



## Navigating the Metro Phoenix Class B Real Estate Market

David Hrizak • published in the February 2024 issue

**T**he Metro Phoenix commercial real estate market has been a focal point of attention, and the Class B sector, in particular, experienced noteworthy developments in 2023.

Streamline Capital Group found an opportunity in this sector in its inaugural year and is eager to continue with big plans for 2024.

Streamline Capital Group comprises a trio of commercial real estate professionals—Chief Executive Officer David Hrizak, Chief Client Officer Frank Stirpe Jr., and Chief Legal Officer Scott Roney.

Using their model of acquiring Class B office buildings with value-add opportunities, this trio took advantage of Metro Phoenix's Class B real estate sector as they navigated through a dynamic environment marked by economic recovery, changing consumer behavior, and ongoing technological advancements.



(left to right): CEO David Hrizak, Chief Client Officer Frank Stirpe Jr., and Chief Legal Officer Scott Roney.

One of the defining features of the 2023 Metro Phoenix Class B real estate market was a surge in demand for flexible office spaces. As businesses adapted to hybrid work models, the need for versatile and adaptable office spaces increased.

Class B properties, with their competitive pricing and moderate amenities, became attractive options for businesses seeking cost-effective solutions without compromising functionality.

Furthermore, the technology sector continued to be a driving force behind the demand for Class B spaces. Start-ups and downsizing companies, in particular, found the flexibility and affordability of Class B properties appealing as they sought to establish and retain their operations in Metro Phoenix.

Streamline Capital Group was established in January 2023. By late June 2023, Streamline paid \$5 million to acquire a two-building, 39,000 SF office complex at 2600 N. 44th St., in Phoenix for the firm's first deal.

In February, Streamline will purchase its second building, this one, for \$2.8 million. Located at 1234 S. Power Road in Mesa, the 18,000 SF office complex offers 13 units, one of which will become the firm's headquarters.

As the economic landscape continues to evolve, Streamline Capital Group closely monitors the trends shaping the Metro Phoenix Class B real estate market as it moves into 2024. The firm expects several factors to shape the trajectory of this sector in the coming year.

- **Continued demand for flexibility:** The trend of remote and hybrid work is likely to persist, driving demand for flexible office spaces. Class B properties, with their adaptable layouts and reasonable pricing, are

expected to remain popular for businesses looking to establish a physical presence in Metro Phoenix.

- **Technology sector influence:** Technology sector growth is expected to continue driving demand for Class B spaces. Start-ups and tech companies, attracted by the city's business-friendly environment, will contribute to the demand for office spaces with moderate amenities.
- **Investor confidence:** The Metro Phoenix Class B real estate market will remain strong in 2024. The city's economic resilience and population growth will likely sustain interest in Class B assets, balancing risk and return.



As we look ahead to 2024, Streamline Capital Group plans to continue its growth.

Beginning the year with three entities—Streamline Capital Group, Streamline Development, and Streamline Asset Management—the firm will rebrand as The Streamline Companies.

“Whether a client’s needs lie in construction and development, real estate investments, or asset management, Streamline Capital Group is committed to addressing them comprehensively, delivering results while optimizing cost-efficiency and profit generation, all within specified timelines,” CEO David Hrizak said.

As the new year began, the firm proudly launched Streamline Investment Group III, LLC, a groundbreaking general fund for accredited investors. This real estate fund is strategically designed to enhance its purchasing capabilities, facilitating the acquisition of five to six investment properties throughout 2024.

By doing so, it aims to present its investors with compelling opportunities and increased diversification.

For more information, visit [thestreamlinecompanies.com](http://thestreamlinecompanies.com).

David J. Hrizak, Chief Executive Officer of Streamline Capital Group, is a dynamic, versatile, and seasoned leader with extensive experience in real estate strategy formulation, implementation, and development. Demonstrating a history of creative deal-making, he has been involved in an array of transactions in the office, retail, industrial, medical, and residential sectors aggregating over \$400MM. He can be reached at [djh@thestreamlinecompanies.com](mailto:djh@thestreamlinecompanies.com).

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