# THE **DL** DOWNLOAD



ISSUE 1 July 2021









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## **UPCOMING EVENTS**

DL AXE THROWING EVENT	JULY 21, 2021
NIGHT AT THE FIGHTS	AUGUST 26, 2021
ROOKIES AND ROCK STARS	OCTOBER 7, 2021
HOLIDAY PARTY	EARLY DECEMBER

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## **PROJECT SPOTLIGHT**

Axis Raintree Office Building Scottsdale, AZ



#### Construction cost: \$29M

#### Developer:

Trammell Crow Company

#### General Contractor:

Willmeng Construction

#### Architect:

**RSP Architects** 

#### Broker:

CBRE (leasing)

#### Engineer:

Structural Engineer – PK Associates; MEP Engineer – MSA Engineering Consultants;

Civil Engineer - WoodPatel

#### Size:

The 175,000 SF, 3-story office building features 16' deck-to-deck volume, expansive glazing, large efficient floorplates, several tenant amenity areas, structured parking, and an outstanding view of the McDowell Mountains. This speculative office space is the first, Class A building to be delivered in the Scottsdale Airpark submarket since the completion of Scottsdale Quarter Block M in 2015. To respond to this market demand and create a workplace that is unique, RSP and TCC teamed together to create a contemporary, sophisticated space that drives the employee base to the open, bright interior while also providing convenient parking and freeway access

#### **Project summary**

The project, which broke ground in November 2019 and completed in February 2021, was designed as a Class A speculative office building targeted at creative tenants looking for a high-end, collaborative work environment. Floorplates have been designed with the flexibility to accommodate multiple leasing configurations and tenancies, including 16-foot deck-to-deck heights, multiple amenities and column-free spaces with dramatic views of the McDowell Mountains. The design team worked a base/middle/top aesthetic that embraces a contemporary desert vernacular with clean, modern lines.

#### What is a success story of this project:

The team was challenged to deliver a tilt-up building that did not look like a traditional tilt-up building but instead a modern class A office building with large spans of glass framing the McDowell Mountains. Our strategy to achieve this was to create a custom form liner for the tilt panels and incorporating alternating glass color with complementary painted tilt panels to disguise the construction method effectively dematerializing the building into a series of textural piers, spanning horizontal planes and ribbon of glass to accent the top.

#### What were some of the hardships this project encountered:

There were also many logistical challenges that came with concurrently building a parking structure and office building on a very compact job site. This challenge was overcome by covering the foundations to create an area for the waste slabs to cast the tilt panels on, then removing them after the panels were placed to move forward with the parking structure. Through strategic planning and shared vision of how to accomplish each task, the two structures were completed ahead of closely with the City of Scottsdale to define schedule. Additionally, the storm retention area is located underneath the ramp in the parking structure, versus a typical surface area retention. These logistical challenges were solved thanks to the design and construction teams working in constant communication with collaborative mindset.



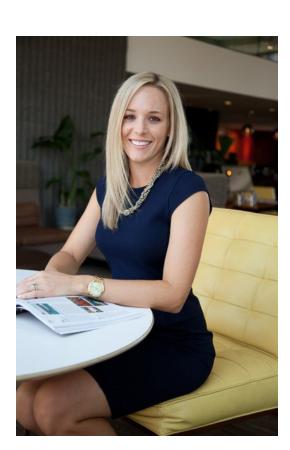


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## **INDUSTRY** ICON

Jenna Borcherding Director, Development VanTrust Real Estate

BY TIFFANY PENNINGTON & CHRISTINE SHAW



#### > Backstory:

I was born in San Diego, moved to Tennessee when I was 10, graduated from the University of Alabama in 2008 and moved to Arizona in 2011.

> What got you interested in CRE:

I fell into it. I moved to the Valley in 2011 to be with my then fiancé, now husband. Phoenix was still reeling from the Recession, but I was fortunate to get a sales job that introduced me to the industry. I navigated through the industry for the next five years and, in 2016 while working at Jokake Construction, set my sights on development. I consulted with many mentors and realized I needed to develop a specific skill set that would be valuable on the development side of the business. I got my real estate license and joined the office tenant representation brokerage team at JLL. After three years I made another move -joining VanTrust as the Director of Development. I have now been at VanTrust for 2 years and love being on the development side.

