

Norterra Parkway - Phoenix, Arizona



The annual population growth in the Norterra area has increased at an annual pace of over 5% since 2010, well above the overall Phoenix Metroplex. Area growth is expected to substantially outpace the broader Market over the next 5 years, as estimates indicate area population will rise at an annual rate of over 3%.

The Norterra area has a much larger concentration of high-income households. This segment (\$75,000+) is expected to rise from 53% in 2010, to 65% in 2017 and approach 66% in 2022.

DEMOGRAPHICS (Source: SitesUSA)

	1 Mile	3 Miles	5 Miles
Estimated Population (2020)	12,731	30,105	84,180
Projected Population (2025)	13,927	32,738	91,333
Estimated Avg. Household Income (2020)	\$126,028	\$114,273	\$111,146
Projected Avg. Household Income (2025)	\$141,962	\$127,694	\$125,456
Average Household Size (2020)	2.8	2.6	2.7
Total Daytime Employees (2020)	379	8,266	37,047
Median Age (2020)	35.0	34.6	35.3

TRAFFIC COUNTS (2020 Source: SitesUSA)

Norterra Parkway	15,126
North Valley Parkway	7,582
Total Cars Per Day	22,708

NORERRA FIESTA

FOR LEASE OR SALE

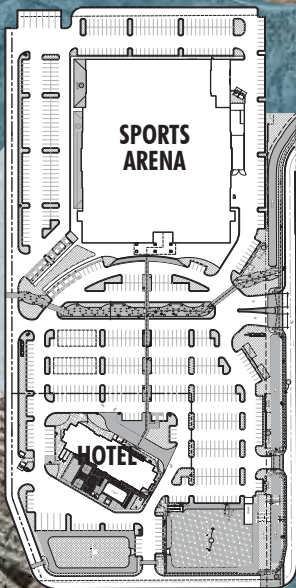
North Valley Parkway & Norterra Parkway - Phoenix, Arizona

3.79 ACRE COMMERCIAL SITE IN THE NORTH CANYON CORRIDOR



PROJECT HIGHLIGHTS

- The Norterra property is located along the Interstate 17 corridor, 20 minutes from Central Phoenix.
- 33% of the residents in the Norterra area are in their prime working years of 35 to 54, compared to 26% in the overall Phoenix Metroplex.
- The estimated average household income in the Norterra area is just under \$114,000 compared to \$80,500 in the overall Phoenix Metroplex.
- Major employment in the area includes:
 - **USAA** - 1.6 million square feet and 5,000 employees - 1,000 more high tech jobs being added November, 2018
 - **WL Gore Co.**, 40-acre R&D facility two miles to the north
 - **Honeywell, American Express and Discover Card** along I-17
 - **The Deer Valley Airpark** - sustaining over 33,000 jobs, to the south along North Valley Parkway / 19th Avenue
 - **John C. Lincoln Sonoran Health** - now open with 40,000 SF and future medical campus



PROPOSED 19 ACRE PLAN

SPORTS ARENA:
 174,000 sf
 2 Ice Rinks
 5 Courts for basketball & volleyball
 Second story restaurant for 250

HOTEL:
 4 Stories
 56,095 gsf
 Pool
 Grocery Items
 Potential Other Retail

SANDRA DAY O'CONNOR
 HIGH SCHOOL
 2,513 STUDENTS

PROPOSED REGIONAL PARK

USAA
 CORPORATE CAMPUS:
 5,000 Employees
 1.6 Million Square Feet

NORTERRA
 MIXED-USE PROJECT
 Phase 1 - 300-400
 residential lots &
 multi-family sites
 (Under Construction)

