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## Archway Holdings Corp Completes \$20 Mil AZ Medical Office Buy

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Archway Holdings Corp, a healthcare real estate investment firm, has purchased Arrowhead Health Center, a 103.2k sf medical office property in Glendale, AZ, for \$20 mil (\$194/sf). The asset was sold by Ventas REIT, the largest healthcare real estate investment trust in America.

Arrowhead Health Center, formerly known as Arrowhead Orchards Medical Office Building, comprises two state-of-the art medical buildings plus a number of fully improved pads located at 6320 W Union Hills Drive. The institutional quality buildings, considered to be among the most luxurious medical office buildings in Arizona, were constructed in 2002 and 2006, and are situated adjacent to the 217-bed Arrowhead Hospital in Glendale's affluent Arrowhead Ranch submarket.

The property is currently 65% leased to high quality, seasoned tenants and provides the buyer an opportunity to increase cash flow by leasing up the asset, taking advantage of its superior income demographics, location, design, strong tenant demand and tight supply. This is the fourth such asset Archway has purchased in the past 10 months and currently the company, which specializes in the repositioning of medical office buildings in the western United States, is in the process of repositioning approximately 400k sf of medical office space in Arizona.

"We view vacancy, in sub-markets with appropriate demographics, as an asset in this new healthcare paradigm where small healthcare practitioners are being replaced by large practice groups that will be the likely ones to continue to thrive, thereby creating a premium for large contiguous square footage" said Sean Moghavem, Archway's president.

Commercial real estate advisory firm Lucent Capital, which has arranged \$40 mil of financing for various Arizona product in just the past 14 days, arranged extremely low cost financing on behalf of Arrowhead Health Center LLC for the acquisition and repositioning of the property. Braxton Glass of Orion Investment Real Estate represented Archway in the transaction.

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