

From the Phoenix Business Journal:

<https://www.bizjournals.com/phoenix/news/2022/09/12/viawest-group-to-revamp-insight-tempe-hq.html>

Former East Valley site of Fortune 500 company HQ to be redeveloped into industrial park

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A Tempe lot that once was home to a Valley Fortune 500 company is now being reimagined for a new use.

Phoenix-based ViaWest Group started demolition of an office building at 6820 S. Harl Ave. last month to make way for two industrial buildings. The target for completion of what will be called Sight Logistics Park is in the third quarter of 2023, said Colliers International's Rob Martensen.

ViaWest purchased the site in early 2021 from Insight Enterprises (Nasdaq: NSIT) for nearly \$11 million, according to an affidavit of property value recorded in the Maricopa County Recorder's Office.

That building was once the headquarters of Insight Enterprises. Earlier this year, Insight moved into a new headquarters in Chandler. Once Insight moved out to its new headquarters campus, ViaWest started the process to get the old building ready for demolition.



COLLIERS

A conceptual rendering of the Sight Logistics Park that's being developed in Tempe.

Martensen and Sam Jones, also of Colliers, are the listing brokers for the business park, Martensen said he thinks the property will attract tenants as an infill industrial project toward the center of the metro is a rare commodity, given the activity that's on the outskirts of both the East and West Valley.

"There's not a lot of new class A buildings that are available in that submarket in central Phoenix at all," Martensen said.

The first building will be 155,717 square feet while the second building will make up just over 200,000 square feet. Martensen said tenants in last-mile distribution, warehouse or light manufacturing industries could be good fits for Sight Logistics Park.

Phoenix-based companies Willmeng Construction and McCall & Associates are the project's respective contractor and architect. In early July, the city of Tempe issued two building permits for the construction of shell buildings at 6820 S. Harl Ave. The city issued another in August for the demolition of an existing building and parking canopy. The total valuation for the three permits is more than \$30 million.

Insight's former headquarters was built in 1996. Earlier this month, the Business Journal sat down with JLL's Ryan Timpani and Brett Thompson on the outlook of the office market in the Valley. While top-end, class A office buildings have commanded record rents, older class B and C properties are left in a precarious position with fewer amenities to offer possible tenants. Timpani said obsolete offices could be repurposed into data centers or multifamily and industrial uses.

Across the Valley, about 68 industrial buildings broke ground, 14 buildings were completed and 160 buildings were under development in the second quarter, according to a report from CBRE Group Inc.

Strong demand has also driven rental rates up each quarter. Q2 saw average asking rates of \$1.13 triple net per square foot. Leasing rates have increased over 12 months by 52%, CBRE data shows.

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