



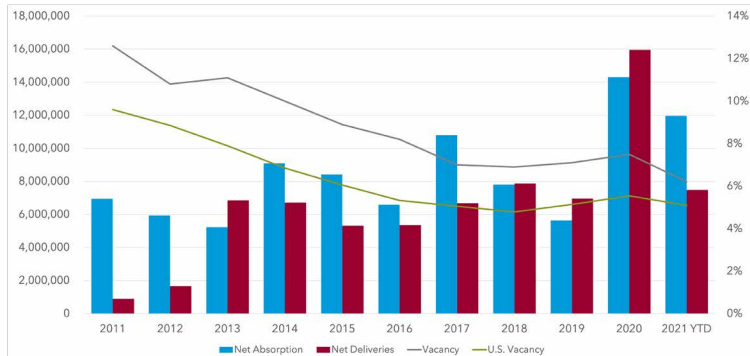
INDUSTRIAL MARKET OVERVIEW

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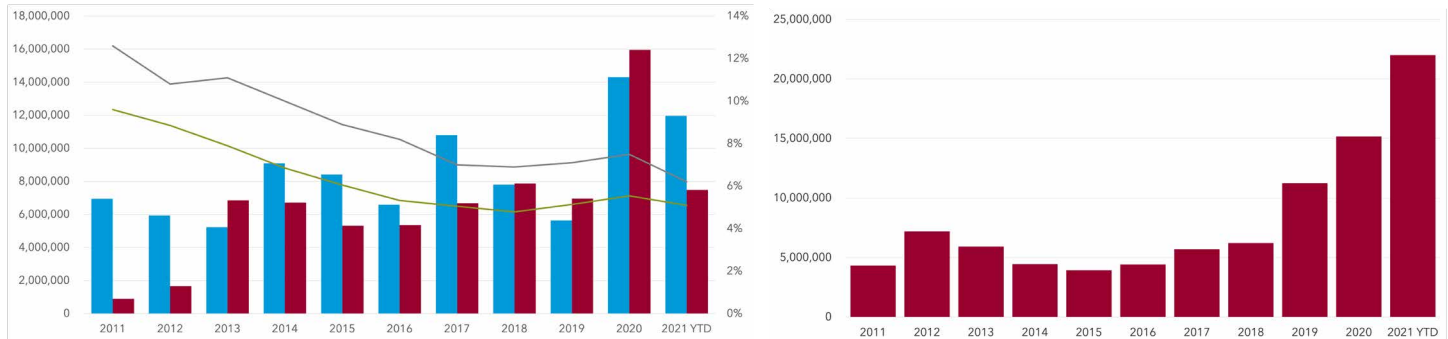
The Phoenix Industrial Market continued to see record demand, net absorption and construction through the first half of the year. Net absorption totaled 11,190,264 SF at the midway point and on pace to break last year's record of 14,168,380 SF. Phoenix saw its 45th consecutive quarter of positive net absorption lowering the vacancy to a near record 6.2%. Lease rates continued to increase to \$0.69 PSF NNN in Q2 2021 from \$0.67 PSF NNN in Q1 2021. Pushing the Metro Phoenix Market to its highest overall asking lease rate.

MARKET INDICATORS	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
▲ 12 Mo. Net Absorption SF	5,827,644	5,362,620	7,272,539	2,608,239	2,004,953
▼ Vacancy Rate	6.20%	7.30%	7.70%	8.30%	7.80%
◀▶ Avg NNN Asking Rate PSF	\$8.28	\$8.28	\$8.04	\$7.68	\$7.56
▲ SF Under Construction	21,997,529	14,253,505	15,166,913	11,319,973	13,294,449
▲ Inventory SF	340,882,391	337,122,780	333,373,181	329,121,062	325,552,533

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
Lotus Project - 4 Buildings Chandler, AZ	473,516 SF	\$91,000,000 \$192.18 PSF	JLL Income Property Conor Commercial	Class A
Tempe Commerce Park - 5 Buildings Tempe, AZ	535,945 SF	\$85,350,000 \$159.25 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
6620 N. Sarival Avenue Glendale, AZ	1,257,838 SF	Lincoln Property Group	Walmart	Retail
6605 N. Sarival Avenue Glendale, AZ	569,520 SF	Hines/Oaktree	MLILY	Retail
6610 N. Sarival Avenue Glendale, AZ	569,520 SF	Hines/Oaktree	MLILY	Retail

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