

## MARKET TRENDS

# PHOENIX RETAIL

↔ VACANCY	↑ UNEMPLOYMENT
↑ RENTAL RATES	↑ CONSTRUCTION DELIVERIES
Year-Over-Year Change	

### SIGNIFICANT SALE TRANSACTIONS 1Q 2026

Property	Submarket	SF	Sale Price	\$/SF	Buyer	Seller
Gilbert Gateway Towne Ctr	Gilbert	173,775	\$38,394,853	\$220.95	GGTCN LLC	Gilbert Gateway Towne Ctr Hldgs., LLC
Hudson Station	Queen Creek	41,942	\$21,544,077	\$513.66	InvenTrust Properties Corp.	Barclay Holdings CXIII, LLC
Sundome Plaza	Surprise/North Peoria	190,259	\$17,400,000	\$91.45	Sundome Retail SPE, LLC	Patterson Farms Inc.

### SIGNIFICANT LEASE TRANSACTIONS 1Q 2026

Property	Submarket	SF	Transaction Date	Tenant
North Valley Shopping Center	Ctrl Peoria/Arrowhead	40,734	March 2026	Crunch Fitness
Mesa Grand	Red Mountain/Mesa	33,948	January 2026	Crunch Fitness
Arrowhead Marketplace	Ctrl Peoria/Arrowhead	23,500	February 2026	Marshalls

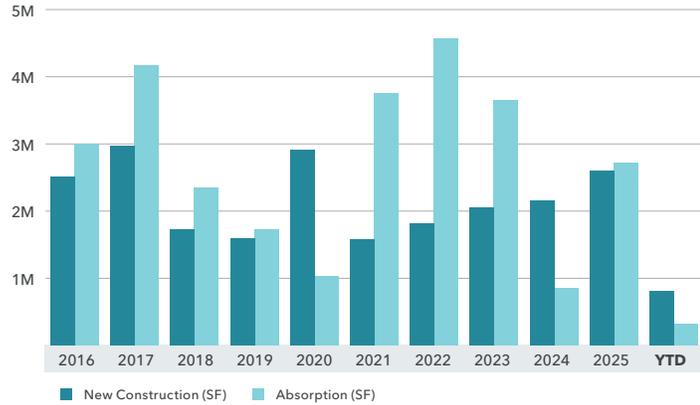
### SIGNIFICANT UNDER CONSTRUCTION

Property	Submarket	SF	Delivery
Verrado Marketplace	North Buckeye	520,000	2Q 2026
Medina Station	Red Mountain/Mesa	333,505	4Q 2027
0 Van Buren Blvd	Red Mountain/Mesa	148,000	4Q 2027

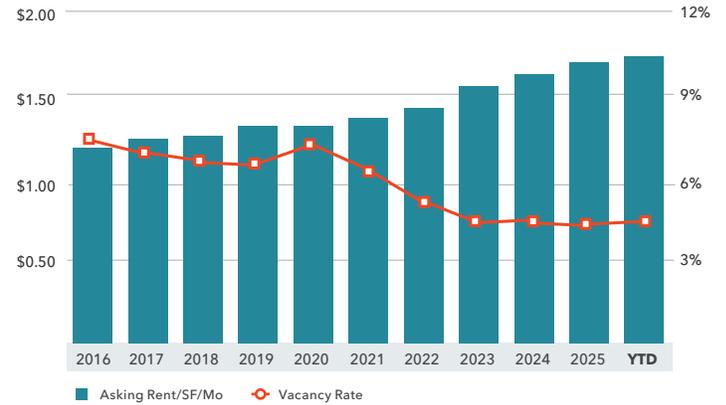
### MARKET BREAKDOWN

	1Q26	4Q25	1Q25	YOY Change
Vacancy Rate	4.5%	4.4%	4.5%	<b>0 bps</b>
Average Asking Rents/SF/Mo	\$1.73	\$1.69	\$1.62	<b>6.97%</b>
Under Construction (SF)	2,715,563	3,467,962	3,511,421	<b>-22.66%</b>
Average Sales Price/SF	\$297	\$302	\$339	<b>-12.30%</b>
Average Cap Rate	6.4%	6.2%	5.9%	<b>50 bps</b>
	1Q26	4Q25	1Q25	YOY Change
Construction Deliveries (SF)	809,668	809,668	552,846	<b>46.45%</b>
Net Absorption (SF)	318,035	318,035	0	<b>N/A</b>

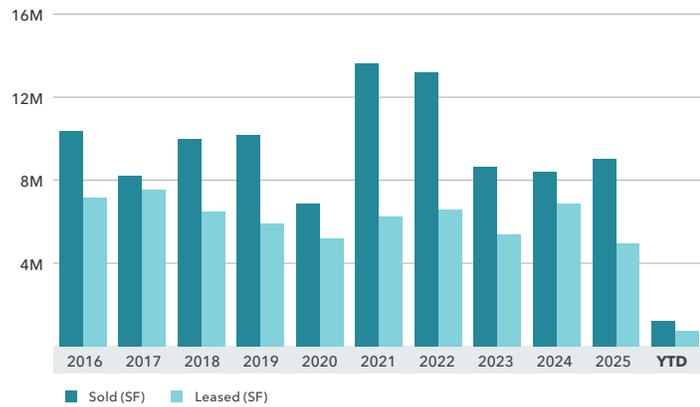
**NEW CONSTRUCTION & ABSORPTION**



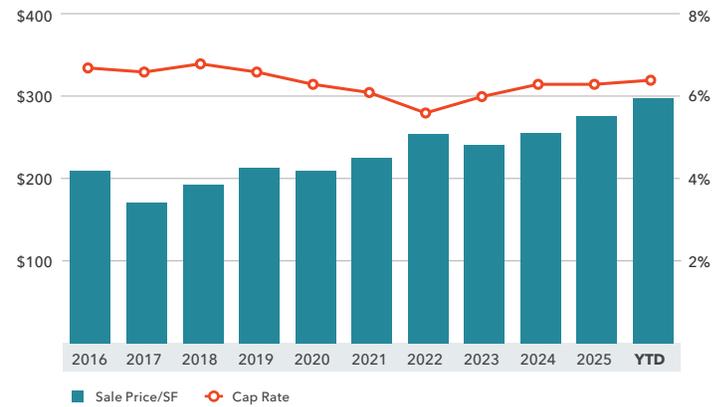
**AVERAGE ASKING RENT/SF & VACANCY RATE**



**SALE VOLUME & LEASE VOLUME**



**AVERAGE SALE PRICE/SF & CAP RATES**



Data Source: CoStar



Kidder Mathews is the largest fully independent commercial real estate firm in the Western U.S., 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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<b>COMMERCIAL BROKERAGE</b>	<i>\$9B</i> AVERAGE TRANSACTION VOLUME	<i>32.4M</i> ANNUAL SALES SF	<i>32.5M</i> ANNUAL LEASING SF
<b>ASSET SERVICES</b>	<i>55M SF</i> MANAGEMENT PORTFOLIO SIZE	<i>800+</i> ASSETS UNDER MANAGEMENT	<i>250+</i> CLIENTS SERVED
<b>VALUATION ADVISORY</b>	<i>2,700+</i> AVERAGE ASSIGNMENTS	<i>42</i> TOTAL APPRAISERS	<i>23</i> WITH MAI DESIGNATIONS