

**A 19-STORY FULLY
RENOVATED OFFICE
TOWER IN THE HEART OF
DOWNTOWN PHOENIX**

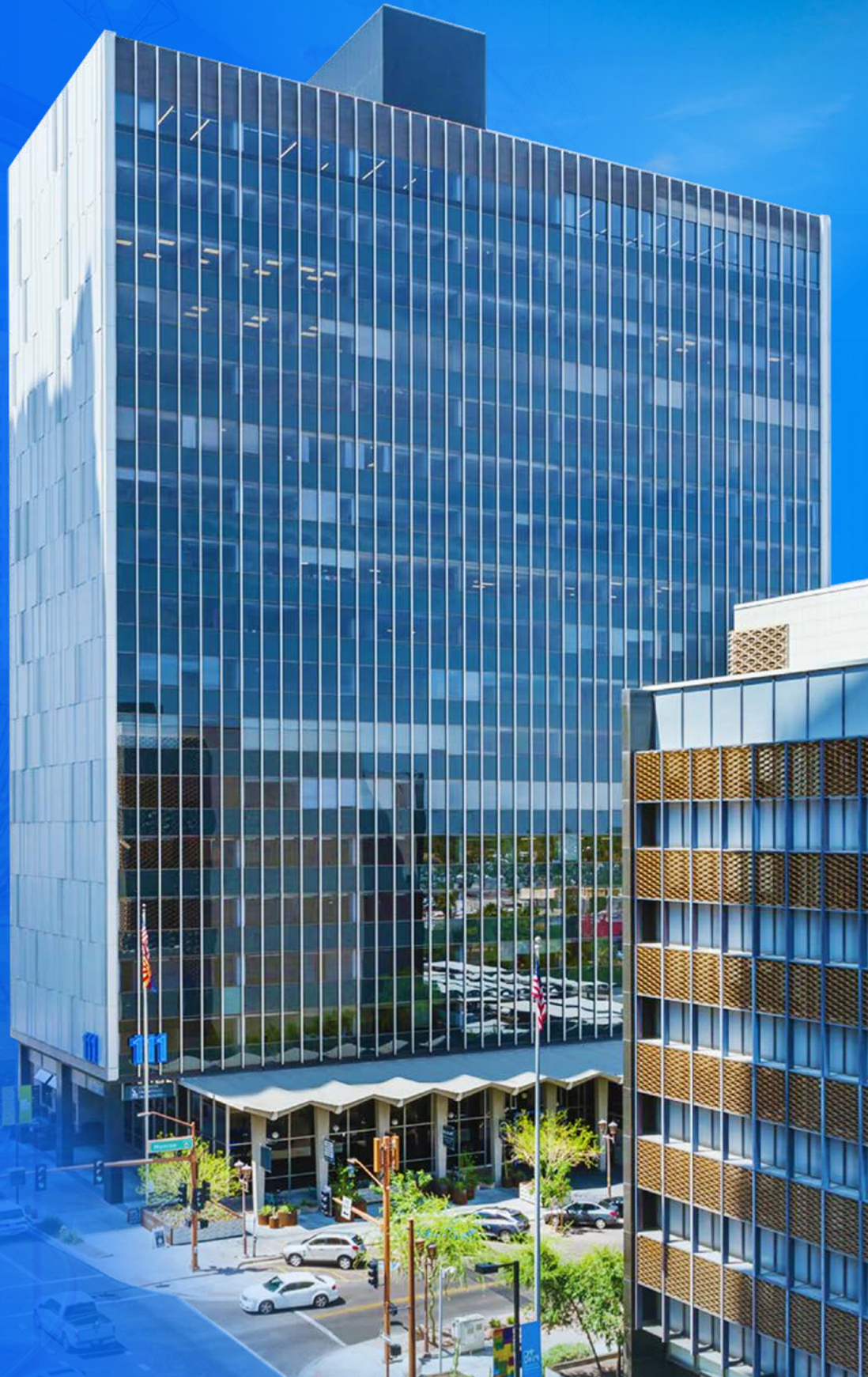
west

MONROE

Phoenix | Arizona

SEPTEMBER 2024

NEWMARK





MONROE

THE UNIQUE OFFERING

Newmark, as exclusive advisor, is pleased to present the unique opportunity to acquire the fee-simple interest in 111 West Monroe (the "Property"), a 19-story Class A office asset with true optionality to accommodate residential, retail, office and/or hospitality.

