



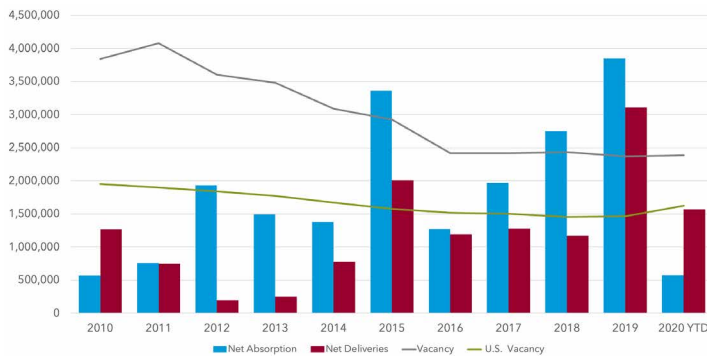
### OFFICE MARKET OVERVIEW

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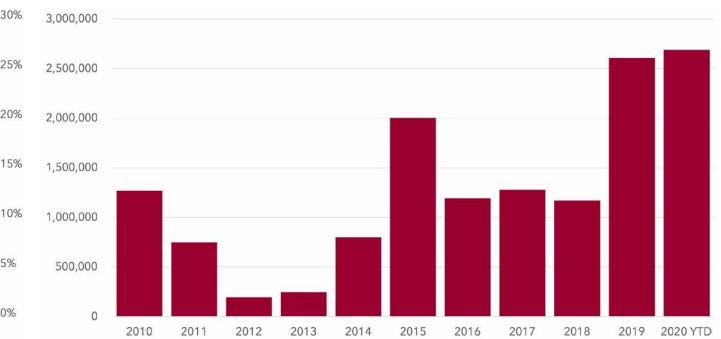
The Phoenix Office Market was experiencing growth in all aspects before the onset of the pandemic. Phoenix saw the first quarter of negative absorption in more than six years as most tenants and landlords take a wait and see approach, leaving the market in a standstill position. The overall vacancy only rose ten basis points from 15.8% to 15.9% and net absorption was flat for the quarter at -14,638 SF. Rental rates remained steady with a small increase to an average of \$25.95/SF FSG.

MARKET INDICATORS	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
▼ Net Absorption	(14,638) SF	59,629 SF	251,884 SF	1,192,396 SF	978,399 SF
▲ Vacancy Rate	15.90%	15.80%	16.20%	16.10%	16.10%
▲ Avg NNN Asking Rate	\$25.95 PSF	\$25.78 PSF	\$25.74 PSF	\$25.18 PSF	\$25.03 PSF
▲ Under Construction	2,687,238 SF	2,607,295 SF	2,557,295 SF	2,003,737 SF	1,756,969 SF
▲ Inventory	105,779,308 SF	104,924,565 SF	104,268,289 SF	103,169,525 SF	103,005,142 SF

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



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
9201 E. Mountain View Road Scottsdale, AZ	107,049 SF	\$27,000,000 \$252.22 PSF	Healthpek Properties Equus Capital	Class B
8585 E. Hartford Drive Scottsdale, AZ	29,797 SF	\$6,850,000 \$229.89 PSF	Stafffield Family Harold Hutton Trust	Class B
8355 E. Hartford Drive Scottsdale, AZ	24,154 SF	\$5,100,000 \$211.15 PSF	Mark IV Capital Melcor Development	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1125 S. Alma School Road Chandler, AZ	65,931 SF	AZ Investments LLC	Banner Health	Health Care
101 E. Washington Street Phoenix, AZ	31,622 SF	RED Development	CVO Holdings	Transportation
1840 N. 95th Avenue Glendale, AZ	26,661 SF	Humphreys Company	Jewish Family SVC	Health Care

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