

CBRE Negotiates \$11.1 Million Sale of Two Premier Class A Office Buildings from ViaWest Group to Melcor Developments Arizona, Inc.

By CEM 📅 April 23, 2014

ViaWest Group has sold two premier class A office buildings in the Phoenix metro area for a total consideration of \$11.1 million. CBRE negotiated the sale to Melcor Development of the ±24,154-square-foot Perimeter Parkview Corporate Center at 8355 E. Hartford Drive Scottsdale, Ariz. and the ±35,066-square-foot Chauncey Professional Center located at 6930 E. Chauncey Lane, in Phoenix, for a combined ±59,220-square-foot investment. The buildings commanded sale prices of approximately \$4.1 million and \$7 million, respectively.



Barry Gabel and Chris Marchildon with CBRE's Phoenix office represented the seller, ViaWest Group of Phoenix. The buyer, Edmonton, Alberta, Canada-based Melcor Developments Arizona, Inc., was represented by Tom Swan with Amcal Southwest.

ViaWest originally purchased the properties in two separate transactions. The Chauncey property was purchased in December 2006 in shell condition and ViaWest was able to lease up the property from zero percent in late 2007 to 100 percent by mid-2009 during a very difficult leasing period. This was done through building spec suites of varying sizes, creative marketing approaches and unique lease structures. The Perimeter Parkway property was bought at a trustee sale in January 2011 with a portion of the property leased and the balance in shell condition. Within one year of purchase the property was 100 percent leased.

Both Chauncey Professional Center and Perimeter Parkview are presently 90 percent leased, with one suite in each property becoming available within the last month. Those suites total 3,708 square feet and 2,486 square feet, respectively.

"These two assets are excellent properties that are of great quality and extremely well-located. Melcor should have much success with them. As a local value-add operator, we will continue to redeploy capital into our strategies that generate opportunistic-type returns," stated Steven Schwarz of ViaWest Group

"The North Scottsdale/Airpark area has consistently outperformed the overall Phoenix market in net absorption of office space and is one of the top job-creating economies in the U.S.," said CBRE's Gabel. "In addition, these properties are both surrounded by first-class amenities, high-end executive housing and the Loop 101 Freeway making them very attractive to both current and prospective tenants, and solid investments for the buyer."

The sale marks Melcor Developments Arizona, Inc.'s entrance into the Arizona market and ViaWest has been retained to continue management of both properties keeping its management portfolio in excess of 1.5 million square feet.

Built in 2007, Perimeter Parkview Corporate Center is a two-story, class A, multi-tenant office building situated in the Scottsdale Airpark submarket. The property has a high-quality tenant roll including Arizona State University's WP Carey Graduate MBA Program, Interior Motives, Titus Brueckner & Levine PLC, BIC Distributors and Pro Sports Management. The property is located at the base of the McDowell Mountains, in the ±260-acre Perimeter Center Business Park. The business park is adjacent to the TPC Stadium as well as numerous residential and golf communities, resort hotels and an abundance of exciting dining and retail options.

Chauncey Professional Center, which was built in 2006, is located in the North Scottsdale Corporate Center master-planned commercial development. Tenants include Aspen Systems, Troche Fertility Clinic, Marcum Media, AZ Tech Finders, Nobis Technology Group, Landmark Management Group, MiCamp Solutions, Bottle & McInerney, Cadron Financial and Pogson Asset Management. Chauncey Professional Center is surrounded by first-class amenities, including the ±580,000-square-foot Scottsdale 101 retail power center, the ±200,000-square-foot Whole Foods anchored Shops at Chauncey Ranch, the ±465,000-square-foot Chauncey Ranch Autoplex, and a ±110,000-square-foot Lifetime Fitness. The property also benefits from proximity to high-end executive housing and the Loop 101 Freeway