OCTOBER 2021

TREND report

marana oro valley pima co. city of tucson sahuarita vail s. pinal co. santa cruz cochise co.

The Office Issue

The University of Arizona: The Future is Counting on Us

The University of Arizona's Applied Research Building

The COVID-19 pandemic is both a tragedy and a *disruptive challenger*. It's not the kind of disruption that slowly develops and emerges, but rather a sudden, sharp, and momentous change followed by twists and turns that continue to evolve. For the business of higher education, the pandemic suddenly and severely threatened our institutions financial viability and our very existence.

Achieving our goal of having students benefit from learning-rich campus environments failed when students were sent home in March 2020. We believe that the social and outdoor campus experiences are as important as the education one receives in the classrooms; this is where students can bump into a diversity of people from other places and cultures that sometimes speak other languages, are in different fields of study, or are researchers, faculty, and staff. Until this fall, the pandemic stole those opportunities and experiences from us. Fortunately, the university continues to work toward offering a safe and secure learning experience for all that seek it; this now again includes beneficial on-campus experiences.

While we've all had our priorities destabilized as we addressed the serious impacts and threats of the pandemic, the university's mission and vision has always remained in our focus. We don't know exactly what the future holds, but we do know that *the future is counting on us*; what we do, or don't do, now affects the future and its possibilities. We have both an opportunity and responsibility to expand our possibilities, meet growth needs, and provide the future campus with resources that will be needed for educating, enriching, and solving the grand challenges that face us.

As predicted, and despite the pandemic, enrollment this fall is the largest the university has ever seen (over 48,000 students).

continued on page 2

West Entry of the Chemistry Building and The Learning Commons

This is our most diverse class, and the highest academically achieving as well. Meanwhile, our total sponsored research activity is also growing as it approaches $800M annually and is number one in areas like astronomy and astrophysics. It remains our university priority to fully meet the needs of the state and the growth in education and research.

The fight against COVID-19 is arguably the biggest battle of our time and the university's battle cry is "Bear Down" which is reinforced by our core value of *determination*. Never has our determination been more evident than in the university's leadership, resilience, and commitment over the last 18 months. Hundreds of staff never left the campus—so they could ensure its safety and readiness. Construction of the university's $81M **Student Success District project**, which was already underway when the pandemic hit, has safely continued. Dedicated workers and volunteers operated the State of Arizona Point of Distribution for administering over a quarter million vaccine doses. University administrators continue to judiciously evaluate our financial conditions and carefully weigh our responsibilities to balance short term survival strategies with long term goals. Determination remains front and center; the future is counting on us and while the pandemic knocked us down, we will *not* stay down!

This summer university determination led to boldly deciding to launch construction of three paused major capital projects. These projects had been placed on hold at the end of their design phases due to the uncertainties of the pandemic. The decision to start construction of those projects during the summer was perfectly timed to mitigate some of the impacts to campus before our students would return for fall semester. This also came at a great time for our local design and construction community, the subcontractors, the material suppliers, the service providers, and others that would be employed. As the saying goes, this rising tide is helping to lift all the boats in our community while adding some much-needed facilities for the future of our campus community. The projects are again led and orchestrated by the skillful and dedicated team of professionals at Planning, Design & Construction—a department within the Business Affairs division of the University of Arizona.

With the all-hands-on-deck support of multiple UArizona Business Affairs units, construction is now safely underway: two new state-of-the-art research buildings, and a transformative adaptive reuse and addition to the historic Chemistry building.

Our beloved historic **Chemistry Building**, in the core of campus, was originally constructed in 1936 and is listed on the National Register of Historic Places. Having diligently served chemistry education and research functions for nearly 85 years it is now seeing an investment

CONTENTS

OCTOBER 2021

The Multifamily Issue

Grand Challenges Research Building

of $42M for adaptive reuse/renovation and addition which will transform it into an innovative teaching hub (learning commons) with cutting edge collaborative learning spaces. The project is being led by the University department of Planning, Design & Construction; the project was designed by a partnership between Shepley Bulfinch and Poster Mirto McDonald; the project is being constructed by Sundt Construction. The project is targeted for completion early in 2023.

Our new **Grand Challenges Research Building** will serve as an interdisciplinary facility that will leverage collaboration between multiple leading research specialties and programs to solve some of the most significant grand challenges of our time. Located along Cherry Avenue, just south of our existing Meinel Optical Sciences building, construction of this $99M, seven-story facility is being led by the University department of Planning, Design & Construction; the project was designed by a partnership between ZGF Architects and BWS Architects; the project is being constructed by Kitchell Contractors. The project is targeted for completion early in 2024.

Our new **Applied Research Building** will be a one-of-a-kind facility designed specifically for applied research programs—including high-bay payload fabrication and assembly areas (serving missions to the stratosphere), a large-scale thermal vacuum chamber, clean rooms, and customized laboratories. Located just north of Speedway Boulevard near the Highland Avenue underpass, construction of this $85M facility is being led by the University department of Planning, Design & Construction; the project was designed by SmithGroup Architects; the project is being constructed by McCarthy. The project is targeted for completion early in 2023. An animated rending of the building can be viewed here.

Indeed, the COVID-19 pandemic continues to be a disruptive challenger. Thankfully for the future, the University of Arizona's determination and resilience meets those challenges head-on. BEAR DOWN!

Exterior Detail of the Grand Challenges Research Building

Peter Dourlein, AIA, LEED AP is University Architect and Assistant Vice President of Planning, Design & Construction at the University of Arizona. He and the PDC team have helped to oversee $3 billion of campus development that continues to result in international recognition elevating the institution and the community. He can be reached at dourlein@arizona.edu.

big deals

Atlanta Investors Buy Encantada Riverside Crossing for $92.75 Million

Atlanta, GA based Courtland Partners through its affiliate River AZ Partners LLC paid $92,750,000 for the 304 unit Encantada Riverside Crossing apartment property located at 1925 W. River Road. The seller was HSL Properties. Built in 2012, the property includes a 69,000 gallon resort-style pool & spa, a 27-seat, stadium-style THX certified theatre, professional fitness center and Starbucks coffee bar and cost $32 million to build. The average rent at the time of sale was $1.40/SF/Mo. 8/16/21

Buyer: Courtland Partners

Seller: HSL Properties; Berkadia, Clint and Art Wadlund

Sale: $92,750,000; $305,098/unit

Size: 304 units

Florida Investors Buy Villas de la Montana Apartments for $32.8 Million

Florida based Greenwater Villas de la Montana LLC paid $32,800,000 for the 332 unit Villas de la Montaña apartment property located at 4880 E. 29th Street. The seller was Catalina Investments LLC. Built in 1988, the property included studio, one bed, two bed and three bed units. The property previously sold in October 2006 for $13,000,000. 8/12/21

Buyer: Greenwater Villas de la Montana LLC

Seller: Catalina Investments LLC; NorthMarq Capital, Trevor Koskovich, Bill Hahn, Jesse Hudson

Sale: $32,800,000; $98,795/unit

Size: 332 units

Utah Investors Buy Tierra Hills Apartments for $25 Million

Utah based Sundance Bay, through their affiliate AZ Tierra Ridge paid $25,000,000 for the 232 unit Tierra Hills Apartment property located at 3350 W. Valencia Road. The seller was Element Property Company. Built in 1988, the property included one and two bed units. The average rent at the time of sale was $1.24/SF/Mo. The property previously sold in September 2019 for $6,850,000. 8/25/21

Buyer: Sundance Bay

Seller: Element Property Company; Berkadia, Clint and Art Wadlund

Sale: $25,000,000; $107,759/unit

Size: 232 units

Utah Investors Buy Verde Plaza MHP for $14.8 Million

Utah investors Bridge Investment Group through their affiliate Bridge WF II AZ Verde Plaza LLC paid $14,800,000 for the 189 space Verde Plaza Mobile Home Park located at 2424 S. Cottonwood Lane. The seller was Sun Communities Inc. The property previously sold in 2008 for $5,300,000. 8/27/21

Buyer: Bridge Investment Group

Seller: Sun Communities Inc.

Sale: $14,800,000; $78,307/space

Size: 189 spaces

Crown West Buys Future Crossroads at Gladden Site for $12.5 Million

Crown West Realty through their affiliate Tangerine 2021 LLC paid $12,500,000 for 278 acres of vacant land located at NW I-10 and Tangerine Road. The seller was Westcor Marana LLC. The property, which is adjacent to Gladden Farms to the east, is being entitled as The Crossroads at Gladden. 8/26/2021

Buyer: Tangerine 2021 LLC; Land Advisors Organization, Will White and John Carroll

Seller: Westcor Marana LLC; Land Advisors Organization, Will White and John Carroll

Sale: $12,500,000; $45,000/AC

Size: 278 acres

California Investor Buys American Openings Building for $11.25 Million

Rancho California Center, LP paid $11,500,000 for the 94,831-square-foot, sale/leaseback investment property located at 6885 E. Southpoint Rd. in Tucson. The seller was Teritom Holdings, LLC. Built in 1987 on 12.11 acres, the property is leased to American Openings Inc. 8/17/21

Buyer: Rancho California Center LP; Kidder Mathews, Ronald King and Joseph McDermott

Seller: Teritom Holdings LLC; Cushman & Wakefield | PICOR, Stephen D. Cohen

Sale: $11,250,000; $118.63/SF

Size: 94,831 SF

Meritage Homes Buys Additional Star Valley MPC Lots for $6.844 Million

Meritage Homes, Tucson Division (Lisa Hoskin, VP Land Acquisition) paid $6,844,000 for 116 finished lots at Star Valley Block 4. The seller was GAC Star Valley. The lot sizes are 40 x 110. 8/30/2021

Buyer: Meritage Homes, Lisa Hoskin

Seller: Land Advisors Organization, Will White and John Carroll

Sale: $6,844,000; $59,000/lot

Size: 116 lots

Los Angeles Investor Buys 3 Property Apartment Portfolio for $5 Million

Los Angeles investor Winding Creek Apartments (Pratik Jogani, Manager) paid a combined 5,025,000 for a three property apartment portfolio totaling 71 units. The seller was Gary Smith through three different LLCs. The 32 unit East Gate Apartments located at 1175 N. Jefferson Avenue sold for $2,525,000 ($78,906/unit). The 28 unit Jerrie Street Apartments located at 1031 N Jerrie Avenue sold for $1,800,000 ($64,286/unit). The 11 unit Executive Apartments located at at 5530 E Bellevue Street sold for $700,000 ($63,636/unit). 8/12/21

Buyer: Winding Creek Apartments

Seller: Gary Smith; Cushman & Wakefield|PICOR; Allan Mendelsberg, Conrad Martinez

