

## CONDO PROJECT SEEN AS OPENING TO OWNERSHIP

*Grayson Steinberg, Special for The Republic*

### **A local developer hopes to spin the home owning dreams of working-class Phoenix residents into gold.**

Phoenix-based Olive Branch Communities said it believes turning old apartments into owner-occupied units is a low-cost way to provide affordable housing.

The company's first project is Partenza on Highland, a 73-unit condo conversion of a 1960s apartment complex. It is near Highland Avenue and 13th Street. Most units there will sell in the \$160,000s, putting them in striking range of affordability for police officers, firefighters, and other public servants, said Erez Leshem, the Israeli-born managing partner of Olive Branch Communities.

"I was a military boy," Leshem said. "I grew up knowing what it's like to live without money."

Jon Kitchell, president of the Canal North Neighborhood Association, believes Partenza could help clean up the area. "It's a very nicely done revamp of what was there already and what was there already was dated," said Kitchell, who is business development manager for custom homes at Phoenix-based Kitchell Corp.

Kitchell said the project could help drive a welcome trend in homeownership in his neighborhood. Average home prices there now hover in the mid-\$200,000s after nearly doubling in the past two years.

Councilman Tom Simplot is looking forward to Partenza. "It's high-quality affordable housing that is in close proximity to retail and office complexes," said Simplot, who represents the area. "That's kind of a rare commodity in central Phoenix nowadays."

Simplot said Olive Branch's strategy could prove fruitful for other aging apartment complexes in the center city.

At Partenza, sales will start this month. Qualified buyers can purchase units with no closing costs and no money down. The complex is substantially complete. The developer completely gutted the aging apartments and replaced their innards with granite countertops, stainless steel appliances and porcelain tile flooring.

"This place needs to be good enough for my mom to live in," Leshem said.

The company kept prices down by, in part, handling its own construction, he added.

Future Olive Branch projects will include a 73-unit complex at Indian School Road and 28th Street. These projects' fates depend on Partenza's success.

Olive Branch isn't the only developer seeking to tap into this market. Berkana Homes, headed by former Phoenix Mayor Paul Johnson, wants to develop more than a dozen sites over the next few years with inner-city town homes that would each cost between \$200,000 and \$250,000. Berkana's first project, at Interstate 17 and Glenrosa Avenue, was finished recently.

Leshem said he hopes more companies pursue Olive Branch's niche. "I don't consider them my foes," he said. "I consider them my comrades."

Leshem brings more than a decade of property management experience to Olive Branch. He serves as managing partner of Tidan USA, the Phoenix-based division of a Canadian real estate conglomerate his father-in-law started more than three decades ago. Its holdings include four apartment complexes in Phoenix.