#### > Favorite thing about your job:

No two days are ever the same. I enjoy the diversity in the types of projects I work on (from industrial to office, multifamily to retail) and the people I work with here at VanTrust and the brokers. consultants, contractors, and architects that help us bring our projects to life.

#### > First job out of college:

Private Jet Designer at Falcon Jet.

#### >> What role did mentors play in your career:

Mentors have been a pivotal part of my career and ultimately guided me to where I am today. Ironically, it all started with the Developing Leaders Steering Committee. I was on the education committee, and we wanted to have Sam Fox speak at an event. I knew Keith Earnest had a relationship with him so I just called him up one day and asked if he would help connect me with Sam. He ended up moderating the conversation with Sam, and we managed to stay in touch long after the event. Since then, Keith has really helped guide my career. When I went to JLL, I leaned on him to help me understand how deals got done and how owners and landlords underwrote deals. While I was a broker, we worked on a deal together and I think he saw my hard work ethic and the potential I had. When the timing was right (for both of us) he invited me to join the VanTrust team, and the rest is history!

#### >> How has Phoenix changed and how do you see it changing in the future:

Phoenix has changed drastically since I moved to the Valley in 2011. I guess being one of the country's fastest-growing cities for several years will do that! We went from being known as a back-office operations market to one that is attracting top technology, aerospace, electronics, and semi-conductor manufacturing companies. Our talent pipeline, geographic region and pro-business climate will continue to fuel growth here in the Valley of the Sun.

#### > What is the most challenging part of vour position:

Time management. I have always been one that wants to fit it "all" in and I do not like saying no or turning down opportunities. As deals eb and flow, being able to prioritize and tackle what is critical today versus what can be done tomorrow can be a challenge.

#### > What advice would you give to a DL who is early on in their career:

Get involved in industry organizations, community organizations, non-profits or even committees within your company. And do not just put your name on the roaster, get actively involved because chances are you will meet a new friend or mentor along the way. And take advantage of opportunities as they arise but be sure to leave on good terms. You never know when you may need to rely on a former colleague or boss!

Family, Hiking with my husband Rob, son Rocky and our dog Remi. And traveling: I love the mountains, a good trip to the beach and time at the lake.

> If you have kids, how has that changed the way you approach work: Before having Rocky, I used to think I was busy. But, in reality, I didn't know what busy was. I have had to become more disciplined in what I say yes to, especially outside of work. Balance is key and I'm fortunate to work for a company that

#### > Fun Fact:

always puts family first.

I am a dual citizen of the United States & New Zealand.

> What are your passions outside of

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# FROM YOUR **STEERING COMMITTEE**

Matthew Krause Marketing Director & Finance Manager at Krause

BY CHRISTINE SHAW



> What got you interested originally inter-ested in getting involved in NAIOP: Originally, I was recommendation to join the DLs by our company - get involved with the goal to meet new people and network. I stuck around because I have found a wonderful

community with awesome people.

#### > Tell us about your role on the NAIOP Steering Committee:

As Chairperson of the Steering Committee, I oversee all the activities for NAIOP Developing Leaders. My role is to get our whole Steering Committee (20+ people) together to make sure all the committees are on track to meet the goals and are properly supported.

#### > Backstory:

I grew up in Fountain Hills, Arizona and graduated in 04. Since I was 13 my goal was to move to NYC, so that is what I did after High School! I attended college for film and television in Manhattan and ended up living there for a total of 6 years. Loved it out there and my career. It ended up that my career took me out to Los Angeles for 4 years. While in LA, my career morphed into more marketing and design. Ended up needing to come back to Phoenix for a complicated chest surgery. At the time, our stay (with my wife and kids) was supposed to be temporary. However, we loved it here. I fell in love with the valley and took appreciation for what is here – something that when you're a kid can be overlooked. It all worked out very well and I joined my father's business as their Marketing Associate. Over the last 7 years I have loved my role with the company and advanced my career to Director of Marketing / Financial Manager.

