

## MARKET TRENDS | PHOENIX

# OFFICE

2ND QUARTER  
2020

▲ VACANCY | ▲ UNEMPLOYMENT | ▲ RENTAL RATE | ▼ CONSTRUCTION DELIVERIES

### TOP SALE TRANSACTIONS FOR 2Q 2020

Property	Submarket	SF	Sale Price	Price /SF	Buyer	Seller
2160 E Elliot Rd	South Tempe/Ahwatukee	150,000	\$64,500,000	\$430.00	CAMPAIGN Capital	Northwood Investors, LLC
Wells Fargo Gainey Center	Central Scottsdale	140,756	\$43,500,000	\$309.05	Ascent Real Estate Advisors	Principal Financial Group, Inc.
Perimeter Parkview Corp Center	Scottsdale Airpark	104,956	\$30,025,000	\$286.07	Rainbow Investment Co.	The Roxborough Group, LLC
Mesquite Corporate Center	Scottsdale Airpark	79,537	\$19,471,000	\$244.80	Providence Real Estate Group	Waitt Company
92 Mountainview	Central Scottsdale	116,200	\$19,200,000	\$165.23	Exeter Property Group	Equus Capital Partners, LTD

### TOP LEASE TRANSACTIONS FOR 2Q 2020

Property	Submarket	SF	Transaction Date	Landlord	Tenant
2133 W Peoria Ave	Northwest Phoenix	62,771	June 2020	Next Gen Black Canyon, LLC	Undisclosed
9440 N 25th Dr	Northwest Phoenix	59,802	April 2020	YWCA USA	Undisclosed
2100 E Rio Salado Pkwy	Tempe	44,248	April 2020	The Boyer Company	Morgan Stanley
1750 E Northrop Blvd	Chandler	28,136	June 2020	Redstone Group	Dignity Health
1840 E Guadalupe Rd	Tempe	20,040	May 2020	Robert Solliday	How MD

### TOP UNDER CONSTRUCTION

Property	Address	Submarket	SF	Owner	Delivery Date
Cavasson - Nationwide	NWC Loop 101 @ Hayden Rd	Scottsdale Airpark	460,000	Nationwide Life Insurance Co.	December 2020
One Hundred Mill	100 S Mill Ave	Tempe	287,000	Cousins Properties, Inc.	October 2021
Scottsdale Entrada	6420 E McDowell Rd	Scottsdale South	245,000	Banyan Residential	May 2021
The Union at Riverview - Bldg 1	NEC Riverview Auto Dr	Mesa East	240,000	Harvard Investments	November 2020
Wexford	850 N 5th St	Downtown	227,113	City of Phoenix Real Estate Division	October 2020

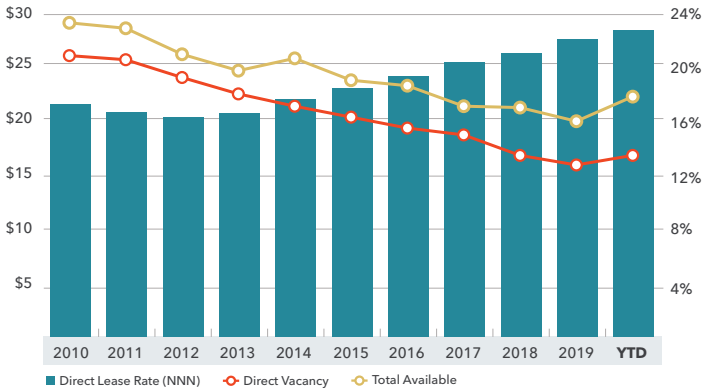
## Market Breakdown

	2Q 2020	1Q 2020	2Q 2019	Annual % Change
Vacancy Rate	13.2%	12.9%	13.0%	1.39%
Availability Rate	17.5%	15.7%	15.7%	11.77%
Asking Lease Rate	\$27.84	\$27.60	\$26.16	6.42%
Lease Transactions	936,677	2,069,541	3,106,329	-69.85%
Sale Transactions	906,177	1,522,615	2,297,550	-60.56%
Net Absorption	628,565	-70,668	397,040	N/A