NORTERRA CANYON SCHOOL
 910 STUDENTS

HAPPY VALLEY RD

PINNACLE PEAK RD

DEER VALLEY AIRPARK

SONORAN FOOTHILLS

PHOENIX SONORAN
 DESERT PRESERVE

CAVE BUTTES
 RECREATION AREA

COMMUNITY SURVEY

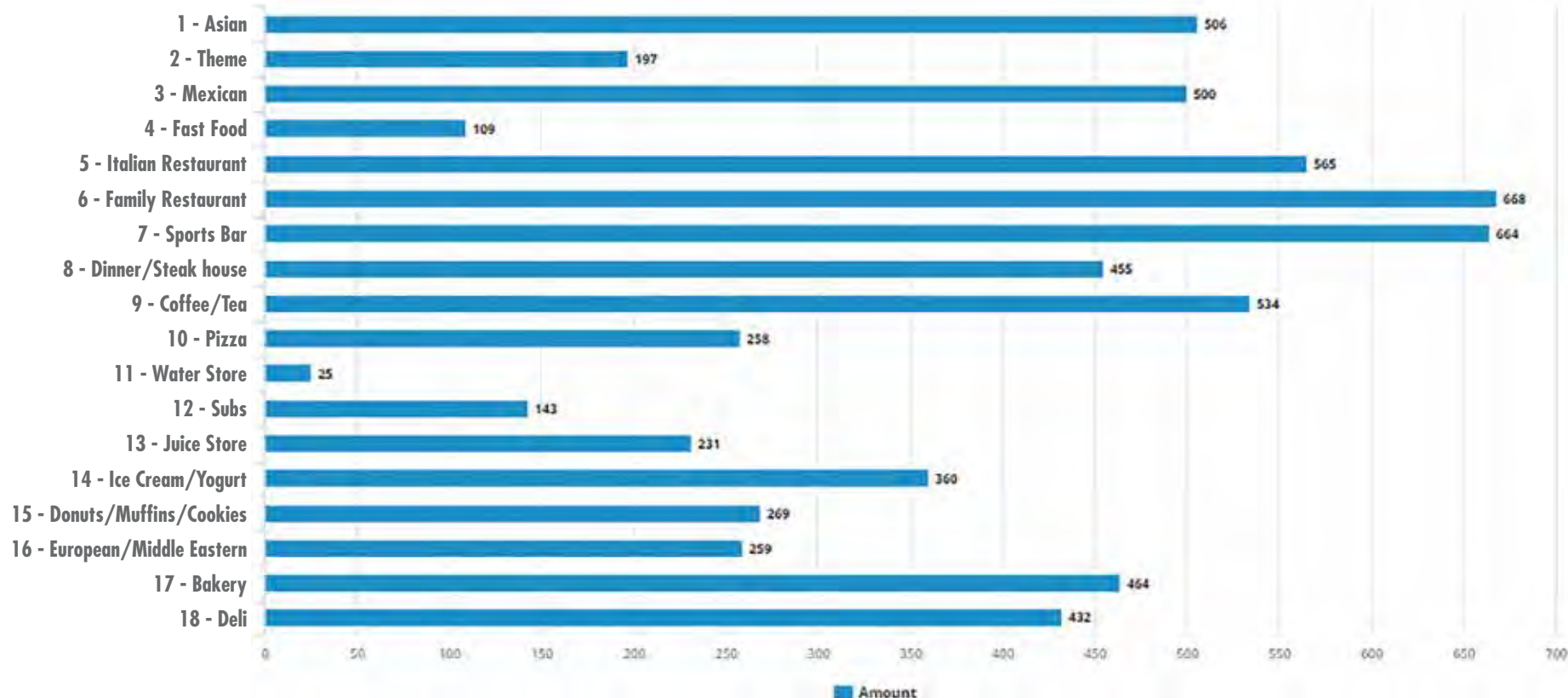
1517 Total Responses 26.8% Participation Rate 100.0% Completion Rate 32:58 min Avg Completion Time (Trimmed)

Views 5654
Completed 1517
Not Finished 0



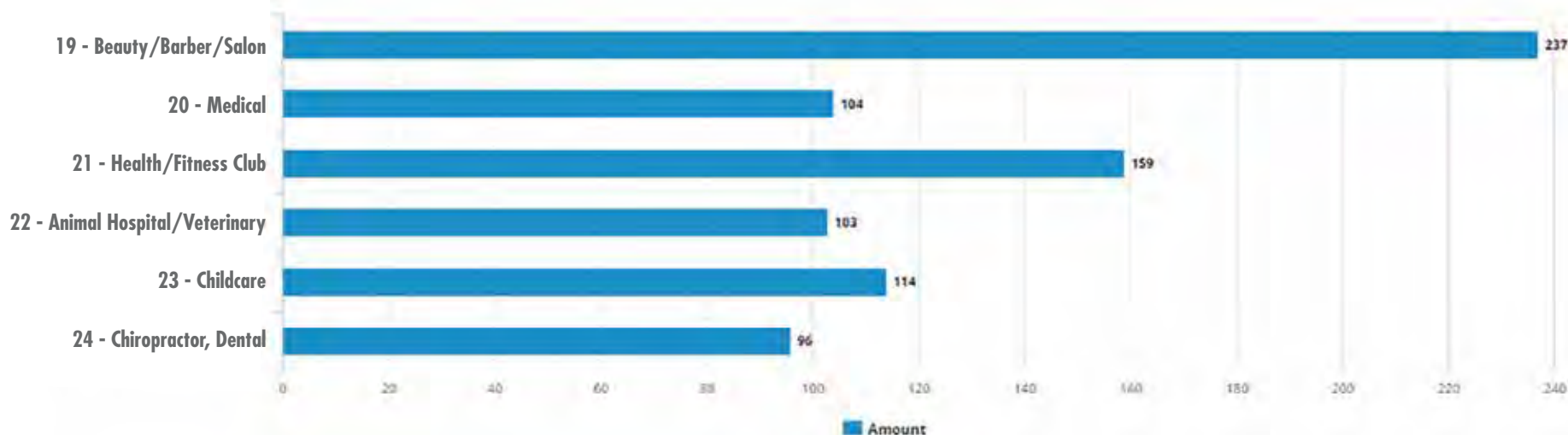
Restaurant/Food:

Number of responses: 1478



Other:

Number of responses: 536



Summarizing the feedback from the categories above, community response was, in this order:

Restaurant/Food:

- Family Restaurant
- Sports Bar
- Italian Restaurant
- Coffee/Tea
- Asian
- Mexican

Other:

- Beauty/Barber/Salon
- Health/Fitness Club
- Childcare

There was also a write-in section, which invited participants to give feedback regarding categories or specific tenant names that may not have been represented in the choices presented. In addition to checking categories of interest to complete the survey, many respondents submitted additional information in the write-in section.

Of those responses, the following were the most common requests:

- Wine Bar/Postinos
- Coffee/Dutch Bros, Press
- Fox type concepts

Updated 05.23.2018

For additional information:

PAUL SERAFIN
602-553-2943
paul.serafin@derito.com

CARL JONES, JR.
602-393-0117
carl.jones@derito.com

NORTERRA TRADE MARKET AREA

The Norterra Trade Market Area has been divided into two separate areas around the intersection of North Valley Parkway and North Norterra Parkway in the City of Phoenix in Maricopa County. The Primary Trade Area's north border generally follows West Sonoran Desert Drive, the east border extends to the mountains where development ends, the south border runs along West Jomax Road, and the west border follows Interstate 17. The Secondary Trade Area extends north to Carefree Highway (74) and south to Happy Valley Road.

The annual population growth in the Norterra area has increased at an annual pace of over 5% since 2010, well above the overall Phoenix Metroplex.