#### > First job out of college:

A little backstory, with my study of film and television, I pursued acting. So, my first job out of college was a National Starbucks commercial. It was an incredibly fun experience shooting this large production on the streets of NYC in front of the famed Flatiron Building.

#### >> What got you interested in the CRE industry:

There was an underlying passion. I could and still can spend hours just wandering cities marveling at the structures or an interesting interior. With my dad being an architect and the founder at Krause it was bound to be a given. So glad life presented the way it did - getting involved in the family business and to see how Phoenix is growing and expanding. It is a very exciting time.

#### >> What role did mentors play in your career:

A huge part! There have been many throughout my life who guided me as a trusted advisor. Here locally I would have to say Ted Liles has always been a great mentor of mine, he was one of the first people I met through the DLs. He is always incredibly positive-someone who always encouraged me to get out, get involved, and have fun. Ashley Hoffman at Layton was another. Regarding my association with the Steering Committee, I would have to credit Jenna Borcherding who saw my involvement and encouraged me to step up become a leader So. I have those three to thank. However, a constant force of encouragement has always been my dad, Brad Krause. He has been my biggest mentor in everything I have done and still do. He has played a large role in my development.

#### >> Favorite thing about your job:

I like being creative, so the role of Director of Marketing allows me to wear a lot of hats. Whether it is a marketing campaign, photoshoots, or proposals I really love doing. Within the office one of my favorite things is getting to see the designs that come out of the studio! It is really exciting, and I love talking with the team about their process and how it's going throughout the design process.

## in their current field:

I guess I would still be in some type of film or television type role. Whether it would have been I have been skydiving, cliff jumping, hiked over more focused in marketing, which is what I was doing in LA before coming back to AZ.

#### >> What is it like working for your company:

I have a different perspective because I carry the family name. Personally, I put the pressure upon myself - of living up to the Krause name and representing it well. Although fun, it is a lot of work living up to the standards that my father has set forth. But more broadly, I think the team enjoys the ability of seeing the full process of a project. Our team really gets to flex their design muscle and always has the opportunity to learn more and grow their craft. We also have a very generous team learning and growing together - sharing the full passion of design.

#### >> What is the most challenging part of your position?

I have recently taken on another aspect of the company as Financial Manager - doing accounts receivable and accounts payable. Dealing with money is an emotional aspect and you want to put your best foot forward with the clients. Make sure everything is accurate.

#### >> What advice would you give to a DL who is early on in their career:

Just like my mentors told me – get involved as much as you possibly can, volunteer for any subcommittee and programs. It is a great way to meet people and build your network.

### >> What are your passions outside of

Photography in all forms, from architecture to night photography. My favorite catching candid shots of my family and kids.

#### >> Where do you see yourself in 10 years: Working with Krause to continue to grow the business!

#### >> Fun Facts:

Somehow, I was paid to walk runway during >> What would they be doing if they weren't the Winter Fashion Week in NYC, Milan, and Florence Italy. Lol. I have 6 metal ribs. And I love adventurous outdoor activities. In the past active lava flows, and even did a 7-day rafting trip down the Grand Canyon.

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## **OFFICE UPDATE**

Kevin Calihan **Executive Vice President** Tenant Representation, CBRE

BY BRYAN WRIGHT

>> What got you interested in CRE: I was working as an analyst at a bank and came the beginning of 2020:? upon an opportunity at CBRE as a researcher. The challenge involved with each deal is what got me interested in CRE.

>> Favorite thing about your job: Problem solving. Every interaction is different, and I enjoy the challenge.

>> Where are you from and where did you go to school?

I'm an Arizona native and went to U of A.

>> First job out of college? My first job out of college was a bank analyst.

#### >> How has NAIOP impacted your career?

NAIOP provided me a broad network of people I have been able to trust and grow with throughout my career. It also allows you to make connections across the different disciplines within CRE that you wouldn't typically interact with.

