

Plans vast for offices in Gilbert

Some worry supply may end up more than demand

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More than 750,000 square feet of office space is in various stages of planning and development in an area of Gilbert stretching along the Santan Freeway from Gilbert Road to the SanTan Village shopping center at Williams Field Road.

But many experts have differing opinions as to whether the planned projects will oversaturate the market. The proposed office space is being built ahead of demand.

Bob Kammrath, president of Kammrath and Associates, a Phoenix-based commercial real-estate and analysis firm, said it has to be done that way to allow developers to get into the market as it's growing. But that section of Gilbert has seen a large number of projects in a short period, and that doesn't bode well given current market conditions.

"Gilbert is bending over backwards trying to get a large employment base," Kammrath said. "The competition for where these people go is absolutely intense.

"I think a lot of these commercial properties are going to suffer as long as the residential market remains in the toilet."

Others, like Bill Douglass, disagree.

Douglass is the president of the Upland Group, which is marketing several of the projects in the area.

He says Gilbert is underserved and has enough population to support the developments that are planned.

"It's one of the hottest addresses in Arizona for development," he said. "Good real estate will still lease or sell, and that's what that whole location is."

Here's a look at some of the projects in the area:

- **Copper Point Business Park and Copper Point Retail.** This development, located across Val Vista Drive from Mercy Gilbert Medical Center, is still under construction. Roughly 60 to 70 percent of the business park will be professional offices, said Phil Wurth, vice president of Logan Commercial Advisors, the company marketing the project. Medical offices are expected to take up this rest.

"Gilbert is growing up a little bit," Wurth said of the area. "We feel like the demand is there.

• **Spectrum Family Medical Center.** This development is also near Mercy Gilbert Medical Center, and discussions are under way with potential tenants, said Douglass, of the Upland Group. Construction on the building is expected to start in December or January, and plans call for it to cover about 40,000 square feet of space.

• **Promenade at SanTan.** This project, at Williams Field Road and Val Vista Drive, is still in the site-planning stage, with construction expected to begin once it receives town approval. That could happen in six months, Douglass said. The development will include about 350,000 square feet of space, mostly for retail. The rest will be for offices.

• **Mercy Point Medical Center.** Construction just finished on this 30,000-square-foot development on Val Vista Drive, south of Mercy Gilbert Medical Center. It is about half-sold, said Kyle LeSueur, marketing coordinator for UTAZ Development Corp.

• **Boston UTAZ Professional Village.** Construction is expected to wrap up in 2008 on this project, also by UTAZ Development Corp. It will cover 87,000 square feet and be located at Val Vista Drive and Boston Street. There are five committed tenants for the professional village, LeSueur said.

• **The Forum at Gilbert Ranch.** The intersection of Val Vista Drive and Williams Field Road will get busier with the Forum at Gilbert Ranch planned for the northwestern corner. The development will feature 10 buildings, five of which will be for office space.

• **Main Street Commons.** Office space is also planned on the site of Main Street Commons. Phoenix-based Opus West Corp is planning to build two three-story office buildings with about 95,000 square feet each on the site at Val Vista Drive and Pecos Road, said Jeff Roberts, the company's vice president for real-estate development.

The company still needs to get approvals from the town, get the concept refined and evaluate market conditions, Roberts said.

• **Rome Towers and more.** Gilbert's tallest building, Rome Towers, is a five-story structure that will have about 105,000 square feet of offices.

A financial-advisory firm has committed itself to up to 3,200 square feet.

Even more projects could be coming down the road.