Area growth is expected to substantially outpace the broader Market over the next 5 years, as estimates indicate area population will rise at an annual rate of over 3%.

Owner-occupied units in the trade area, as a share of all housing, were estimated at 72.7% in 2017, well above the Phoenix Market rate of 59.8%. This high ratio is typical in growth areas mostly made up of suburban locations, with limited high density housing. In the

In the Norterra area, 33% of the residents are in their prime working years of 35 to 54, compared to 26% in the overall Phoenix Metroplex.

The estimated average household income in the Norterra area is just under \$112,000 compared to \$80,500 in the overall Phoenix Metroplex.

The Norterra area has a much larger concentration of high-income households. This segment (\$75,000+) is expected to rise from 53% in 2010, to 65% in 2017 and approach 66% in 2022.

The Norterra households with incomes from \$75,000 to \$99,000 are anticipated to increase more than any other segment in the Trade Market Area, from less than 11% in 2010 to 24% in 2022 growing from about 300 households to more than 1,000 households.

The Norterra Area median household income is currently estimated at \$91,036, compared to \$59,214 in the Phoenix Market, with an anticipated 0.2% increase over the next five years.

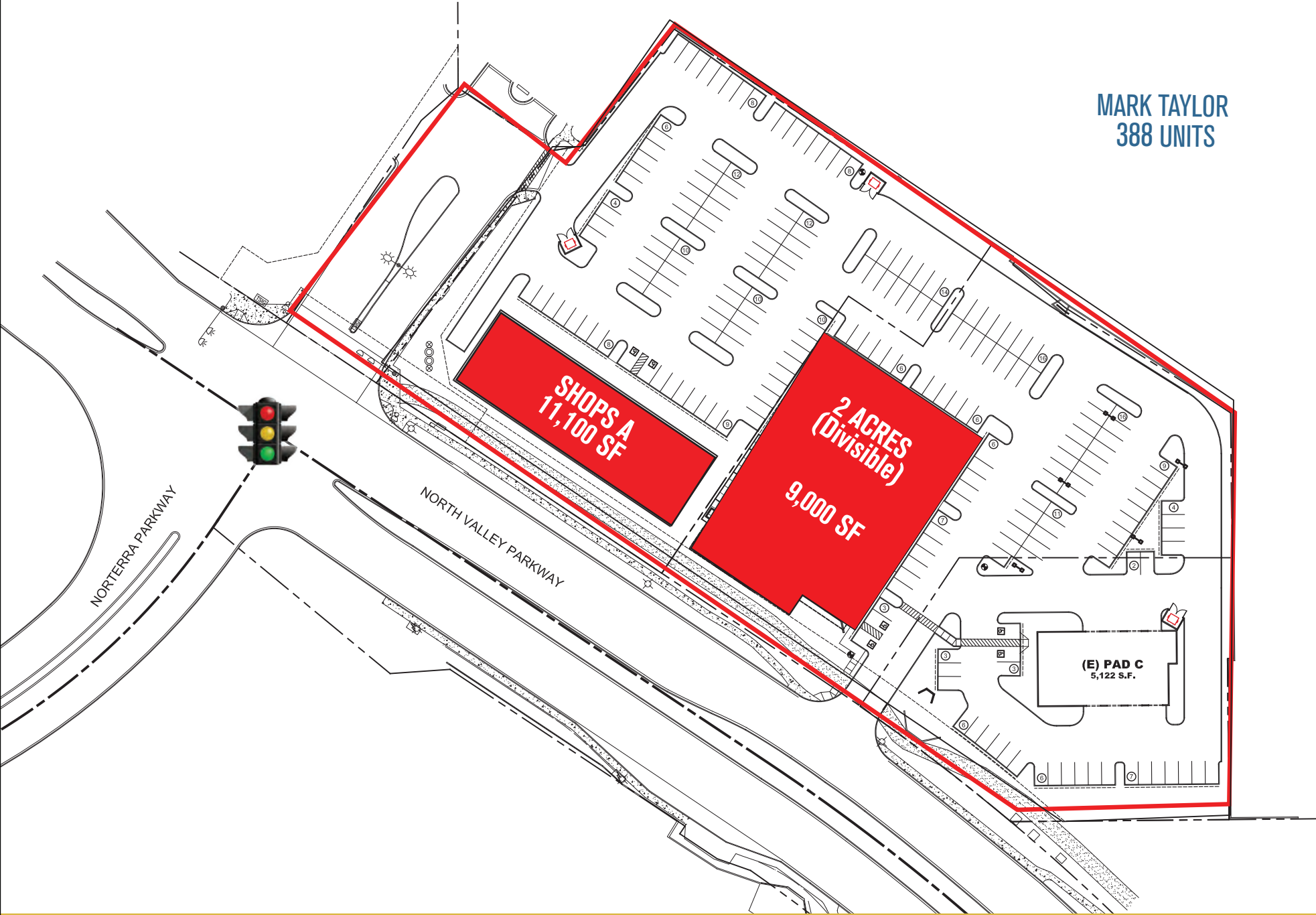
The new home closing price distribution in the Norterra trade area is in the middle of trends that continue to broaden the buyer profile of the area. With a median detached new home price of \$385,000, the area includes young and growing families, some first-time buyers, as well as movedown, empty-nester couples.

Owner-occupied units in the trade area, as a share of all housing, were estimated at 72.7% in 2017, well above the Phoenix Market rate of 59.8%. This high ratio is typical in growth areas mostly made up of suburban locations, with limited high density housing.

Compared with other growth areas in the Phoenix Market, the Norterra area has several advantages including a convenient location in close proximity to shopping, dining, and entertainment, in picturesque high desert setting, with major transportation routes such as I-17 and the 101 Loop nearby.