Sale: $5,025,000; $71,000/unit

Size: 32 units

Investor Buys Outback Steakhouse Property for $4.2 Million

InCommercial Net Lease DST 4 LLC paid $4,214,979 for the 6,561 SF freestanding retail building located at 4871 E. Grant Road. The seller was Orion Real Estate Group. Built in 1995, the property was 100% occupied by Outback Steakhouse. 8/31/21

Buyer: InCommercial Net Lease DST 4 LLC

Seller: SRS National Net Lease Group, Patrick Luther, Matthew Mousavi

Sale: $4,214,979

San Diego Investor Buys Palo Verde Terrace Apartments for $3.6 Million

San Diego investor Lind Commons LLC (Bethany Smith, Manager) paid $3,600,000 for the 52 unit Palo Verde Terrace apartments located at 3493 E. Lind Road. The seller was 5330 Belleview Investments LLC. Built in 1982, the property consists of one bed and two bed units and is designated low income housing. 8/20/21

Buyer: Lind Commons LLC; Joseph Bernard Investment Real Estate, Joe Boyle

Seller: 5330 Belleview Investments LLC; Joseph Bernard Investment Real Estate, Joseph Chaplick

Sale: $3,600,000; $69,231/unit

Size: 52 units

Denver Investor Buys Eastside Strip Center for $2.9 Million

Denver, CO investor Plaza 22 Baceline LLC paid $2,881,998 for the 29,918 SF Plaza 22 retail property located at 7401-7475 E 22nd St. The seller was Charles & Susan Damart Trust. Built in 1988, the strip center was 96% occupied at the time of sale. 8/31/2021

Buyer: Plaza 22 Baceline LLC

Seller: Charles & Susan Damart Trust; Romano Real Estate, John Yarborough, David Carroll

Sale: $2,881,998; $96.33/SF

Size: 29,918 SF

Pascua Yaqui Tribe Buys I-10 & Grant Road Property for $2.6 Million

Pascua Yaqui Tribe paid $2,600,000 for the 12,508 SF warehouse building on .91 acres located at 1075 W. Grant Road. The seller was Assured 2 LLC. This property is part of their assemblage for the proposed hotel and casino. The property previously sold in June 2019 for $850,000. 8/19/21

Buyer: Pascua Yaqui Tribe; BD Realty, Max Fisher

Seller: Assured 2 LLC

Sale: $2,600,000

Size: 12,508 SF/ .91 acres

big deals

big deals

New Jersey Investor Buys Industrial Warehouse Building for $2.5 Million

New Jersey based B & D Holdings (Martin Segal, Manager) through their affiliate Tucson E 34TH Street LLC paid $2,500,000 for the 20,430 SF warehouse building located at 3502 E. 34th Street. The seller was Palice Windom Investments. Built in 1970, 8/6/21

Buyer: B & D Holdings

Seller: Palice Windom Investments

Sale: $2,500,000; $122.37/SF

Size: 20,430 SF

Canadian Investor Buys Bassett Furniture Property for $2.275 Million

Canadian investor Garnett Capital Corporation paid $2,275,000 for the 9120 SF retail building located at 4336 N. Oracle Road in the Oracle Wetmore shopping center. The seller was Black Lion Investment Group. Built in 2008, the property was 100% leased by Bassett Furniture. 8/12/21

Buyer: Garnett Capital Corporation

Seller: Black Lion Investment Group; Cushman & Wakefield, Chris Hollenbeck

Sale: $2,275,000; $249.45/SF

Size: 9,120 SF

Scottsdale Investors Buy Southwest Multifamily Property for $1.84 Million

Scottsdale investors Laura and Steve Freeman paid $1,840,000 for the 21 unit Villas Sentinel located at 1841 S San Jose Drive. The seller was Sentinel Villas LLC. Ten duplexes and one SFR are all 2-bedroom / 1 bath units (730 SF) with a playground. 8/25/21

Buyer: Laura and Steve Freeman; Cushman & Wakefield|PICOR; Allan Mendelsberg, Conrad Martinez

Seller: Sentinel Villas LLC

Sale: $1,840,000; $87,619/unit

Size: 21 units

Tucson Investors Buy Gateway Commercial Center Property for $1.8 Million

Tucson investors Paul Monson and Jan Monson paid $1,800,000 for the 16,750 SF warehouse building located in the Gateway Commercial Center, 5785 S. Belvedere Ave. The seller was Tucson Commercial Carpet Cleaning Profit Sharing Plan. Built in 2007, the property is currently leased through 2029 to a Global Mining Service Tenant. 8/18/21

Buyer: Paul and Jan Monson

Seller: Tucson Commercial Carpet Cleaning Profit Sharing Plan; NAI Horizon, David Blanchette

Sale: $1,800,000; $107.46/SF

Size: 16,750 SF

California Investors Buy Country Club Apartments for $1.785 Million

Redwood City, CA investor Casitas On Country Club, LLC paid $1,785,000 for the 24 unit Casitas @ Thirteen Forty apartments located at 1340-1390 N. Country Club Rd. in Tucson. The seller was Thirteen Forty Holdings, LLC. Built in 1950, the property includes 10 Studios, 12 1BD/1BA, 1 2BD/1BA & 1 3BD/2BA House. The property previously sold in July 2017 for $824,000. 8/3/21

Buyer: Lifestyles Realty Phoenix, Inc., Nancy Moore

Seller: Thirteen Forty Holdings LLC; Cushman & Wakefield|PICOR; Allan Mendelsberg, Conrad Martinez

Sale: $1,785,000; $74,375/unit

Size: 24 units

Wyoming Investor Buys Elm Street Apartments for $1.65 Million

Jackson, WY investors East Elm Managing, LLC paid $1,650,000 for the 11 unit Elm Street Apartments located at 630-650 E. Elm Street. The seller was Firstelm, LLC. Built in 1977, the property consists of all 2 bedroom units. The property previously sold in March 2016 for $685,000. 8/13/21

Buyer: East Elm Managing LLC

Seller: Firstelm LLC; Cushman & Wakefield|PICOR; Allan Mendelsberg, Conrad Martinez

Sale: $1,650,000; $150,000/uni

Size: 11 units

big deals

Local Restaurateur Buys Former Downtown Nightclub Space for $1.6 Million

61 E Congress LLC (Manuel Cordova, Manager) paid $1,600,000 for the 5,800 SF bar/nightclub building located at 61 E. Congress St. The seller was Kivel Realty Investments. Built in 1920, the new owner is renovating the property for a second location of The Neighborhood restaurant. 8/16/21

Buyer: 61 E. Congress LLC; Tierra Antigua Realty LLC, Erick Quintero

Seller: Kivel Realty Investments

Sale: $1,600,000; $275.86/SF

Size: 5,800 SF

UArizona Professor Buys Shamrock Warehouse Building for $1.55 Million

Tucson investor N & S LLC (Nasser Peyghambarian, Manager) paid $1,550,000 for the 15,481 SF Shamrock Business Center warehouse building located at 1791 W. Dairy Place. The seller was 1791 W. Dairy LLC. The property previously sold in August 2007 for $1,350,000. Dr. Peyghambarian is CEO of NP Photonics, manufacturer of high-performance optical products and subsystems. 8/3/21

Buyer: N & S LLC; OMNI Homes International, Leslie K Holmes

Seller: Realty One Group Integrity, Mike Eichenberger

Sale: $1,550,000; $100/SF

Size: 15,481 SF

Phoenix Investor Buys Rillito Business Park Offices for $1.415 Million

Phoenix investor Mountain Sunset Serenade LLC (Robert Skubiak, Manager) paid $1,415,000 for two office condos totaling 9,603 SF located at 4578 N 1st Ave, Unit 140 & 160 in Rillito Business Park. The seller was Butkus Ventures LLC (Chris Kemmerly, Manager). Built in 2003, the property was fully leased to Watermark Retirement Communities. 8/6/21

Buyer: Mountain Sunset Serenade LLC; Keller Williams, Andrew Ostrander

Seller: Long Realty Company, Tony Reed, Kelly Doty

Sale: $1,415,000; $147.35/SF

Size: 9,603 SF

Pascua Yaqui Tribe Buys Industrial Grant Road Property for $1.4 Million

The Pascua Yaqui Tribe paid $1,400,000 for the 3,380 SF industrial manufacturing building on 1.45 acres located at 1117 W. Grant Road. The seller was Sunspire Creations LLC (Anthony and Judith Lyons). This property is part of the assemblage for the tribe's proposed hotel and casino. 8/26/21

Buyer: Pascua Yaqui Tribe

Seller: Sunspire Creations LLC; Anthony and Judith Lyons

Sale: $1,400,000; $365.54/SF

Size: 3,830 SF + 1.45 acres

Tucson Investor Buys East Speedway Building for $1.25 Million

Tucson investor North Eastern, LLC (Steve N Slilaty, Member) paid $1,250,000 for the 7,564 SF building located at 6211 E. Speedway Blvd. The seller was Spartco LLC. Built in 1960, the property was 100% occupied by Spartan Plumbing. The property previously sold in August 2018 for $749,000. 8/23/21

Buyer: North Eastern, LLC; Realty Executives Arizona Territory, Juan Teran

Seller: Spartco LLC; Cushman & Wakefield|PICOR, Aaron LaPrise

Sale: $1,250,000; $165.26/SF

Size: 7,564 SF

Tucson Investor Buys Southeast Retail Development Site for $1.2 Million

Ping Investments LLC (Perry Bassett, Manager) paid $1,200,000 for the 4.44 acres of land located at 7071 E. Old Vail Road. The seller was KV LLC. The buyer plans to hold the property for retail development. 8/19/21

Buyer: Ping Investments LLC

Seller: KV LLC

Sale: $1,200,000; $272.72/AC

Size: 4.44 acres

big deals

Tucson Existing Home Activity Summary

Year	Month	Active Listings	Units Sold	New Listings	Months Supply	Median Sales Price	Avg. DOM
	August	1,678	1,329	1,621	1.3	$261,590	29
	September	1,362	1,362	1,728	1.0	$267,485	24
2020	October	1,734	1,571	1,853	1.1	$270,000	20
	November	1,383	1,277	1,284	1.1	$277,500	20
	December	1,160	1,530	1,097	0.8	$268,000	23
	January	1,004	1,131	1,413	0.9	$280,000	25
	February	828	1,193	1,496	0.7	$276,010	25
	March	793	1,572	1,763	0.5	$300,000	19
2021	April	914	1,513	1,739	0.6	$303,425	15
	May	848	1,442	1,584	0.6	$313,500	12
	June	1,019	1,609	1,715	0.6	$325,000	12
	July	1,253	1,421	1,748	0.9	$315,000	12
	August	1,366	1,309	1,672	1.0	$321,100	12
	1 mo. change	9%	-8%	-4%	18%	2%	0%
	1 yr. change	-19%	-2%	3%	-17%	23%	-59%

