

FOR SALE

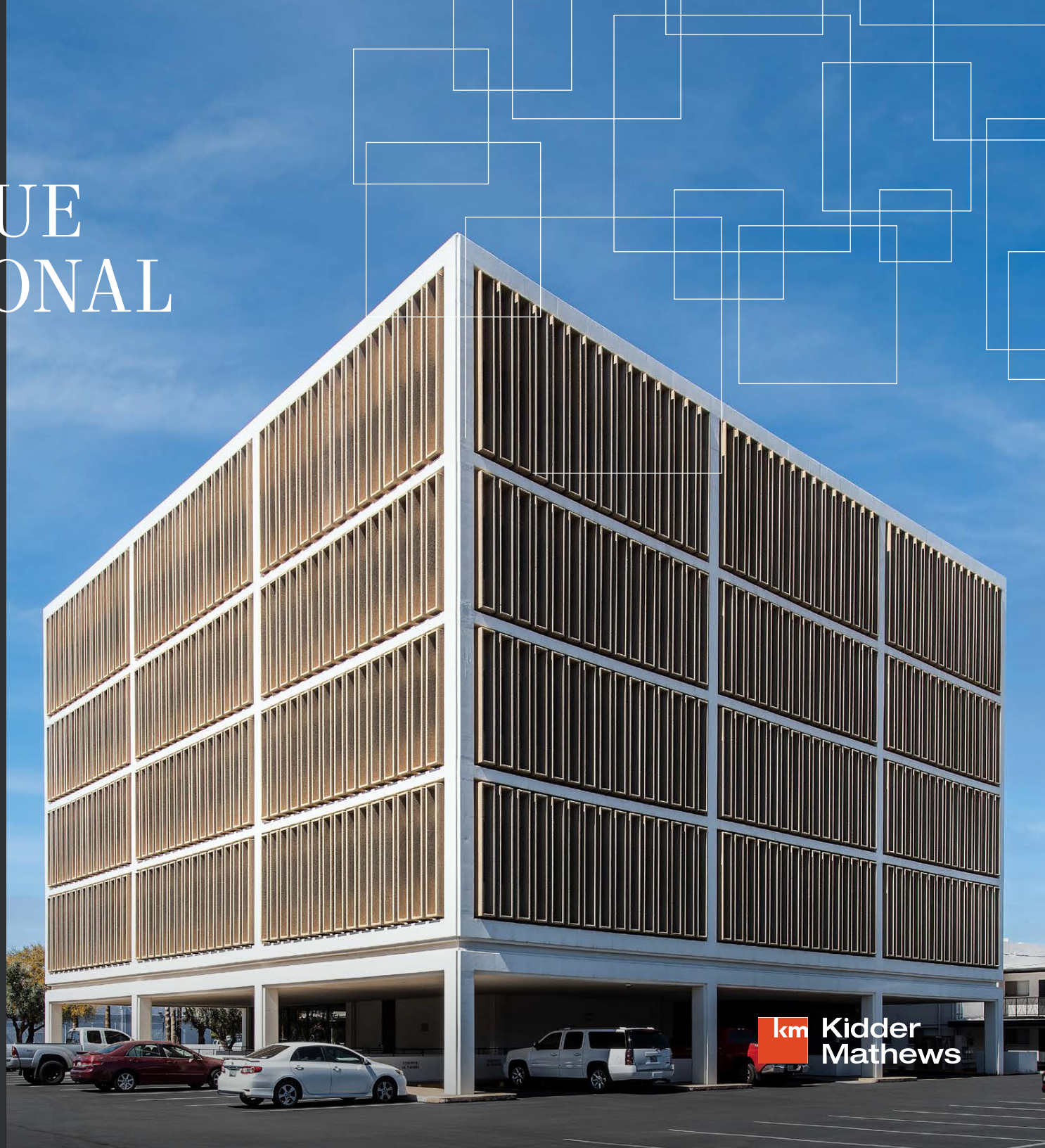
# 5TH AVENUE PROFESSIONAL BUILDING

*±38,929 SF*

*Mid-Century Modern  
Professional Building  
in Midtown Phoenix*

3411 N FIFTH AVE  
PHOENIX, AZ 85013

KIDDER.COM



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Mathews

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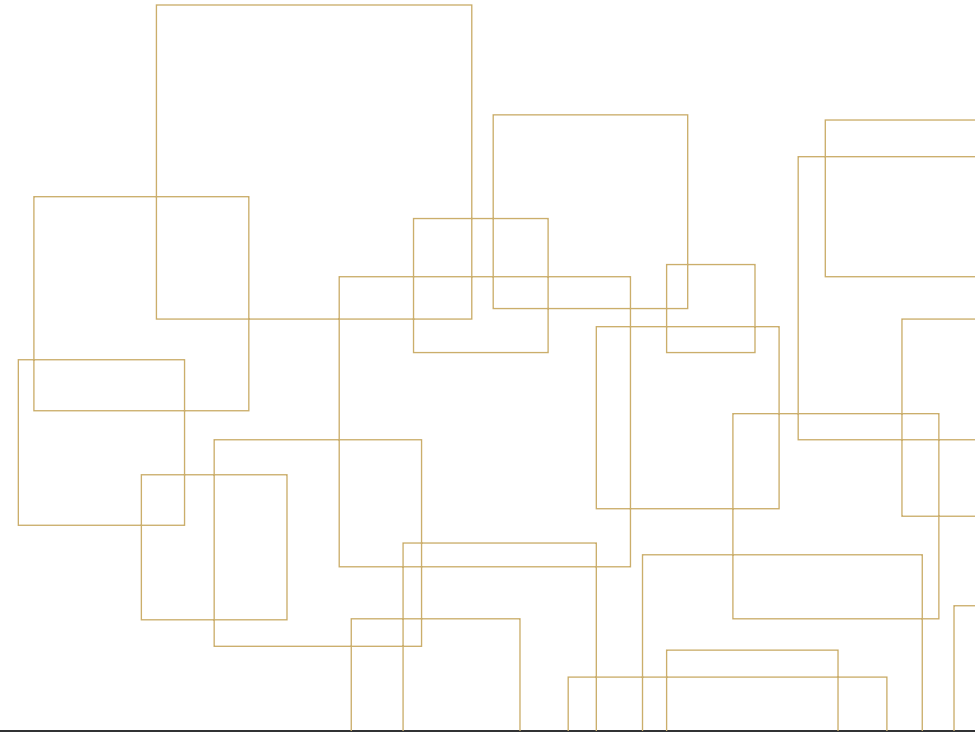
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*Exclusively  
