



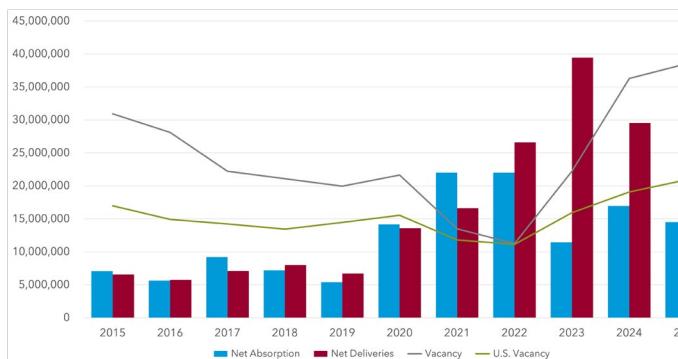
INDUSTRIAL MARKET OVERVIEW

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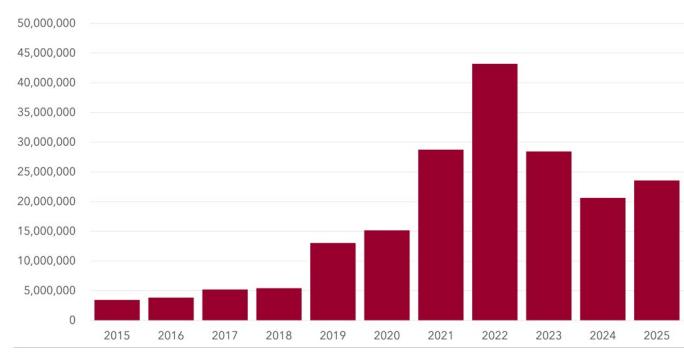
As 2025 concludes, the Phoenix industrial market is entering a new phase following several years of rapid growth. Net absorption totaled 3.44 million square feet in the fourth quarter, reflecting measured but positive tenant demand amid broader economic normalization. Development activity remains robust, with 23.5 million square feet under construction, signaling long-term confidence in the region despite a more disciplined leasing environment. Vacancy held steady at 13.7%, indicating that new deliveries are largely being absorbed by ongoing tenant movement and gradual space commitments. Looking ahead, Phoenix enters 2026 with a sizable development pipeline, a more balanced supply-demand dynamic, and a market increasingly shaped by user selectivity, build-to-suit projects, and strategic long-term location decisions.

MARKET INDICATORS	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
▼ 12 Mo. Net Absorption SF	3,444,417	4,256,901	2,311,273	4,345,216	3,106,751
▲ Vacancy Rate	13.70%	13.60%	13.80%	13.60%	12.90%
▼ Avg NNN Asking Rate PSF	\$13.32	\$13.56	\$13.92	\$13.56	\$13.56
▲ Sale Price PSF	\$201.43	\$169.60	\$191.11	\$183.71	\$172.08
▼ Cap Rate	6.40%	6.80%	7.20%	6.50%	6.40%
▼ Under Construction SF	23,545,412	20,852,106	19,282,617	19,767,171	20,628,215
▲ Inventory SF	454,741,866	451,714,930	446,052,267	444,427,978	437,587,792

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
7733 N. Litchfield Road Glendale, AZ	1,278,653 SF	\$152,161,730 \$119.00 PSF	Walmart Stores, Inc. Lincoln Property Co.	Class A
8016 E. Pecos Road Goodyear, AZ	537,429 SF	\$66,105,000 \$123.00 PSF	Amazon Greystar Real Estate Partners	Class A
12250 W. Corporate Drive Avondale, AZ	450,260 SF	\$89,800,000 \$199.44 PSF	Invesco Real Estate Westfield Company	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
500 N. 55th Avenue Phoenix, AZ	1,063,188 SF	CapRock Partners	Amazon, Inc.	E-Commerce
1655 S. Bullard Avenue Goodyear, AZ	300,249 SF	Prologis, Inc.	Schneider Electric	Technology
17000 W. Glendale Avenue Phoenix, AZ	288,492 SF	DWS	Kenco Logistics	Logistics



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