



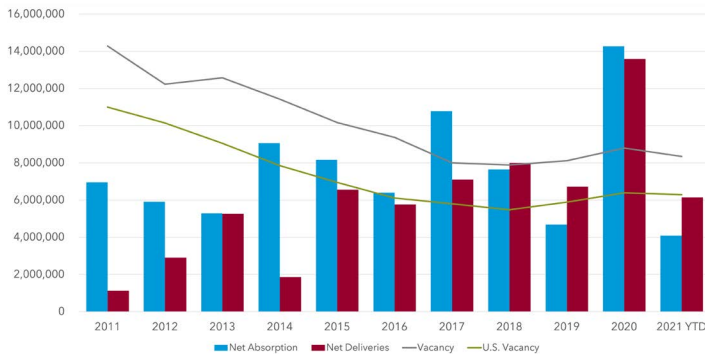
INDUSTRIAL MARKET OVERVIEW

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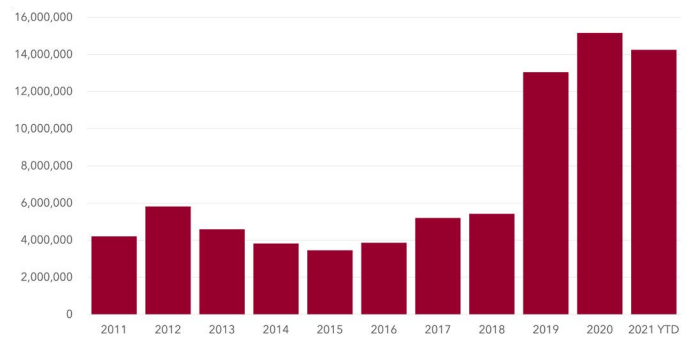
The Phoenix Industrial Market continued on a record trajectory through Q1 posting over four million feet of positive net absorption. Construction numbers remained at an all time high as new companies and developers see Phoenix as a top industrial market for growth and new opportunities. Lease rates continued to rise at an equal pace to an average of \$0.67 NNN across all product types valley-wide. The overall vacancy fell from 7.7% to 7.3%. The Metro Phoenix Industrial Market will continue to thrive as the rapid acceleration of e-commerce sees major online retailers taking large blocks of space to keep up with the surge in demand. Phoenix, with its low cost of living, large employment pool, and pro-business environment is poised to capitalize.

MARKET INDICATORS	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
▼ Net Absorption SF	4,091,353	7,272,539	2,608,239	2,004,953	1,922,163
▼ Vacancy Rate	7.30%	7.70%	8.30%	7.80%	7.60%
▲ Avg NNN Asking Rate	\$8.04 PSF	\$7.80 PSF	\$7.68 PSF	\$7.56 PSF	\$7.56 PSF
▼ SF Under Construction	14,253,505	15,166,913	11,319,973	13,294,449	15,504,621
▲ Inventory SF	337,122,780	333,373,181	329,121,062	325,552,533	321,597,789

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
Lotus Project (4 Bldg + Land) Chandler, AZ	473,516 SF	\$91,000,000 \$192.18 PSF	JLL Income Trust Conor Commercial	Class A
Tempe Commerce Park (5 Bldg) Tempe, AZ	535,945 SF	\$85,350,000 \$159.18 PSF	Harvest Partners BKM Capital Partners	Class A
17017 W. Indian School Road Goodyear, AZ	263,606 SF	\$43,157,811 \$163.72 PSF	KKR & Co. Sunbelt Holdings	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
Park 303 (2 Bldgs) Glendale, AZ	1,192,719 SF	Lincoln Property Co.	Walmart	Retailer
SWC Miller Road & Durango Street Tolleson, AZ	850,000 SF	Scannell Properties	Five Below Inc.	Retailer
NEC Citrus Road & Thomas Road Goodyear, AZ	750,000 SF	Westcore	XPO Logistics	3PL

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