

REAL ESTATE

'Boutique' apartment building planned at Camelback Lakes office complex

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An office building owner in the Camelback corridor is seeking to add a luxury apartment to its site, following a trend of adding infill development to increase a property's uses.

The office complex, called Camelback Lakes, is on 26th Street and Camelback Road and is proposing to develop a 75-unit apartment complex on the north side of the property, just east of the Hillstone restaurant.

The area around 24th Street and Camelback has long been one of the major office markets in the city and has attracted a lot of high-end apartments and condo developments.

“We are seeing demand in this area for a lot of uses,” Jason Morris, the zoning attorney for the development project said. The developer of the project is Mainstreet Capital Partners.

Redeveloping a parking garage

The development will include replacing some of the existing parking garage, which is used by employees who work in the office building. The new apartment would include some shared parking for both the apartments and offices, which has become a popular way to get more use out of the lots, which are used by office workers during the day and apartment residents at night.

When the office was built, Morris said, it had an appropriate amount of parking. But now, with people often working from home for portions of the week, and fewer meetings taking place in person, the demand for office parking has changed.

Morris said the proposed apartment would be a “boutique” development, with larger, luxury units. According to documents submitted to the city, the building is planned to be five stories

tall. The second story will have an outdoor deck with a swimming pool and outdoor grilling and game areas.

“This is unlike your typical multifamily development,” he said. “It’s meant to be smaller, and we are taking advantage of the view corridors on the site. There aren’t many opportunities like this in the city.”

Morris said the public hearing process for the development will begin in early 2024, and the earliest development could start would be 2025.

Adding apartments to office a growing trend

Developing on office parking lots has become a popular way to add uses in areas that are already very built out. Morris said the method is more cost-effective than attempting to convert an existing building to a new use but can have the same effect of adding more activity to an area.

When the office developments were built, Morris said, they “didn’t depend on efficiency,” so many had more parking or open space than they needed, so there are opportunities for infill development.

About a mile from Camelback Lakes, on 21st Street and Highland Avenue, Holualoa Cos. is planning to develop an apartment complex in an office parking lot.

The project, called Dwell, is the second Valley location for one of the developments, which aimed to add housing in areas that are highly desirable, walkable places to live.

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