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This is a confidential Offering Memorandum and is provided solely for your limited use and benefit in evaluating this investment opportunity.

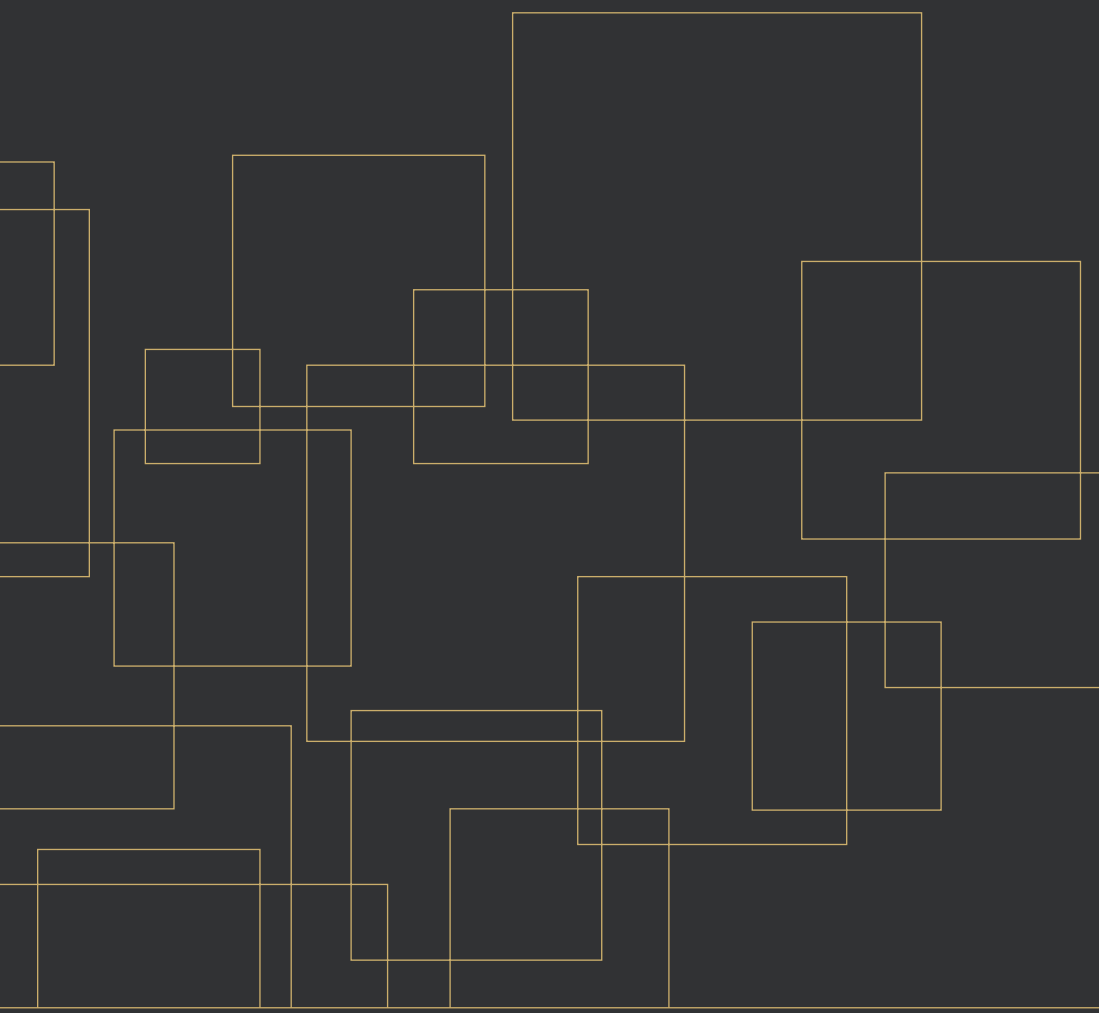
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By receipt of this Offering Memorandum, you have been advised that Kidder Mathews is acting as a broker exclusively on behalf of Seller in connection with the marketing and sale of the Property.