Tucson Luxury Market Activity Summary

Year	Month	Active Listings	Units Sold	Months' Supply	Median Sales Price	Avg. DOM	Avg. CDOM
	August	119	25	5	$1,375,000	87	136
	September	132	19	7	$1,276,000	49	78
2020	October	138	17	8	$1,499,000	66	151
	November	117	18	7	$1,186,082	70	147
	December	111	26	4	$1,482,500	66	66
	January	111	27	4	$1,310,000	57	77
	February	106	22	5	$1,336,500	84	111
	March	111	35	3	$1,450,000	34	50
2021	April	111	35	3	$1,450,000	34	50
	May	97	45	2	$1,350,000	46	57
	June	92	45	2	$1,310,000	52	52
	July	91	38	2	$1,507,500	64	104
	August	96	34	3	$1,312,500	21	28
	1 mo. change	5%	-11%	18%	-13%	-67%	-73%
	1 yr. change	-19%	36%	-41%	-5%	-76%	-79%

Source: TARMLS $1+ million Sales

Residences at Ritz Carlton Home Sells for $2,155,475

Built in 2021, this 3,779 SF Contemporary style home is located on .48 acres in Residences at Ritz Carlton in Dove Mountain. Originally listed in January 2021 for $2,150,000, this home was on the MLS for a total of 8 days under 1 listings. Under this listing, this home sold for 100% of its listing price after 8 days on the market. 8/19/21

Listing Agent: Peter R Oosterhuis, Dove Mountain Realty, LLC

Selling Agent: Peter R Oosterhuis, Dove Mountain Realty, LLC

Sale:
$2,155,475

Address:
6095 W Seven Saguaros Circle, Marana, AZ 85658

Catalina Foothills Estates No 10 Home Sells for $1,695,000

Built in 1995, this 4,566 SF Santa Fe style home is located on 1.48 acres at Catalina Foothills Estates No 10. Originally listed in June 2021 for $1,695,000, this home was on the MLS for a total of 2 days under 1 listings. Under this listing, this home sold for 100% of its listing price after 2 days on the market. 8/10/21

Listing Agent: Judy L Smedes, Russ Lyon Sotheby's Int Realty

Selling Agent: Don Vallee, Long Realty Company

Sale:
$1,695,000

Address:
3800 E Placita De Piacho, Tucson, AZ 85718

Tanque Verde Country Estates Home Sells for $1,680,000

Built in 1965, this 3,984 SF Territorial style home is located on 9 acres in Tanque Verde Country Estates. Originally listed in July 2021 for $1,600,000, this home was on the MLS for a total of 4 days under one listing. Under this listing, this home sold for 105% of its listing price after 4 days on the market. 8/23/21

Listing Agent: Janis D Hastreiter, Long Realty

Selling Agent: Katrina A Barrett, Local Board Real Estate

Sale:
$1,680,000

Address:
8401 E Woodland Road, Tucson, AZ 85749

Stone Canyon II Home Sells for $1,650,000

Built in 2015, this 3,479 SF Contemporary style home is located on 1.01 acres in Stone Canyon II. Originally listed in June 2021 for $1,775,000, this home was on the MLS for a total of 27 days under one listing. Under this listing, this home sold for 90% of its listing price after 27 days on the market. 8/2/21

Listing Agent: Jenna D Loving, Russ Lyon Sotheby's Int Realty

Selling Agent: Julie K Hillebrand, RE/MAX Excalibur Realty

Sale:
$1,650,000

Address:
1066 W Tortolita Mountain Circle, Oro Valley, AZ 85755

Pima Canyon Estates Home Sells for $1,626,000

Built in 2002, this 4,314 SF Contemporary style home is located on 1.38 acres in Pima Canyon Estates. Originally listed in July 2021 for $1,595,000, this home was on the MLS for a total of 8 days under one listing. Under this listing, this home sold for 102% of its listing price after 8 days on the market. 8/6/21

Listing Agent: Robin Sue Kaiserman, Long Realty Company

Selling Agent: Sharon Andresen, RE/MAX Excalibur Realty

Sale:
$1,626,000

Address:
7539 N Whisper Canyon Place, Tucson, AZ 85718

DEMAND FOR OFFICE SPACE: LESS, SAME, OR MORE?

» by Molly Gilbert, Rick Kleiner, Ryan McGregor, & Tom Nieman

Not a day goes by that one of our landlord clients, an appraiser, or lender doesn't ask us what the office market will look like once we work our way through the ongoing COVID-19 pandemic. We certainly wish we had a crystal ball that could see through this conundrum, however, it just isn't that easy. The crystal ball, as clouded as it is, probably would not hold a vision of this pandemic ending tomorrow and all office workers returning back to their offices. The likelihood of this happening approaches zero. But, let's just say it does end tomorrow, what happens to the office space? There are good arguments for several scenarios…office users will need *more* space to accommodate their returning employees…office users will need the *same amount* of space… or office users will require *less* space to accommodate less employees returning to work. One thing is for sure, the office market isn't going away and will absolutely return to some kind of new normal. Just what that will be is hard to know and likely still several months away. With so many employees continuing to work from home, employers are unable to determine what their office space needs actually are, and exactly what the new office environment will need to look like. Employers across the spectrum have had very mixed results as to the "actual" productivity of their employees. Initially everyone felt that working remotely was the way of the future. As more time went by, more employers and employees started rethinking things. Again, the million dollar question is…when will employees return…how many will return…and what environment will be needed to make them feel that they're in a safe place? So, we offer the following three scenarios for your consideration.

Businesses Will Need More Space

We all know the feeling these days—"I sure wish that person [talking, sitting, thinking] nearby would just *back off*." As companies resume office activity, many employees are likely coming through the front door carrying this same defensiveness. And for good reason! Social distancing is fully part of today's business environment. Companies recognize that employee productivity is tied directly with employee wellbeing. Cramped office space may have been accepted pre-COVID without a second thought, but no longer. To accommodate this "new normal," forward-thinking companies may actually want more office space. By providing larger work areas for employees, whether in open work areas or private offices, companies can alleviate employee anxiety and thereby boost overall productivity. Certainly, there are costs involved with this solution, such as increased rent, additional office furniture and related. That said, these increased expenses pale in comparison to the hidden costs of staff turnover and employee friction due to dissatisfaction with their workplace layout. While this scenario won't play out for every company, it may be the case for more companies than we'd likely expect. And that's good news for landlords!

Businesses Will Need the Same Amount of Space

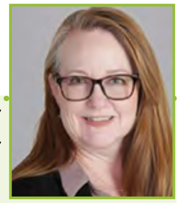
When the pandemic is over, users will probably need the same amount of space they are currently leasing. Why? Most companies will probably take a cautious approach pulling employees back into the office with social distancing being the main focus. At first, half to three quarters of a staff could be invited back. Perhaps rotating office workers by week, with distancing for health reasons being a main focus as society in general gets used to the old-normal and settles itself down.

Another option: employers study their worker's productivity and those workers who sustain their efforts or produce more from home can stay at home while the rest of the workers return to the office, perhaps on a rotated schedule, as above. The 'work at home vs. at the office' must be worked through over time; once it is, employers will have a clearer picture of their office needs upon which to act.

Businesses Will Need Less Space

One of the positive results of the pandemic was that companies had to quickly implement processes and systems to allow employees to work from home. Rather than every employee having to work in the office, the pandemic has shown that a radically different office model can be successful. Of course, there have been hiccups along the way. Employees working from home as a permanent solution ultimately will not be the "wave of the future" for many reasons. While the commute is great, for many the isolation and lack of interaction will lead them back to the office. Employees still crave the interaction of their peers and the opportunity to work collaboratively and brainstorm. Others need a work environment outside of their home to focus and be productive. As we slowly start to climb out the COVID curve, employers will adapt and recreate the "Creative Office." A lingering effect from this pandemic will likely see continued social distancing and a reduction of total employees in the office at a single time. A new hybrid with work from home and the office will evolve as the new office model and environment. This re-creation of the office and work environment will lead to a downsizing of office square footage, with only a portion of employees in the workplace at a time. An upside to this downsizing of total square footage is companies upscaling in to higher quality space.

So much for our consideration of alternative scenarios. We're interested to know what you think! Please give us a call, we're available to be of help!



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Tom Nieman joined PICOR in 1995, focusing on the office, medical and investment markets. He possesses a diverse background in brokerage, development, and management. He can be reached at tnieman@picor.com.

» by Matt Thrasher

Due to the realities of COVID-19, many developers remain bearish on office space. Unlike a year ago, when seemingly every office tenant resolutely chose to work from home (if they had the ability to choose), businesses are all over the map in their response to COVID-19. Consequently, developers who own office space are uncertain of the future viability of their assets. While stalwarts remain optimistic that businesses will return to work, many developers are hedging their bets, and even creating higher returns, by repurposing their office space into other uses.

While the future of office space is unknown, owners of office space should consider the various options that exist to repurpose their existing space. Although this article is not exhaustive, the two projects highlighted, Opwest Development's One South Church conversion and ZFI Holdings' Seventh Avenue Lofts projects, are local examples of adaptive reuse of office space in the current environment.

Broad Trends in Office Space

Even before the pandemic, businesses were demanding greater flexibility from landlords. In the last decade, shared office spaces became more commonplace through flexible workspace providers such as WeWork. Increasing globalization has further put an emphasis on adaptive telework policies and incentivized a decentralization of corporate operations. A return to normal does not necessarily mean a return to the golden age of the office; rather, as tenants march back into their offices, they will almost certainly be equipped with telecommunications plans, Zoom, and other technologies. Lastly, there is the continued possibility of government-mandated restrictions. All of these drivers will likely be percolating in tenant's heads as they weigh the rationality of a long-term office lease.

With greater flexibility in day-to-work operations, many companies do not find their existing leases as desirable as before the pandemic. One trend which we have been watching are tenants moving to higher-quality office space. Many tenants now prefer "A-class" space, which is defined by higher ceilings, large floor plans, modern HVAC systems and are typically newer and easier to retrofit. While Class A Space is better quality and newly constructed, Class A space also makes social distancing and COVID-19 protocols easier to follow. Class B and Class C spaces typically are older and have smaller floor plates and are not as conducive to social distancing. Better HVAC systems and energy usage, a feature of Class A office space, also equates to lower utility bills. Tenants, who may have eyes set on other locations, will certainly account for such costs as well as look for efficient and well-ventilated office space.

