

MARKET TRENDS | PHOENIX

OFFICE

3RD QUARTER
2020

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

Year-over-year change

TOP SALE TRANSACTIONS FOR 3Q 2020

Property	Submarket	SF	Sale Price	Price /SF	Buyer	Seller
Scottsdale Gateway I	Central Scottsdale	107,049	\$27,000,000	\$252.22	Healthpeak Properties, Inc.	Equus Capital Partners, LTD
The Fordham	Piestewa Peak Corridor	88,684	\$16,750,000	\$188.87	Timothy A. Hyde	Jevan Capital
Paradise Valley Plaza	Paradise Valley	98,370	\$16,744,525	\$170.22	Cloud Peak Development, LLC	Fenway Capital Advisors
8585 E Hartford Dr	Scottsdale Airpark	29,797	\$6,850,000	\$229.89	Staffield Family, LLC	Harold Hutton Trust
Scottsdale Waterfront - 1st Flr Condo	Central Scottsdale	14,501	\$6,000,000	\$413.76	Alliance Residential Company	Equitable Home Mortgage, Inc.

TOP LEASE TRANSACTIONS FOR 3Q 2020

Property	Submarket	SF	Transaction Date	Landlord	Tenant
101 E Washington St	Downtown	31,622	August 2020	RED Development, LLC	CVO Holding Company, LLC
1840 N 95th Ave	Glendale	26,661	August 2020	The Humphreys Company	Jewish Family & Children's Services - West Valley
14000 N Pima Rd	Scottsdale Airpark	23,490	September 2020	Miller Global Properties	LCD
600 S 94th Ave	Southwest Phoenix	22,788	September 2020	Fundamental Income	DriveTime Automotive Group, Inc.
15650 N 83rd Way	Scottsdale Airpark	22,188	July 2020	Blair Singer	Undisclosed

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	November 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

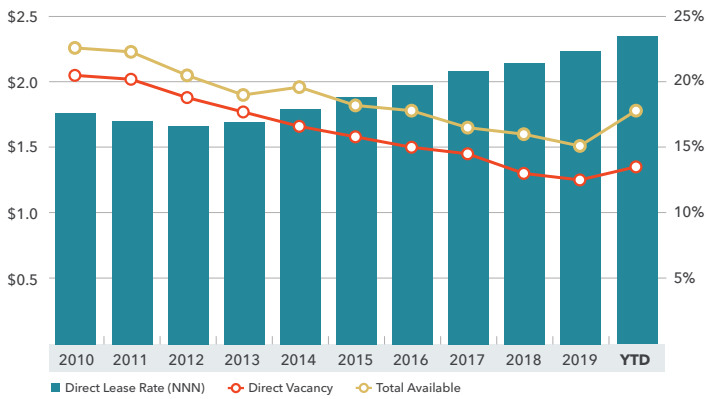
Market Breakdown

	3Q 2020	2Q 2020	3Q 2019	Annual % Change
Vacancy Rate	13.5%	13.1%	12.7%	6.41%
Availability Rate	18.4%	16.7%	15.4%	19.55%
Asking Lease Rate	\$27.96	\$27.84	\$26.28	6.39%
Lease Transactions	1,164,746	1,207,537	2,651,093	-56.07%
Sale Transactions	828,987	1,056,177	3,287,390	-74.78%
Net Absorption	84,501	693,764	866,300	N/A