**MARK TAYLOR
388 UNITS**



Published: August 28, 2015
Volume: XXI Number: 34

SUNBELT HOLDINGS BRINGING RESIDENTIAL COMPONENT TO NORTERRA NEXT YEAR

Phoenix - The first phase of the 398-acre **NorTerra** mixed-use project in Phoenix is expected to have 300 to 400 residential lots and multi-family sites available to builders in 2016. The property, located at the northwest corner of 19th Avenue and Happy Valley Road, is part of a 578-acre tract being developed by [USAA Real Estate Co.](#) of San Antonio, Tex. [Sunbelt Holdings Inc.](#) in Scottsdale ([John Graham](#), pres.) has been hired as master developer of the Norterra project and is expected to have more details on the mix



DEVELOPMENT PHASING PLAN
NORTERRA
Phoenix, AZ



of the single family lots and multi-family sites later this year. In all, there are a maximum of 2,200 dwelling units targeted for Norterra. Of those, 1,000 to 1,200 will be single family homes and 800 to 900 are planned as multi-family units. [Nate Nathan](#), [Dave Mullard](#) and [Casey Christensen](#) of [Nathan & Associates Inc.](#) in Scottsdale have the marketing assignment on the residential portion of Norterra. The mixed-use project, which also has employment, commercial and hotel uses, is bounded on the north by Jomax Road, on the south by Happy Valley Road, on the east by 19th Avenue and on the west by Interstate 17. Immediately west of the proposed Norterra development is the 105-acre [USAA Phoenix Corporate Campus](#), which has 600,000 sq. ft. of existing office buildings and another 350,000 sq. ft. of office space that is underway. [The Shops at Norterra](#) encompasses a 75-acre parcel along the east side of I-17 and includes 345,000 sq. ft. of existing retail developed by USAA and [RED Development LLC](#) in Phoenix. In addition to the residential use, the Norterra project also calls for 200,000 sq. ft. to 300,000 sq. ft. of retail space, 500,000 sq. ft. to 700,000 sq. ft. of new office buildings and a hotel with 150 rooms. According to a land use plan on file in Phoenix, primary access to Norterra will be from a "prominent new entrance" at Happy Valley Road and Norterra Parkway leading to a Main Street boulevard and Town Center. A narrative on Norterra says, "a variety of amenities and frequent activities are designed to create a close sense of community and bring residents together." The amenities will include a community center, pocket parks within the residential areas, an inter-connected pedestrian trail system and community park with sports fields and other recreational options for residents and USAA employees. Norterra will be developed in phases with phase one starting in the southern half of the site located north of Happy Valley Road and between 19th Avenue and Norterra Parkway. Sunbelt Holdings has developed numerous top notch residential communities in the Valley over its 35 years of existence. [Sean Walters](#) is the contact at Sunbelt Holdings . . . call him at (480) 905-0770. **Steve Ames** of USAA is at (800) 531-8182. Reach the Nathan & Associates agents at (480) 367-0700.

HonorHealth Hits Construction Milestone With New Valley Hospital

Article originally posted on [AZ Big Media](#) on July 11, 2019



HonorHealth, a leading Valley healthcare system serving an area of 1.6 million people, brought together [staff](#) and community members today to celebrate the topping out of its sixth Valley hospital located at Interstate 17 and Dove Valley Road in north Phoenix.

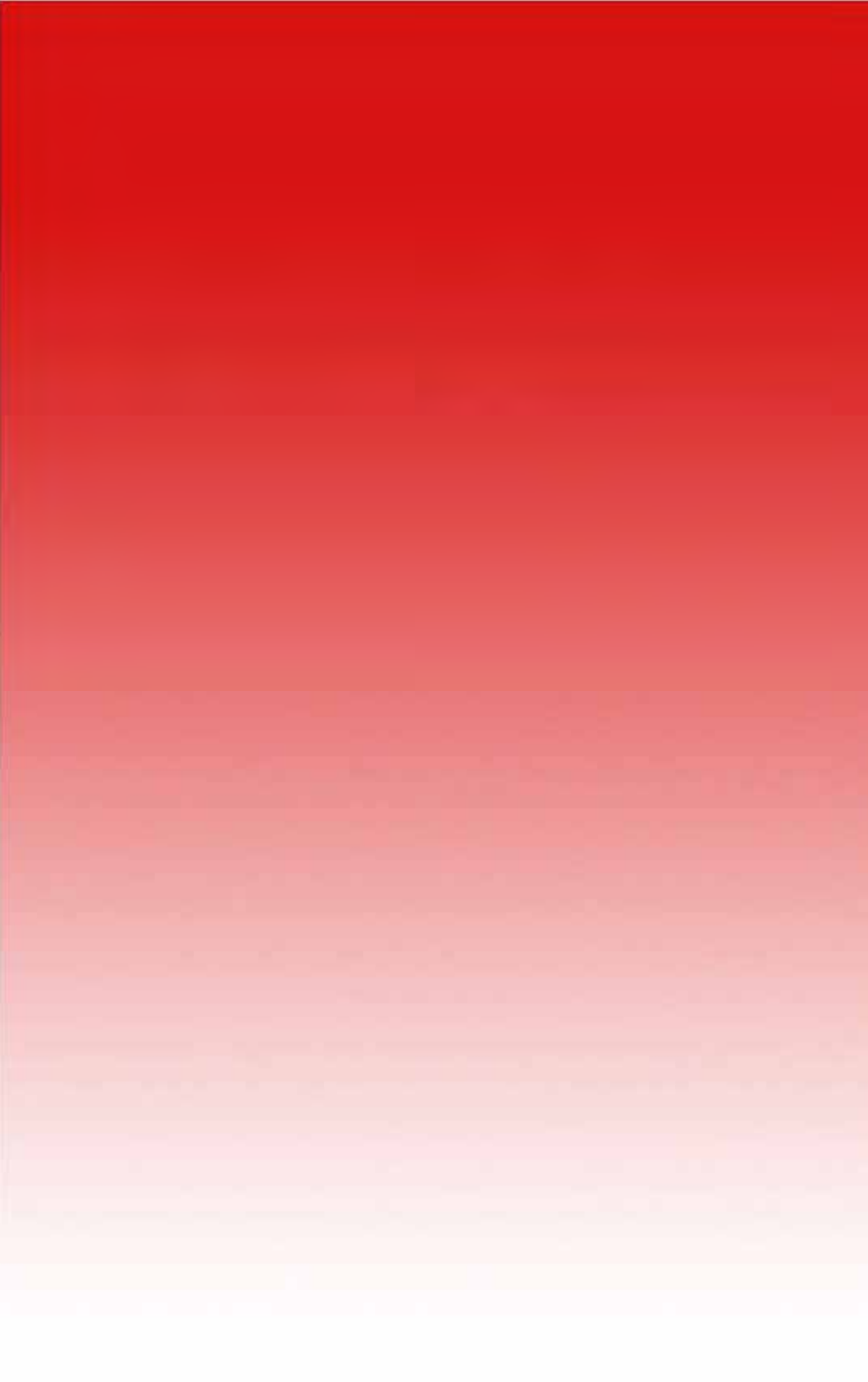
Dozens of people attended the event commemorating the last major milestone before construction on the three-story hospital is complete.

