

MARKET TRENDS

PHOENIX *RETAIL*

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

SIGNIFICANT SALE TRANSACTIONS 2Q 2026

Property	Submarket	SF	Sale Price	\$/SF	Buyer	Seller
Goodwill	South Buckeye	25,000	\$18,305,401	\$732.22	Abi Properties Inc	SimonCRE Summit III, LLC
Bethany Marketplace	N Phoenix/I-17 Corr	59,262	\$14,050,000	\$237.08	Bethany Crossing LLC	Southwestern Investments, LLC
25166 S Ellsworth Rd	Queen Creek	20,452	\$13,350,000	\$652.75	NRP Pecan Plaza LLC	Riggs & Ellsworth NW, LLC

SIGNIFICANT LEASE TRANSACTIONS 2Q 2026

Property	Submarket	SF	Transaction Date	Tenant
Glendale Market Square	Ctrl Peoria/Arrowhead	45,593	May 2026	Tractor Supply Company
SanTan Village Marketplace	Gilbert	35,399	April 2026	Absolut Recomp
Bethany Marketplace	N Phoenix/I-17 Corr	31,617	June 2026	Sunset Wholesale

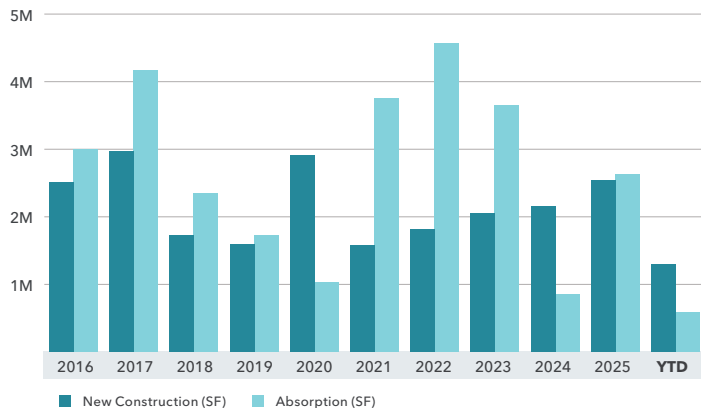
SIGNIFICANT UNDER CONSTRUCTION

Property	Submarket	SF	Delivery
Medina Station	Red Mountain/Mesa	333,505	4Q 2027
NEC Signal Butte & Rt 60	Red Mountain/Mesa	300,000	4Q 2027
Signal Butte & Williams Field Rd	Gateway Airport	250,000	4Q 2027

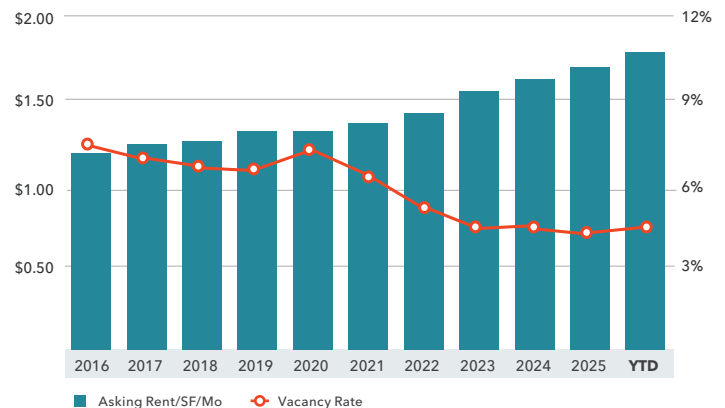
MARKET BREAKDOWN

	2Q26	1Q26	2Q25	YOY Change
Vacancy Rate	4.5%	4.5%	4.4%	10 bps
Average Asking Rents/SF/Mo	\$1.78	\$1.73	\$1.63	9.37%
Under Construction (SF)	3,287,703	3,342,654	2,948,661	11.50%
Average Sales Price/SF	\$296	\$303	\$246	20.51%
Average Cap Rate	6.5%	6.1%	6.1%	40 bps
	2Q26	2026 YTD	2025 YTD	YOY Change
Construction Deliveries (SF)	422,399	1,293,336	1,433,137	-9.75%
Net Absorption (SF)	143,184	590,640	1,563,595	-62.23%

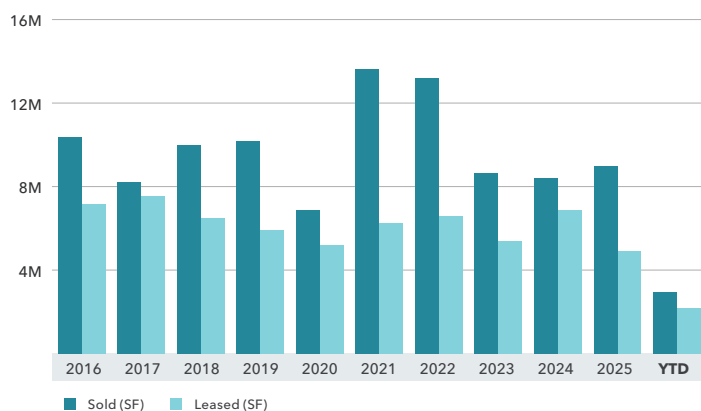
NEW CONSTRUCTION & ABSORPTION



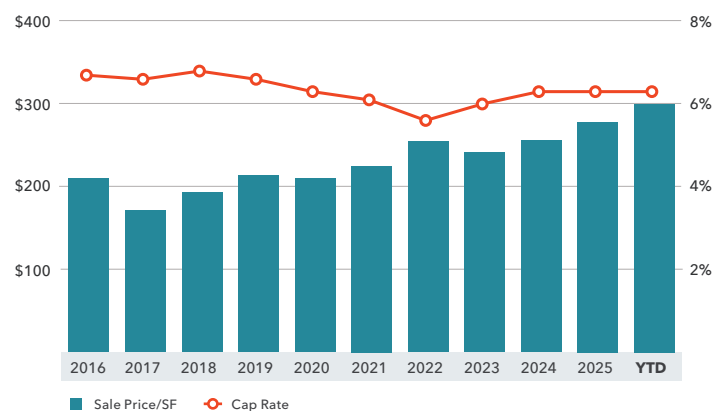
AVERAGE ASKING RENT/SF & VACANCY RATE



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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COMMERCIAL BROKERAGE

\$9B

AVERAGE TRANSACTION VOLUME

32.4M

ANNUAL SALES SF

32.5M

ANNUAL LEASING SF

ASSET SERVICES

54M SF

MANAGEMENT PORTFOLIO SIZE

800+

ASSETS UNDER MANAGEMENT

250+

CLIENTS SERVED

VALUATION ADVISORY

2,700+

AVERAGE ASSIGNMENTS

42

TOTAL APPRAISERS

23

WITH MAI DESIGNATIONS