Potential Challenges with Adaptive Reuse

While many developers faced with vacancies will want to seize the opportunity for adaptive reuse, there are legal issues to consider. In some adaptive reuse projects, physical limitations can create difficulties for conversions. In these instances, developers often face issues with building codes, natural lighting, plumbing, and creating compliant floor plans. Additionally, many office buildings are in nonresidential areas and may be prohibited by zoning laws from converting into mixed-use or residential. This restriction is typically found when offices are far from grocery stores, schools, and other residential amenities. Please note, however, that some jurisdictions have passed ordinances making it easier to convert office space into residential without significant zoning roadblocks. Consequently, developers must determine on a case-by-case basis whether such adaptive reuse profits are both feasible and profitable.

Office-to-Hospitality Conversions

For developers owning building metropolitan areas, one alternative to office space is converting their property into a hotel. Throughout the last year and a half, we have seen resiliency in the travel industry, one some experts predicting a travel boom. This purported travel boom has as much to do with business as it does tourism and relieving the restlessness many have felt during the pandemic. Situated to capitalize on this boom, Opwest is converting nine floors, and roughly 40% of the usable space of the One South Church office building into a high-end hotel in the heart of Tucson. By utilizing the lower floors and repurposing the lobby, the new One South Church project is expected to be one of the premier urban hotel offerings in Tucson. While the new hotel is expected to be a success, bringing in millions in tax revenue to the City of Tucson in the process, the hotel also is a value-add for the existing office space.

While reuse projects may be profitable for developers, they also can serve as an investment into downtown centers. According to Tyler Kent, principal of Opwest Development, "We believe in the revitalization and future growth of downtown Tucson, and we believe the hotel can help further that and will become part of the downtown fabric. We also believe that the new hotel and new amenities, such as a new restaurant and lounge areas, will play a part in helping to revitalize the affiliated office-space post-COVID."

Seventh Avenue Lofts

Office-to-Residential Conversions

The Seventh Avenue Lofts, developed by ZFI Holdings, is a new, luxury residential redevelopment in close proximity to both the University of Arizona and downtown Tucson. Formerly home to ASARCO corporate offices, the 24,500 square foot building will be converted from office to approximately 40 multifamily units on three floors, with onsite gated parking. Zach Fenton of ZFI Holdings has said, "We were drawn to this project because of its location and unique historic character. The building also lays out very well for an apartment use. When we walked in the front door on our very first tour, we immediately thought to ourselves 'why hasn't anyone converted this into residential yet?!'"

Matt Thrasher is the Managing Partner of Thrasher Law Offices PLLC, a law firm specializing in corporate and real estate transactions, with five attorneys and offices in Tucson and Phoenix. Matt is licensed to practice law in Arizona and Texas, and is a graduate of Occidental College and Vanderbilt University Law School. Matt can be reached via email at matt@thrasherpllc.com.


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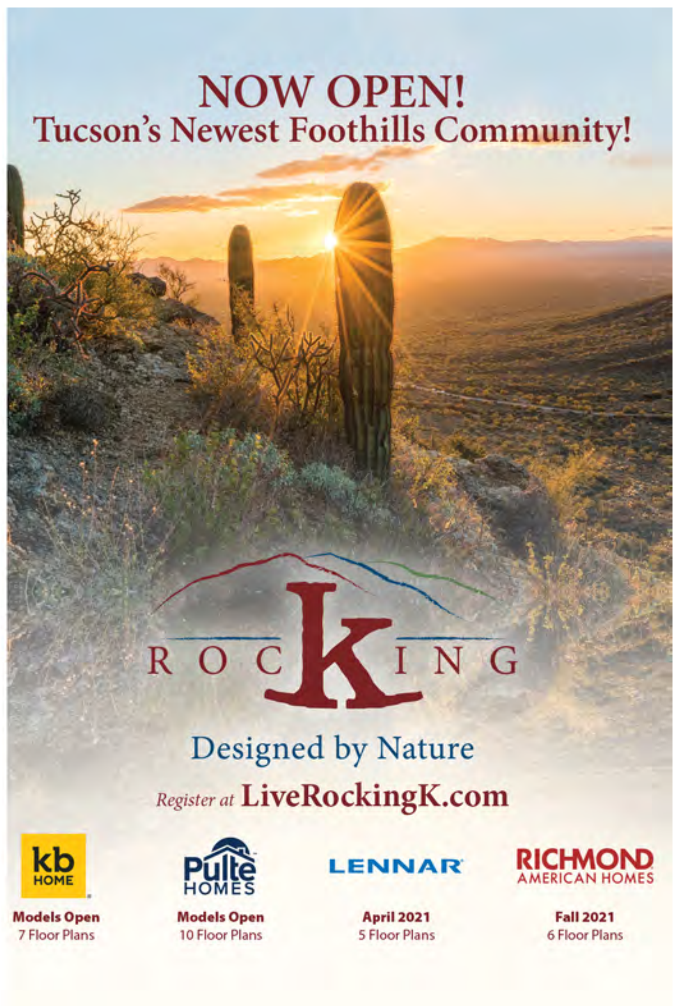

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HOLDING SPACE FOR PRODUCTIVITY: THE CHANGING FACE OF WORK ENVIRONMENTS

» by Eva Murzaite

The year that we will forever call "the year of the pandemic" has definitely brought some epic changes to our environment. Our workflow and location experienced some of the biggest changes in a flash. Health and safety concerns, caring for our loved ones and working double time to home school our children has driven many to work from home. The first few months of working in pajamas and streaming TikTok in the background might have felt liberating, more focused, and possibly even like a promise of better work life balance. We lost something in between. Even though technology connected us in profound ways, and the need for multi-tasking forced to evaluate workflow efficiency, after jumping on the tenth zoom call for the day there was a lack of human connection, collaboration, that good workflow energy. Losing the ritual of leaving the office made it next to impossible to shut "the light switch" off at the end of the day. And happy hours that used to once connect and inspire became an hour of drinking wine alone in front of the computer. What a lonely place to be.

Will things ever go back to the way they were? It's a question that many employers are pondering as we ease out of the panic mode. It seems that we found a new hybrid way to work and exist. Most employers find their staff happily blending work and home life, having focused production time at home balance with the more social aspects of having a dedicated space to office outside of the home. Productivity is now measured based on outcomes, not hours invested at the desk surface.

Some of the corporate goals remain unchanged, like having an office to represent the face of the company, create a great first impression and provide a home court advantage when hosting meetings. You also can't replace having space for hosting networking events to foster human connections, form a bond between staff and retain company culture. There are still many unknowns about Tomorrow and the needs for space and how to make the best use of it. It seems like the new key words for planning an office have become: fast pivot, ease to shift space, expand and contract, multi-purpose spaces and outfitting.

The trend is shifting, instead of investing high dollars into FFE that will last for decades, companies want fast build out with FFE that will last about five years or so. At that point, it will be turned in order to keep the spaces fresh, hip and functional as the company's needs shift. A new approach to design is emerging and Well Spaces are at the top of the trend list. Companies are paying more attention to well-being and overall happiness of their employees, quality of space, higher design aesthetic. There is more focus on incorporating outdoor space, natural light, better air quality, acoustics, ergonomic furniture, cleanable surfaces. New finishes are emerging on the market that have antimicrobial qualities, they also hold up to harsher cleaning chemicals and more frequent processes. Employers are encouraging a healthy lifestyle by incorporating rest spaces, gyms with showers and opportunities to dedicate time to a healthy meal.

Spaces are being designed to inspire, breathe warmth, free the mind of clutter and promote clarity. The new generation who travels as much as it stays put in one place is drawn to a hospitality like environment. They want to feel like they are working in a hotel

Today's Modern Office Spaces

bar or lounge with the possibility of having a new experience at any moment. They want a space that feels playful, encourages to connect, share energy, ideas and get inspired.

The spaces are planned in a new way. While there are still dedicated spaces for focused work, they may only be used part time or shared by multiple individuals. The other prominent spaces are large meeting rooms that can turn into classrooms for continued education or training in fast changing technologies. Small private spaces to have a phone call or privacy for a zoom call are also a premium.

The furniture trending has contemporary lines and much of it—a Scandinavian influence. It's open, light, height adjustable. It's easy to reconfigure by moving it on casters or collapsing and stacking against the wall. Small personal storage such as lockers are essential for part time, shared workspaces. Less paper storage solutions are required as many companies have shifted to paperless office. While most furniture is equipped to accommodate technology and wire management solutions. Work is not sitting behind a desk anymore, it may be a sit stand solution, a comfortable piece of lounge furniture or a bar height surface.

The walls also tell a new story. Art often doubles as acoustic treatment, provides inspiration or mission driven messages, sometimes it's a writing surface for visual ideas. Art is no longer just a print it's also a way to connect with the community by promoting local artists.

It's an exciting time to be living. Why not take this opportunity to recreate and enjoy being wherever we are and what we do? By doing so, we may feel like we did not work a day in our lives, we simply shared the gifts that we were given.

Eva Murzaite is Founder and Principal Designer at Interiors in Design LLC, which she established in 2009. She works in both residential and commercial design and has experience in designing restaurants, hotels, multi-housing facilities, and student living space, both locally and internationally. She can be reached at eva@indesignaz.com.

» by David Volk

The big news for the office market is that the world didn't end. In fact, office employment is returning, Tucson's lease rates and values are rising, and cap rates are falling. Even the downward trend in vacancy and absorption appears to be reversing, both locally and nationally. Every day more workers are returning to the office and more children are in school.

Nationally, lease term commitments from larger tenants, after falling from an average of seven years to one and a half years, are rebounding to near pre-pandemic levels. Lease rates were expected to remain depressed for many years, but now are predicted to recover within the next 12 months. Vacancy in larger cities may temporarily peak at the end of 2021, but is also expected to stabilize within 12 months, much more rapidly than after typical recessions.

Investor demand in Tucson remains very strong, with cap rates for net-leased office space running in the 6.25%–7% range. More importantly, the definition of a "long-term" lease has changed; while a 10-year term was required two years ago for a 6.5% cap rate, we now see seven-year leases justifying the same valuation. Tucson's returns continue to outperform California's, and we see continued growth in demand from West Coast buyers.

Although absorption was slightly negative in 2020, leasing activity has been slowly increasing, and Tucson's office market currently shows absorption at break-even numbers. As lease activity tends to cluster towards year end, Tucson office absorption for 2021 should be positive.

In Tucson, purchase demand from small to medium users is very strong, both for professional and medical buyers. With increased business activity and low-interest loans, deal flow from these users grows monthly. We are seeing above-average numbers of closings, properties in escrow, and even back-up offers for smaller office buildings.

Tucson office values, after a decade of minimal appreciation, have been rising. A few years ago, users could routinely find attractive office space at prices of $80–$100 per foot. Per CoStar in the last four years the average price has increased by $26 per foot, from $143 in 2017 to $169 today.

During the past 18 months, lease rates for more desirable buildings in the Foothills corridor have increased by $1.50 per foot or more. Lease rates in Tucson have increased overall by over 4% during the last three years, per a CBRE study.