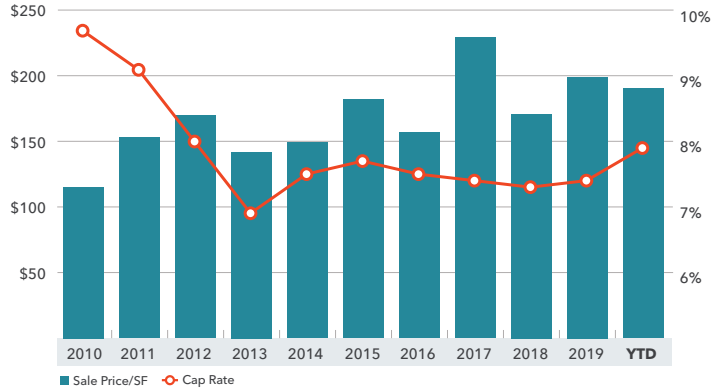
## PHOENIX SUBMARKET STATISTICS

Submarket	Total Inventory	Direct Vacancy Rate	Total Vacancy Rate	Total Available Rate	2Q Direct Net Absorption	YTD Direct Net Absorption	SF Under Construction	YTD Construction Completions	2Q Leasing Activity	YTD Leasing Activity	Avg. Direct Rental Rate (F\$)
Airport Area	9,808,774	13.0%	14.7%	15.7%	52,480	120,800	50,366	0	28,398	227,959	\$23.04
South Tempe/Ahwatukee	7,203,304	13.5%	13.7%	16.0%	(60,284)	(22,486)	117,394	0	58,301	88,919	\$25.20
<b>Airport</b>	<b>17,012,078</b>	<b>13.2%</b>	<b>14.3%</b>	<b>15.8%</b>	<b>(7,804)</b>	<b>98,314</b>	<b>167,760</b>	<b>0</b>	<b>86,699</b>	<b>316,878</b>	<b>\$24.00</b>
Downtown	10,811,992	11.9%	13.0%	22.8%	(9,207)	(21,667)	227,113	0	3,747	64,857	\$30.96
Midtown	12,183,197	18.1%	18.2%	22.1%	80,889	44,567	0	0	42,314	240,343	\$24.60
<b>Central Corridor</b>	<b>22,995,189</b>	<b>15.2%</b>	<b>15.8%</b>	<b>22.5%</b>	<b>71,682</b>	<b>22,900</b>	<b>227,113</b>	<b>0</b>	<b>46,061</b>	<b>305,200</b>	<b>\$27.36</b>
44th Street Corridor	3,849,504	11.7%	11.8%	18.5%	(48,337)	(46,092)	0	0	19,394	53,833	\$27.00
Camelback Corridor	9,110,569	16.1%	17.2%	21.2%	9,876	5,410	65,000	0	78,643	248,269	\$33.96
Midtown/Central Phoenix	4,857,751	6.1%	6.6%	8.9%	(7,424)	67,887	0	0	9,434	44,378	\$21.48
<b>East Phoenix</b>	<b>17,817,824</b>	<b>12.4%</b>	<b>13.2%</b>	<b>17.3%</b>	<b>(45,885)</b>	<b>27,205</b>	<b>65,000</b>	<b>0</b>	<b>107,471</b>	<b>346,480</b>	<b>\$31.32</b>
Chandler	11,154,980	12.8%	12.9%	12.9%	302,487	271,405	120,000	168,641	56,683	222,473	\$28.80
Gateway Airport/Loop 202	1,632,040	12.4%	12.4%	15.1%	24,374	24,940	39,000	58,647	21,708	42,418	\$30.84
Mesa Downtown	999,502	8.5%	8.5%	8.8%	2,341	8,989	0	0	2,483	16,709	\$21.84
Mesa East	2,992,680	5.3%	5.4%	17.5%	19,599	1,546	240,000	0	7,200	17,205	\$32.16
Superstition Corridor	5,236,421	10.8%	11.2%	13.0%	(28,773)	(43,890)	0	0	24,938	76,595	\$22.56
Tempe	14,710,144	9.0%	10.8%	16.3%	263,490	334,494	619,625	621,513	117,442	332,760	\$34.08
<b>East Valley</b>	<b>36,725,767</b>	<b>10.3%</b>	<b>11.1%</b>	<b>14.6%</b>	<b>583,518</b>	<b>597,484</b>	<b>1,018,625</b>	<b>848,801</b>	<b>230,454</b>	<b>708,160</b>	<b>\$30.24</b>
N Phoenix/Cave Creek	97,281	3.1%	3.1%	4.9%	0	(3,000)	0	0	0	0	\$21.96
Paradise Valley	4,018,540	10.3%	11.0%	14.6%	5,361	259,752	0	300,000	34,261	72,893	\$28.08
Piestewa Peak Corridor	2,920,029	14.7%	14.8%	19.2%	(18,201)	(32,332)	0	0	20,731	40,774	\$24.72
