



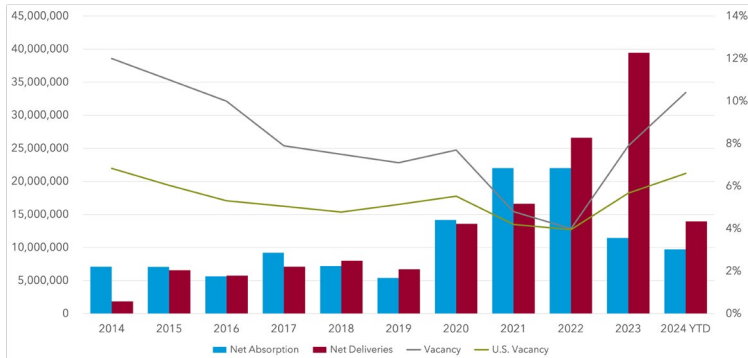
INDUSTRIAL MARKET OVERVIEW

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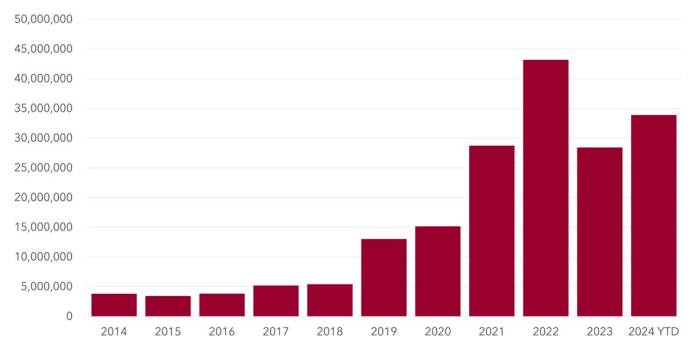
The Phoenix Industrial Market maintains its position as a top performing market nationally, showcasing a strong second quarter with 5.8 million square feet of positive net absorption. The rise in net absorption during this period is credited to Amazon occupying three newly built facilities, each exceeding one million square feet, situated along the Loop 303. This ongoing momentum is fueled by sustained economic expansion, an influx of residents from neighboring regions, and increased demand across diverse industrial sectors. Despite consistent positive net absorption, the vacancy rate has shown an upward trend, closing the quarter at 10.4%. This marks a significant increase from the 3.8% vacancy rate observed at this time last year.

MARKET INDICATORS	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
▲ Qtrly Net Absorption SF	5,871,811	3,914,802	1,976,847	2,480,199	2,173,140
▲ Vacancy Rate	10.4%	9.1%	7.9%	4.3%	3.8%
▲ Avg NNN Asking Rate PSF	\$13.68	\$12.96	\$12.48	\$12.60	\$12.24
▲ SF Under Construction	33,900,858	33,151,190	28,430,780	35,404,702	43,143,294
▲ Inventory SF	421,901,382	409,344,656	404,091,099	383,911,018	375,658,060

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1685 & 2250 S. Litchfield Road Goodyear, AZ	727,319 SF	\$108,100,000 \$148.63 PSF	Stonelake Capital CIM Group	Class A
5 Bldg Phoenix Industrial Portfolio Phoenix, AZ	539,560 SF	\$87,000,000 \$161.24 PSF	Blackstone, Inc. KKR & Co.	Class B
10100 N. 151st Avenue Surprise, AZ	364,700 SF	\$73,925,000 \$202.70 PSF	Packaging Corp. America Merit Partners	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
12250 W. Corporate Drive Avondale, AZ	450,260 SF	Westfield Co.	USPS	Logistics
SEC Power Road & Pecos Road Mesa, AZ	229,876 SF	Principal/Newport	Magna Steyr	Automotive
NEC Litchfield Rd. & Desert Cove Rd. Waddell, AZ	168,000 SF	Evergreen Devco	BP Castrol	Energy

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