Supposedly the death of the office market, working from home (WFH) has lost its luster for employers, and to a lesser extent, employees as well. Appealing at first, productivity suffered, and people started to miss human interaction. Hybrid "hub and spoke" models were then suggested. Now, the heads of the world's largest commercial real estate firms agreed that within a year they expect new office layouts to mostly resemble pre-pandemic designs. Companies are analyzing their footprints for maximum efficiency, but that has always been an ongoing process.

For most, WFH may translate to one extra day at home each week. People return to their offices to collaborate with co-workers, requiring everyone in the office at the same time. Spaces can't shrink if offices are to simultaneously accommodate the same number of workers. Even pre-pandemic it was estimated that only 60% of workstations are physically occupied at any one point in time.

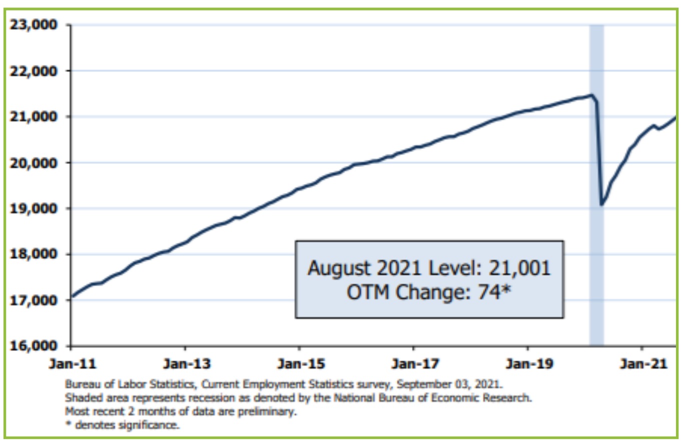
For medical users, the expansion of telemedicine may offer better patient care, but not a smaller office. Even if less frequently, patients still need to see their physician face-to-face.

After steadily falling for seven years to a low of 9.75%, national vacancy has increased to over 12.25%, per CoStar. Tucson's vacancy rate had trended slowly downward for over a decade, reaching a low of 7.7% by year-end 2018. It increased to 8.6% by year-end 2019 due to several large corporate relocations, but then the pandemic took it up to 10%.

Locally, the only dark clouds come from recent call center closings, which include long-time Tucson employers AFNI (53,000 square feet), iQor (27,000 square feet), C3 (66,000 square feet) and Comcast (134,000 square feet). Call center vacancies dropped steadily from 2013 to 2020, but then jumped as the pandemic hit, with the impact magnified by other pre-pandemic closings, plus Texas Instruments' and GEICO's relocations to their own new buildings. Activity in this sector is closely tied to vaccination rates and COVID variants; when those concerns are addressed, we should see pent-up demand translating into lease activity.

Unlike leases, the sublease market more accurately tracks sudden changes. The pandemic caused the US's largest increase in sublease space since the Dot-com recession of 2002. A recent CW study shows US sublease space doubling in the last five quarters. While the total amount is still high, new additions have dropped off significantly. It is expected that Q4 2021 should represent the peak in sublease supply; that same study shows sublease inventory already declining in many US cities.

According to the US Bureau of Labor Statistics, over 23 million total jobs were lost by March 2020, but by August 2021, 17 million had been recovered. Office employment has mostly recovered, as shown in the August 2021 graph below:



Employment in Professional and Business Services January 2011–August 2021; seasonally adjusted, in thousands

Urban markets with parking garages, subways and high-rises are especially sensitive to COVID restrictions. New York, for example, has 75 office buildings of 50 stories or more; under strict CDC guidelines it could take up to seven to eight hours each day just to transport office workers up the elevator. Tucson's low-rise office environment allows us to avoid those complications.

Overall office demand can't be discussed independent of COVID and vaccination rates. In just three quarters the question has gone from whether office demand would ever recover, to the number of quarters until full recovery takes place. With many employers starting to require

continued on page 19

A NEW NORMAL FOR PROPERTY MANAGEMENT IN 2021

» by Heather Baron

The COVID-19 Pandemic of 2020–2021 has completely reshaped the management of most if not all commercial real estate properties. Commercial property managers have been on the front lines of challenges presented to retail properties with forced shutdowns and business closures and tasked with coming up with unique and creative solutions to those challenges. Many business offices closed and sent their employees to work from home. As businesses are contemplating their subsequent choices as it relates to the space they operate from, property managers are now facing the impact the pandemic has made on the future of managing commercial office space.

In mid-March of 2020, in an attempt to "stop the spread" of COVID-19, the government asked that all non-essential workers stay home for two weeks in order to mitigate the number of COVID cases and to prevent the over burdening of hospitals unequipped to deal with a global crisis. Businesses sent their office employees to work from home, and now, in October of 2021, many of those companies continue to have those employees working remotely. Technology platforms such as Zoom, a platform unknown by many at the start of pandemic, allowed businesses to continue to have their employees collaborate and engage with each other and clients. As a result, many business owners noticed similar if not increased productivity in their employees without the overhead expense of operating and maintaining an office space and are now planning new futures for their organizations relying heavily on these new technologies. On the flip side, other companies realized that there are just some positions that cannot effectively be done out of the office, and as those companies strategize about a return to office scenario, they are doing it creatively with increased flexibility and with enhanced safety measures in place, so their employees feel safe in their return to the office.

For those companies that choose to bring their work force back to the office, property managers have seen a surge in demand for improved cleaning and sanitizing procedures, requests for emergency sanitation policies and procedures should the office be exposed, and requests for increased and improved ventilation and filtration systems, along with expensive improvements to HVAC mechanical systems. With these requests for upgraded systems comes frustration and large time lags as manufacturers have delays on parts. Prior to the pandemic, open airy floor plans with "co- working" spaces were the trend, but we are now seeing that trend come to an abrupt halt as those who operate those businesses pivot to safely coexist with the pandemic.

Along with building upgrades, many offices are moving forward with putting their own safety precautions in place. Some businesses maintain a "closed office" by bringing employees into work but seeing clients and customers remotely. Some enforce mask wearing and social distancing. At the end of August, a memorandum from the US Department of Commerce was released, outlining new guidelines for all Federal facilities and federally controlled indoor worksites and offices. Beginning August 30th of 2021, Federal Facility Managers are responsible for providing on site contractors with the Certification of Vaccination Form prior to entering Department controlled facilities or indoor worksites. If the contractor is not vaccinated or wishes for their vaccination status to remain undisclosed, they must provide proof of Negative COVID-19 test results within the three previous days prior to entering the facility. The same rules will apply for guests visiting these federal facilities.

The past 18 months have certainly been a lesson in resilience, creativity, and perseverance for those in property management. Adaptability and flexibility are key for the future of those managing commercial offices, as well as those who own them, as we all move forward in navigating the new normal that we have been thrust into as a result of the global pandemic.

Heather Baron is a Senior Commercial Property Manager and Asset Manager with MAS Real Estate Services Inc. She has worked in residential sales, new home construction operations, project management, and commercial real estate management to include retail, office, multi family, and assisted living facilities. Her current portfolio includes over 1,000,000 square feet of office, government, storage, and retail space to include Tucson Marketplace at the Bridges. She can be reached at hbaron@mas-res.com.

TUCSON OFFICE MARKET OUTPERFORMS EXPECTATIONS

» continued from page 18

workers to return to the office, the "new normal" has employers requiring employees to vaccinate or show weekly clear test results when they report for work. Returning to the office is now a discussion of "how" versus "if."

With each passing week employers feel more comfortable mandating the return to the office; a recently published Digital.com survey of 1,000 small-business employers (under 100 employees) showed that most planned to only hire vaccinated workers and fire those who refuse the vaccine, only 19% stated they would hire regardless of vaccination status. 79% planned to offer PTO to employees who did test positive.

The situation remains fluid, but every week the news is increasingly positive.

David Volk is a Vice President at Volk Company, specializing in professional and medical office properties. Prior to joining Volk Company in January, he was with CBRE for over 30 years. He is highly experienced in all aspects of office sales, leasing, investment and development. He can be reached at Dvolk@volkco.com.

» by Dillon Walker

It was exactly two years ago that I last wrote about coworking here in *TREND report*. That was before the global pandemic struck at the vitality of our retail, restaurants, entertainment and shared working environments. I provided a look into what we were doing at [COMMON Workspace](), our downtown shared workspace. In brief: it has not been easy, but we've learned much and found new paths forward that only make us more optimistic for the future.

Operators across Southern Arizona have found new ways to adapt to the changing landscape, but the case for shared and flexible space and amenities is stronger than ever. At the center of this case is human connection, and after over a year of isolation, we all agree that face-to-face interaction is critical to a healthy and productive work life. I asked some of our local space operators for help to update you.

The obvious was addressing our customer's safety and comfort. Here at COMMON, we pivoted during the pandemic, offering socially distant workspaces, requiring facemasks, and implementing sanitation and safety protocols in our space. This helped our members come in and work out of the space with more ease. At the Post Workspaces, an 8,500 sqft space near Ina and Oracle, Co-founder, Chelle Peterson, said "The reality is that the pandemic is evolving on a daily basis, making it almost impossible to accurately forecast what the future will look like." We contend with these new realities each and every day.

Another aspect of the landscape that has changed is the implementation of new models. Across the U.S. flexible space operators have implemented new models for drop-in and flexible usage of their space that never previously existed. These options were created to help accommodate a surge in new work-from-home demand that brought people out of their houses, but not into a longer-term membership at a coworking space.

Remote work is also a contributing factor to the rise in demand. Gina Catalano, Co-founder at La Suprema Works, a 5,000 square foot space in a completely restored and renovated Tortilla Factory in Barrio Viejo near downtown, said "Remote work is here to stay and we are seeing more members who are part of larger companies and organizations looking for a place to land. We are also seeing more service professionals (attorneys, realtors, etc.) as members and/or renting our meeting space."

Peterson, at The Post Workspaces, said "many remote workers don't always want an office, but they want somewhere they can go for even a few hours per day, a few days per week."

In 2020, local nonprofit Startup Tucson, who works to make Tucson more vibrant through entrepreneurship, launched a remote worker incentive program to capitalize on the historic trend we saw of high-level professionals fleeing big cities and searching for a better quality of life in mid-sized cities. Dre Thompson, Executive VP at Startup Tucson said: "We were fortunate to partner with a number of coworking spaces to offer a 'Tucson Coworking Sampler Pack' which assisted in solving a big challenge for remote workers, as well as encouraging them to plug into the community in an organic and meaningful way." The program has been renewed and launched again for 2021. COMMON Workspace, La Suprema Works, and The Post Workspaces are all proud participants in the program.

