The Phoenix Industrial Market has weathered the storm over the past five (5) years. Economic conditions continue to test the market and consumer confidence. With a base of approximately 300 million SF, there are submarkets and product types in demand and others with little to no velocity. However, the Valley’s industrial market is on the right path towards sustained growth and will pick up steam in 2015!

Over the past twenty four years, Stein Koss and Tom Louer have been involved in over 1,200 transactions, having leased or sold over 84 million square feet with a combined consideration of over $1 billion dollars. Their clients benefit from their energy, focus, market knowledge and unparalleled service.

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Drivetime - Expanding in Mesa. Verde Investments purchased Superstition Commerce Park late September for $82.00 PSF. The 15.97 acre site consisted of a vacant 107,231 SF multi-tenant flex project with 5.49 acres of vacant land to the north of the project.

Young’s Market Company recently resigned a fifteen (15) year lease starting in November at 402 South 54th Place. The 248,900 SF facility was formerly occupied by Crescent Crown Distributing. Young’s Market Company has an option to purchase the property after the third (3) year of the lease.

The Koss/Louer Team represented The Douglas Allred Co. in the acquisition of the Superstition Springs Business Park. The 101,411 SF back-office project was 95% occupied at the date of sale. The cap rate was approximately 8.3%. The property offers a 8:1,000 parking ratio.

The Koss/Louer Team sold 3880 East Broadway Road in Phoenix. The investment sale traded for $2,950,000 ($115.89 PSF) which represented a 6.7% Cap Rate. The lease team has nine (9) years remaining with annual increases.

DriveTime (Verde Investments) purchased what was originally a Sam’s Club at 317 S. 48th Street for $82.58 PSF in April. With a change in plans, they sold the 113,827 SF building on 12.17 acres to Road Machinery for $80.82 PSF in August. DriveTime plans on buying the adjacent 16.15 acres to the west of this property for their future headquarters.

Anixter leased approximately 63,470 SF at the new Airport I-10 Business Park developed by Wentworth Property. The 91 month lease has an effective lease rate of $0.60 NNN.
The Koss/Louer Team will be marketing a new project called Parc 17 at the NWC of 7th Avenue & I-17 called. The development team will be a joint venture with LaPour Partners of Las Vegas and Jackson Shaw of Dallas. Plans call for a 102,545 SF multi-tenant building and two (2) freestanding (approximately 30,000 SF & 44,000 SF) buildings for sale.

Liberty leased 73,781 SF to PMA Fulfillment 3rd quarter 2014. The property address is 8601 W. Washington Street in Tolleson, Arizona. Our understanding of the transaction is the five (5) year lease had an effective rate of approximately $.28 NNN.

The Koss/Louer team recently completed a lease for Thackeray Partners, of Dallas TX. Insulation Distributors, Inc. (IDI) leased 29,242 SF at 236 E. Pima Street. The multi-tenant industrial project was recently purchased by Thackeray from ProLogis.

Merit Partners leased approximately 588,000 SF to PepsiCo for ten (10) years. The building is currently under construction at 777 S. 79th Avenue in Tolleson. The Tolleson Corporate park is located at the NWC of 75th Avenue and Buckeye Road.

Word on the street is that Phoenix is in the drivers seat for REI’s new Regional Distribution Center. The Co-op structured retailer has narrowed their selection to four sites in the West Valley. Plans are to build a +500,000 SF state of the art, LEED Platinum Certified facility.

The Koss/Louer team recently sold 301 N. 45th Avenue to Overton Moore Partners. The 76,950 SF distribution building was 100% occupied at the time of closing. The property traded for $55.23 PSF.
DID YOU KNOW?  The Gettysburg Address

In the autumn of 1863, President Abraham Lincoln received an invitation to give a speech at Gettysburg, Pennsylvania, where a few months earlier Americans had fought one of the bloodiest battles of the Civil War. In the following weeks, Lincoln worked on his speech but did not get a chance to write it all down before the time came to travel to Gettysburg. He finished it there the night before the ceremony. The next morning, November 19, he made a few final changes and a clean copy.

Thousands of people had gathered on the battlefield. The main speaker of the day, Edward Everett, spoke for two hours. When Everett was through, the president unfolded his single-page manuscript and approached the podium. He spoke for only two minutes. But with fewer than 300 words, Abraham Lincoln had given the greatest address ever delivered on American soil.

The Gettysburg Address still reminds us that thousands have died defending an ideal on which our country was founded—that all people are created equal. The dead can be honored only if the nation lives up to the ideal, Lincoln asserted. By devoting ourselves to it, and by defending it when necessary, Americans ensure that “government of the people, by the people, and for the people, shall not perish from the earth”.

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