“Today marks another step forward in HonorHealth’s century-long legacy of improving the health and well-being of patients in our communities,” said HonorHealth CEO Todd LaPorte. “With the opening of this new hospital, we are able to extend our reach and provide North Phoenix and Anthem residents with access to award-winning, comprehensive care that’s close to home.”

Once complete, the new 210,000-square-foot HonorHealth Sonoran Medical Center will feature an inpatient hospital offering 40 beds, with the ability to expand to nearly 80 beds, based on the needs of the community. The facility will also feature a new 24-hour emergency center for patients of all ages, [minimally invasive](#) orthopedic and spine services, a state-of-the-art surgical unit, and comprehensive obstetrical and gynecological care with labor delivery services and a Level II neonatal intensive care unit.

The existing Sonoran Health and Emergency Center, which serves 17,000 patients annually, will become an outpatient center that includes a Breast Health Center, medical imaging services and space for future expansion. In addition, a new ambulatory surgery center on the campus will offer cost-effective, same-day surgical services and will house obstetric, pediatric, orthopedic and general surgery physician offices.

Slated to open in September 2020, the HonorHealth Sonoran Medical Center represents an investment of \$170 million in the community.



Introduction

The purpose of this analysis is to measure the household and population growth around the Norterra retail site located at the intersection between North Valley Parkway and North Norterra Parkway, analyzing the market within this influence area in order to give a population growth forecast. Using this projection will enable the client and its prospective retailers to make decisions about the site's potential.

Methodology

The Metrostudy housing survey monitors the supply of detached and attached homes on a quarterly basis. Our survey tracks all condominium, townhome, duplex and single-family construction activity in the 2-county Phoenix Market. The survey allows us to accurately track the size of the total market, as well as supply and demand within the sub-markets. Further, it helps us establish the depth of the market and the scope of the competition. In this study, Metrostudy supplemented the quarterly data with fieldwork specifically needed to analyze the competitive market area within the Phoenix Market.

Norterra Trade Market Area

The Norterra Trade Market Area has been divided into two separate areas around the intersection of North Valley Parkway and North Norterra Parkway in the City of Phoenix in Maricopa County. The Primary Trade Area's north border generally follows West Sonoran Desert Drive, the east border extends to the mountains where development ends, the south border runs along West Jomax Road, and the west border follows Interstate 17. The Secondary Trade Area extends north to Carefree Highway (74) and south to Happy Valley Road.



