

P R E S S R E L E A S E



FOR IMMEDIATE RELEASE

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New Speculative Office Project Breaks Ground in North Phoenix

Phoenix – Aug. 24, 2015 – USAA Real Estate Company of San Antonio, Texas, in association with Tempe, Arizona-based Metro Commercial Properties, has broken ground on a speculative office development in the I-17 / Deer Valley submarket in Phoenix. The development, named Norterra West, will include two (2), three-story Class-A office buildings approaching 300,000 square feet, and will capitalize on the pent-up demand for large blocks of quality, contiguous space from users looking to enter or expand into the economically attractive Phoenix labor market.

Norterra West -- the first speculative office development to break ground within the City of Phoenix in the last five years -- is situated on a 23.3-acre land site prominently situated along the northbound I-17 Freeway in north Phoenix, at 25700 and 25800 North Norterra Parkway.

Construction began in July 2015 on the first of the two planned office buildings at Norterra West. The site master plan and the architectural design of the first building were led by Tempe, Arizona-based design firm Davis; Wespac Construction is the general contractor. That first building is a three-story, 144,350 square foot, Class A office building that will be ready for tenant occupancy in June 2016. The building is LEED® targeted and will have a surface parking ratio of six (6) spaces per 1,000 square feet, with the ability to serve a parking ratio as high as 8 per 1000 with the construction of garage structures.

“Norterra West is one of the only large master-planned corporate office parks in Phoenix that combines excellent accessibility, new and efficient office product, walk-able retail amenities, and affordable residential opportunities into a cohesive park environment,” stated Ryan Foley, Principal and Chief Operating Officer of Metro Commercial Properties. “Norterra’s master plan governance includes very strong development standards designed to preserve the safe, secure and quality office environment required by corporate users to aggressively recruit and retain an educated and affordable labor base.”

A second phase office building has been entitled through the City of Phoenix Planning department, to be located immediately north of the Phase One Building, which when completed, will accommodate employment growth at the Norterra West master planned corporate office park, to a total of more than 1,800 employees at the 2-building campus.

“Adding new high-quality speculative corporate office space is a good sign for the Phoenix economy,” said Mayor Greg Stanton. “Norterra West will help the City of Phoenix match prospective local, national and

global employers with immediate and competitive office space while tapping into our educated and affordable labor base.”

USAA Real Estate Company has selected CBRE as its exclusive agent to market and pre-lease Norterra West. The team of Ashley Brooks, Jr., Jim Bayless and Jenny Aust Turner was selected given their extensive focus on the North and Northwest Valley submarkets, their long-standing relationships with many of the large corporate back-office users in the Deer Valley / I-17 submarket, and their proven experience working with Greater Phoenix Economic Council (GPEC) leadership, and the office of Phoenix Economic Development.

“Office vacancy rates in the Deer Valley office submarket remain above stabilized levels, but there is a shortage of large blocks of Class-A office that can provide the high-density parking ratios, power infrastructure, and large efficient open office environments that Fortune 500 companies want,” said CBRE’s Ashley Brooks. “With our partners at USAA Real Estate Company and Metro Commercial Properties, we hope to raise the bar and provide new office product that will be unmatched in the North Phoenix submarket.”

“USAA is catalyzing growth with innovative development in north Phoenix,” said Phoenix City Councilwoman Thelda Williams, in whose district Norterra West will be built. “Breaking ground on a Class A office development is a win for Phoenix because it attracts growth in other businesses and retail, and brings much needed office space to our market.”



From L to R: Mike Edwards, Davis; Dirk Mosis, USAA Real Estate Co.; Rob Schaffer, USAA; Mayor Greg Stanton, City of Phoenix; Council Woman Thelda Williams, City of Phoenix; Pat Althoff, Metro Commercial Properties; Bruce Pedersen, USAA Real Estate Co.; Brad Smidt, GPEC

CBRE Press Release

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About Metro Commercial Properties, Inc.

Metro Commercial Properties is a regional development and property management enterprise, based in Tempe since 1985. Metro develops and manages office and industrial real estate both for its own equity account, as well as for public and private institutional capital clients. Its current development portfolio consists of 700,000 square feet of new speculative office and industrial development, and a commercial property management portfolio consisting of 3.3 million square feet. For more information about Metro and its current development projects, visit www.mcpaz.com.

About USAA Real Estate Company

USAA Real Estate Company, with approximately \$12 billion in assets under management, provides co-investment, acquisition, build-to-suit and development services for corporate and institutional investors. The USAA portfolio consists of office, industrial, retail and hotel properties as well as investments in real estate operating companies with annual volume transactions exceeding \$1 billion. USAA Real Estate is a subsidiary of USAA, a leading financial services company, serving military families since 1922. For more information, visit www.usrealco.com.

