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Palisades Private Capital Fund I Acquires \$34.5 Mil AZ Office Asset

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Palisades Private Capital Fund I (PPCFI), a \$50 mil fund sponsored by Palisades Mexico Partners (PMP), has acquired a 147.4k sf office building in Scottsdale, AZ. The property was sold by Westport Capital Partners for \$34.5 mil (\$234/sf).



Located at 4141 N. Scottsdale Rd, at the northeast corner of Scottsdale Rd and Indian School Rd, the three-story, Class A building was 91.3% leased at the time of sale. Situated in the heart of Scottsdale's best location, the famous "Old Town" area, the asset is surrounded by countless amenities, an excellent demographic and a highly professional labor pool.

The building boasts spectacular panoramic views, lush landscaped courtyards, new hardscape renovations, efficient floor plates for small, medium and large tenants and a three-level subterranean parking garage with a parking ratio of 3.79 per 1,000.

PMP is a joint venture of Joaquin de Monet, founder and managing principal of Palisades Capital Realty Advisors, LLC, a U.S.-based investment management and advisory firm, and Sergio Argüelles, president/CEO of Monterrey, Mexico-based FINSA, one of the foremost industrial real estate development firms in the Americas.

"For PMP, 4141 represented a unique opportunity to acquire a classic Scottsdale office building that is continuing to attract credit tenants such as Aetna Life Insurance Company and Fresenius Medical Care," said de Monet. "With 4141 as our second acquisition in the past three weeks and our third acquisition in Arizona since July, we are moving fast to solidify our position in the Phoenix metropolitan area," he added.

"This outstanding Old Town asset is a strategic fit with our portfolio," said Argüelles, a highly successful Mexican real estate investor who transformed a family-owned company into one of Mexico's most important real estate firms. "The building's secure and growing cash flow will improve with the opportunity to lease up three remaining vacancies as rental values improve," he continued.

Dennis Desmond and Brian Ackerman of Jones Lang LaSalle represented both sides in the transaction. The financing was arranged by Chris Casey at JLL.

Palisades Private Capital Fund I, which is doubling the fund to \$100 in the first part of 2015, is focused on value-add, Class A and B office assets in growing western suburban markets. The fund is initially acquiring institutional-quality office assets in Southern California, Arizona, Colorado and Texas. In addition to this property, the company recently acquired Chandler Corporate Centers I and II in Chandler, Arizona.