

For Immediate Release

Contact: Peter Madrid PR/Communications
MadridMedia
Tel: 480-495-3762

NAI Horizon negotiates \$7M sale of largest multifamily-zoned private land holding in Central Phoenix to Scottsdale firm

PHOENIX, ARIZONA (September 18, 2018) – The \$7 million sale of the largest multifamily-zoned land holding in Central Phoenix was negotiated recently by NAI Horizon on behalf of the seller.

The 7.01-acre tract assembly on the east side of N. 12th Street and north of Indian School Road was sold to Scottsdale-based Deco Communities and fetched \$22.92 per square foot.

NAI Horizon Vice President Kim Kristoff represented Sidney M. Rosen as trustee on behalf of a lifetime grouping of partners and trust beneficiaries. The combined R-5/R-4 zoning allows up to 311 apartment units based upon the results of a previous site plan submittal.

“Over the past four years, the property has been marketed nationwide and internationally,” Kristoff said. “Most of the national firms resisted the idea of a project on North 12th Street and have paid as much as three times more for their land acquisitions only a few blocks away and had to build structured parking as well.

“They are facing the reality of achieving \$2-plus base rents and a variety of related fees (covered parking, storage, utilities, and exercise club) that bring the cost of a one-bedroom unit to more than \$1,500 per month. Apartment renters, whether seasoned professionals or entry level students, are seeking the very best rental rates for a well-designed and secure apartment in a given market location. They are willing to forego a variety of service amenities of arguable value if they can save perhaps hundreds of dollars each month and use the savings for other lifestyle choices,” Kristoff said.

The 24-lot assembly began with the first purchase by the partners 40 years ago in 1978. The property has had a typical Central Phoenix history as a collection of garden apartments and also as the home for more than 20 years of Solutions, Inc., an addiction rehab facility.

While the N. 12th Street community has begun to gentrify, it has been the home of law practices, architectural and engineering firms, small associations, insurance brokerages, and numerous other service providers. Retail in the area includes small restaurants, cafes, a coffee shop, sandwich shops, and a variety of local artists.

Considered an area of affordable housing and post-war apartment properties, the street is becoming the new value proposition for the emerging middle market developer and renovation investment opportunities. New nearby apartment projects developed by national firms include the Loft at Campbell and N. 16th Street, the Crescent and Alante at Highland and N. 16th Street, Alta Camelback at N. 7th Street and E. Camelback, Citi

stretching between Highland and Camelback, and several others north and south along N. 7th and N. 16th streets.

“Kim Kristoff has absolutely been the best and most professional commercial real estate broker we have worked with in our many years of assemblage and our acquisitions of the 24 contiguous parcels,” Rosen said. “His extremely professional, persistent, in-depth, and sophisticated marketing efforts culminated with this sale to Deco Communities.”

One of the most attractive advantages of this site for Deco Communities is that it doesn’t need to build expensive parking structures. Deco can provide ample parking on grade for up to 311 units, Rosen said.

“This will dramatically lower the overall development cost of the project and allow for more affordable rents, additional landscaping, and easier entry level access for apartment renters,” Kristoff said. “It was not until we tried a pre-app site plan submittal and discovered a provable building volume, on-grade parking count, and site density that were we able to speak with confidence about the real project possibilities.”

About NAI Horizon

Exceptional global commercial real estate solutions begin with local market leadership and expertise. Established in 1992, NAI Horizon is a full-service commercial real estate company serving Arizona with offices located in Phoenix and Tucson. NAI Horizon is passionate about the commercial real estate business, providing Brokerage, Property Management and Appraisal Services for local, national and international clients. NAI Horizon is a member of the NAI Global commercial real estate network providing real estate solutions to 400 offices worldwide. For more information visit www.naihorizon.com.

NAI Global is a leading global commercial real estate brokerage firm. NAI Global offices are leaders in their local markets and work in unison to provide clients with exceptional solutions to their commercial real estate needs. NAI Global has more than 400 offices strategically located throughout North America, Latin America, Europe, Africa and Asia Pacific, with over 7,000 local market professionals, managing in excess of 425 million square feet of property. Annually, NAI Global completes in excess of \$20 billion in commercial real estate transactions throughout the world.

NAI Global professionals achieve extraordinary results for clients locally and globally through creativity, collaboration and the consistent delivery of exceptional knowledge and service that only market-leading firms can provide.

NAI Global provides a full range of corporate real estate services, including brokerage and leasing, property and facilities management, real estate investment and capital market services, due diligence, global supply chain and logistics consulting and related advisory services.

To learn more visit: www.naiglobal.com.

###