

MARKET TRENDS

PHOENIX RETAIL

↓ VACANCY ↑ UNEMPLOYMENT
 ↑ RENTAL RATES ↓ CONSTRUCTION DELIVERIES

Year-Over-Year Change

SIGNIFICANT SALE TRANSACTIONS 1Q 2024

| Property | Submarket | SF | Sale Price | \$/SF | Buyer | Seller |
|---------------------------|-------------------|---------|--------------|-------|--------------------------|--------------------------------|
| 420& 501 S Mill Ave | Tempe | 38,816 | \$22,200,000 | \$572 | Summit Hurley Plaza, LLC | Century Drive Investments, LLC |
| EoS Fitness | South Mountain | 40,994 | \$13,741,497 | \$335 | Gains (AZ), LLC | Baseline 19 Fitness, LLC |
| Northpoint Village Center | Red Mountain/Mesa | 119,218 | \$10,600,000 | \$89 | HH-Laveen, LLC | Northpoint Village, LLC |

SIGNIFICANT LEASE TRANSACTIONS 1Q 2024

| Property | Submarket | SF | Transaction Date | Tenant |
|-------------------|-----------------|--------|------------------|-------------|
| North Mesa Plaza | Mesa | 55,000 | January 2024 | EOS Fitness |
| Casa Grande Mall | Casa Grande | 54,000 | March 2024 | Hobby Lobby |
| Power Marketplace | Gateway Airport | 42,000 | February 2024 | Slick City |

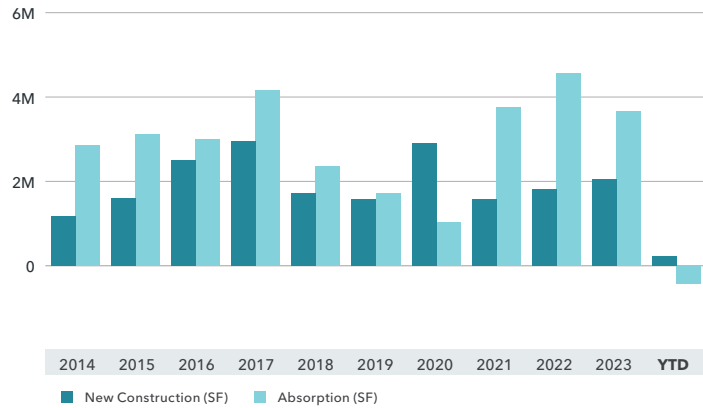
SIGNIFICANT UNDER CONSTRUCTION

| Property | Submarket | SF | Delivery |
|--------------------|-----------|---------|----------|
| W McDowell Rd | Buckeye | 548,715 | 3Q 2024 |
| 13490 N Prasad Pky | Surprise | 308,640 | 2Q 2024 |
| Estrella Commons | Goodyear | 171,000 | 2Q 2024 |