#### >> What has been your view of the office market since the beginning of 2020?

The strongest office market I had ever seen was during the first couple months of 2020. By the end of February uncertainty started to creep in but we still saw deals continue to close. By mid-fall, there was a full stop due to COVID-19 and the elections. By the late fall we were in the their office environments as an incentive for lowest demand I had seen in several years. 2021 employees to return to the office. B and C class



## >> How has the Office market changed since

After the market disruption of 2020, we are seeing a K-shaped market recovery, meaning different sectors of the market are recovering at different rates. For instance, the larger companies that transitioned to remote work environment are returning to the office slower than smaller companies. In 2020, office deals guickly shifted to short term renewals as a strategy to combat uncertainty. To put this in perspective, over the three years from 2017-2020 we averaged a single one-year renewal per year. In 2020 we did over 20 one-year renewals.

### >> What do you see as the future of the Office

Right now, there is an abundance of open office space. We've seen an uptick in demand over the last 6-8 weeks which is promising. We're not back to the level we saw at the beginning of 2020, but the market is improving.

Many companies adopted flexible policies for the hours and location their employees work. The biggest challenge I think companies are now facing due to the remote work environment, is how they maintain a healthy culture that draws employees to them. We don't know what the "office of the future" will look like but we know that it is now competing with home offices, which some people prefer. Companies will need to focus on improving started slowly but we've seen a steady recovery. office space likely face the most pressure moving forward

## MARKET UPDATE

### Jessica Morin CoStar Group

The lingering impact of the pandemic kept office demand down in Phoenix during the second guarter. For the fourth consecutive guarter, net absorption fell negatively in 21Q2 as 180,000 SF of office space was completed, putting upward pressure on vacancies. The vacancy rate has increased 190 basis points year over year to 14.0%. Leasing volume has picked up since falling to a low in 2002 but it remains below pre-pandemic levels. Meanwhile, sublease availabilities continued to rise and reached a record high of 4.6 million SF during the guarter. The increase in available space has limited the ability of owners to push rents. Rents edged lower in the second guarter by 0.7%.

Phoenix Office Market Statistics		
Vacancy %	14.0%	
Net Absorption (YTD)	-1,406,802	
Net Deliveries (YTD)	1,429,070	
Under Construction	1,945,846	
Rent Growth (YOY, %)	-0.7%	

Largest Leases in 21Q2			
Tenant	Building Address	SF	Start Date
Undisclosed Tenant	4300 E Camelback Rd	60,000	22Q3
Western Alliance	101 E Washington St	57,440	22Q1
Carvana	1621 W Rio Salado Pky	51,790	21Q3
Undisclosed Tenant	1325 N Fiesta Blv	42,110	21Q4
Undisclosed Tenant	1721 W Rio Salado Pky	40,810	21Q3

<sup>\*</sup>New Lease, does not include renewals

Largest Completions in 21Q2		
<b>Building Name</b>	Building Address	SF
Banner Health	7701 W Aspera Blvd, Glendale	128,000

Source: CoStar Data as of 7/2/21

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## **PHILANTHROPY UPDATE**

**PAST EVENT** 

**OPERATION HYDRATION** 



# **OPERATION HYDRATION**

**Water Bottle Drive** 



# UPCOMING EVENT AXE THROWING SOCIAL

THIS EVENT IS **FREE** TO THOSE WHO BRING A DONATION. PLEASE HELP US SUPPORT SVDP WHILE MINGLING AND GETTING SOME TARGET PRACTICE IN.



# Arizona State University W.P. Carey School of Business Master of Real Estate Development (MRED)

The transdisciplinary W. P. Carey Master of Real Estate Development (MRED) degree is a 9-month program that prepares students to lead real estate development projects that are environmentally respectful, socially responsible, and artfully designed. Small class sizes provide opportunities for peer interaction and a number of synthesis projects cover the entire spectrum of development, preparing students for roles throughout the industry.

The MRED program is a partnership between four highly regarded schools within Arizona State University:

- The W. P. Carey School of Business
- The Sandra Day O'Connor College of Law
- The Herberger Institute for Design and the Arts
- The Del E. Webb School of Construction

NAIOP leads a practicum within the MRED program each semester. This practicum features a real project that is underway in the Valley and brings in NAIOP members as guest instructors for classes each month.