Exhibit 2: *Norterra TMA Map*

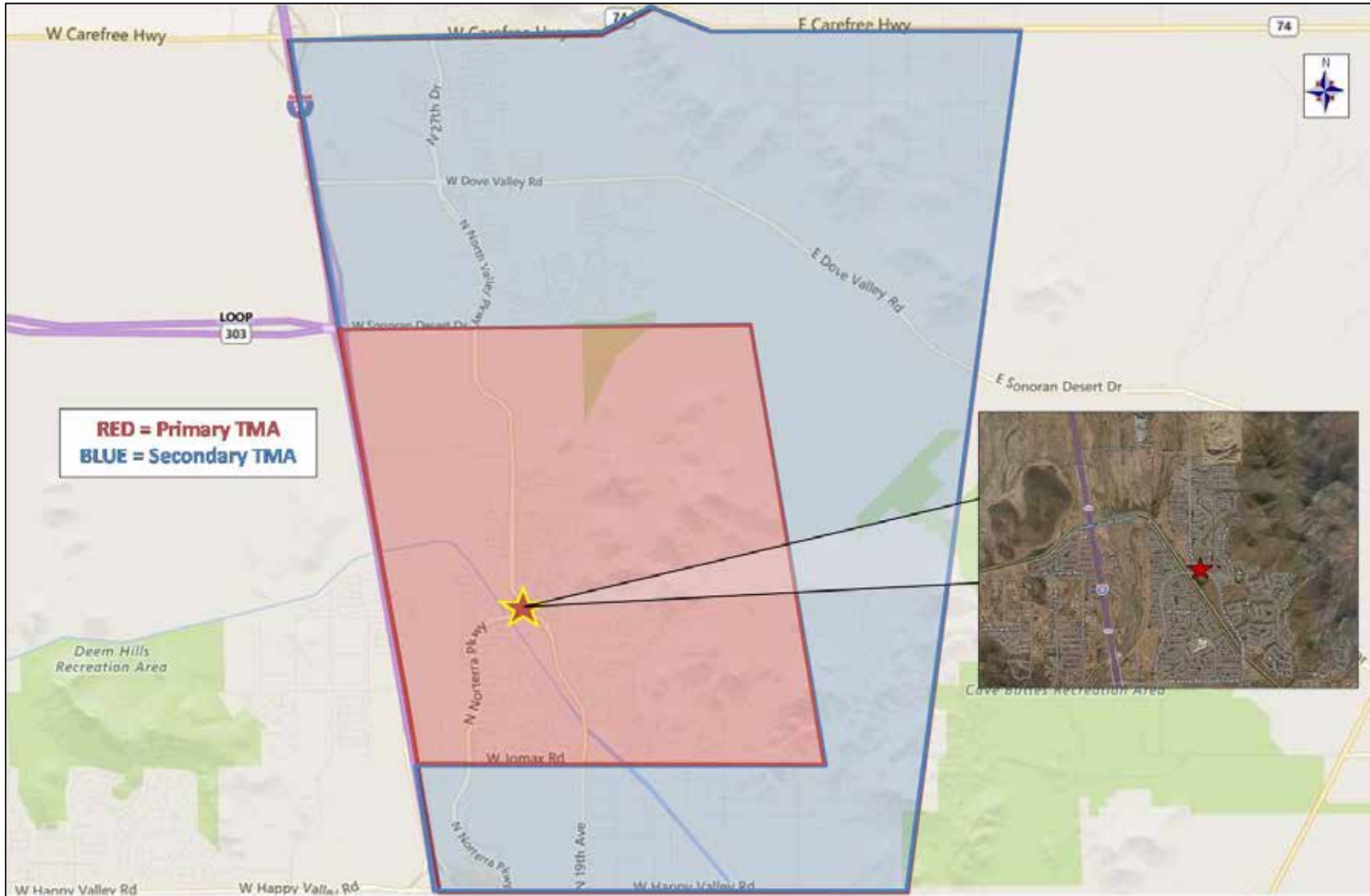
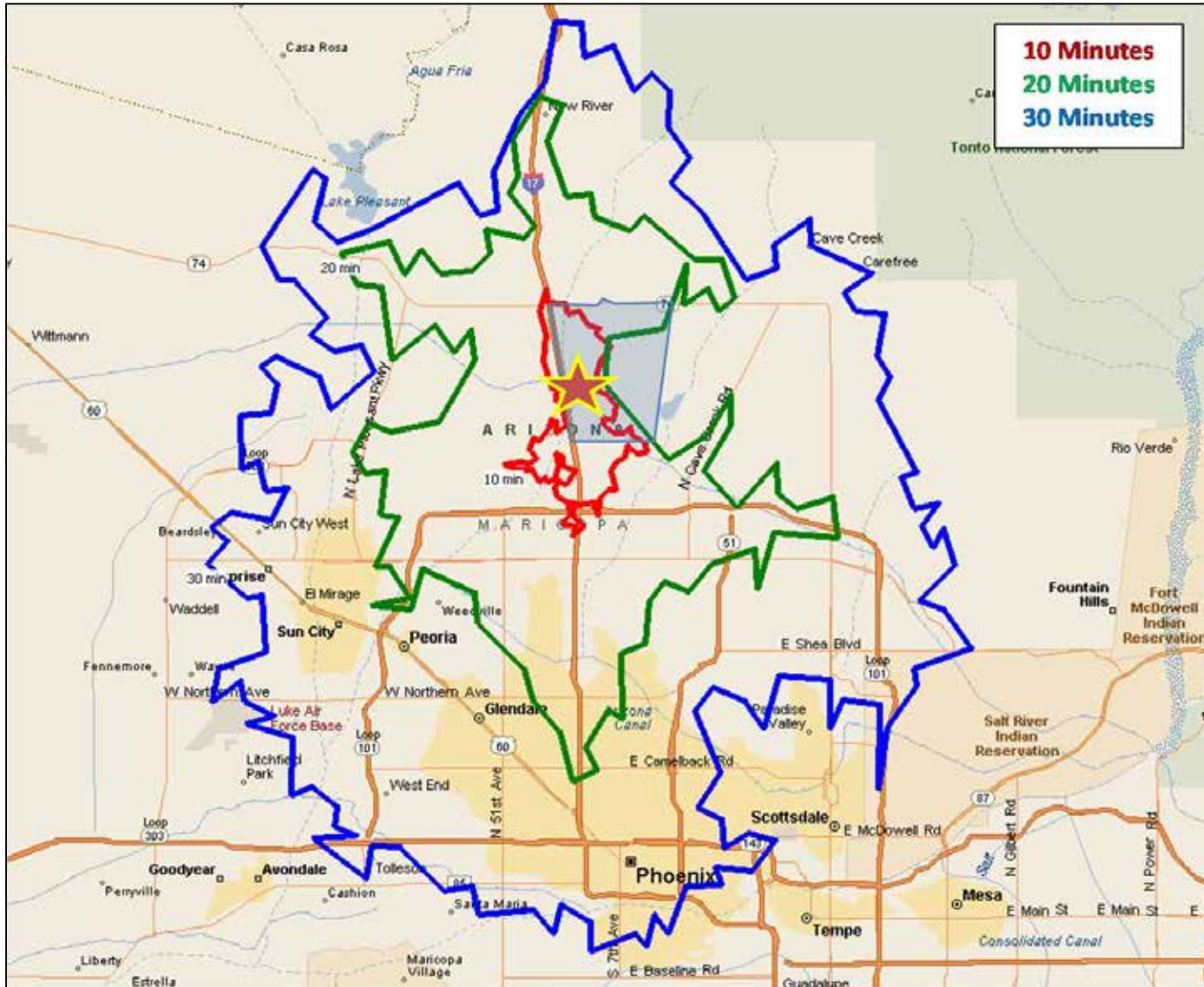


