



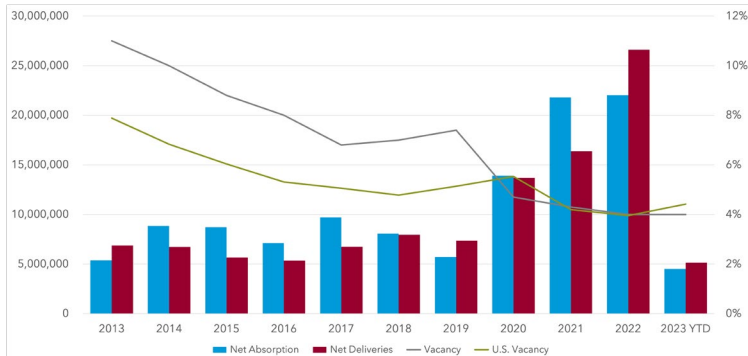
INDUSTRIAL MARKET OVERVIEW

CHRIS MCCHESENEY, *Director of Research*

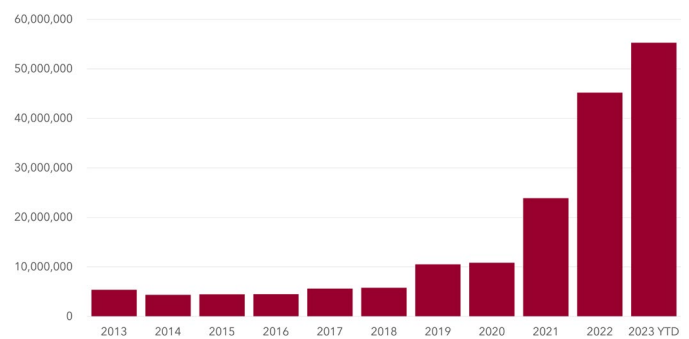
Strong user demand and unprecedented supply growth continue to drive the Phoenix Industrial Market. Vacancy rates hovered at 4% as net absorption and new deliveries were nearly identical for the quarter. Phoenix again ranked second in the nation for new development with 55 million square feet under construction, trailing only Dallas which has 73 million square feet underway. Phoenix remains one of the best performing markets for employment growth and showed its resilience during the pandemic. A low cost of doing business, pro-business environment and proximity to major regional markets will continue drawing tenants to the market.

MARKET INDICATORS	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
▼ Qtrly Net Absorption SF	4,508,489	4,525,312	3,525,026	4,789,550	7,060,846
◀▶ Vacancy Rate	4.0%	4.0%	3.9%	4.0%	4.2%
▲ Avg NNN Asking Rate PSF	\$11.88	\$10.56	\$10.08	\$9.48	\$9.00
▲ SF Under Construction	55,291,088	43,197,614	45,330,326	33,000,361	25,246,900
▲ Inventory SF	372,918,165	367,223,661	359,359,407	354,482,546	352,546,443

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
8313 W. Latham Tolleson, AZ	242,863 SF	\$38,200,000 \$157.29 PSF	StoneLake Capital Oxford Properties	Class A
2800 & 2900 S. Gilbert Road Chandler, AZ	216,328 SF	\$40,150,000 \$185.60 PSF	Fidelity Investments ViaWest Group	Class A
1320 & 1330 W. Warner Road Tempe, AZ	197,000 SF	\$42,400,000 \$215.23 PSF	Barings The Opus Group	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
6801 N. Cotton Lane Glendale, AZ	915,160 SF	Pizzuti	Cubework	Logistics
91st Avenue & Roosevelt Street Tolleson, AZ	402,015 SF	EQT Exeter	HD Supply	Distributor
SWC Ellsworth Road & Warner Road Mesa, AZ	353,662 SF	Scannell Properties	Sysco Foods	Food Service

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