



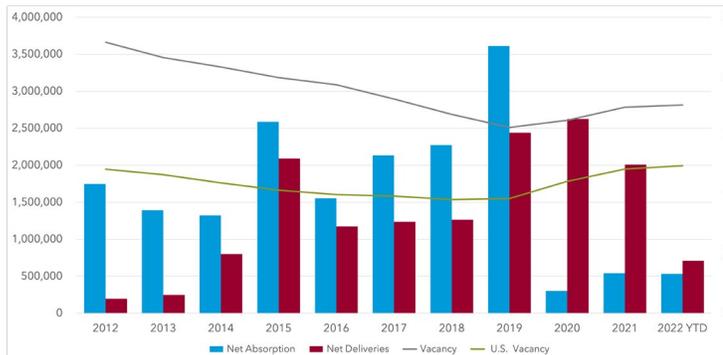
OFFICE MARKET OVERVIEW

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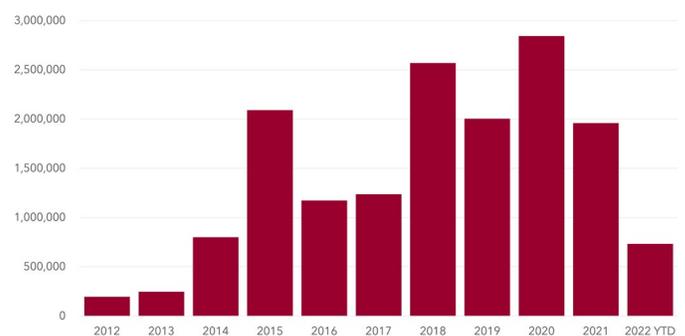
The Phoenix Office Market continues to struggle with consistency. After a positive second quarter, third quarter net absorption was negative 81,621 square feet, increasing overall vacancy to 17.6%. Rental rates remained a bright spot continuing to rise and ending the quarter at \$27.60 per square foot. Sublease space continued to increase to a record 6.6 million square feet as companies continue to reevaluate how they utilize their office space in a post pandemic era.

MARKET INDICATORS	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
▼ Monthly Net Absorption SF	(81,621)	688,825	(54,570)	807,244	178,254
▲ Vacancy Rate	17.6%	17.2%	17.4%	17.3%	17.8%
▲ Avg NNN Asking Rate PSF	\$27.60	\$26.28	\$26.18	\$25.95	\$25.21
▼ SF Under Construction	732,548	869,702	1,113,796	1,959,057	2,081,810
▲ Inventory SF	108,199,479	108,092,697	107,643,189	107,143,715	106,699,823

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
Terra Verde/The Landing Scottsdale, AZ	264,000 SF	\$85,000,000 \$321.97 PSF	Edgewood RE Trust Wentworth Property	Class A
2801 E. Camelback Road (Collective) Phoenix, AZ	115,838 SF	\$66,350,000 \$572.78 PSF	Humphreys Capital Holualoa/LaPour	Class A
2355 E. Camelback Road Phoenix, AZ	236,553 SF	\$61,800,000 \$261.25 PSF	Bridge Investment Nuveen/TIAA	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2625 W. Geronimo Place Chandler, AZ	51,419 SF	Mark IV Capital	Cirrus Logic, Inc.	Semiconductor Supply
1700 S. Price Rd. (Park Place) Chandler, AZ	50,453 SF	Douglas Allred Co.	Voya Financial	Financial
20022 N. 31st Ave. (Crosspoint) Phoenix, AZ	34,385 SF	Griffin Realty Trust	Fatco	Skin Care

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