Originally constructed in 1964 and substantially renovated in 2018/2019, the Property is a well-located 256,682 SF, 24% occupied **institutional-quality** office tower with a subterranean parking garage in the heart of downtown Phoenix. This opportunity presents new ownership with a few different strategies to add tremendous value with an asset in an irreplaceable location. The opportunity exists to curate a diverse and complementary office tenant mix by leasing up the vacant suites in an already highly amenitized and renovated office tower. Another opportunity is to take advantage of the ideal size and shape of the floorplates, ±14,719 RSF, and the current building vacancy to convert the existing office, hotel, or mixed-use project. New ownership can capitalize on the demand for residential in the downtown area or the lack of nicer hotel options and may be able to recognize Federal and local tax credits to help offset repositioning costs.



CHECKING THE BOXES

- ✓ Highly amenitized, transit-oriented location
- ✓ Seller financing available
- ✓ Ideal smaller sized rectangular floor plates accommodate small and mid-size office tenant demand or conversion to multifamily or hospitality
- ✓ Recently completed, extensive capital improvement program and onsite amenities
- ✓ Attractive basis below replacement cost and below peak pricing
- ✓ Optionality for new ownership to lease up as an office tower or convert to residential in the dynamic downtown Phoenix market
- ✓ Potential for Federal and State historic building tax incentives

111 WEST MONROE STREET, PHOENIX, ARIZONA

Address

\$22,000,000 (\$86 PSF)

Price

256,682 SF

Rentable Square Feet

2.5/1,000 SF

Parking Ratio

19

Stories

23.8%

Leased

1964/2018-2019

Year Built/Renovated

14,719 SF

Avg. Floor Plate

INVESTMENT HIGHLIGHTS

Multiple immediate value-add opportunities:



- **Office:** Through lease-up of existing vacancy (including spec suites).
- **Residential/ Hospitality:** Through conversion of existing building to residential, hotel, or a mixed-use project.



Recently Completed Capital Improvement Program

Ground-Floor Retail Amenities, Fitness Center with Shower and Lockers, Extensive Lobby Upgrades, Modern Tenant Lounge Area & Conference Center, Improved Elevator Lobbies, Highly Appointed Modern Spec Suite Program, Bike Storage, Onsite Security



Three Levels of subterranean parking



Flexible Downtown Core (DC) Zoning – can accommodate office, residential, mixed-use



Ideal rectangular floorplates ($\pm 14,719$ SF) can accommodate small to midsize office tenants or a reposition to a boutique high-rise residential tower



Walking distance to the Van Buren/1st Avenue Metro Valley Light Rail station and 5 minute walk to ASU Downtown Campus



Ground Floor Bleacher Seating Rendering



Ground Floor Bar and Lounge Area Rendering



ATTRACTIVE ON-SITE AMENITIES



Building Signage Available



Fitness Center With Showers and Lockers



Tenant Lounge Area & Conference Center



Unique, Street-Level Retail/Creative Office Space Available



Subterranean and Offsite Parking



Recently Completed
Spec Suites



Flexible Floor Plate Options for
Small & Large Tenants
14,000–21,000 SF Floor Plates



Recently Modernized
Elevators

\$11.5m+
**OF CAPITAL INVESTED
INTO THE PROPERTY**



Walking Distance
(.25 miles) to ASU
Downtown Campus



Onsite Property
Management



Walking Distance to
Light Rail Station



Onsite Security



Tenant-friendly
retail amenities

ESTIMATED REPRODUCTION COST ANALYSIS

111 West Monroe offers a remarkable opportunity to acquire a fully renovated high-rise office tower at a significant discount compared to its replacement cost—approximately 84% below current reproduction value.

ESTIMATED LAND COSTS:			
Land Area in Square Feet (0.74 acres)		32,234	
Land Value per Square Foot		\$125.00	
Land Estimate		\$4,029,300	\$15.70
ESTIMATED HARD COSTS:			
Shell and Sitework	\$150.00	\$38,502,300	\$150.00
Tenant Improvements (1)	\$115.00	\$29,518,430	\$115.00
Subterranean Parking (2)	\$30,000	\$8,910,000	\$34.71
Total Estimated Hard Costs		\$76,930,730	\$299.71
ESTIMATED SOFT COSTS:			
Architectural & Engineering	\$10.00	\$2,566,820	\$10.00
Permits & Fees	\$5.00	\$1,283,410	\$5.00
Lease Commissions (3)	\$10.88	\$2,791,417	\$10.88
Developer Fee	10.0%	\$7,693,073	\$29.97
Financing Costs	20.0%	\$19,058,950	\$74.25
Deficit Reserve	20.0%	\$15,386,146	\$59.94
Total Estimated Soft Costs		48,779,816	\$190.04
Developer Profit	10%	\$5,280,912	\$20.57
Total Est Reproduction Costs		\$135,020,757	\$526.02