By receipt of this Offering Memorandum, you acknowledge receipt of the pamphlet entitled "The Law of Real Estate Agency" and/or any such required materials required by the State of Washington.



# EXECUTIVE SUMMARY



# MID-CENTURY MODERN IN THE HEART OF MIDTOWN PHOENIX

5th Avenue Professional Building is a five-story office building located along 5th Avenue, just north of Osborn Road in Phoenix's rapidly transforming Midtown submarket. The Property provides an excellent opportunity for an Owner-User purchase, as well as a residential conversion and/or development opportunity.

5th Avenue Professional Building consists of approximately 38,929 square feet of office space in five floors. The building sits on top of a spacious single-level underground parking garage with 47 parking spaces. This equates to a ratio of 1.2 underground spaces per 1,000 square feet. Additional parking is provided from surface spaces bringing the overall parking ratio to  $\pm 3.75$  spaces per 1,000 square feet. This is an extremely rare feature of a building this size. It was constructed using durable concrete frame construction with concrete waffle decking between floors and exposed aggregate decorative curtain walls. Two recently renovated elevators serve all five floors and underground parking garage.

The Property consists of 1.08 acres of prime land. The parcel carries a zoning classification of R-5, a residential zoning that allows for dense apartment and/or residential condominium uses. These residential uses are bearing the highest values for land in the subject's Midtown trade area where a multifamily and residential condominium development cycle is in full stride.

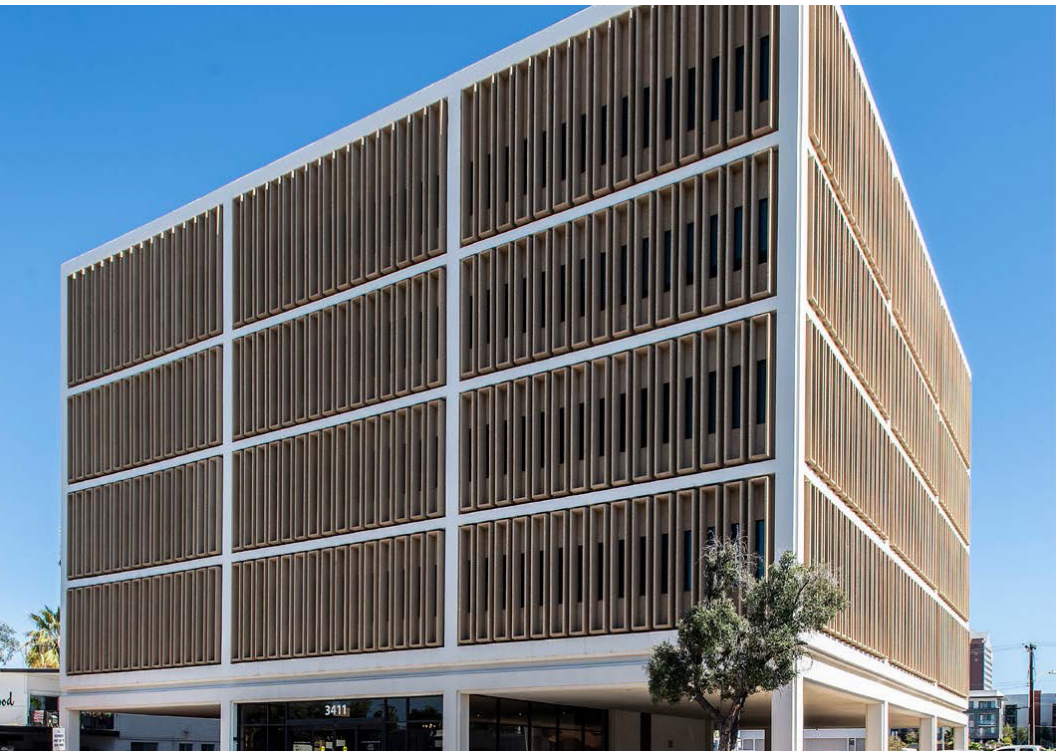
*The building was designed by Al Beadle*

An award winning American modernist architect, who designed many classic mid-century modern commercial and multifamily properties in Phoenix, AZ. Constructed in 1968, the building consists of a concrete frame construction system with concrete waffle decking between floors and exposed aggregate decorative curtain walls. Two elevators and two stairwells provide access between floors and parking garage.





# THIS LOCATION IS BENEFITING FROM *THE POWERFUL URBAN REVIVAL*



## LOCATION OVERVIEW

5th Avenue Professional Building is ideally located for medical uses, St. Joseph's Hospital is located just ½ mile south. Further, six (6) other hospitals are located in the central Phoenix area including Banner Good Samaritan and Phoenix Children's Hospital.

This location is benefiting from the powerful urban revival—with new residential, restaurants, coffeehouses and bars transforming the location towards a more 24-hour live-work-play environment. A powerful lift to the appeal of the immediate location lies in the hands of the area's amenity anchor, Park Central Mall. The 40-acre Mall is walking distance to the south and is theorized to be one of the most significant renovations and/or redevelopments in Phoenix. Updating and/or developing additional amenities on the Park Central site promises to be the "powder keg" that will propel Midtown to the "next level" with respect to top-tier commercial, residential and destination locations in the valley.