Since I last updated you, COMMON has opened all 8,400 square feet of our facility, offering community coworking and private office

COMMON Workspace

options to our members. In addition to providing our COMMON Perks amenities program which includes downtown parking options, member/community events, printing, conference room, beverage service, snack service, plus many more, we focus on bringing creative professionals into the space. Everyone from freelance graphic designers to financial planners to startup founders and attorneys make up our current members and are welcome at COMMON. One of our goals is to host the creative energy needed to make businesses thrive in an innovative world.

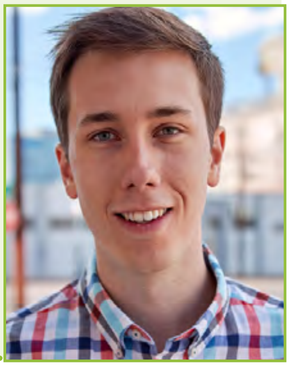
Our facility now has upgraded video conference options and a podcasting and media studio. Local radio show, The Tipping Point with Zach Yentzer, is hosted out of COMMON every day. We've seen folks from different sectors and both remote workers, entrepreneurs, and local small business teams have taken up in our space.

Due to the pivots in the health, safety, and operating models, we've sought to help our members in the best way we can during these times, like enhanced video conferencing, FLEX Membership and usage options, and COVID safe member events.

While the pandemic has been a huge challenge for us and other coworking space operators, we are optimistic about the future. COMMON is currently looking at options for a mid-town Tucson coworking location as well as exploring the connective opportunities between our neighboring Phoenix with a COMMON Workspace PHX on the horizon.

If you have any questions or thoughts about the coworking scene in Southern Arizona, please don't hesitate to reach out to me at dillon@workatcommon.com.

Dillon Walker is a creative strategist, business leader, and community builder based in Tucson, Arizona. Dillon is the founder and principal of Hydrant, a studio providing a distinct set of branding, communications, and technology services to organizations of many sizes and industries. Dillon is also the cofounder of a coworking space serving entrepreneurs and small teams called COMMON Workspace and an innovative auto care company called OOROO where he serves as CTO.



JOBPATH ASSISTS PIMA COUNTY RESIDENTS PREPARE FOR HIGHER-PAYING CAREERS

» by Ana Greif

It is no secret that the COVID-19 pandemic hit the hospitality, retail, and tourism industries the hardest. Not only did many people lose their jobs, but an estimated 40% of former hospitality industry workers nationwide do not plan to return to jobs in hotels, restaurants, or bars.[1]

Additionally, a recent McKinsey Global Institute report states that automation has permanently changed millions of jobs. Because of shifts in the labor market, many Arizona residents won't have jobs to return to and will need to reskill or change careers to reenter the workforce.

Yet employers in industries such as manufacturing are struggling to fill vacancies [2] to maintain their levels of production. Labor shortages in logistics, information technology, and others [3] are a threat to national competitiveness. The concerted efforts taken by community colleges, nonprofits, and policymakers to make post-secondary training more accessible have been only partially successful. Education initiatives often fail to recognize that adults seeking a post-secondary certificate or degree face several challenges, including juggling family obligations, child care, paying tuition, maintaining work/life/school balance, and navigating the shift to online learning.

Enter JobPath. A Tucson nonprofit founded in 1998, JobPath was born of a collaboration between Pima County Interfaith Council and other invested community leaders. They saw the inequities in educational and economic opportunity and the shortage of a skilled workforce threatening local economic growth.

Since then, JobPath has supported thousands of under-resourced adults through short-term degree and certificate programs. Yet, even more than twenty years later, our Southern Arizona community continues to struggle with these issues.

JobPath's mission is to improve the economic status of underserved adults by removing barriers to educational achievement so that they can lead healthier and more prosperous lives. We partner with Pima and Cochise community colleges and other job-training providers to help adults succeed in direct-to-employment degree or certificate programs that lead to high-wage, in-demand careers (nursing, aviation technology, welding, and other manufacturing programs).

JobPath provides financial and socio-emotional support, as well as career coaching and workforce readiness skills to help students complete their programs of study and be prepared for the workforce. Every JobPath participant has an income at or below the poverty level when they enroll in the program. On average, 90% of JobPath participants graduate, with 86% getting a job in their field within six months of graduation. By the time they leave our program, they are earning about $50,000 per year. JobPath lifts families out of poverty and places them firmly into the middle class.

On July 6, 2021, the Pima County Board of Supervisors approved a $1 million allocation for JobPath under the American Rescue Plan Act (ARPA), the stimulus package passed by Congress on March 11, 2021, to speed up the social and economic recovery from COVID-19. This funding is in addition to $750,000 for the fiscal year 2022 allocated to JobPath from the General Funds. This increase in public funds investment will allow JobPath to nearly double the number of students we serve this fiscal year.

Dr. John Moffatt, Pima County's Economic Development Director, said, "During the Board's meeting, Pima County Administrator Chuck Huckelberry was clear that he believes JobPath has been a very successful program in elevating the economic status of County residents and that we need the private sector, the City of Tucson and other local governments to also increase their support and continue the expansion of JobPath's services."

According to Applied Economics, a third-party evaluator, the economic benefits the JobPath program has for our community cannot be overstated. Over the past five years, JobPath's economic impact on Pima County has been $79.9 million, with graduates increased wages and buying power, generating increases in tax revenue.

With a return on investment of 254%, JobPath is a responsible use of public funds. But, more importantly, when there is equal access and opportunity to achieve economic mobility, a thriving community follows —one in which everyone has the power of choice: choice of job prospects, the choice to purchase a home, and the choice to save for the future.

JobPath launched a three-year strategic plan this summer that will take us through 2024. Our goals are ambitious yet achievable and will help drive Pima County's workforce, and economic development recovery efforts post COVID-19. The initiatives and goals of this plan are as follows:

- Strategic Initiative 1: Increased Impact JobPath's goal is to increase JobPath's reach to more eligible Pima County residents to serve 1,000 participants annually by 2024.
- Strategic Initiative 2: Holistic Support JobPath's goal is to support participants in building the skills required for long-term career advancement, addressing needs and obligations beyond those of education.
- Strategic Initiative 3: Workforce Advocacy JobPath's goal is to engage in community workforce development efforts to identify and leverage employment opportunities for JobPath participants while addressing the County's workforce needs.

Our community has a challenging road ahead, but JobPath has laid a foundation to do our part to help Pima County residents prepare for a higher-paying career and our region's employers to access a robust and skilled workforce. We are committed to Tucson's and Pima County's economic and workforce development recovery efforts to become stronger and healthier than ever before.

To learn more about JobPath and our program's impact on Pima County, please visit our website at www.jobpath.net.

1 *Q2 2021 United States Job Market Report*, July 2021
2 https://www.shrm.org/resourcesandtools/hr-topics/talent-acquisition/pages/help-wanted-manufacturing-sector-struggles-to-fill-jobs.aspx
3 https://www.forbes.com/sites/larryenglish/2021/06/01/the-tech-talent-war-has-no-end-in-sight-heres-what-you-need-to-know/?sh=4ea774b05f2d

Ana Greif is CEO of JobPath, Inc., a position she has held since October 2020. Prior to that, she was President of Varela Consulting LLC, and provided consulting services to universities, governments, public and private institutions that support entrepreneurship, and offers training for professionals with a passion for helping startups. She can be reached at agreif@jobpath.net.

JTED'S SUCCESS SPURS INTEREST OF STUDENTS, INDUSTRY, AND COMMUNITY LEADERS

» by Kathy Prather

The pandemic postponed the grand opening celebration of the JTED Innovative Learning Center @ The Bridges by a year, but it did not slow down the success of its high school students enrolled in Career and Technical Education programs. Case in point: Elena Chanes Martinez, who is enrolled in TUSD's Innovation Tech High School (ITHS) and three JTED programs, is cutting the ceremonial ribbon at 3300 S. Park Avenue for a building that has reached maximum capacity.

Ms. Martinez spends 12 hours a day, from 7AM to 7PM, four days a week at JTED's flagship campus studying Robotics, Engineering, and Air Transportation/FAA Drone Operator in addition to her high school courses. It's stories like hers that have hundreds of business leaders, elected officials, and JTED advocates eager to celebrate JTED's students and programs that continue to make significant contributions to our economy.

John Dennis, chair of the Arizona Technology Council's Optics Valley Arizona committee and owner of Strategy1 Services said, "In spite of the setbacks from COVID-19, many aspects of our economy are experiencing robust growth. JTED students graduate from high school with specific skills to enable them to immediately become contributors to that growth and expansion."

Mary Darling, CEO of Darling Geomatics and a member of the JTED Business and Industry Council, is one of many industry leaders who has a vested interest seeing students such as Ms. Martinez succeed. "As a high tech land surveying company that owns 10 drones, Darling Geomatics is seeking licensed pilots for aerial surveying and mapping, forensic investigations, damage assessments and natural resource mapping."

JTED Superintendent and CEO Kathy Prather knew the location of the new flagship campus, in Southwest Tucson, off of I-10 and near the I-10 and I-19 interchange, would be a draw for families as it is within 25 minutes or less of 52,000 high school students. It opened in August of 2020, but due to the pandemic, did not see full utilization of the facilities until August of 2021. The Fall Semester of 2021 now finds over 800 students per week utilizing this facility in what is considered an underserved part of the Tucson Metro area, two separate cohorts each day, with both seeing enrollment waiting lists for various grades and programs. The daytime program, the TUSD comprehensive high school Ms. Martinez attends, combines rigorous academic courses with JTED cutting-edge technical programs in a very unique problem/project based cross-curricular environment.

The building's design encourages the integration of academics and technical content with hallway collaboration niches, open-air outdoor seating and an expansive event center with glass garage doors that open to a large patio space. At 3:30 p.m. daytime students are dismissed and a second cohort begins their JTED afterschool/evening program in programs including Cybersecurity; Culinary Arts and Nutrition; Engineering (Aerospace, Mining and Optics); Robotics and Automation; Air Transportation Drone Operator; Pharmacy Technician; 3-D Animation, Virtual Reality and Game Design; Healthcare Foundations, Medical Assisting, Licensed Nursing Assistant and Comprehensive Healthcare Technician.

The Southern Arizona community is embracing the mission and vision of Pima JTED as never before. Potoff Private Philanthropy has funded an Endowed Chair for Engagement and Placement to include hands-on middle school career exploration outreach activities as well as expanded work-based learning opportunities for JTED students including internships. The Rotary Club of Tucson selected Pima JTED as their 2021 Centennial Grant recipient, with a promise of a minimum grant of $250,000 from proceeds of their 2021 Tucson Classics Car Show, Corvette Raffle and Auction. Raytheon Missiles and Defense is now sponsoring the JTED Innovative Learning Event Center, with a donation of $100,000 as well as the commissioning of a custom wall mural along with opportunities for their staff to assist with mentoring JTED students.

