture
Broker: CBRE
Location: 555 E. Elliot Rd., Chandler
Size: Building is 20,259 SF
Value: $6 million
Completion date: June 2023

Highlight: The Sanders & Wohrman Corporation build-to-suit project has been completed by the team at Derek Builders. Sanders & Wohrman is now able to expand its painting, caulking and coatings operational capacity across the Greater Phoenix region from this facility.

PARK ALDEA 2

Developer: Trammell Crow Company
General contractor: Willmeng Construction
Architect: Atwell
Broker: CBRE
Location: Bethany Home Road and Loop 101, Glendale
Size: 570,600 SF
Completion date: Third quarter of 2024
Highlight: TCC sought to build upon the success seen in Park Aldea Phase 1, and execute the acquisition of the adjacent 18-acre parcel, along with an additional 19.7-acre parcel, to develop Park Aldea Phase 2.


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SMITH & RIO

Developer: High Street Residential, a subsidiary of Trammell Crow Company
General contractor: Wespac Residential
Architect: ESG Architecture & Design
Location: 1979 E. Rio Salado Pkwy., Tempe,
Size: 310 units
Completion date: May 2023
Highlight: Smith & Rio is a 310-unit apartment development located at the Loops 101 and 202 diamond interchange, allowing residents ease of access to the entire Valley. The project sits across from Tempe Marketplace, just east of the heart of Tempe in the Innovation Corridor.

SOSSAMAN PARK 202

Developer: Contour
General contractor: ARCO/Murray
Architect: Ware Malcomb
Broker: Stream Realty Partners
Location: Loop 202 and Sossaman Road, Mesa
Size: 1,550,786 SF
Value: $130 million
Completion date: Fourth quarter of 2023
Highlight: At full buildout, the project will include a total of 1,550,786 square feet within eight buildings. Sossaman Park 202 offers tenants unmatched freeway frontage and visibility on the Loop 202 Freeway.

SOUTHERN ARIZONA LOGISTICS CENTER

Developer: Flint Development
General contractor: Brinkmann Constructors
Architect: Davidson Architecture and Engineering
Broker: CBRE
Location: 9880 and 10070 W. Clark Farms Blvd., Marana
Size: 950,000 SF
Value: $60 million
Completion date: September 2023
Highlight: These structural steel buildings will feature ample auto and trailer parking, LED light fixtures, and built-to-suit office space. This distribution hub is positioned to bring significant employment growth to southern Arizona and the Town of Marana.

TAAWAKI INN

Developer: Hopi Tribe Economic Development Company
General contractor: Wespac Construction
Architects: Smith Architects; Hank Arens Designs (interior designer)
Location: 441 S. Broadway, Clarkdale,
Size: 32,763 SF
Completion date: April 2024
Highlight: Taawaki Inn is a two-story, 44-room boutique hotel that will be a modern accommodation paying homage to the traditions of the Hopi people. Reflecting Hopi culture, the building's interiors will feature woven belts, baskets, pottery, Kachina Dolls, large paintings, hand-painted tiles, and a stained-glass window, all created by Hopi artists.


SPINATO'S


TOWN OF GILBERT MUNICIPAL CENTER

General contractor: Willmeng Construction
Architect: Gensler
Location: 50 E. Civic Center Dr., Gilbert
Size: 52,000 SF
Value: $12 million
Completion date: January 2023
Highlight: The conceptual approach included future-proofing through infrastructure and multi-use planning strategies. Gensler's team designed and delivered the space to accommodate for the Town's substantial population growth and to better support the organization's culture.


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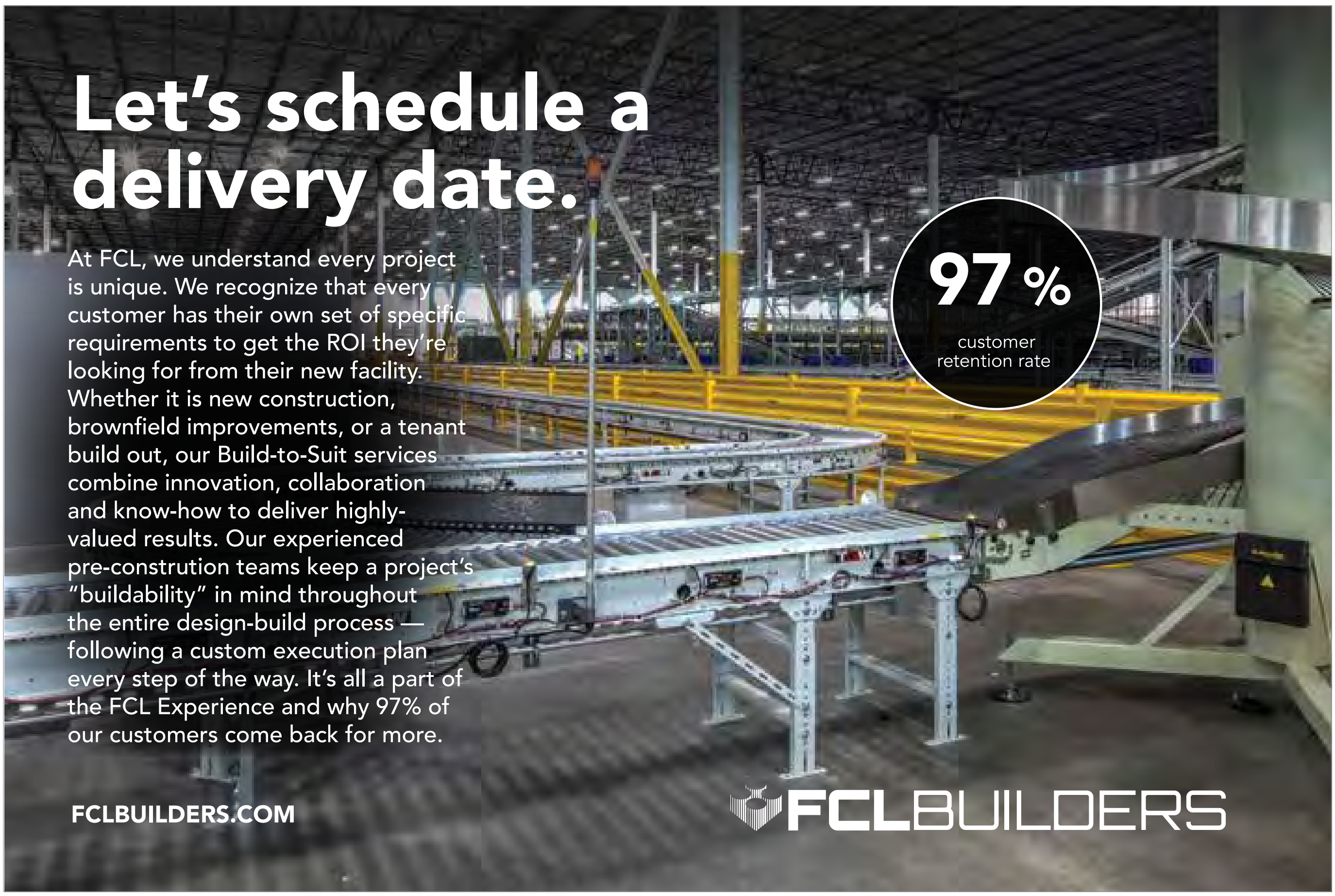
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VERDE TEMPE CAMPUS