Whether to an office owner-occupant or a residential developer, who could convert the existing underground parked structure into multifamily, the property holds tremendous value at pricing which equates to less than shell replacement cost.

0%

OCCUPANCY

R-5

ZONING

±1.08

LAND ACRES

±\$160

ASKING \$/SF

\$6,230,000

SALE PRICE

## LOCATION HIGHLIGHTS

*Within walking distance from Park Central Mall with its heavy concentration of restaurants*

Located in Midtown, a trade area undergoing a widespread revitalization that has been transforming it into one of the most desirable urban locations in Metro Phoenix

Residential development is booming with 2,320 high-quality units under construction in the Central Corridor, with another 2,046 planned

Positioned along 5th Avenue just 0.5 miles north of St. Joseph's Hospital and Medical Center

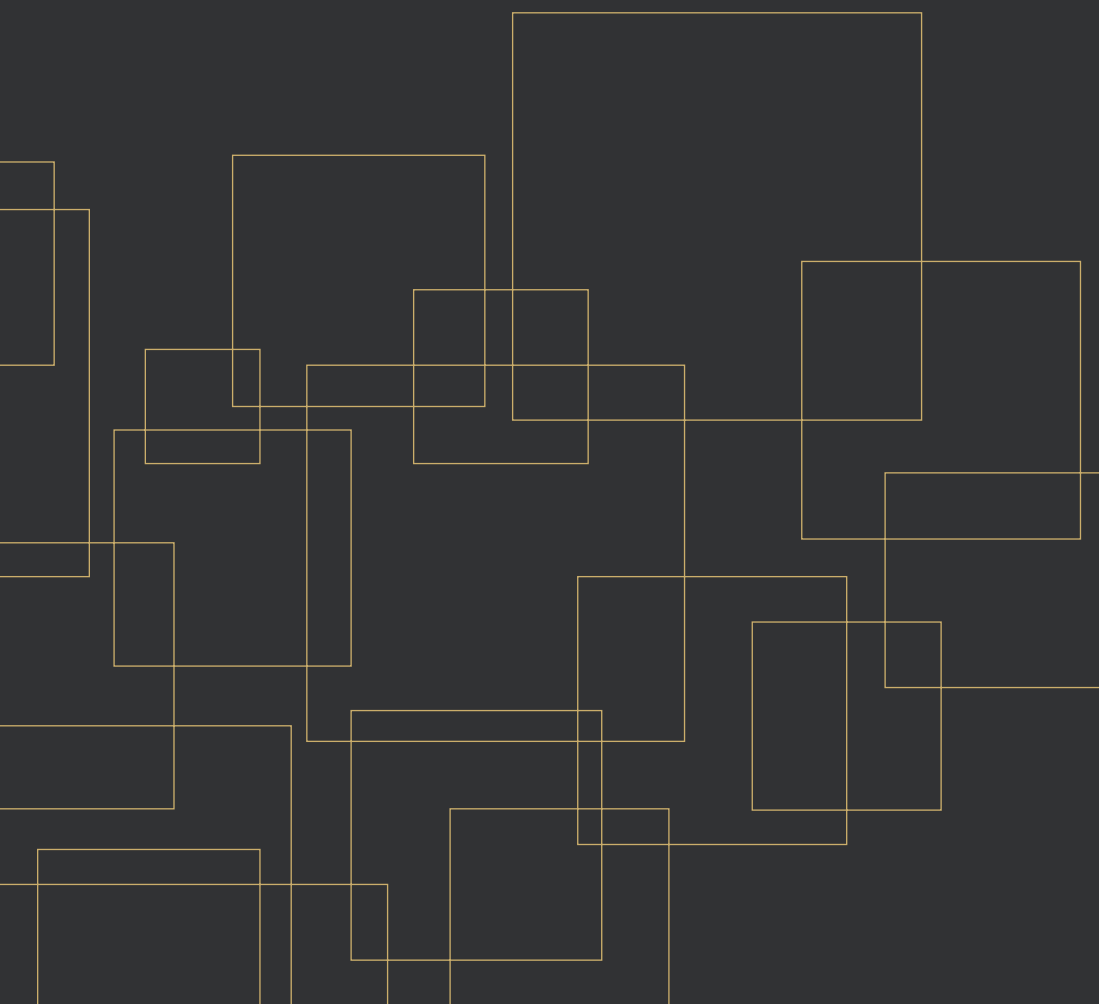
*Close Proximity to Interstate 10 freeway, which lies 0.5 miles to the south*

Walking distance to Park Central Mall which is undergoing a massive renovation/redevelopment which will be a major accelerator for urban trends in the area

Nearby amenities include several popular restaurants such as Durant's, Postino Central, Blue Fin, Oven + Vine, Fuego at the Clarendon, Ocotillo and Taco Guild as well as ±260 restaurant tenants with 3 miles