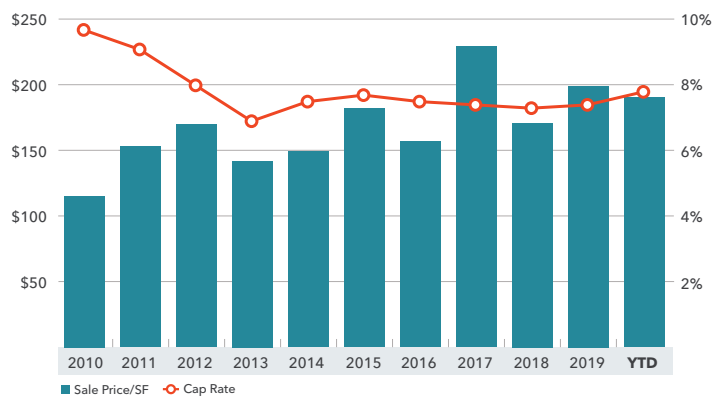
PHOENIX SUBMARKET STATISTICS

Submarket	Total Inventory	Direct Vacancy Rate	Total Vacancy Rate	Total Available Rate	3Q Direct Net Absorption	YTD Direct Net Absorption	SF Under Construction	YTD Construction Completions	3Q Leasing Activity	YTD Leasing Activity	Avg. Direct Rental Rate (FS)
Airport Area	9,847,787	12.9%	14.5%	17.4%	114,164	177,397	0	50,336	12,163	248,384	\$22.44
South Tempe/Ahwatukee	7,237,509	13.0%	13.2%	16.2%	28,111	2,138	117,394	0	73,983	166,052	\$25.08
Airport	17,085,296	12.9%	14.0%	16.9%	142,275	179,535	117,394	50,336	86,146	414,436	\$24.00
Downtown	10,827,165	12.0%	12.8%	23.2%	(11,795)	(33,462)	227,113	0	60,492	153,581	\$31.68
Midtown	12,234,877	19.5%	19.9%	23.7%	(170,901)	(127,473)	0	0	92,917	343,026	\$24.48
Central Corridor	23,062,042	15.9%	16.6%	23.4%	(182,696)	(160,935)	227,113	0	153,409	496,607	\$27.60
44th Street Corridor	3,849,192	13.2%	14.0%	20.3%	(59,759)	(104,457)	0	0	7,169	63,589	\$26.40
Camelback Corridor	9,187,487	15.9%	17.0%	21.4%	(19,405)	51,356	0	65,000	69,052	303,061	\$33.84
Midtown/Central Phoenix	4,820,911	7.0%	7.4%	9.7%	(26,747)	38,529	0	0	18,769	66,618	\$21.96
East Phoenix	17,857,590	12.9%	13.8%	18.0%	(105,911)	(14,572)	0	65,000	94,990	433,268	\$31.20
Chandler	11,159,611	11.3%	11.8%	15.6%	157,247	479,861	485,000	168,641	61,776	303,966	\$30.84
Gateway Airport/Loop 202	1,672,959	11.9%	11.9%	16.1%	4,817	28,882	61,500	58,647	12,093	61,864	\$30.96
Mesa Downtown	999,427	10.5%	10.5%	10.6%	(19,665)	(10,676)	0	0	720	17,429	\$22.20
Mesa East	2,989,582	4.9%	5.4%	16.9%	(1,989)	(443)	240,000	0	2,880	24,285	\$32.76
Superstition Corridor	5,236,520	12.7%	13.0%	15.6%	(57,623)	(141,052)	22,040	0	52,333	123,705	\$22.80
Tempe	14,822,972	9.4%	9.8%	15.9%	175,016	516,749	380,125	870,333	63,360	396,120	\$33.72
East Valley	36,881,071	10.2%	10.6%	15.7%	257,803	873,321	1,188,665	1,097,621	193,162	927,369	\$30.96
N Phoenix/Cave Creek	97,281	3.1%	3.1%	4.9%	0	(3,000)	0	0	0	0	\$21.96
Paradise Valley	4,075,193	11.2%	12.0%	16.3%	(46,689)	218,944	35,430	300,000	55,208	170,663	\$27.72
Piestewa Peak Corridor	2,920,029	15.7%	15.8%	18.8%	(27,637)	(63,171)	0	0	65,546	114,020	\$24.72
North Phoenix	7,092,503	12.9%	13.4%	17.2%	(74,326)	152,773	35,430	300,000	120,754	284,683	\$26.52
Arrowhead	2,944,142	14.3%	14.5%	15.2%	(18,399)	29,748	128,000	51,794	36,177	86,282	\$26.16
Deer Valley/Airport	13,332,731	13.5%	15.5%	17.1%	(20,633)	(435,018)	144,000	14,500	44,871	146,232	\$25.20
North I-17	510,640	19.8%	19.8%	25.9%	(8,541)	(9,451)	0	0	2,857	18,977	\$24.48
Northwest Phoenix	8,710,999	20.0%	20.5%	25.3%	141,195	(31,227)	0	0	73,242	362,323	\$20.64
Northwest Phoenix	25,498,512	17.2%	17.2%	19.9%	93,622	(445,948)	272,000	66,294	157,147	613,814	\$23.04
Pinal County	817,345	8.0%	8.0%	8.1%	(1,665)	(865)	0	0	0	14,400	0
Central Scottsdale	7,722,838	12.1%	12.8%	26.3%	(78,021)	(150,494)	402,000	0	84,163	294,980	\$29.76
N Scottsdale/Carefree	1,133,670	15.5%	15.7%	22.1%	7,540	(12,559)	0	0	6,130	17,856	\$25.92
Scottsdale Airpark	12,393,037	13.3%	14.2%	20.9%	(59,154)	(89,761)	785,000	15,449	125,165	393,110	\$30.24
Scottsdale South	6,306,850	9.9%	11.2%	19.6%	50,239	87,578	244,998	65,000	66,221	273,863	\$33.60
Scottsdale	27,556,395	12.3%	13.2%	22.1%	(79,396)	(165,236)	1,431,998	80,449	281,679	979,809	\$30.96
Glendale	3,121,353	8.7%	9.8%	10.3%	27,863	148,648	16,000	195,500	44,039	99,016	\$26.52
Loop 303/Surprise	2,017,610	10.1%	10.6%	11.3%	14,162	9,460	0	19,500	3,143	77,242	\$26.88
Southwest Phoenix	4,543,451	5.2%	5.2%	5.4%	(3,523)	34,628	0	34,157	22,788	28,864	\$26.64
West I-10	2,000,000	11.2%	12.3%	14.5%	(3,707)	17,111	0	50,000	7,489	44,863	\$26.40
West Phoenix	11,682,414	8.0%	8.6%	9.3%	34,795	209,847	16,000	299,157	77,459	249,985	\$27.00
Class A	56,810,080	13.0%	14.0%	22.6%	123,221	1,157,450	2,770,630	1,394,381	354,980	1,488,215	\$32.64
Class B	96,011,670	13.5%	14.2%	17.5%	(7,075)	(358,570)	517,970	564,476	639,283	2,359,747	\$24.96
Class C	14,834,498	6.9%	7.0%	7.8%	(31,645)	(170,960)	0	0	76,218	261,215	\$20.16
Phoenix Total	167,533,168	12.7%	13.5%	18.4%	84,501	627,920	3,288,600	1,958,857	1,164,746	4,414,371	\$27.96