<b>North Phoenix</b>	<b>7,035,850</b>	<b>12.0%</b>	<b>12.5%</b>	<b>16.4%</b>	<b>(12,840)</b>	<b>224,420</b>	<b>0</b>	<b>300,000</b>	<b>54,992</b>	<b>113,667</b>	<b>\$26.52</b>
Arrowhead	2,945,670	13.7%	13.9%	15.7%	9,151	46,258	128,000	51,794	17,953	52,975	\$25.80
Deer Valley/Airport	13,284,230	13.0%	14.9%	16.3%	(128,549)	(517,083)	144,000	0	11,621	90,276	\$24.60
North I-17	510,640	18.1%	18.1%	24.5%	(2,576)	(910)	0	0	0	16,120	\$25.68
Northwest Phoenix	8,678,396	20.9%	22.0%	25.9%	(56,303)	(104,952)	0	0	151,012	285,017	\$20.52
<b>Northwest Phoenix</b>	<b>25,418,936</b>	<b>17.3%</b>	<b>17.3%</b>	<b>19.7%</b>	<b>(178,277)</b>	<b>(576,687)</b>	<b>272,000</b>	<b>51,794</b>	<b>180,586</b>	<b>444,388</b>	<b>\$22.80</b>
<b>Pinal County</b>	<b>817,345</b>	<b>7.8%</b>	<b>7.8%</b>	<b>8.1%</b>	<b>900</b>	<b>800</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$15.96</b>
Central Scottsdale	7,740,436	10.9%	11.3%	21.4%	(1,478)	(61,450)	400,000	0	41,067	198,560	\$30.36
N Scottsdale/Carefree	1,133,670	16.2%	16.5%	22.7%	6,028	(20,989)	0	0	7,846	11,726	\$26.52
Scottsdale Airpark	12,355,476	11.9%	12.6%	20.2%	(15,420)	(12,028)	800,449	0	54,221	212,436	\$30.48
Scottsdale South	6,216,655	9.8%	10.9%	19.3%	(3,868)	38,971	310,000	0	82,201	206,384	\$32.88
<b>Scottsdale</b>	<b>27,446,237</b>	<b>11.3%</b>	<b>12.0%</b>	<b>20.4%</b>	<b>(14,738)</b>	<b>(55,496)</b>	<b>1,510,449</b>	<b>0</b>	<b>185,335</b>	<b>629,106</b>	<b>\$31.20</b>
Glendale	3,034,624	7.6%	8.7%	12.0%	133,195	120,785	84,000	127,000	3,717	32,493	\$26.04
Loop 303/Surprise	1,997,079	10.9%	11.4%	11.5%	18,372	(3,650)	30,000	19,500	23,204	71,165	\$26.88
Southwest Phoenix	4,359,294	5.4%	5.4%	5.6%	3,994	3,994	50,157	0	4,076	6,076	\$26.40
West I-10	2,066,440	6.4%	7.1%	14.0%	76,448	97,828	10,000	40,000	14,082	32,605	\$26.28
<b>West Phoenix</b>	<b>11,457,437</b>	<b>7.1%</b>	<b>7.6%</b>	<b>9.8%</b>	<b>232,009</b>	<b>218,957</b>	<b>174,157</b>	<b>186,500</b>	<b>45,079</b>	<b>142,339</b>	<b>\$26.76</b>
Class A	56,282,616	12.6%	13.8%	20.9%	739,954	984,176	2,706,132	961,881	168,563	1,040,550	\$32.28
Class B	95,464,987	13.1%	13.8%	17.0%	(37,737)	(322,550)	728,972	425,214	538,803	1,578,428	\$25.08
Class C	14,952,140	6.6%	6.6%	8.4%	(73,652)	(103,729)	0	0	97,138	178,927	\$20.28
<b>Phoenix Total</b>	<b>166,726,663</b>	<b>12.3%</b>	<b>13.2%</b>	<b>17.5%</b>	<b>628,565</b>	<b>557,897</b>	<b>3,435,104</b>	<b>1,387,095</b>	<b>936,677</b>	<b>3,006,218</b>	<b>\$27.84</b>