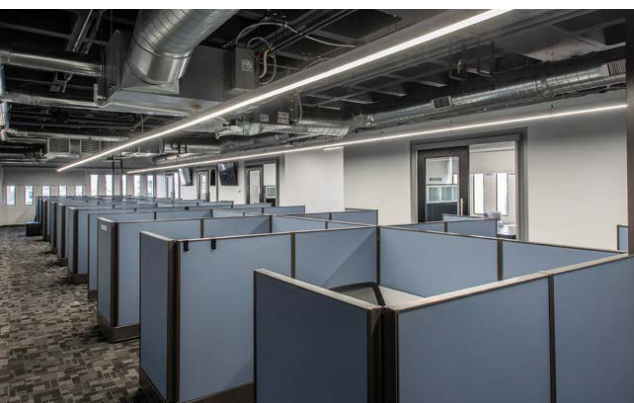
The property is ideally located within two miles of seven (7) valley hospitals





# INVESTMENT SUMMARY





## INVESTMENT HIGHLIGHTS

### MAJOR DEMAND FOR MULTIFAMILY DEVELOPMENT

Developers are responding to the resurgence of Phoenix's urban core with a number of development projects. This powerful infill movement has attracted the first significant development of luxury apartments to ever occur in Central Phoenix, with over 2,930 Class A luxury apartments units delivered. At present two luxury apartment projects and one upscale residential condominium building are under construction in Midtown, all within 0.5 miles of 5th Avenue Professional Building.

### EXCEPTIONAL INTRINSIC VALUE

Offered at \$160 per building foot (with an underground parking structure in place) 5th Avenue Professional Building offers significant intrinsic value. The competitive projected pricing of this offering provides exceptional value and upside potential either as an owner-occupied office property or a residential conversion.

### HIGH-DEMAND TRANSIT-ORIENTED SUBMARKET

Highlighted by Phoenix's Metro Light Rail, since opening in 2008, has grown to the 12th busiest in the nation. In addition, Sky Harbor International Airport is just 10 minutes from 5th Avenue Professional Building, accessible via both car and light rail. The Central Avenue bus route adds additional transit accessibility, with over 100 buses per day at the Central and

Columbus stop immediately in front of the property. The location also provides convenient freeway access to the Interstate 10, Loop 202, Interstate 17, and State Route 51 freeways.

### MASSIVE AREA INVESTMENTS ARE TRANSFORMING THE MARKET

Nationally, urban infill locations that are anchored by major education, research, cultural, and sports institutions are expected to experience the strongest growth, attracting major employers and sophisticated investor. The rapidly growing investment in transformational institutions and new development in Central Phoenix are a major catalyst that will create exceptional positive trends.

The Phoenix Biomedical Campus has seen over \$1.5 billion in investment since 2002 and now contains the highest concentration of research scientists in the region. Healthcare institutions in the area are experiencing strong growth, including six top-ranked hospitals and the new, 300,000 square foot corporate headquarters of Banner Healthcare. The most noteworthy of these include Dignity's St. Joseph's Hospital and Medical Center, located less than 0.5 miles away and Banner's University Medical Center, located approximately 2 miles southeast

The area is the hub of Phoenix's vibrant museums, libraries, and cultural institutions, including the Phoenix Art Museum and nationally renowned Heard Museum.

## INVESTMENT HIGHLIGHTS

Central Phoenix is home to the MLB Arizona Diamondbacks and NBA Phoenix Suns sports facilities. The redevelopment of the Park Central Mall site, just south of 5th Avenue Professional Building, will be a major accelerator of urban trends in the area

### IDEAL FLOOR PLATE SIZES

Smaller floor plate sizes are attractive to companies returning to the office. Strong tenant demand is resulting in companies returning to the office. As occupancy increases throughout the market, buildings and rents are stabilizing. Companies are looking for creative, modern spaces with abundant amenities, compared to traditional large floor plate office buildings pre-pandemic.