Notes:

1. Assumes standard TIs of \$115 PSF using 2024 basis
2. 3-Levels of Subterranean Parking totaling 297 parking spaces at \$30,000 per parking space
3. Commissions estimated based upon an 5 year term with average rate of \$29.00 PSF, FSG at 7.5% commission rate



MULTIPLE INVESTMENT STRATEGIES!

Office-to-Residential or Hospitality Conversion



Adapting to Changing Market Trends



Maximizing Real Estate Value



Urban Revitalization and Community Development



Meeting Housing Demand



Enhanced Quality of Life



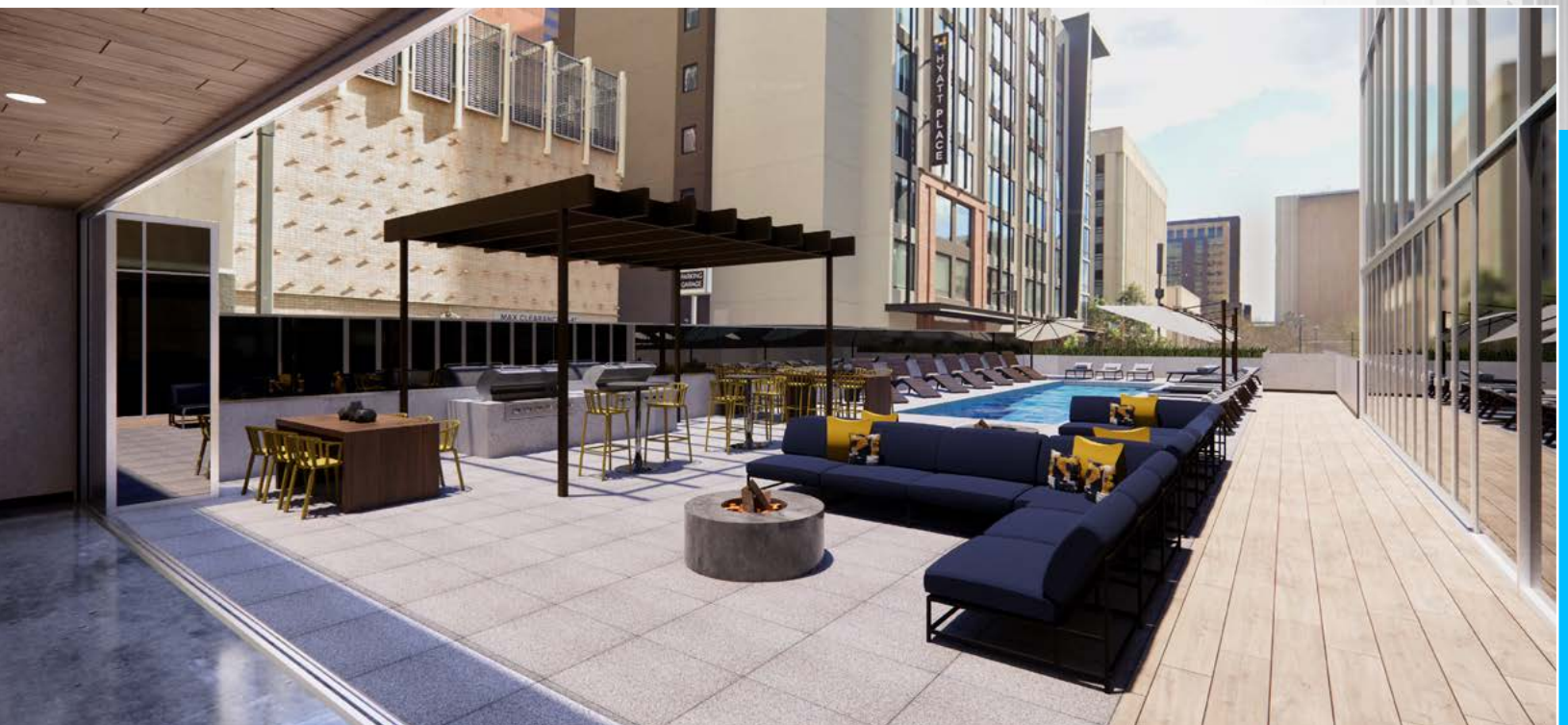
Sustainability and Environmental Impact



Regulatory and Zoning Considerations



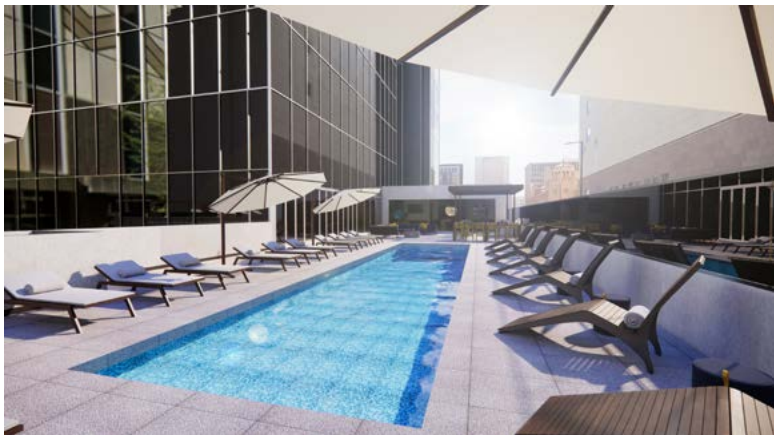
Live/Work/Play Environment



*Multifamily Conversion: Potential Pool Deck (Rendering)

New Ownership has the opportunity to convert a downtown office building to a residential building which represents a strategic business plan that not only aligns with market trends but also contributes to urban revitalization, meets housing demand, and offers the potential for increased property value and a vibrant, diverse community. With recent federal tax incentives, preexisting zoning compliance and City support, the business plan to convert 111 West Monroe to a highly successful residential mixed-use asset is well within reach for new ownership

As a 19-story Downtown Phoenix high rise property, 111 West Monroe is an ideal candidate for redevelopment and conversion to a mixed use apartment or hotel building with amenities areas. Building ownership has engaged Solutions AEC (SAEC) who has conducted a site visit to the building for survey and field verification of the condition of the existing mechanical, electrical and plumbing ("MEP") systems. Residential apartment units would be on the 3rd to 19th floors and the amenities spaces would be on the 1st to 4th floors. A full MEP narrative documenting the details and scope is available upon request of the Newmark sales team.