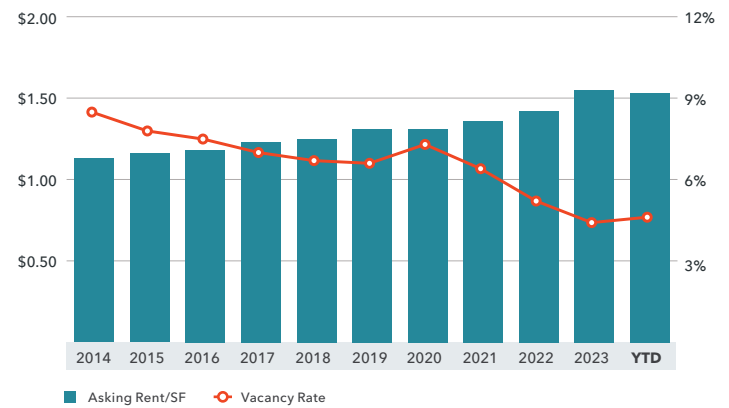
MARKET BREAKDOWN

| | 1Q24 | 4Q23 | 1Q23 | YOY Change |
|-------------------------|-----------|------------|-----------|----------------|
| Vacancy Rate | 4.6% | 4.4% | 4.9% | -30 bps |
| Average Asking Rents | \$1.53 | \$1.55 | \$1.46 | 4.87% |
| Under Construction | 2,953,514 | 2,612,949 | 2,308,879 | 27.92% |
| Average Sales Price | \$239 | \$238 | \$260 | -8.02% |
| Average Cap Rate | 6.0% | 6.2% | 5.7% | 5.26% |
| | 1Q24 | 2023 Total | 1Q23 | YOY Change |
| Construction Deliveries | 224,141 | 2,043,538 | 1,031,394 | -78.27% |
| Net Absorption | (415,477) | 3,651,450 | 1,465,885 | N/A |

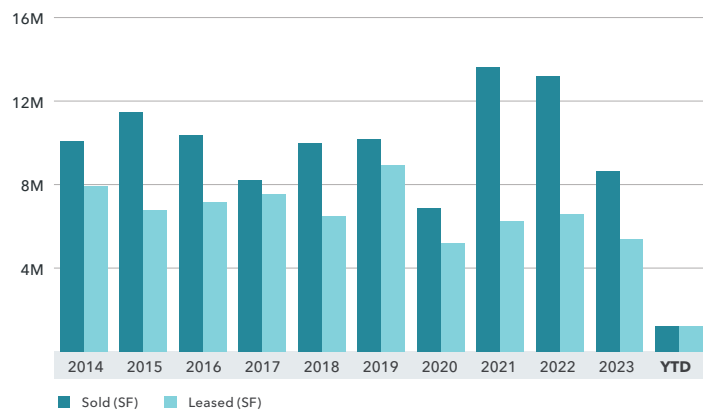
NEW CONSTRUCTION & ABSORPTION



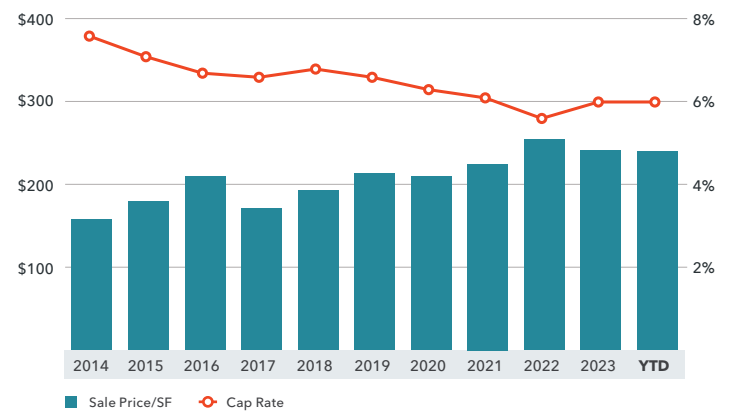
AVERAGE ASKING RENT/SF & VACANCY RATE



SALE VOLUME & LEASE VOLUME



AVERAGE SALE PRICE/SF & CAP RATES



Data Source: CoStar



Kidder Mathews is the largest independent commercial real estate firm on the West Coast, with over 900 real estate professionals and staff in 19 offices in Washington, Oregon, California, Nevada, and Arizona. We offer a complete range of brokerage, appraisal, asset services, consulting, 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 | <i>\$10B</i> 3-YEAR AVERAGE TRANSACTION VOLUME | <i>31.7M</i> ANNUAL SALES SF | <i>42.4M</i> ANNUAL LEASING SF |
| ASSET SERVICES | <i>51M SF</i> MANAGEMENT PORTFOLIO SIZE | <i>750+</i> ASSETS UNDER MANAGEMENT | <i>250+</i> CLIENTS SERVED |
| VALUATION ADVISORY | <i>2,600+</i> 3-YEAR AVERAGE ASSIGNMENTS | <i>43</i> TOTAL APPRAISERS | <i>25</i> WITH MAI DESIGNATIONS |

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