Exhibit 3: *Norterra Drive-Time Map*



Norterra Primary Trade Area



Demographics and Population Growth

Annual population growth within the Norterra Primary Trade Area developed at an annual pace of 5.2% since 2010; this was well above the average annual pace of growth in the overall Phoenix Market. The Primary Trade Area growth is expected to substantially outpace the broader Market over the next five years, as estimates indicate the Trade Area population will rise at an annual rate of 3.2%, surpassing 13,300 residents and reaching 4,600 households.

Primary Trade Area Total Population & Households

Norterra Primary Trade Market Area			
	2010 Census	2017 Estimate	2022 Projection
Population	7,992	11,387	13,340
Total Numerical Change	---	3,395	1,953
Total Percent Change	---	42.5%	17.2%
Annual Number Change	---	485	391
Annual Percent Change	---	5.2%	3.2%
Households	2,722	3,926	4,600
Total Numerical Change	---	1,204	674
Total Percent Change	---	44.2%	17.2%
Annual Number Change	---	172	135
Annual Percent Change	---	5.4%	3.2%
Average Household Size	2.9	2.9	2.9
CMA % of Market			
Population	0.2%	0.2%	0.3%
Households	0.2%	0.2%	0.2%

Source: Metrostudy/Neustar/U.S. Census Bureau

Owner-occupied units in the trade area, as a share of all housing, were estimated at 72.7% in 2017, well above the Phoenix Market rate of 59.8%. This high ratio is typical in growth areas mostly made up of suburban locations, with limited high density housing.



Residents in the Primary Trade Area under the age of 25 make up over 38% of the population, while active adults represent just over 15%. In the Primary Trade Area, adults in their prime working years of 35 to 54 accounted for over 33% of the population, compared to less than 26% in the overall Phoenix Market.

Primary Trade Area Age Distribution

Norterra Primary Trade Market Area						
Age Group	2010 Census		2017 Estimate		2022 Projection	
	Total	%	Total	%	Total	%
0-24	2,993	37.4%	4,288	37.7%	4,973	37.3%
25-34	1,699	21.3%	1,561	13.7%	1,594	12.0%
35-44	1,575	19.7%	2,147	18.9%	2,139	16.0%
45-54	850	10.6%	1,649	14.5%	2,113	15.8%
55-64	546	6.8%	991	8.7%	1,402	10.5%
65-74	216	2.7%	534	4.7%	755	5.7%
75-84	68	0.9%	171	1.5%	293	2.2%
85+	43	0.5%	45	0.4%	73	0.5%
	7,992	100.0%	11,387	100.0%	13,340	100.0%
Annual Change						
0-24	-	-	185	5.3%	137	3.0%
25-34	-	-	-20	-1.2%	7	0.4%
35-44	-	-	82	4.5%	-2	-0.1%
45-54	-	-	114	9.9%	93	5.1%
55-64	-	-	64	8.9%	82	7.2%
65-74	-	-	45	13.8%	44	7.2%
75-84	-	-	15	14.1%	24	11.3%
85+	-	-	0	0.7%	6	10.2%
Median Age	31.3		34.1		35.5	

Source: Metrostudy/Neustar/U.S. Census Bureau

The Norterra Primary Trade Area is younger in age than the Phoenix Market overall, with a median age of 34.1 years compared to 36.9 years. The Norterra area is expected to attract more growth than the overall market between 2017 and 2022 in all ages except the 25-34 and 35-44 segments.



According to the 2010 Census, approximately 31% of households in the Phoenix Market had an annual household income of more than \$75,000 (all dollar amounts are in current dollars). Estimated at 39% through 2017, Neustar projects that this percentage will increase to more than 40% by the year 2022.

Primary Trade Area Household Income Distribution

Norterra Primary Trade Market Area						
Annual Household Inc.	2010 Census		2017 Estimate		2022 Projection	
	Total HH	%	Total HH	%	Total HH	%
Under \$25,000	159	5.8%	366	9.3%	451	9.8%
\$25,000-\$34,000	281	10.3%	231	5.9%	257	5.6%
\$35,000-\$49,000	258	9.5%	265	6.7%	301	6.5%
\$50,000-\$74,000	585	21.5%	520	13.3%	574	12.5%
\$75,000-\$99,000	298	10.9%	907	23.1%	1,105	24.0%
\$100,000-\$149,000	772	28.4%	885	22.5%	1,007	21.9%
\$150,000+	370	13.6%	753	19.2%	903	19.6%
	2,722	100.0%	3,926	100.0%	4,600	100.0%
Average Household Inc.	\$96,149		\$111,630		\$112,634	
Median Household Inc.	\$81,585		\$91,036		\$91,179	

Source: Metrostudy/Neustar/U.S. Census Bureau

The Norterra Primary Trade Area has a much larger concentration of high-income households, where this cohort (\$75,000+) is expected to rise from 53% in 2010, to 65% in 2017 and approach 66% in 2022. The Norterra households with incomes from \$75,000 to \$99,000 are anticipated to increase more than any other segment in the Trade Market Area, from less than 11% in 2010 to 24% in 2022 growing from about 300 households to more than 1,000 households. The Norterra Area median household income is currently estimated at \$91,036, compared to \$59,214 in the Phoenix Market, with an anticipated 0.2% increase over the next five years.



