



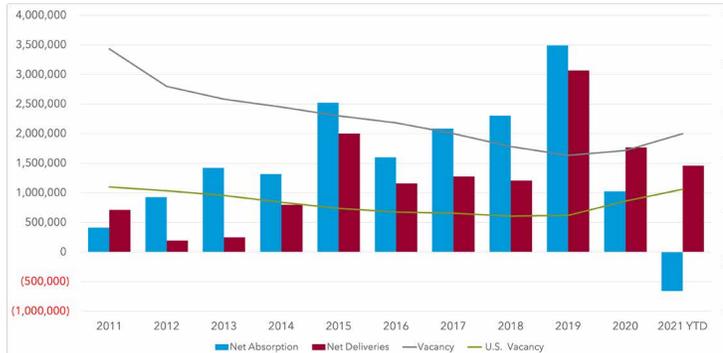
OFFICE MARKET OVERVIEW

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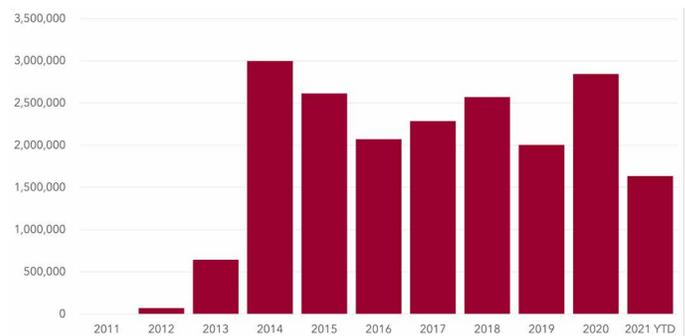
Following an impressive run of 21 consecutive quarters of positive net absorption, the Phoenix Office Market ended Q2 2021 posting -107,902 square feet of net absorption, making it the fourth consecutive quarter of negative absorption. While many office tenants are adapting to the challenges faced due to the pandemic, they continue to reevaluate their office needs.

MARKET INDICATORS	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
▲ 12 Mo. Net Absorption SF	(107,902)	(550,501)	(269,254)	(14,638)	599,629
▲ Vacancy Rate	18.0%	17.70%	16.30%	15.90%	15.80%
▲ Avg NNN Asking Rate PSF	\$25.43	\$25.10	\$25.33	\$25.95	\$25.78
▲ SF Under Construction	1,634,906	1,499,170	2,843,236	2,687,238	2,607,295
▲ Inventory SF	108,341,871	107,579,770	106,138,519	105,779,308	104,924,565

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1715 N. McQueen Road Gilbert, AZ	120,294 SF	\$43,100,000 \$358.29 PSF	Silver Creek Development SunCap Property Group	Class A
1201 S. Alma School Road Mesa, AZ	311,132 SF	\$39,500,000 \$126.96 PSF	Camco Investment Group Barkar Pacific Group	Class A
1840 & 1910 S. Stapley Drive Mesa, AZ	180,083 SF	\$37,000,000 \$205.46 PSF	Cypress Office Properties Buchanan Street	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
500 E. Rio Salado Pkwy Tempe, AZ	372,741 SF	State Farm Ins.	Carvana	Auto Sales
1201 S. 7th Avenue Phoenix, AZ	71,000 SF	Cornerstone	Connections AZ	Healthcare
4300 E. Camelback Road Phoenix, AZ	60,000 SF	Red Development	Sendoso	Software

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