In March the class met with Molly O'Brian and Josh Tracy where they touched on so many important topics such as: getting started in the business, specific projects they've worked on, what a day for them looks like, work/life balance and then of course how COVID has affected their business as well as their thoughts on the PHX market and how it looks moving forward.

From both Molly and Josh there was a theme of incredible opportunity here in Arizona, especially in commercial real estate. Josh touched on the upcoming tech activity in the valley and Molly spoke to the importance of companies really focusing on their people and creating office environments that folks will feel safe to return to but also bolster productivity.



# NEW MEMBER HIGHLIGHT

Ian Wright
Project Engineer
Wespac Construction
BY BRYAN WRIGHT

#### High school:

Liberty High School in Peoria.

#### College:

I started at Glendale Community College then transferred to ASU where I completed my bachelor's degree in December 2019.

#### What got you interested in CRE:

I was fortunate that Liberty High School offered electives that cover building trades. I learned the hands-on experience needed to find a passion for creating a tangible product. In that class, we built a chair off blueprints and placed third in the competition which really inspired me to pursue a career in construction.

#### First Internship:

My first internship was with Suntec Concrete, where I worked in the field. In 2017, I became an intern at Wespac Construction. I continued my internship and started full time after graduating in 2019.



#### Favorite thing about your job:

I love being on site and having a hand in the project completion. Getting to see the result of months of hard work is really satisfying.

#### Favorite project you've worked on:

Gramercy apartment complex. Working on a large high-end project was fascinating and I now have a better understanding of what it takes to deliver a product of that caliber.

#### Where do you see yourself in 10 years?

I'd like to settle down here, start a family, and become a successful project manager with Wespac.

#### **Hobbies:**

I like playing sports and I recently joined a kickball league in Scottsdale. I also enjoy going to the gym, playing video games, and going to music festivals. I'm going to the gorge in Washington this year for a show which I am excited about.

#### Favorite sports team:

Manchester United and all Arizona teams. Go Suns!

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## **NEW DL MEMBERS**

NAME	ORGANIZATION	JOIN DATE
Brianna Parette	Evolution Construction Services	10/07/2020
Ally Warshaver	Goodmans Interior Structures	10/10/2020
Amy Smith	CBRE	10/13/2020
Shannon Burke	KBE Building Corporation	10/15/2020
Andre Ottino	EY	10/19/2020
Daniel King	BKM Capital Partners	10/22/2020
Tom Coughlin	Everest Holdings	10/26/2020
Samantha Spadaro	SmithGroup	10/29/2020
Kristina Lekas	SWS Engineering	11/04/2020
Carter Gerardo	Lee & Associates   Arizona	11/09/2020
Garrett Wilson	Cushman & Wakefield	11/30/2020
Nicolas Porcelli	BIC Partners	12/03/2020
Derek Davis	Kearney Electric, Inc.	12/08/2020
Annika Baeten	Princeton Construction	12/15/2020
Madison Reimers	Artis REIT	12/15/2020
lan Wright	Wespac Construction Inc.	12/15/2020
Christie Devine	Deutsch Architecture Group	01/11/2021
Benjamin Farthing	CBRE	01/12/2021
Caroline Pareti	Forward Tilt	01/20/2021
Emily Aiton	AME Landscape	01/28/2021
Daniel Schuster	Colliers International	02/08/2021
Connor Keene	ZorroSign	02/10/2021
Mallory Wayne	Colliers International	02/11/2021
Erin McKenna	Catellus Development Corporation	02/12/2021
Marc Valenzuela	Salt River Project	02/16/2021
Braden Blake	Ware Malcomb	02/17/2021
Natalie Doctolero	Ware Malcomb	02/17/2021
Nik Vallens	Transwestern	02/17/2021
Andrew Flowers	ZorroSign	02/18/2021
Matt Beeks	LevRose Commercial Real Estate	02/22/2021
Nathan Roberts	Sanders and Wohrman Corporation	02/23/2021
Kendall Saba	CBRE	02/25/2021
Braxton Smith	Arizona State University, URED	02/26/2021
Bryan Liu	NorthMarq Capital & Real Estate Services Group	03/01/2021
Collin Gabel	Rose Paving LLC	03/05/2021
Rodney Boden	ViaWest Group	03/17/2021
Justin Shepherd	Eastdil Secured	03/22/2021
Mike Russo	LGE Design Build	03/25/2021
Adam Eskola	Dominium	03/29/2021
Devin Fontana	Danson Construction LLC	03/30/2021
Hayley Freestone	Near-Cal Corp.	03/31/2021
Kristina Cutillo	Cushman & Wakefield	04/06/2021
Elizabeth Dimond	Cushman & Wakefield	04/06/2021
John Mulhern	Ryan Companies US, Inc.	04/06/2021
Dan Zlaket	Integrity Capital	04/20/2021
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## **2021 STEERING COMMITTEE**

