

# MARKET TRENDS | PHOENIX

# INDUSTRIAL

3RD QUARTER  
2020

▲ ABSORPTION | ▲ VACANCY | ▲ RENTAL RATE | ▲ CONSTRUCTION DELIVERIES

Year-over-year change

### TOP SALE TRANSACTIONS FOR 3Q 2020

Property	Submarket	Square Feet	Sale Price	Price/SF	Buyer	Seller
PV/303 - Bldg A	Glendale	970,000	\$54,690,200	\$56.38	United Parcel Service, Inc.	First Industrial Realty Trust, Inc.
600 S 94th St	Tolleson	180,163	\$50,000,000	\$277.53	Fundamental Income	Carvana, LLC
The Landing at PMG	Chandler/N Gilbert	281,058	\$44,200,000	\$157.26	The Moulton Company	Marwest Enterprises
West 80 Industrial	Tolleson	380,000	\$43,250,000	\$113.82	Kohlberg Kravis Roberts & Co., L.P.	Westcore Properties
7000 W Buckeye Rd	Tolleson	285,022	\$42,000,000	\$147.36	AEW Capital Management	Cornerstone Arizona, LLC

### TOP LEASE TRANSACTIONS FOR 3Q 2020

Property	Submarket	Square Feet	Date	Landlord	Tenant
Airport I-10 Business Center	S Airport N of Roeser	278,161	September 2020	Wentworth Property Company	Amazon
Tolleson Corporate Park	Tolleson	259,200	August 2020	CalSTRS	MiTek USA, Inc.
Interstate Logistics Center	Tolleson	237,176	August 2020	Wentworth Property Company	Kuehne + Nagle, Inc.
Prologis Riverside Center	SW S of Buckeye Rd	223,917	September 2020	Prologis	Undisclosed
Airport 40	North Airport	211,900	September 2020	Conor Commercial Real Estate	Amazon

### TOP UNDER CONSTRUCTION

Property	Address	Submarket	Square Feet	Owner	Delivery Date
Elwood Logistics Center	161155 W Elwood St	Goodyear	1,302,434	Tratt Properties, LLC	December 2020
10480 S Vail Rd	10480 S Vail Rd	Pinal County	1,000,000	Nikola Motor Company	November 2021
Prologis Commerce Park at Goodyear	NEC Bullard Ave & Yuma Rd - Bldg 1	Goodyear	855,000	Prologis, Inc.	November 2020
Lucid Motors	NEC Thornton Rd & Peters Rd	Pinal County	820,000	Pinal County	November 2020
Park 303	Loop 303 & Glendale Ave - Bldg A	Glendale	705,304	Lincoln Property Company	December 2020

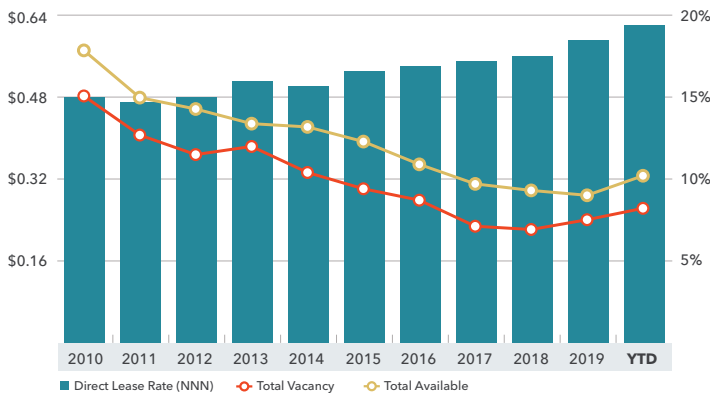
## Market Breakdown

	3Q 2020	1Q 2020	3Q 2019	Annual % Change
Vacancy Rate	8.2%	8.0%	7.5%	9.25%
Availability Rate	10.2%	10.3%	9.2%	10.87%
Asking Lease Rate	\$0.62	\$0.62	\$0.58	6.90%
Lease Transactions	5,651,320	4,940,740	5,582,075	1.24%
Sale Transactions	5,105,248	3,204,200	11,535,555	-55.74%
Direct Net Absorption	2,040,296	4,249,552	2,488,942	N/A

