

East Thunderbird Square



East Thunderbird Square North has come a long, long way since Strategic Retail Group took over leasing for the center's new owners last year.

Known to long-time Airparkers as the home of Sapporo's restaurant, Jolta Java and the now-defunct Farrelli's Cinema Supper Club, the property was foreclosed upon during the Recession, as many businesses within shuttered.

"When we took over, there was approximately 42,000 square feet of vacancy—and we have solved 37,000 square feet of vacancy," says Jason Fessinger, a partner of SRG, which has offices at Scottsdale Quarter. "That kind of absorption is a great story to tell in the Airpark area."

New tenants include Valley-based StudioFIT and the family-run mattress store Sack Time. But it was landing a 30,000-square-foot Goodwill store last October that has proven a boon to the entire center, where rents are in the upper teens and low twenties.

The cavernous Farrelli's space, which will require costly renovation, remains vacant, though SRG has active prospects, Fessinger says. The square's occupancy now stands at over 90 percent, with only a few 1,000- to 2,000-square-foot vacancies still available.

Key to restoring a shopping center's vitality is conducting an analysis of tenants missing from the mix, then actively marketing to businesses that will enrich the location as a whole, Fessinger says. Strong prospects for the remaining vacancies include wireless providers and service and retail tenants.

At first glance, East Thunderbird Square and Scottsdale Town Center II to the south look like a single entity on the northwest corner of Scottsdale and Thunderbird Roads—and at one time they had the same owner, the Raskin family, which built the center in two phases, calling the sections East Thunderbird Square North and South. The whole center was sold to another group via two separate loans, which subsequently let it go back to the banks.

The property to the south was bought in August by Tucson-based real estate and investment firm Holualoa Companies, and has undergone several improvements. CW Capital retained the north center, however, to recoup its losses. Fessinger says tenant interest and leasing in North Scottsdale has increased and landlords have benefited.

"I think this Airpark area will continue to evolve and improve all the time," he says. ■