



Outside the Region: Sterling Org. acquires 98,701 s/f Union Plaza

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Phoenix, AZ The Sterling Organization has acquired Union Plaza, a grocery-anchored shopping center located at the intersection of W. Union Hills Dr. and N. 19th Ave. The property was purchased in an off-market transaction from a private investor on behalf of Sterling's institutional grocery-anchored shopping center core fund, Sterling United Properties I, LP (SUP I), for \$15.2 million or \$154 per s/f.

The 98,701 s/f shopping center was built in 1977 and is anchored by a 56,594 s/f Fry's Food & Drug. The property is currently 99% occupied. Other tenants at the property include junior anchor Ace Hardware, Great Clips, Little Caesar's Pizza, H&R Block and Cricket Wireless.

"Sterling was attracted to this investment opportunity for our SUP I fund due to its strong real estate fundamentals and location at a highly trafficked intersection in a densely populated submarket with approximately 140,000 people in a 3-mile radius," said Ed Senenman, senior managing director of investments and portfolio management for Sterling Org. "Fry's Food & Drug, a division of Kroger, is the leading grocer in the Phoenix MSA and the Union Plaza store's sales volume and health ratio are both particularly strong."

"Union Plaza checks all the criteria boxes for our SUP I fund," added Brian Kosoy, managing principal, president and CEO of Sterling Org. "We expect Union Plaza will generate the solid and consistent cash flow returns we target on behalf of our SUP I investor partners. Our team continues to curate an exceptional portfolio of assets for our SUP I fund with very attractive risk-adjusted return investment characteristics."

The property is Sterling's second property in the city after having acquired Palm Valley Marketplace in Goodyear in June of 2017. Sterling, which opened an office in Los Angeles less than three years ago, now owns nine properties in the western U.S. From coast to coast, the firm and its principals own 10 million s/f of retail and other commercial real estate approaching \$2 billion in value.

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