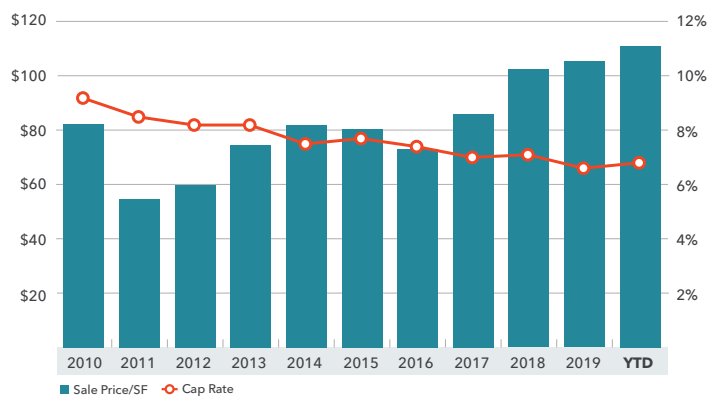
**PHOENIX SUBMARKET STATISTICS**

Submarket	Total Inventory	Direct Vacancy Rate	Total Vacancy Rate	3Q20 Direct Net Absorption	YTD Direct Net Absorption	SF Under Construction	YTD Construction Completions	3Q20 Total Leasing Activity	YTD Total Leasing Activity	Avg Rental Rate (NNN)
North Airport	12,314,877	7.6%	7.8%	(2,441)	(41,557)	150,700	320,700	504,744	633,928	\$0.73
South Airport North of Roeser	14,655,970	6.0%	6.2%	2,239	72,570	-	-	479,933	897,124	\$0.87
South Airport South of Roeser	4,231,817	4.3%	4.3%	30,038	(28,628)	-	-	13,292	232,729	\$0.57
SC North of Salt River	14,456,988	6.8%	6.8%	206,849	30,351	94,146	-	300,359	599,673	\$0.71
SC South of Salt River	2,291,530	9.7%	9.7%	3,000	(28,305)	-	-	3,000	7,347	\$0.60
<b>Airport Area</b>	<b>47,951,182</b>	<b>6.7%</b>	<b>6.8%</b>	<b>239,685</b>	<b>4,431</b>	<b>244,846</b>	<b>320,700</b>	<b>1,301,328</b>	<b>2,370,801</b>	<b>\$0.75</b>
Central Phoenix	3,462,190	2.8%	3.2%	7,648	(10,176)	0	0	27,044	72,637	\$0.68
Scottsdale Airpark	6,362,323	8.1%	8.1%	(68,822)	(109,637)	0	0	142,870	315,773	\$1.10
Scottsdale/Salt River	5,247,929	3.0%	3.2%	(18,587)	(3,043)	0	37,812	48,516	124,567	\$1.08
<b>Northeast</b>	<b>15,072,442</b>	<b>5.1%</b>	<b>5.2%</b>	<b>(79,761)</b>	<b>(122,856)</b>	<b>-</b>	<b>37,812</b>	<b>218,430</b>	<b>512,977</b>	<b>\$1.04</b>
Deer Valley/Pinnacle Park	16,642,431	5.7%	6.0%	164,560	305,519	193,600	212,692	181,136	622,992	\$0.83
Glendale	13,840,723	8.5%	9.7%	1,308,143	2,768,488	4,654,321	2,814,059	156,565	1,208,663	\$0.49
Grand Avenue	11,737,889	3.2%	3.2%	42,553	(19,692)	0	0	37,141	279,954	\$0.42
North Black Canyon	4,008,927	6.0%	6.0%	19,562	58,178	0	0	88,595	271,054	\$1.15
Surprise	3,857,458	5.6%	6.1%	56,109	(53,892)	0	36,000	75,183	198,748	\$0.78
West Phoenix North of Thomas Rd	7,027,503	5.0%	5.0%	(24,132)	(82,645)	0	0	101,887	286,551	\$0.49
West Phoenix South of Thomas Rd	6,448,959	2.8%	2.8%	72,765	31,955	0	0	24,104	216,112	\$0.61
<b>Northwest</b>	<b>63,563,890</b>	<b>5.5%</b>	<b>5.9%</b>	<b>1,639,560</b>	<b>3,007,911</b>	<b>4,847,921</b>	<b>3,062,751</b>	<b>664,611</b>	<b>3,084,074</b>	<b>\$0.62</b>
Pinal County	8,656,270	2.9%	2.9%	(345)	125,057	1,820,000	0	7,500	159,100	\$0.53
<b>Pinal County</b>	<b>8,656,270</b>	<b>2.9%</b>	<b>2.9%</b>	<b>(345)</b>	<b>125,057</b>	<b>1,820,000</b>	<b>-</b>	<b>7,500</b>	<b>159,100</b>	<b>\$0.53</b>
Chandler Airport	4,505,321	19.4%	19.4%	28,004	170,223	452,850	842,456	66,734	439,002	\$0.75
Chandler	21,958,567	7.8%	8.4%	24,187	(154,432)	0	0	278,426	553,587	\$0.79
Chandler North/Gilbert	21,527,622	10.5%	11.8%	120,596	51,244	722,287	1,286,825	438,323	1,666,055	\$0.71
Falcon Fld/Apache Junction	4,938,629	7.3%	8.4%	31,469	187,354	0	85,554	221,146	452,550	\$0.71
Mesa	6,455,237	3.1%	3.1%	162,994	59,526	0	0	85,894	323,174	\$0.41
Tempe East	5,695,769	3.9%	3.9%	1,444	(40,078)	0	0	51,708	166,773	\$0.77
Tempe Northwest	10,706,343	4.5%	4.6%	(93,591)	(21,852)	0	0	97,701	333,552	\$0.93
Tempe Southwest	20,614,846	7.1%	7.6%	(18,746)	410,520	0	117,673	493,116	1,465,212	\$0.73
<b>Southeast</b>	<b>96,402,334</b>	<b>7.9%</b>	<b>8.5%</b>	<b>256,357</b>	<b>662,505</b>	<b>1,175,137</b>	<b>2,332,508</b>	<b>1,733,048</b>	<b>5,399,905</b>	<b>\$0.75</b>
Goodyear	15,538,011	17.3%	17.3%	(105,981)	199,993	3,189,162	1,628,140	29,589	330,847	\$0.48
Southwest North of Buckeye Rd	33,367,272	7.1%	7.1%	(594,659)	(144,887)	104,444	477,342	396,161	1,064,557	\$0.45
Southwest South of Buckeye RD	18,636,140	6.0%	6.2%	659,801	1,162,019	168,312	368,930	74,965	564,677	\$0.54
Tolleson	42,426,856	13.2%	13.2%	45,632	2,239,571	0	2,735,598	1,225,688	3,944,815	\$0.46
<b>Southwest</b>	<b>109,968,279</b>	<b>10.7%</b>	<b>10.7%</b>	<b>4,793</b>	<b>3,456,696</b>	<b>3,461,918</b>	<b>5,210,010</b>	<b>1,726,403</b>	<b>5,904,896</b>	<b>\$0.47</b>
Manufacturing & Warehouse	205,526,880	6.7%	7.1%	1,622,376	3,461,512	7,427,191	5,176,630	3,173,411	10,941,711	\$0.59
General Industrial	103,437,142	9.7%	9.8%	433,283	3,941,333	4,014,631	5,595,666	2,059,574	5,373,027	\$0.52
Flex	31,098,759	10.0%	10.3%	(16,476)	(337,147)	108,000	191,485	385,114	1,018,117	\$1.09
<b>Phoenix Total</b>	<b>341,614,397</b>	<b>7.9%</b>	<b>8.2%</b>	<b>2,060,289</b>	<b>7,133,744</b>	<b>11,549,822</b>	<b>10,963,781</b>	<b>5,651,320</b>	<b>17,431,753</b>	<b>\$0.62</b>