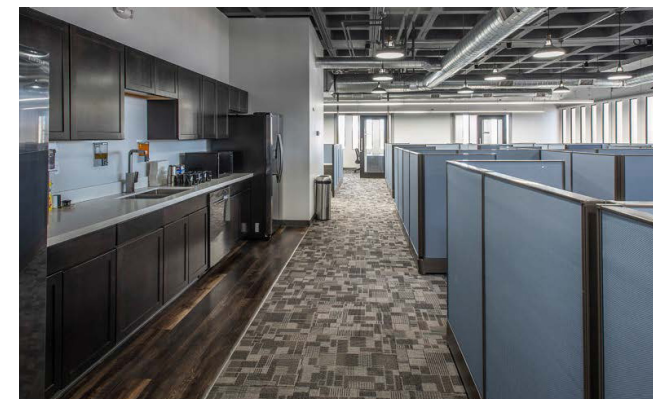
### SURROUNDED BY UPSCALE HOUSING

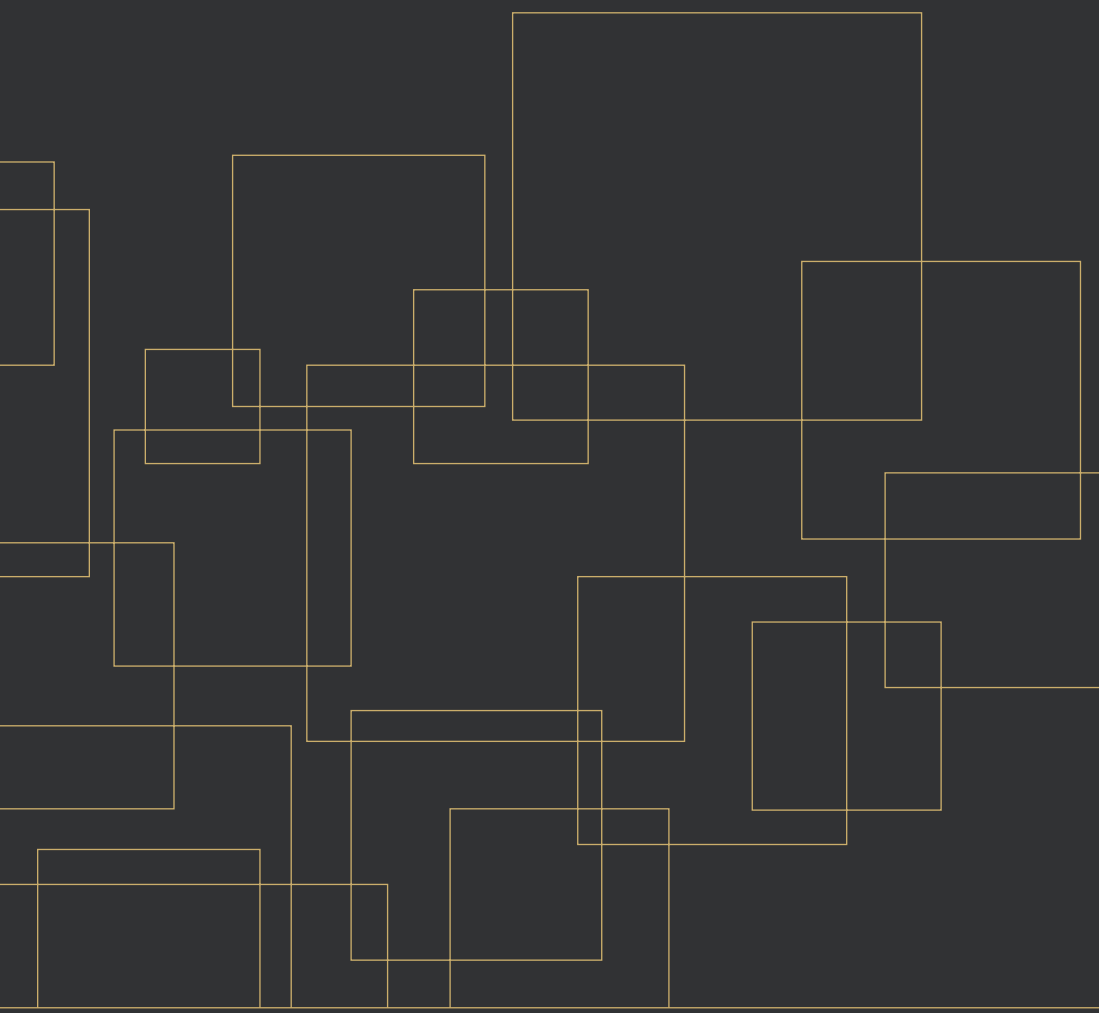
Central Phoenix contains several large and established neighborhoods of high affluence. These neighborhoods include the Biltmore (surrounding the world-famous Biltmore Hotel & Resort), Paradise Valley, Arcadia, North Central, the Willo Historic District, Encanto, and the Phoenix Country Club. Homes in these areas typically range in value from \$500,000 to in excess of \$10 million.

### ONE OF THE MOST PROMISING OFFICE MARKETS IN PHOENIX

Midtown has long reigned as the largest office submarket in the greater Phoenix area. The urban revival movement engulfing the Central Phoenix Infill area is resulting in increased tenant interest and improving office demand. To accommodate this surge in residential and retail development in this land-constrained area, a meaningful amount of Central Phoenix Class C and B office properties have been demolished or re-purposed.

Well positioned to benefit from this promising influx, these trends are certain to add fuel to tenant demand. When coupled with the timing of this investment in the Phoenix office market's infant stages of recovery, it points to a healthy level of longterm stability and upside potential.





# PROPERTY OVERVIEW



# PROPERTY INFORMATION

## PROPERTY OVERVIEW

|           |   |
|-----------|---|
| ADDRESS   | 3411 North 5th Avenue, Phoenix, Arizona 85013                   |
| ACCESS    | Two (2) points of access, both along 5th Avenue                 |
| SITE SIZE | ±1.08 acres   47,044 land square feet                           |
| PARCEL    | 118-29-017B   |
| ZONING    | R-5, Multifamily Residence District, City of Phoenix            |
| PARKING   | ±3.75/1,000 SF (1.2/1,000 underground/47 in underground garage) |

## IMPROVEMENTS SUMMARY

|                        |   |
|------------------------|---|
| PROPERTY SIZE          | ±38,929 square feet   |
| YEAR BUILT             | 1968  |
| FOUNDATION             | Continuous, reinforced concrete footings  |
| FLOORS                 | Garage floor - concrete slab over ABC fill<br>First floor - concrete slab<br>Upper floors - concrete waffle deck                |
| EXTERIOR WALLS         | Exposed aggregate decorative curtain walls  |
| ROOF                   | Concrete with built-up mineral surface cap over coatings  |
| CEILINGS               | Suspended ceiling system and exposed ceilings   |
| WINDOWS                | Single pane glass   |
| FIRE ALARM/LIFE SAFETY | Emergency exit signs, smoke detectors, fire alarms, fire sprinklers, and fire extinguishers are located throughout the building |
| HVAC                   | Rooftop cooling tower, closed loop system utilizing heat pumps enclosed in the ceiling on each floor                            |
| ELEVATORS              | Two (2) elevators serve all five stories and the underground parking garage   |
| FIRE SAFETY            | Fire suppression sprinklers located in the underground parking garage only  |