*Multifamily Conversion: Renderings of Common Area Amenities and Units

LOCAL MAP





i Downtown Information Center

Arts & Culture

- 1 AMC Theatres
- 2 Arizona Latino Arts & Cultural Center (ALAC)
- 3 Arizona Financial Theatre
- 4 Herberger Theater Center
- 5 Orpheum Theatre
- 6 The Rose Theatre
- 7 St. Mary's Basilica
- 8 Symphony Hall
- 9 Valley Youth Theatre

Convention Center

- 10 Phoenix Convention Center North
- 11 Phoenix Convention Center South
- 12 Phoenix Convention Center West

Education

- 13 ASU Downtown
- 14 Phoenix Bioscience Core

Government

- 15 Phoenix City Council Chambers
- 16 Phoenix City Hall / The Gallery @ City Hall
- 17 Phoenix Municipal Court
- 18 Sandra Day O'Connor Federal Courthouse
- 19 Superior Court Complex
- 20 US Bankruptcy Court

Hotels

- 21 AC Phoenix Hotel Downtown
- 22 Hampton Inn & Suites Phoenix Downtown
- 23 Hilton Garden Inn Phoenix Downtown
- 24 Home2 Suites By Hilton
- 25 Hotel Palomar Phoenix
- 26 Hotel San Carlos
- 27 Hyatt Place
- 28 Hyatt Regency Phoenix
- 29 Marriott Residence Inn & Courtyard
- 30 Sheraton Phoenix Downtown
- 31 Renaissance Phoenix Downtown
- 32 Westin Phoenix Downtown

Museums

- 33 Arizona Science Center
- 34 Children's Museum of Phoenix
- 35 Maricopa Justice / Phoenix Police
- 36 Rosson House

Parks

- 37 Civic Space Park
- 38 Heritage and Science Park
- 39 Patriot's Park
- 40 Paw-Pup Dog Park
- 41 The Space Between

Shopping

- 42 Arizona Center
- 43 CityScape Phoenix
- 44 Collier Center
- 45 Downtown Phoenix Farmers Market
- 46 Fry's Food Store

Sports

- 47 Chase Field
- 48 Footprint Center

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