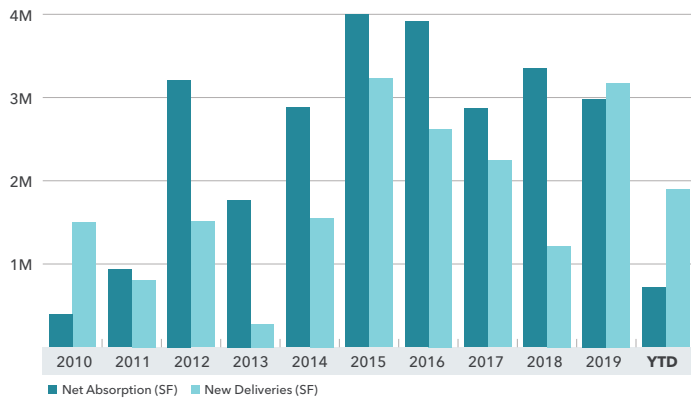
LEASE RATE, VACANCY & AVAILABILITY



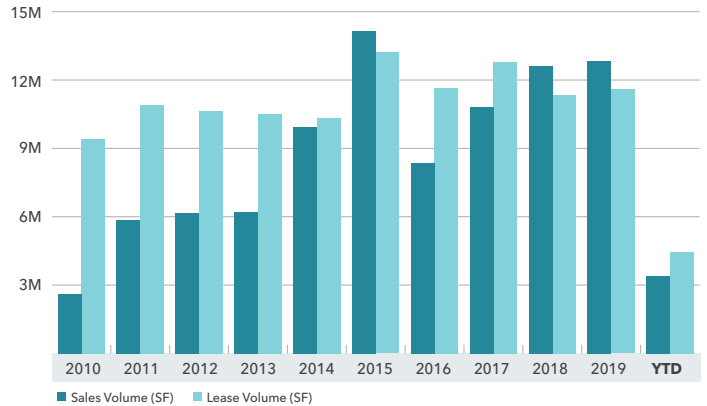
AVERAGE SALES PRICE/SF & CAP RATES



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	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
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PROPERTY MANAGEMENT

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