*Tremendous Renovation Potential with a Variety of Uses*

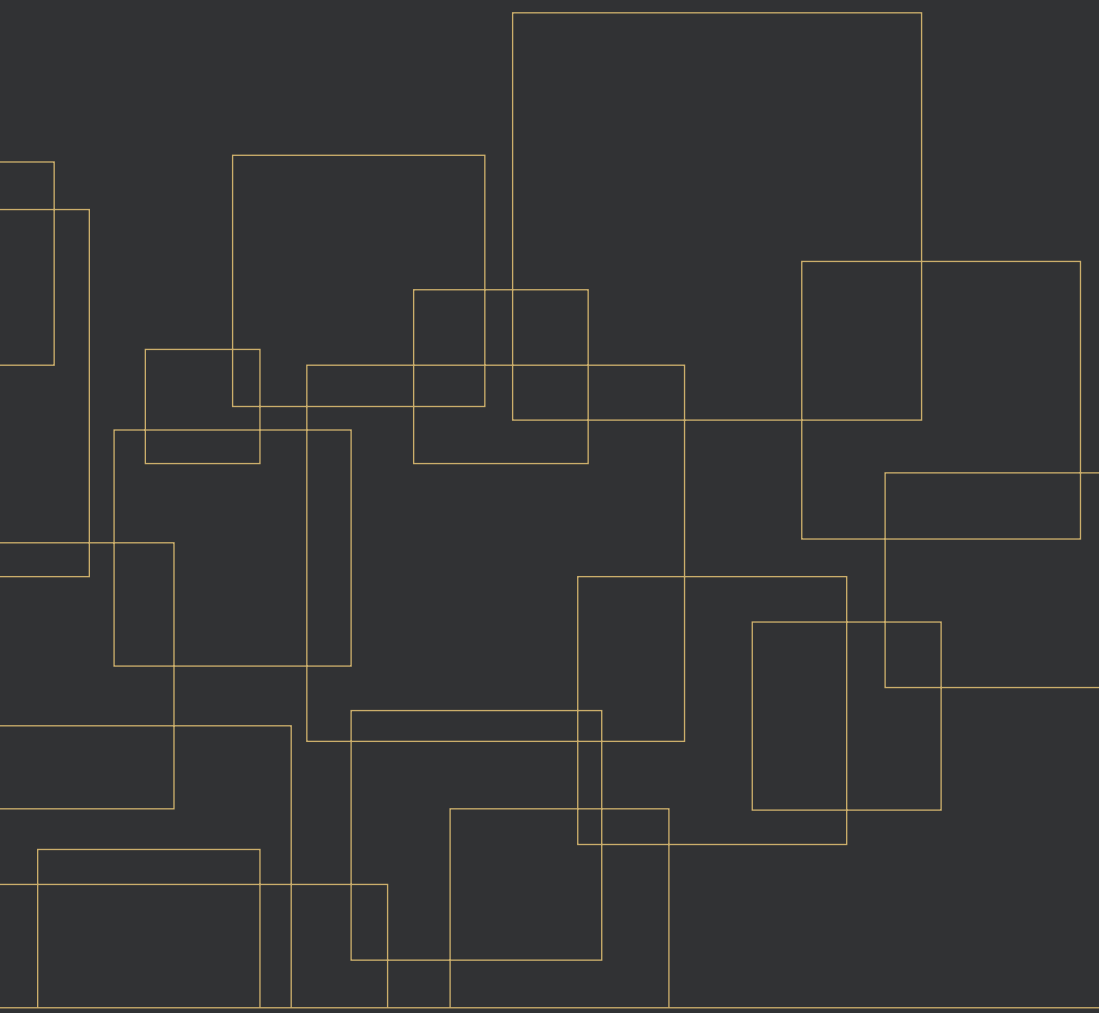
Apartments  
 Residential Condos for Sale  
 Offices  
 Owner User Offices  
 Medical Office Space



# PROPERTY OVERVIEW







# LOCATION OVERVIEW





# *THE LOCATION'S* MARKET IS RIPE FOR CHANGE

*Midtown Phoenix is a vibrant and rapidly growing area located in the heart of Phoenix, Arizona.*

It is home to a diverse mix of residential, commercial, and cultural amenities, including popular dining and entertainment destinations, world-class museums, and public parks. The area is also known for its modern architecture, with many sleek high-rise buildings and contemporary developments.

In terms of the real estate market, Midtown Phoenix is experiencing strong demand from both buyers and renters, with prices and rents continuing to rise. The median home price in the area is around \$400,000, with prices ranging from around \$200,000 for a smaller condo to well over \$1 million for a luxury high-rise apartment or townhome. Rental rates are similarly high, with the average rent for a one-bedroom apartment hovering around \$1,500 per month.

One of the main factors driving demand in the Midtown Phoenix real estate market is its central location. The area is conveniently situated near major highways, making it easy to access other parts of the city. It is also close to many of Phoenix's top employers, including major healthcare systems, universities, and government agencies. This has made Midtown Phoenix a popular choice for young professionals and families who want to live close to work and enjoy all the amenities of a city center.

