



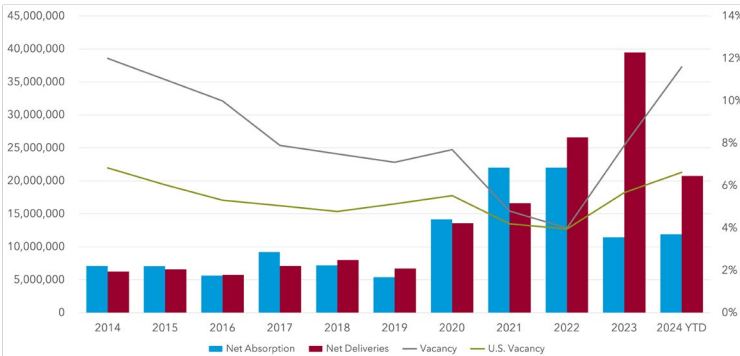
INDUSTRIAL MARKET OVERVIEW

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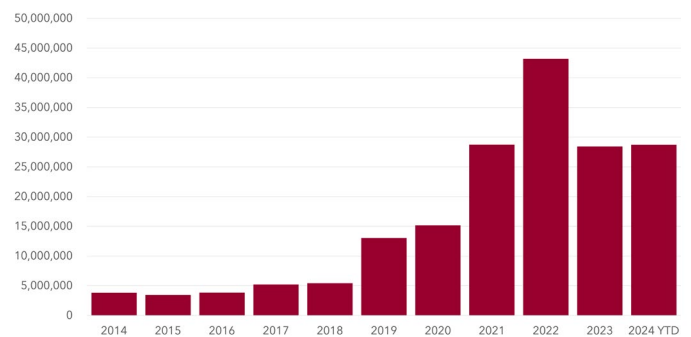
The Phoenix industrial market is experiencing a steady increase in supply, resulting in an elevated overall vacancy rate of 11.6%, up from 4.3% a year ago. With 28,718,048 square feet currently under construction, Phoenix leads the nation in new industrial development. The rise in vacancy rates, despite ongoing positive net absorption, can primarily be attributed to the addition of newly constructed buildings totaling 20,755,769 square feet in 2024. For comparison, Phoenix averaged 4.6 million square feet of net deliveries in the ten years leading up to the onset of pandemic. Though tenant demand has been steady, it has not been enough to absorb the remarkable pace of deliveries, keeping vacancy on a swift upward trajectory.

MARKET INDICATORS	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
▼ 12 Mo. Net Absorption SF	2,365,734	5,871,811	3,914,802	1,976,847	2,480,199
▲ Vacancy Rate	11.6%	10.4%	9.1%	7.9%	4.3%
▼ Avg NNN Asking Rate PSF	\$1.06	\$1.14	\$1.13	\$1.04	\$1.05
▼ Sale Price PSF	\$150.38	\$159.70	\$170.40	\$150.60	\$133.48
▲ Cap Rate	6.5%	6.2%	6.8%	6.2%	6.1%
▼ Under Construction SF	28,718,048	33,900,858	33,151,190	28,430,780	36,881,294
▲ Inventory SF	428,487,792	421,901,382	409,344,656	404,091,099	383,911,018

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
15301 W. Northern Avenue Glendale, AZ	1,200,140 SF	\$128,100,000 \$106.74 PSF	BlackRock, Inc. CRG/Clay Co.	Class A
8201 E. McDowell Road Scottsdale, AZ	850,000 SF	\$61,100,000 \$71.88 PSF	Baker Development General Dynamics	Class B
15152 W. Camelback Road Litchfield Park, AZ	326,018 SF	\$50,000,000 \$153.37 PSF	EQT Exeter US Capital Development	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
15700 W. Glendale Avenue Litchfield Park, AZ	595,381 SF	Pazutti Development	Logistics Plus	Logistics
15101 W. Hatcher Road Waddell, AZ	519,162 SF	Westcore	Sol Logistics	Logistics
NEC Olive Avenue & Dysart Road El Mirage, AZ	203,371 SF	Demody	Custom Mechanical	Manufacturing

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