

# Central Phoenix Office News

(mid-size: 3,000 sf to 25,000 sf)

Kasten / Long Commercial Group

RE/MAX Commercial Investment

**The Kasten / Long Commercial Group** has a track record of successfully brokering office buildings in Central Phoenix. We focus on mid-size (3,000 to 25,000 sf), Central Phoenix properties and have an extensive database and knowledge of recent sales and listed offices. Within our group, Scott Trevey, CCIM and Terry Kass, CCIM both broker and own office buildings. They know the office market. Call them for more info.

**The Kasten / Long Commercial Group is the Number 5 Ranked Commercial Group for RE/MAX in the US.**

## Central Phoenix Office Market – Mid-size Sales:

Third quarter 2007 had nine office transactions with total dollar volume of \$15,158,700, an average cap rate of 6.1% and an average price of \$134/sf. Fourth quarter reported five office transactions, a gross volume of \$7,195,000 with an average cap rate of 7.8% and an average price of \$135/sf. Detailed information on each of these sales is shown on the reverse.

## Central Phoenix Office Market - All Size Buildings:

There were a total of 242,630 sf added to the central Phoenix office space inventory from new construction in 2007 and 734,449 sf of space still under construction. The total Central Phoenix office inventory is reported at 18,756,413 sf in 770 buildings. The average quoted asking rental rate was \$28.24 / sf at the end of the fourth quarter 2007 in the Central Phoenix market area. At year's end, a net absorption of 139,828 sf was reported and an overall average vacancy rate of 13.4%.

## Central Phoenix – Mid-size Office Building Sales (3,000 sf – 25,000sf)

Quarter	Number of Sales	Gross Volume	Average Size (sf)	Average Cap Rate
1 <sup>st</sup> 2007	6	\$9,768,070	11,495	NA
2 <sup>nd</sup> 2007	8	\$14,887,995	10,604	NA
3 <sup>rd</sup> 2007	9	\$15,158,700	12,543	6.1%
4 <sup>th</sup> 2007	5	\$7,195,000	10,659	7.8%
<b>2007 Totals</b>	<b>28</b>	<b>\$47,009,765</b>	<b>11,428</b>	<b>6.4% *</b>
<b>2006 Totals</b>	<b>32</b>	<b>\$49,272,930</b>	<b>10,787</b>	<b>7.4%</b>

Statistics compiled from The 2007 Costar Office Report and Quick Stats Report.

\*Cap Rate data only reported for 3<sup>rd</sup> & 4<sup>th</sup> quarters.



**4109 N. 12<sup>th</sup> Street, Phoenix - For Sale - 5,524 sf,**  
1983 construction, office building, NNN lease,  
National Tenant, 7.4% CAP List Price: \$1,575,000

See [www.KLCommercialGroup.com](http://www.KLCommercialGroup.com) for details

### Terry Kass, CCIM, CPM, Associate Broker

Office: 602.445.4124

Cell: 602.703.5277

[tkass@azproperty.com](mailto:tkass@azproperty.com)

- Member of RE/MAX Platinum Club
- 12+ years experience in investing, owning and managing investment properties for self, partners & clients.
- Current Doctorate Candidate with focus on Real Estate.
- Owned and operated property management company overseeing 500+ units.

### Scott Trevey, CCIM

Office: 602.445.4114

Cell: 480.205.0862

[strevey@azproperty.com](mailto:strevey@azproperty.com)

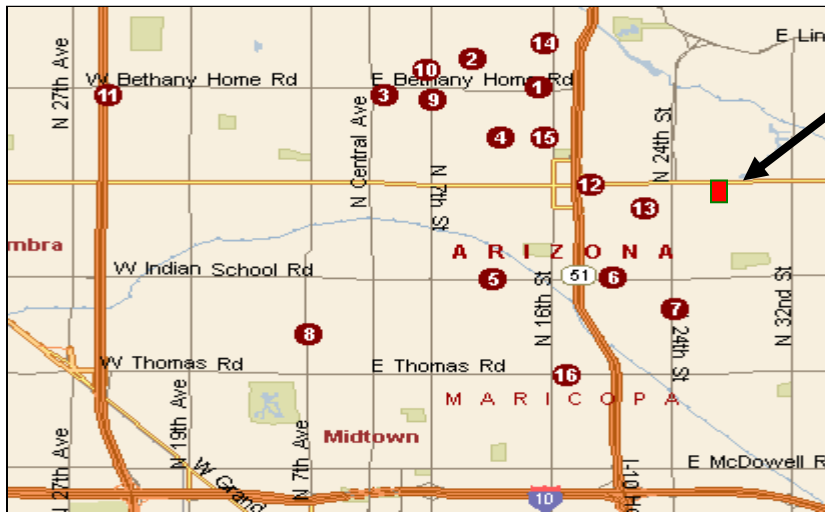
- Member of RE/MAX Platinum Club & President's Club.
- 20+ years experience in investing and working with investors.
- Practiced in tax-deferred exchanges.
- Knowledgeable developer & mid-sized office and apartment owner / manager.

