



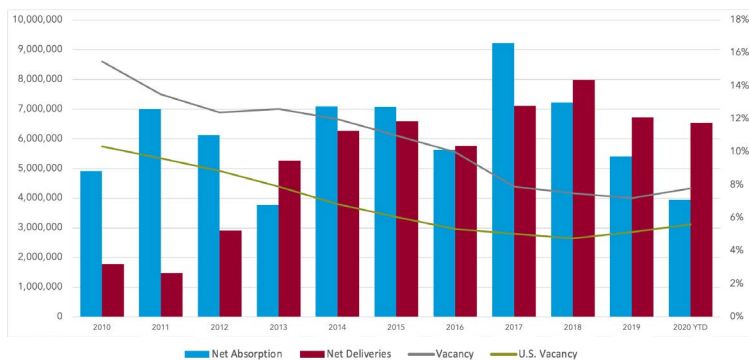
INDUSTRIAL MARKET OVERVIEW

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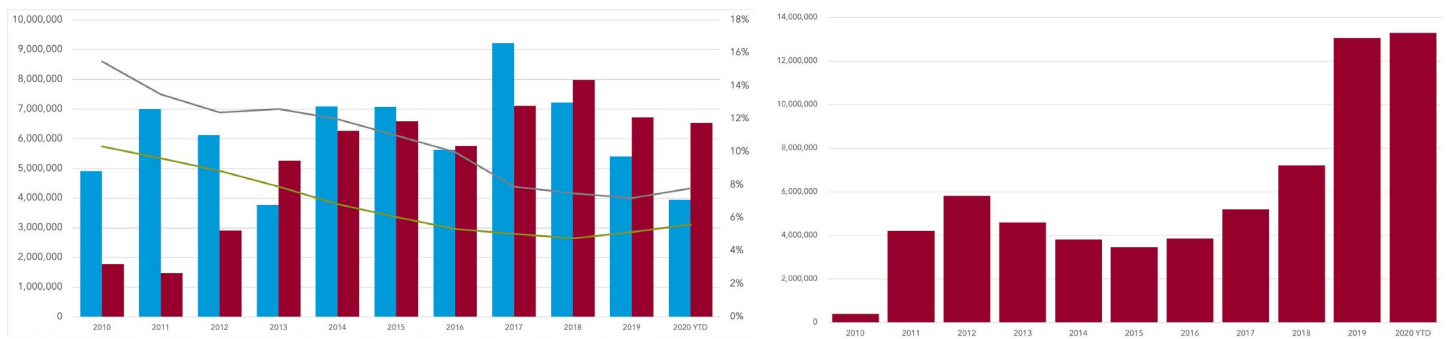
Despite the ongoing pandemic, the Phoenix Industrial Market continued its positive trend with 2M square feet of net absorption and strong leasing activity in the quarter. Large users like Lucid Motors and Amazon continued to take large blocks of space. With nearly 4M square feet absorbed at mid-year, the market seems to be right on pace for a solid year. Rental rates have remained steady over the past few quarters showing little to no fluctuation. With few barriers to development and positive demographic trends, Phoenix has emerged as one of the fastest growing industrial markets in the county.

MARKET INDICATORS	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
▲ Net Absorption	2,004,953 SF	1,922,163 SF	1,431,647 SF	2,063,180 SF	1,492,672 SF
▲ Vacancy Rate	7.80%	7.60%	7.20%	7.20%	6.80%
◀▶ Avg NNN Asking Rate	\$7.56	\$7.56	\$7.68	\$7.56	\$7.56
▼ Under Construction	13,294,449 SF	15,504,621 SF	13,051,020	9,694,227 SF	9,797,239 SF
▲ Inventory	325,552,533 SF	321,597,789 SF	317,880,835	316,364,852 SF	313,210,462 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
7400 W. Buckeye Rd Phoenix, AZ	325,800 SF	\$30,700,000 \$94.23 PSF	Cohen Asset Mgmt Kansas City Life Insurance	Class A
Six Property Portfolio Multiple AZ locations	303,919 SF	\$40,000,000 \$131.61 PSF	MDH Properties, LLC Silagi Development	Mixed
2550 N. Nevada St Chandler, AZ	164,486 SF	\$38,000,000 \$231.02 PSF	Westcore Properties Walton Street Capital	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1115 W. Alameda Dr Tempe, AZ	479,207 SF	Harrison Properties	Lucid Motors	Automotive
3405 S. McQueen Rd Chandler, AZ	201,784 SF	Ryan Companies	Amazon	E-Commerce
2550 N. Nevada St Chandler, AZ	164,486 SF	Westcore Properties	Amazon	E-Commerce