NAME	TITLE	ORGANIZATION	CONTACT
Mike Strittmatter	Past Chair	Cushman & Wakefield	Michael.Strittmatter@cushwake.co
Matthew Krause	Chair	Krause	Matthew@KrauseAZ.com
Chelsea Porter	Vice Chair	Renaissance Co.	Chelseap@renaissancecos.com
Tim Colquhoun	Treasurer	National Bank of Arizona	Tim.Colquhoun@nbarizona.com
Bryan Wright	Communications Chair	Kimley-Horn	bryan.wright@kimley-horn.com
Tiffany Pennington	Communications Co-Chair	TEPCON Construction	tpennington@tepcon.com
Phil Haenel	Education Chair	Cushman & Wakefield	Phil.Haenel@cushwake.com
Jessica Morin	Education Co-Chair	CoStar Group	jmorin@costar.com
Patrick Schrimsher	Membership Co-Chair	Cushman & Wakefield	patrick.schrimsher@cushwake.com
Preston Pilcher	Membership Co-Chair	Lovitt Touche	ppilcher@lovitt-touche.com
Ashley Marsh	MRED Chair	Gammage & Burnham	amarsh@gblaw.com
Jenna Harrison	MRED Co-Chair	Harrison Properties	jennifereharrison@gmail.com
Liz Collins Dimond	MRED Co-Chair	Cushman & Wakefield	edimond@firstam.com
Kelly Royle	Philanthropy Co-Chair	JLL	kelly.royle@am.jll.com
Madeline Rumpf	Programs Chair	Cresa	mrumpf@cresa.com
Stirling Pascal	Programs Co-Chair	Lee & Associates   Arizona	spascal@leearizona.com
Thomas Maynard	Public Policy Chair	GPEC	tmaynard@gpec.org
Josh Tracy	YPG Chair	Ryan Companies US, Inc.	josh.tracy@ryancompanies.com
Chris Beall	YPG Co-Chair	JLL	chris.beall@am.jll.com
Ellen Boles	AZ Connections Chair	Phoenix Design One, Inc.	emb@p-d-o.com
Danny Swancey	NAIOP Board Chairman	ViaWest Group	dswancey@viawestgroup.com
Tom Jarvis	NAIOP Board Liason	Wilmeng Construction	tjarvis@willmeng.com
Suzanne Kinney	President & CEO	NAIOP Arizona	Suzanne@naiopaz.org
Katrina DeBaker	Vice President	NAIOP Arizona	Katrina@naiopaz.org
Lutfiyah Kusy	Financial & Admin Mang.	NAIOP Arizona	lutfiyah@naopaz.org

### 2021 COMMUNICATION COMMITTEE

NAME	ORGANIZATION	CONTACT
Bryan Wright	Kimley-Horn	bryan.wright@kimley-horn.com
<b>Tiffany Pennington</b>	TEPCON Construction	tpennington@tepcon.com
Christine Shaw	RSP Architects	christine.shaw@rsparch.com
Eric Wood	STORE Capital	eric.hamilton.wood@gmail.com

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