**Scott Trevey, CCIM**  
**Terry Kass, CCIM, CPM, Associate Broker**  
**Kasten / Long Commercial Group**  
**RE/MAX Commercial Investment**

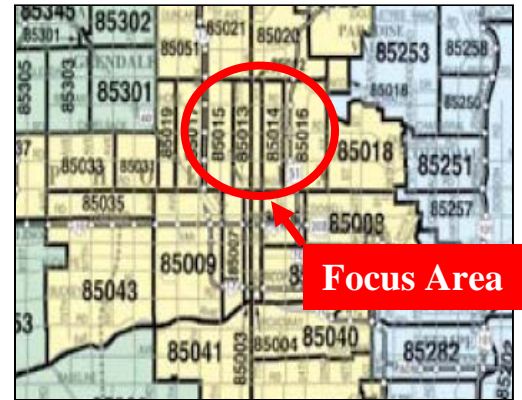
2801 E Camelback Road, Suite 105, Phoenix, AZ 85016

**www.KLCommGroup.com**

Recipient



**Kasten/Long Commercial Group Office**  
 SE Corner Camelback Rd and 28<sup>th</sup> Street



**Offices Sold 3<sup>rd</sup> & 4<sup>th</sup> Quarter 2007**  
**In focus area: zip codes 85013, 85014, 85015, 85016**

MAP	ADDRESS	SIZE (SF)	PRICE	PRICE / (SF)	COE	YEAR BLT	CLASS	Tenants
1	6017 N. 15th St.	5,000	\$900,000	\$180	10/23/2007	2003	B	Multi
2	717 E. Maryland	5,644	\$ 570,000	\$101	10/5/2007	1982	C	Multi
3	727 E. Bethany Home Rd.	24,666	\$3,350,000	\$136	12/17/2007	1984	B	Multi
4	1250 E. Missouri	4,541	\$1,125,000	\$248	10/15/2007	1980	B	Single
5	4109 N. 12th St.	5,524	\$800,000	\$145	9/5/2007	1983	C	Single – Kasten/Long Sale
6	4120 N. 20th St.	8,896	\$930,000	\$105	8/31/2007	1963	C	Multi– Kasten/Long Sale
7	3700 N. 24th St	24,342	\$2,725,000	\$112	9/13/2007	1983	B	Multi
8	3333 N. 7th Ave.	13,424	\$2,000,000	\$149	9/17/2007	1961	B	Single
9	5818 N. 7th St.	13,444	\$1,250,000	\$ 93	12/7/2007	1959	C	Multi
10	6040 N, 7th St.	13,802	\$1,585,000	\$115	7/2/2007	1975	C	Multi
11	5815 N. Black Canyon Hwy	9,489	\$950,000	\$100	8/10/2007	1979	C	Multi
12	1846 E. Camelback Rd.	16,283	\$3,026,000	\$186	9/27/2007	1978	C	Single
13	2211 E. Highland Ave.	17,450	\$2,315,000	\$133	8/9/2007	1975	B	Multi
14	1550 E. Maryland Ave.	3,674	\$827,700	\$225	7/6/2007	1981	C	Single
15	1528 E. Missouri Ave.	16,365	\$2,350,000	\$144	6/18/2007	1964	C	Multi
16	1700 -1702 E. Thomas	6,200	\$840,000	\$135	6/20/2007	1975	C	Single

Class A = most attractive and eagerly sought by investors willing to pay a premium for quality / Class B = generally qualify as a more speculative investment and command lower rents / Class C = no frills, older buildings and offers basic space at lower rents with below-average maintenance and management.