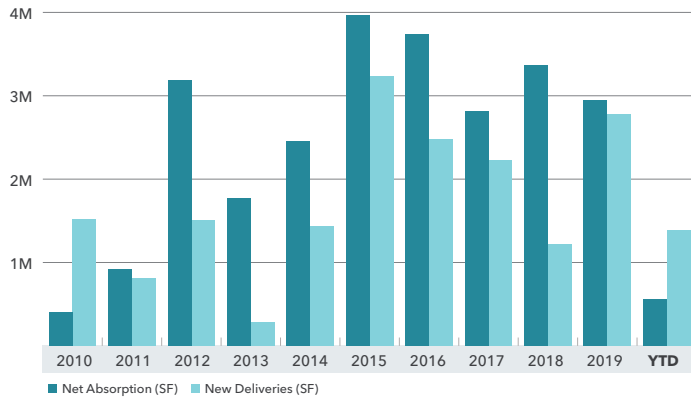
### LEASE RATE, VACANCY & AVAILABILITY



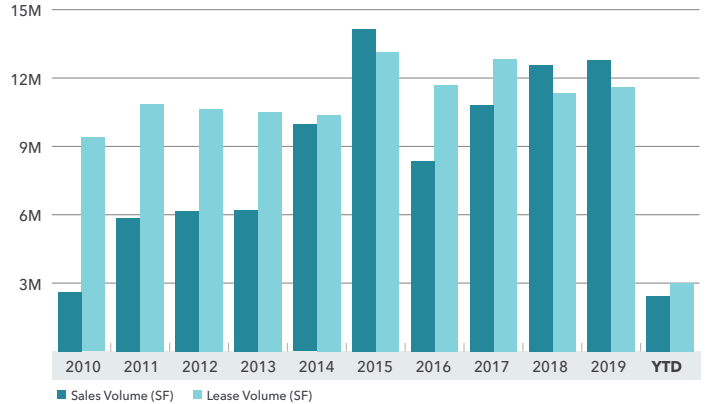
### AVERAGE SALES PRICE/SF & CAP RATES



### 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.

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#### COMMERCIAL BROKERAGE

**27M** ANNUAL SALES SF      **440+** NO. OF BROKERS  
**\$9.6B** ANNUAL TRANSACTION VOLUME      **42M** ANNUAL LEASING SF

#### VALUATION ADVISORY

**1,680+** APPRAISALS ANNUALLY      **38/23** TOTAL NO. APPRAISERS/MAI'S

#### PROPERTY MANAGEMENT

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

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