



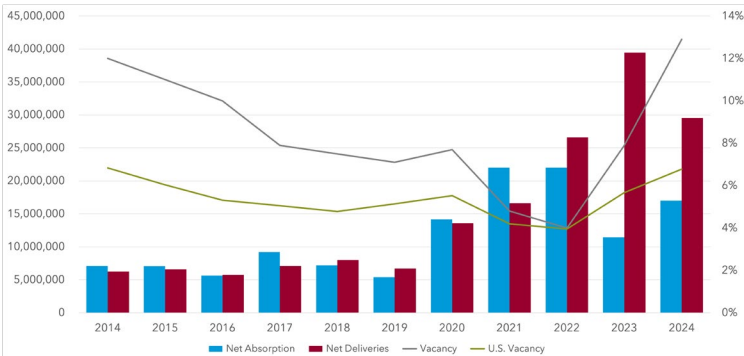
### INDUSTRIAL MARKET OVERVIEW

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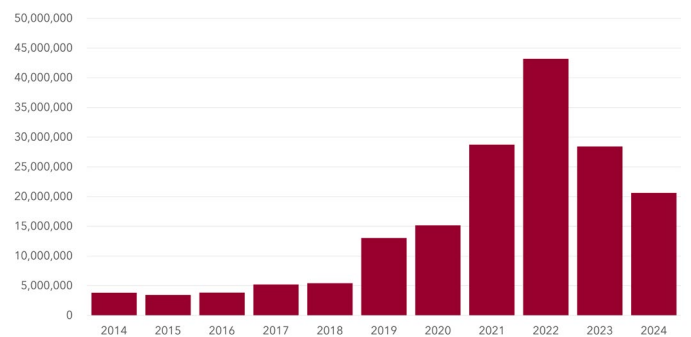
The Phoenix Industrial Market has witnessed unprecedented demand and growth over the past four years. However, a surge in speculative construction has pushed the vacancy rate up to 12.9%, a significant rise from the pandemic-era low of 4%. Nevertheless, market fundamentals remain strong, with roughly 17 million square feet of positive net absorption recorded in 2024, the third highest total behind 2021 & 2022. Overall asking rates closed the year at \$1.13/SF NNN, a 6% increase from the third quarter. Metro Phoenix is experiencing a surge of manufacturing and semiconductor-related companies entering the market, drawn by the ongoing developments of TSMC and Intel.

MARKET INDICATORS	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
▲ 12 Mo. Net Absorption SF	3,106,751	2,365,734	5,871,811	3,914,802	1,976,847
▲ Vacancy Rate	12.9%	11.6%	10.4%	9.1%	7.9%
▲ Avg NNN Asking Rate PSF	\$1.13	\$1.06	\$1.14	\$1.13	\$1.04
▲ Sale Price PSF	\$172.83	\$150.38	\$159.70	\$170.40	\$150.60
▼ Cap Rate	6.4%	6.5%	6.2%	6.8%	6.2%
▼ Under Construction SF	20,628,215	28,718,048	33,900,858	33,151,190	28,430,780
▲ Inventory SF	437,587,792	428,487,792	421,901,382	409,344,656	404,091,099

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
18900 W. McDowell Road Buckeye, AZ	1,056,353 SF	\$118,250,000 \$111.94 PSF	BGO Ares Management	Class A
Tempe Commerce Center I-IV Tempe, AZ	860,249 SF	\$143,150,000 \$166.41 PSF	LaSalle Investments BKM Capital Partners	Class A
Broadway 101 (11 Bldgs.) Mesa, AZ	856,894 SF	\$168,262,000 \$196.36 PSF	CIP Real Estate BKM Capital Partners	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
17505 West MC 85 Goodyear, AZ	530,307 SF	Clarius Partners	GTI Energy	Energy
5501 N. Cotton Lane Litchfield Park, AZ	463,000 SF	Merit Partners	Rheems	Heating/Cooling
1150 N. Perryville Road Goodyear, AZ	265,253 SF	Martens Development	Highland Cabinetry	Furniture

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