



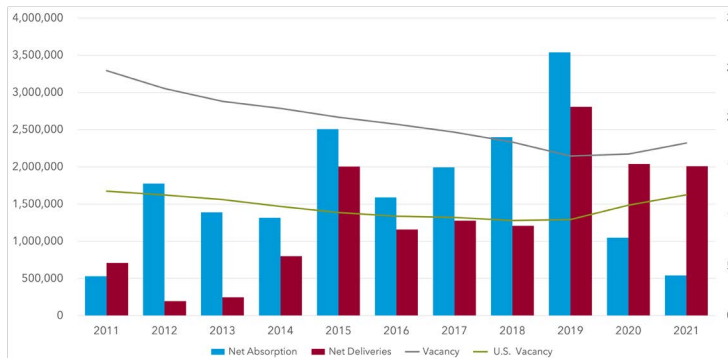
OFFICE MARKET OVERVIEW

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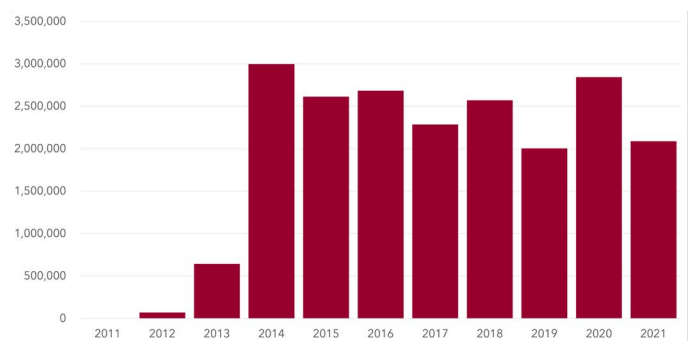
The Phoenix Office Market finished 2021 with the strongest quarter since the beginning of the pandemic, recording 807,244 square feet of positive net absorption and lowering the overall vacancy from 17.8% to 17.4%. Rental rates saw a small increase rising from \$25.21 to \$25.95 as a few new high profile developments were brought to the market. Available sublease space remained high at 4.4 million square feet compared with historical market averages, but seems to have plateaued heading into 2022.

MARKET INDICATORS	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
▲ 12 Mo. Net Absorption SF	540,242	(254,222)	(427,972)	526,058	1,048,320
▼ Vacancy Rate	17.40%	17.80%	18%	17.80%	16.30%
▲ Avg NNN Asking Rate PSF	\$25.95	\$25.21	\$26.52	\$26.52	\$26.28
▼ SF Under Construction	1,959,057	2,088,255	1,634,906	1,499,170	2,843,236
▲ Inventory SF	107,143,715	107,023,019	106,699,823	106,523,003	106,222,013

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
101 E. Washington Street Phoenix, AZ	307,030 SF	\$150,000,000 \$488.55 PSF	City Office REIT, Inc. RED Development	Class A
1650 & 1700 S. Price Road Chandler, AZ	181,138 SF	\$106,000,000 \$390.63 PSF	Manulife US REIT Douglas Allred Co.	Class A
3133 W. Frye Road Chandler, AZ	250,630 SF	\$102,000,000 \$406.97 PSF	Macquarie Assest Hines	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
101 E. Washington Street Phoenix, AZ	75,541 SF	RED Development	Western Alliance Bank	Financial
8160 S. Hardy Drive Tempe, AZ	65,580 SF	DWS Group	Cenlar	Financial
400 E. Rivulon Boulevard Gilbert, AZ	48,624 SF	Nationwide Realty	Mogan Stanley	Financial

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