



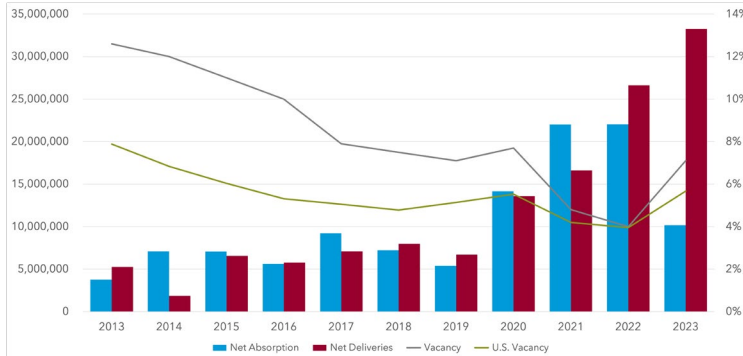
### INDUSTRIAL MARKET OVERVIEW

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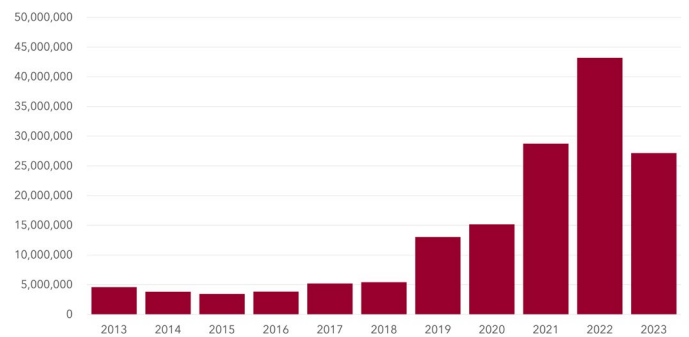
After experiencing two years of unprecedented rental growth, substantial construction completions, and a decrease in vacancy rates, the Phoenix Industrial Market is now entering a phase of stabilization. The introduction of an impressive 39.5 million square feet of new space in 2023 has elevated the overall vacancy to 7.9%, approaching levels reminiscent of the pre-pandemic era. Anticipated demand is set to plateau, and the availability of vacant spaces is projected to rise further, driven by the substantial influx of upcoming projects slated for delivery in the coming year.

MARKET INDICATORS	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
▼ Qtrly Net Absorption SF	1,976,847	2,480,199	2,173,140	4,508,489	4,525,312
▲ Vacancy Rate	7.9%	4.3%	3.8%	4.0%	4.0%
▼ Avg NNN Asking Rate PSF	\$12.48	\$12.60	\$12.24	\$11.88	\$10.56
▼ SF Under Construction	21,452,028	35,404,702	43,143,294	55,291,088	43,197,614
▲ Inventory SF	404,091,099	383,911,018	375,658,060	372,918,165	367,223,611

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
5858 W. Lower Buckeye Road Phoenix, AZ	248,750 SF	\$20,457,371 \$82.24 PSF	CapRock Partners Sun State Builders	Class A
7405 E. Monte Cristo Avenue Scottsdale, AZ	64,560 SF	\$15,225,000 \$235.83 PSF	Surgenex Nobility Management	Class B
NEC 59th Avenue & Watkins Street Phoenix, AZ	76,407 SF	\$14,258,296 \$186.61 PSF	Harrison Condos VanTrust RE	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
7421 N. Reems Road Glendale, AZ	570,080 SF	Fundrise	Saddle Creek Logitics	3PL
5201 N. Cotton Lane Litchfield Park, AZ	420,536 SF	Merit Partners	Parts Town	Automotive
NEC 152nd Ave. & Camelback Road Litchfield Park, AZ	326,018 SF	US Capital Devevelopment	SunMed	Medical

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