Exhibit 26: *Norterra Primary TMA Aerial Map of Subject Property and Future Housing Summary*



Norterra Secondary Trade Area



Demographics and Population Growth

Annual population growth within the Norterra Secondary Trade Area developed at an annual pace of 3.8% since 2010; this was well above the average annual pace of growth in the overall Phoenix Market. Trade Area growth is expected to substantially outpace the broader Market over the next five years, as estimates indicate the Norterra Area population will rise at an annual rate of 5.7%, surpassing 27,000 residents and 10,000 households.

Secondary Trade Area Total Population & Households

Norterra Secondary Trade Market Area			
	2010 Census	2017 Estimate	2022 Projection
Population	15,820	20,503	27,041
Total Numerical Change	---	4,683	6,538
Total Percent Change	---	29.6%	31.9%
Annual Number Change	---	669	1,308
Annual Percent Change	---	3.8%	5.7%
Households	5,818	7,594	10,015
Total Numerical Change	---	1,776	2,421
Total Percent Change	---	30.5%	31.9%
Annual Number Change	---	254	484
Annual Percent Change	---	3.9%	5.7%
Average Household Size	2.7	2.7	2.7
CMA % of Market			
Population	0.4%	0.4%	0.5%
Households	0.4%	0.4%	0.5%

Source: Metrostudy/Neustar/U.S. Census Bureau

Owner-occupied units in the trade area, as a share of all housing, were estimated at 61.5% in 2017, this was slightly above the Phoenix Market rate of 59.8%. This higher ratio is typical in growth areas mostly made up of suburban locations, with limited high density housing.



Residents in the Norterra Secondary Trade Area under the age of 25 make up over 36% of the population, while active adults represent just over 17%. In the Trade Area, adults in their prime working years of 35 to 54 accounted for almost 33% of the population, compared to less than 26% in the overall Phoenix Market.

Secondary Trade Area Age Distribution

Norterra Secondary Trade Market Area						
Age Group	2010 Census		2017 Estimate		2022 Projection	
	Total	%	Total	%	Total	%
0-24	5,781	36.5%	7,453	36.3%	9,778	36.2%
25-34	3,112	19.7%	2,855	13.9%	3,292	12.2%
35-44	3,017	19.1%	3,661	17.9%	4,207	15.6%
45-54	1,889	11.9%	2,995	14.6%	4,179	15.5%
55-64	1,251	7.9%	1,974	9.6%	2,996	11.1%
65-74	522	3.3%	1,105	5.4%	1,724	6.4%
75-84	171	1.1%	367	1.8%	690	2.5%
85+	79	0.5%	92	0.5%	175	0.6%
	15,820	100.0%	20,503	100.0%	27,041	100.0%
Annual Change						
0-24	-	-	239	3.7%	465	5.6%
25-34	-	-	-37	-1.2%	87	2.9%
35-44	-	-	92	2.8%	109	2.8%
45-54	-	-	158	6.8%	237	6.9%
55-64	-	-	103	6.7%	204	8.7%
65-74	-	-	83	11.3%	124	9.3%
75-84	-	-	28	11.5%	65	13.4%
85+	-	-	2	2.3%	16	13.6%
Median Age	32.1		34.8		36.1	

Source: Metrostudy/Neustar/U.S. Census Bureau

The Norterra Secondary Trade Area is younger in age than the Phoenix Market overall, with a median age of 34.8 years compared to 36.9 years. The Norterra area is expected to attract more growth than the overall market between 2017 and 2022 in all ages except the 25-34 and 35-44 segments.



According to the 2010 Census, approximately 31% of households in the Phoenix Market had an annual household income of more than \$75,000 (all dollar amounts are in current dollars). Estimated at 39% through 2017, Neustar projects that this percentage will increase to more than 40% by the year 2022.

Secondary Trade Area Household Income Distribution

Norterra Secondary Trade Market Area						
Annual Household Inc.	2010 Census		2017 Estimate		2022 Projection	
	Total HH	%	Total HH	%	Total HH	%
Under \$25,000	441	7.6%	614	8.1%	824	8.2%
\$25,000-\$34,000	520	8.9%	569	7.5%	740	7.4%
\$35,000-\$49,000	698	12.0%	909	12.0%	1,206	12.0%
\$50,000-\$74,000	1,143	19.6%	1,144	15.1%	1,462	14.6%
\$75,000-\$99,000	817	14.0%	1,474	19.4%	1,989	19.9%
\$100,000-\$149,000	1,431	24.6%	1,450	19.1%	1,851	18.5%
\$150,000+	769	13.2%	1,432	18.9%	1,943	19.4%
	5,818	100.0%	7,594	100.0%	10,015	100.0%
Average Household Inc.	\$94,325		\$106,554		\$107,524	
Median Household Inc.	\$78,289		\$84,507		\$84,745	

Source: Metrostudy/Neustar/U.S. Census Bureau

The Norterra Secondary Trade Area has a much larger concentration of high-income households, where this cohort (\$75,000+) is expected to rise from 52% in 2010, to 57% in 2017 and approach 58% in 2022. The Norterra Area households with incomes of \$150,000+ are anticipated to increase more than any other segment in the Trade Market Area, from 13% in 2010 to 19% in 2022, more than doubling from about 770 households to 1,640 households. The Trade Area median household income is currently estimated at \$84,507, compared to \$59,214 in the Phoenix Market, with an anticipated 0.3% increase over the next five years.