With capacity already reached at the new Bridges Campus, planning is underway to determine ways to meet the interest and demand from students as well as the community needing a skilled workforce. A coalition of high school and higher education/post-secondary educators, civic and business leaders, and philanthropists are combining their resources and talents to better meet the needs of not only students across the city but also the communities in which they reside. A project proposal is in development to design and build a Health and Medical Careers high school, complementing the existing building, but that would serve as a separate high school program option. This project proposal has already received a challenge grant commitment of $2.5 million to support a planned community health and wellness clinic wing that would be part of the Health and Medical Careers High School.

With multiple campuses located in the metro area, Pima JTED currently boasts 160,000 square feet of classrooms, laboratories, beauty salons, veterinary clinics, and workshops. Approximately 80 percent of students who complete a JTED program successfully enter the workforce, college, or the military, and nearly all are eligible to earn dual college credit. "JTED has always been an important partner for Pima (Community College) as we strive together to build an education-to-employment pipeline for Tucson-area high schools students," said PCC Chancellor Lee Lambert.

Pima JTED is considered to be Economic Development 101 in Southern Arizona. Since JTED's inception in 2007, it is estimated that JTED central and satellite campus program completers bring $2 Billion in estimated annual earnings. It is also estimated that these program completers contribute $3 million per year, per cohort in annual tax revenue. It is clear that JTED serves as an important beginning spark in the local economic development ecosystem.

Kathy Prather became the Superintendent/CEO of Pima JTED on July 1, 2018, one year after being appointed as the district's Deputy Superintendent. Her career in education spans 29 years and multiple locations throughout Arizona including Tucson Unified School District and Sunnyside Unified School District. She can be reached at kprather@pimajted.org.

STARTUP TUCSON LAUNCHES A 2ND COHORT OF REMOTE TUCSON TO ATTRACT WORKERS TO TUCSON » by Channing Stirrat

Remote Tucson, Startup Tucson's internationally acclaimed remote worker incentive program, launches a second round after a successful pilot that added $2.2M to Tucson's economy.

Startup Tucson is a nonprofit working to transform the Southern Arizona economy through entrepreneurship and innovation. As the one-stop-shop for entrepreneurship in Tucson, we work to increase the quantity, quality, and diversity of businesses in our community. Our model is designed to allow previously under-represented entrepreneurs and individuals to join the growing startup and tech workforce. We imagine a Tucson that is known as an ideal place for entrepreneurs to start a successful business and workers to find a rewarding career. Startup Tucson also focuses on special initiatives that enhance the region's innovation economy and overall economic development. Remote Tucson was one such initiative.

Inspired by similar programs around the nation and workforce trends related to COVID-19, Startup Tucson and a number of collaborators piloted the regional economic development initiative "Remote Tucson" in Winter 2020. Remote Tucson worked to entice talented individuals employed in high-paying remote work positions outside of Tucson to permanently relocate to the area while continuing to work for their same employers. Rallying around the common goals of bringing bright, new (fully-employed) talent to Tucson and highlighting the area as a great place to live, work and play, collaborators for the program included local government, corporate sponsors, in-kind perks and cross-promotional partners, and volunteer ambassadors.

Last fall, the combined factors of earned media and cross promotional partners led to great success in the rollout of the pilot program. In the month the application was live, the website saw 4,000 visitors and received over 600 applications from across the country. From 200 very qualified applicants, 10 finalists were selected that represent mixed ethnic diversity and included both young families and seasoned professionals. The winners came from all parts of the country, especially California, Washington, and New York, and work in industries like technology, engineering, telecommunications, cybersecurity, healthcare and higher education. Since these workers now funnel outside dollars into Tucson's economy and did not replace current opportunities for local residents, applicants relocating to Tucson will result in a net-positive for our economy without taking any jobs from local residents. The program also received national and international press coverage including the *Washington Post*, *New York Times*, and *Axios*.

Unlike some other remote worker attraction programs in the US, the Remote Tucson package emphasizes community connections and the ability to discover all things Tucson has to offer its residents--an aspect multiple cohort members told us tipped their decision in favor of Tucson. Each remote worker selected for the second round of Remote Tucson will receive almost $9,000 in incentives composed of a combination of direct funds to help with relocation expenses and other perks and benefits. Sponsors of the program include AirBnb, the City of Tucson, Southern Arizona Leadership Council, Marshall Foundation, Main Gate Square, Visit Tucson, Pima County, Bourn Companies, and TEP.

This year, the program is excited to add new perks and benefits that highlight some of Tucson's unique offerings like season tickets to Arizona Arts Live, Rodeo Tickets, a US/Mexico border tour, a Tucson Trolley Tour, an intro to the AZ Sands Club and trip to the Flandrau Science Center & Planetarium. The program is also now sponsored by Airbnb and all participants will receive $1000 in Airbnb credits if selected.

These new perks are in addition to the returning benefits of partner career support provided by the Talent Store; complementary use of coworking spaces like La Suprema Works, Common Workspace, the L Offices, and the Post Workspace, complimentary hotel nights at the brand new Hampton Inn/Home 2 Suites by Hilton Downtown Tucson and welcome benefits including a locally sourced gift basket, a Downtown Tucson Partnership Giftcard, a Visit Tucson attractions passport and a digital gift card for Local First's Shop Arizona Marketplace. All selected applicants are also paired with a member of the program's Welcome Committee, led by Tucson Young Professionals, to help them plan for their relocation and arrival in Tucson.

The program's long-term goals relate specifically to talent attraction and the greater economic development of Tucson and was inspired by similar initiatives in locations like Tulsa and Alabama. Remote Tucson employs a long term strategy that results in immediate benefits to our community and we're very excited to open the second round of applications on October 1. Since January, we have received over 70 applications—we look forward to building on this traction and welcoming another awesome cohort of new Tucsonans.

Applications and more information on Remote Tucson can be found at www.remotetucson.com. To be eligible for this program, participants must provide proof of employment, be at least 18 years of age, demonstrate an income of over $65,000, work for a business that is based outside of Tucson, and commit to moving and living in Tucson for at least one year.

Channing Stirrat is a Program Coordinator at Startup Tucson. She helps execute the various programs Startup Tucson runs to support local entrepreneurs. She interned with Startup Tucson in 2018 and 2019 and is excited to return to Tucson's innovation community. Channing recently graduated from Lewis & Clark College with a degree in biology and has experience working with nonprofits dedicated to economic development, planetary health, and supporting the houseless population in Portland. She can be reached at channing@startuptucson.com.

CENTERS OF EXCELLENCE + PIMAFASTTRACK = GOOD JOBS, ECONOMIC VITALITY

» by Paul Schwalbach

Maybe you've seen the construction at Pima Community College's Downtown Campus, at Speedway Boulevard and Stone Avenue. Maybe you haven't. The project is about a block west of the corner, off Queen Avenue.

Though a little tucked away, the structures going up at Downtown are front-and-center in Pima Community College's Centers of Excellence (CoE) initiative, an ambitious, multimillion-dollar project designed to provide Pima students with unparalleled learning opportunities—and in the process, take economic development in Southern Arizona to a new level.

Family-Sustaining Wages

The overarching goal of the CoEs is to give Pima students the opportunity to get the skills employers are seeking—both right now and in the future—so they can find jobs that pay family-sustaining wages in industries that will form the cornerstones of the region's economy in the 2020s and beyond. Think advanced manufacturing, automotive technology, aviation, cybersecurity, health care, hospitality and more.

By producing a steady pipeline of work-ready employees for these sectors, Pima will help close the talent gap that often acts as a major drag on regional economic advancement. Among the first questions asked by businesses seeking to expand their operations, or seeking to locate in a new city, is "Where will we get our employees?"

Pima's CoEs are designed to be the answer to that question, as they're uniquely positioned to provide, at scale, the human infrastructure that will drive Southern Arizona's economic advancement.

Cutting-Edge Learning Spaces

The Center of Excellence in Applied Technology at Downtown is the most fully realized CoE so far. The Automotive Technology and Innovation Center, which opened in June 2021, is a two-story, 50,000 square-foot space in which students will learn to service gas-powered, light diesel, electric and, eventually, autonomous vehicles. In 2022, the Advanced Manufacturing Building will be completed. There, students will learn robotics, optics, advanced fabrication (think 3D printing), laser technology and more.

Centers of Excellence are planned for other Pima campuses, too. At East Campus, 8181 E. Irvington Road, the ribbon will be cut in November in a CoE in Cybersecurity/Information Technology. The emphasis is giving students the real-world experiences they will face on the job.

One key element of the CoE is the Student-Operated Data Center, a seven-days-a-week, 24-hours-a-day computer center, complete with racks of servers running in real time with real data. Another will be the Cyber Security Operations Center, where students can connect to the same databases as major corporations and the U.S. government do in order to identify and diagnose real-time threats to data or systems.

The Center of Excellence in Public Safety, at Pima's East Campus and its 29th Street Coalition Center, is scheduled for completion in October 2023. In the design phase are CoEs in Health Professions and the Arts at West Campus, 2202 W. Anklam Road, and Hospitality Leadership at Desert Vista Campus, 5901 S. Calle Santa Cruz.

Designing More Than Buildings

To be sure, the CoEs are impressive structures. But they won't be successful if the learning that takes place within their walls isn't precisely designed to address the unique circumstances of Pima learner.

The average age of a Pima student is 27. Many attend school part time while working and raising a family. They need an education that fits their lifestyle and goals, which differ from those of traditional students, who often are coming right out of high school and see Pima as an affordable steppingstone to a bachelor's degree.

Pima's adult working learners, on the other hand, need to quickly learn skills that will get them a better job, or to advance in their current job. To serve these learners, the College has developed PimaFastTrack. It's a new way to go to college, built for adults who want to quickly learn in-demand skills and earn industry-recognized skills while working and raising a family.

Pima has built FastTracks in five occupations:

- Automated Industrial Technology
- Automotive Technology
- Building and Construction Technologies (Carpentry, Electrical, HVAC, Plumbing)
- Cybersecurity/IT
- Emergency Medical Technology

The coursework is offered as non-credit, which means the learner doesn't need to take an entrance exam, submit transcripts, or deal with reams of paperwork.

Most PimaFastTrack courses are taught in a hybrid format. Students learn online, then come to our campuses to practice and demonstrate what they've learned.

All but the Cyber/IT PimaFastTrack can be completed in only three months. And the skills learned in PimaFastTrack can convert to college credit should the student seek a traditional Pima degree or certificate.

Centers of Excellence and PimaFastTrack combine to create an innovative on-ramp to higher education for hundreds of learners who may never have thought of attending college. Collectively, greater academic achievement on a large scale translates into a community that can thrive economically. Individually, it means a career that pays a family-sustaining wage. In these uncertain times, it's all about good jobs.