Developer: Verde Investments
General contractor: Wespac
Architect: Butler Design Group
Location: 1275 W. Rio Salado Pkwy., Tempe
Size: 637,958 SF
Value: $80 million
Completion date: December 2023
Subcontractors: Saguaro Steel, Western Building Group, Re-create Companies
Highlight: Phased together, the project boasts a unique curved south façade of glass and steel facing a large outdoor amenity space filled with opportunities for tenants to gather, collaborate and just have fun.

TOUCHMARK AT THE RANCH PHASE 3

Developer: Touchmark Development & Construction
General contractor: Wespac Construction
Architect: LRS Architects
Location: 3180 Touchmark Blvd, Prescott
Size: 120,000 SF
Completion date: February 2025
Highlight: Specifically designed living for individuals experiencing memory loss and dementia, the new building and service expands Touchmark's offerings and provides a full continuum of care, ranging from independent and assisted living through early dementia support to memory care.

TUCSON COMMERCE CENTER

Developer: Flint Development
General contractor: Brinkmann Constructors
Architect: Davidson Architecture and Engineering
Broker: CBRE
Location: 3610 E. Valencia Rd., Tucson
Size: 806,600 SF
Value: $60 million
Completion date: August 2023
Highlight: This is Brinkmann's 11th project with a repeat real estate development client. Tucson Commerce Center will feature three warehouse buildings totaling 80,000 square feet on 50 acres. This will be the first premier distribution hub in the Tucson metro area.

VENSURE EMPLOYER SERVICES

Developer: Douglas Allred Company
General contractor: Willmeng Construction
Architect: Krause
Broker: Cushman and Wakefield
Location: 1475 S. Price Rd., Chandler
Size: 91,957 SF
Value: $14 million
Completion date: June 2023
Highlight: Vensure's design centers around the Grand Town Hall that showcases the culture and history of this fast-paced company.

VILLAGE AT PRASADA

Developer: SimonCRE
General contractors: Haydon Companies, DG Fenn Construction
Architect: RKAA Architects
Broker: Western Retail Advisors
Location: Loop 303 and Waddell Road, Surprise
Size: 700,000 SF
Value: $140 million
Completion date: April 2024
Highlight: Through a partnership with the City of Surprise's economic development team, Village at Prasada, the first large-scale retail power center built in the West in over a decade, brings diverse retail and dining options to the currently underserved West Valley.

VIRGIN INDUSTRIAL PARK – PHASE I

Developer: IndiCap
General contractor: Graycor Construction Company
Architect: Deutsch Architecture Group
Broker: JLL
Location: 9410 W. Hatcher Rd., Waddell
Size: 1,024,844 SF over three buildings
Value: $150 million
Completion date: First quarter of 2024

Highlight: Virgin Industrial Park is a multi-building development residing on 76 acres with three buildings totaling more than 1,000,000 square feet. The proposed buildings vary in size from 212,160 square feet to 564,320 square feet.

VT 202

Developer: VanTrust Real Estate
General contractor: Wespac Construction
Architect: Butler Design Group
Broker: Colliers
Location: 5858 and 5700 W. Watkins St., Phoenix
Size: 181,090 SF
Value: $36,500,000
Completion date: June 2023

Highlight: Totaling 181,090 square feet, the project was developed on a speculative basis. Each building was designed for tenants seeking a stand-alone building with secure truck courts.

WEST 202 LOGISTICS

Developer: CapRock Partners
General contractor: Willmeng
Architect: Calvin J. Coatsworth Architects
Broker: Colliers in Arizona
Location: North 59th Avenue and West Van Buren Street, Phoenix
Size: About 3.4 million SF on 183 acres
Completion date: August 2023

Highlight: The largest industrial development ever built in the City of Phoenix's boundaries, this project sits on 183-acres and includes eight Class A buildings that total approximately 3,400,000 square feet.