Overall, the Midtown Phoenix real estate market is a dynamic and exciting place to be, with strong demand from both buyers and renters. With its central location, diverse mix of amenities, and modern urban feel, Midtown Phoenix is likely to continue to be a popular destination for those looking to live in the heart of the city.

# DEMOGRAPHICS



## Population

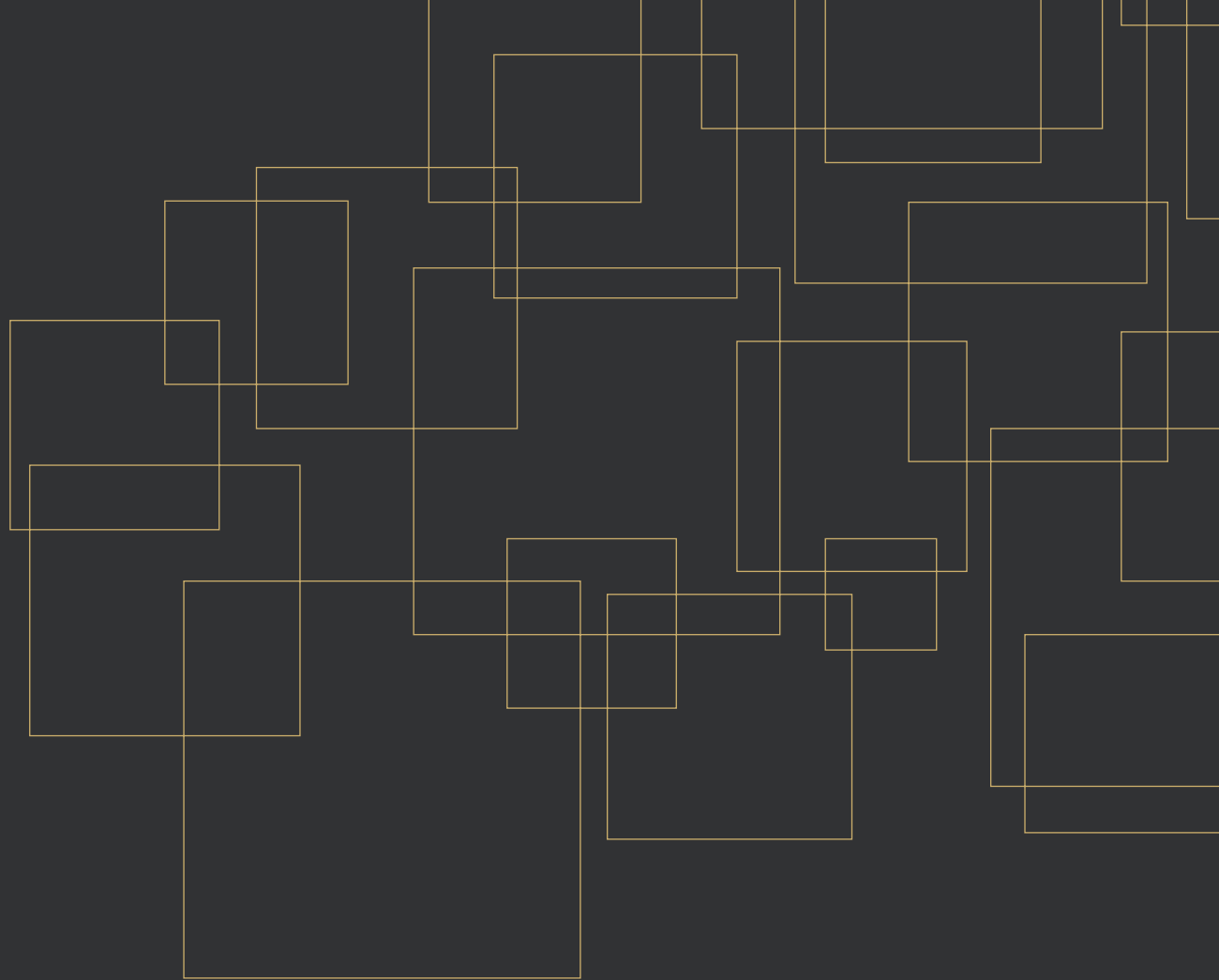
|                     | 1 Mile | 3 Miles | 5 Miles |
|---------------------|--------|---------|---------|
| 2010 POPULATION     | 15,011 | 151,848 | 397,308 |
| 2022 POPULATION     | 21,342 | 196,326 | 485,530 |
| 2027 PROJECTED      | 24,380 | 221,955 | 545,728 |
| ANNUAL GROWTH 22-27 | 2.8%   | 2.6%    | 2.5%    |



## Households

|                           | 1 Mile   | 3 Miles  | 5 Miles  |
|---------------------------|----------|----------|----------|
| 2022 MEDIAN               | \$59,075 | \$51,395 | \$49,106 |
| 2023 AVERAGE              | \$79,922 | \$92,866 | \$71,795 |
| 2022 HOUSEHOLDS           | 10,650   | 79,289   | 144,030  |
| 2027 HOUSEHOLD PROJECTION | 12,170   | 89,862   | 201,546  |





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