To learn more about Centers of Excellence or PimaFastTrack, contact:

- Dr. David Doré, Pima Community College President of Campuses and Executive Vice Chancellor for Student Experience & Workforce Development, ddore@pima.edu, (520) 206-7100
- Dr. Ian Roark, Pima Community College Vice President of Workforce Development & Strategic Partnerships, iroark@pima.edu, (520) 206-4533

Paul Schwalbach is Pima Community College's Director of Marketing and Communications. He came to Pima in 2009 after working at the Tucson Citizen newspaper for 30 years in various capacities. He can be reached at pgschwalbach@pima.edu.

75 Broadway

Location: 75 E. Broadway
Project Size: 180,000 SF
Developer: Marcel Dabdoub and Ron Schwabe
Timing: 2022

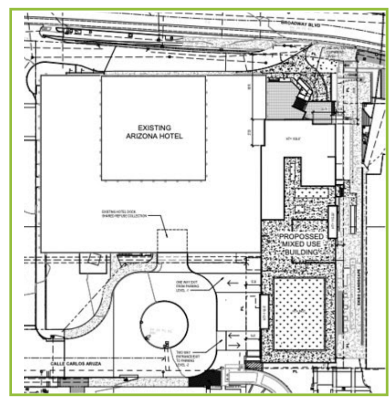
75 Broadway is currently planned as an 18-story building with six floors of office and 7 floors of parking. The office floors will feature 30,000-square-foot floor plates, Class "A" finishes and floor-to-ceiling window walls. The Rio Nuevo Board voted unanimously to continue moving to finalize the agreements for the $100 million, 20-story tower.

44 E. Broadway

Location: 44 E. Broadway
Project Size: 61,152 SF
Developer: Peach/Dabdoub
Timing: 2023+

The Peach-Dabdoub partnership is renovating the multi-use building located at 44 E. Broadway Blvd into new and upgraded office space and penthouse condos. The project includes renovation of 26,120 square feet of office and retail space in the existing building and 79,477 square feet of office and retail space in two new buildings to be constructed on an adjacent and a nearby vacant parking lot. The new buildings will include 18,325 square feet of street-level retail space with structured parking on the second, third and fourth levels and 61,152 square feet of Class A office space on the upper floors.

HSL Mixed Use Building



Location: 175/181 W. Broadway
Project Size: 24,000 SF office space
Developer: HSL Properties
Timing: 2022

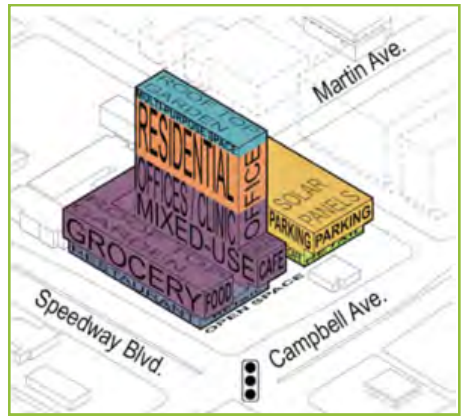
This site is a proposed mixed-use, 8-story building by HSL Properties with 2 floors of office, 6 floors of residential and 2 levels of parking. The site is adjacent to the former Hotel Arizona.

Andrew Weil Center for Integrative Medicine

Location: NWC Speedway & Campbell
Project Size: 34,000 SF
Developer: University of Arizona
Timing: 2022

This project will develop a new $20 million facility for the Andrew Weil Center for Integrative Medicine (AWCIM) to centralize their operations in a physical building and landscape environment that supports their philosophy of healthy work environments. The new 34,000-square-foot Andrew Weil Center for Integrative Medicine would be located northeast of the Highland Parking Garage at East Mabel Street and North Vine Avenue.

Speedway Campbell Gateway



Location: NWC Speedway & Campbell
Project Size: 250,000 SF
Developer: Shenkarow Realty Advisors
Timing: 2022+

The Speedway Campbell Gateway development will include a variety of commercial and residential uses.

The building bases will contain restaurant, retail, grocery and various commercial uses on their street levels (and perhaps on certain select portions of their second floors), above which they will be primarily comprised of professional offices and/or clinics. The project will include approx. 250,000 SF of professional offices and/or medical outpatient services, including medical offices and health clinics.

Prince Interstate Commerce Campus

Location: La Cholla and Prince Road
Project Size: 87 acres
Developer: Prince Interstate Commerce Campus
Timing: 2022+

Prince Interstate Commerce LLP is seeking to assemble multiple parcels into a approx. 87-acre master planned commercial and industrial development, with access from Interstate-10 at both Prince Road and Miracle Mile.

Sunset Professional Campus

Location: Sunset Road and I-10
Project Size: 42 acres
Developer: Pima County
Timing: 2022+

Pima County has developed a conceptual plan for the site that identifies an initial 985,000 SF office complex, which is envisioned as a campus-style corporate center with multiple buildings, open spaces and recreational areas. The site has direct connection to The Loop, Pima County's 130-mile multi-use trail that encircles the metropolitan area.

Craycroft/River Site

Location: 5419 E. River Rd, Tucson
Project Size: Approved for 29,108 SF Office Building
Developer: Grupo Rio LLC
Timing: TBD

This well-located 3-acre site has an approved development plan for immediate construction and is zoned for Office, Medical, & High Density Residential. The two-story building can be designed to specific user requirements.

Pima Canyon Plaza

Location: 810 E Ina Road
Project Size: 36,000 SF
Developer: West Coast Capital Partners
Timing: 2022

West Coast Capital Partners plan to build a 36,000 SF Class A spec office building on this 7.37-acre site. The offices will consist of two one-story buildings that provide prominent views both to the city and to the Santa Catalina Mountains.

Westward Look Resort Gateway

Location: Ina Road and Westward Look Drive, Pima County
Project Size: 18 acres
Developer: Westward Look Resort LLC
Timing: 2022+

Westward Look Resort, LLC is pursuing annexation of their 75-acre property located at 245 E Ina Road into the Town of Oro Valley. The developer is processing a General Plan Amendment and PAD rezoning concurrently to conform with OV zoning, and for future development of the Resort Gateway area, their vacant parcels along Ina Road totaling 18 acres. One of the proposed development alternatives 35,000 SF of office space.

Palisades Corporate Center

Location: Oracle and Hardy, Oro Valley
Project Size: up to 75,000 SF
Developer: Oracle & Hardy 15 LLC
Timing: 2022+

Palisades Corporate Center consists of two shovel-ready build-to-suit sites, zoned C-1, in the Town of Oro Valley and can accommodate retail, office, medical and other commercial uses. The sites can accommodate up to 75,000sf of design build.

Oracle Vista Centre

Location: Linda Vista Blvd and Oracle Road
Project Size: 30,600 SF
Developer: TBD
Timing: 2022

Oracle Vista Centre consists of two shovel-ready parcels--Parcel 1 accommodates 17,000 SF Office/Medical/Retail in one building; Parcel 2 accommodates 13,600 SF Office/Medical in two buildings. The property has an approved Oro Valley Master Development Plan that enables immediate development. The adjacent Oro Valley Villas luxury apartments are under construction.

Miller Ranch Corporate Park

Location: NWC Tangerine-La Cañada – Oro Valley
Project Size: 40,450 SF.
Developer: DSW
Timing: 2021+

The proposed office buildings at Miller Ranch Corporate Park will include up to 40,450 square feet of Technical Park (TP) use on 6 acres. The approved development plans call for 4 single and two-story buildings.

Marana Center/Linda Vista Offices

Location: Twin Peaks and Linda Vista Road
Project Size: Up to 200,000 SF
Developer: VP MARANA INVESTMENTS LLC
Timing: 2022+

Marana Center is a 170-acre regional destination designed to feature a variety of commercial uses including retail, hospitality, multifamily and medical. The Marana Job Creation Incentive Program is offered by the Town of Marana to help businesses locate or expand in Marana by receiving reimbursement from a reallocation of construction sales tax on new construction or expansion.

Uptown

Location: Ina and La Cholla
Project Size: 51 acres
Developer: FHM Partners, LLC/Bourn Companies
Timing: 2021+

FHM Partners LLC is redeveloping the former Foothills Mall property to include approx. 125,000 SF of new construction mid-rise office space within multiple buildings. The approved zoning would allow for buildings as tall as 10 stories.

» by Lucinda Smedley

What a difference a year has made. Students are back in person at Pima College and University of Arizona. More and more employees have grown weary of working from home and are slowly migrating back to work, but often in a hybrid model. As such, some issues have become clearer in the office sector while others, like demand for office space, are still a bit murky. The number of the US labor force still working from home fulltime due to COVID has dropped to 20%. In the early days, it was speculated that this drastic change would greatly impact the demand for office space. However, employees are realizing the benefits of being able to separate their work life from home life, especially those with young children and other distractions at home. As a result, Tucson's office experts are optimistic about the future of the office market. We are very grateful to the following contributors to the office issue who have generously shared their insights—Peter Dourlein with University of Arizona; Rick Kleiner, Tom Nieman, Ryan McGregor and Molly Gilbert of Cushman & Wakefield | PICOR; Matthew Thrasher of Thrasher Law Offices; Eva Murzaite of Interiors in Design LLC; Heather Baron with MAS Real Estate Services Inc; David Volk of Volk Companies; Dillon Walker of Hydrant and COMMON Workspace; Ana Greif of JobPath, Inc.; Kathy Prather of Pima JTED; Channing Stirrat with Startup Tucson and Paul Schwalbach with Pima Community College.

3rd Quarter 2021 Industry Events

Wednesday, October 6, 2021, 5:30PM–8:30PM | Locale

CREW Tucson is hosting "A Seat at The Table—An evening of dinners, drinks and discussion with local leaders." Contact Shannon Murphy at smurphy@diamondven.com for sponsorship opportunities. More details to follow. Register here.

Tuesday, October 12, 2021, 11:30AM–1:00PM | TCC

Southern Arizona CCIM Chapter's monthly meeting will honor George Larsen of Larsen Baker's 50 years in CRE with a Celebratory Roast and Luncheon. Register here.

Thursday, November 4, 2021, 4:00pm–6:30pm | Doubletree Hotel at TCC

Tour of Downtown, presented by Southern AZ CCIM and CREW Tucson, includes tours of the TCC Campus and Doubletree Hotel, The Flin, The Visit Tucson Building and the Citizen Boutique hotel and Sand Recker Winery. Tour hosts include Fletcher McCusker, Mark Irvin, Moniqua Lane, Humberto Lopez, Omar Mireles, Glenn Grabski, Phil Swaim, Michael Becherer, Ali Farhang and Tim Medcoff. Register here.

Lucinda Smedley
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