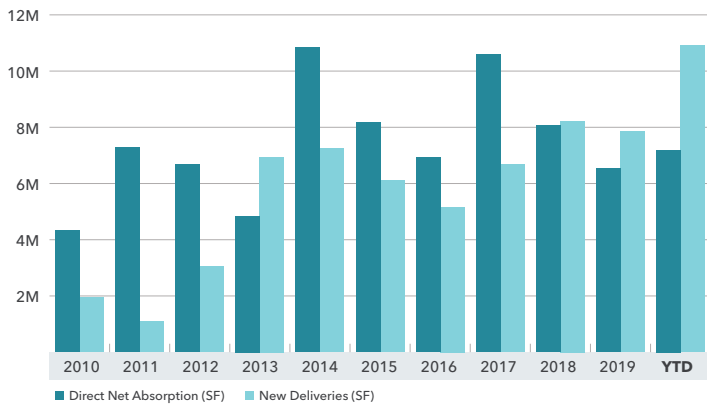
### LEASE RATE, VACANCY & AVAILABILITY



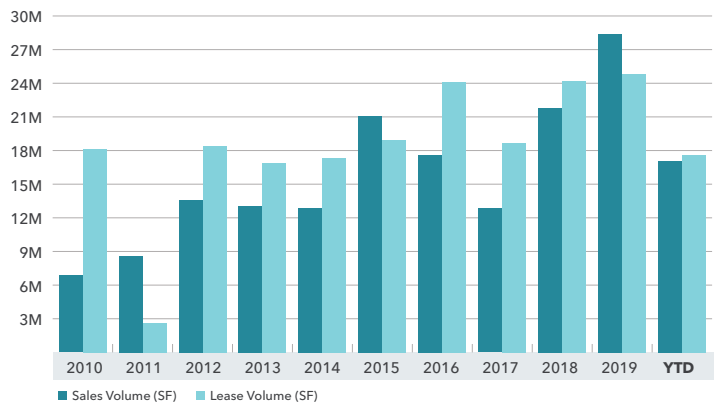
### AVERAGE SALES PRICE/SF & CAP RATES



### DIRECT NET ABSORPTION & NEW DELIVERIES



### SALE VOLUME & LEASE VOLUME



Kidder Mathews is the largest, independent commercial real estate firm on the West Coast, with 900 real estate professionals and staff in 22 offices in Washington, Oregon, California, Nevada, and Arizona. We offer a complete range of brokerage, appraisal, property management, consulting, project and construction management, and debt equity finance services for all property types.

The information in this report was composed by the Kidder Mathews Research Group.

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#### COMMERCIAL BROKERAGE

**27M** ANNUAL SALES SF      **450+** NO. OF BROKERS  
**\$9.6B** ANNUAL TRANSACTION VOLUME      **42M** ANNUAL LEASING SF

#### VALUATION ADVISORY

**1,680+** APPRAISALS ANNUALLY      **37/23** TOTAL NO. APPRAISERS/MAI'S

#### PROPERTY MANAGEMENT

**70M+** MANAGEMENT PORTFOLIO SF      **\$12B+** IN ASSETS UNDER MANAGEMENT

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