



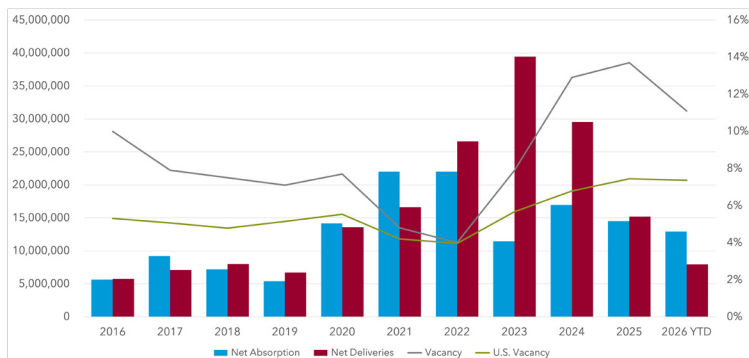
INDUSTRIAL MARKET OVERVIEW

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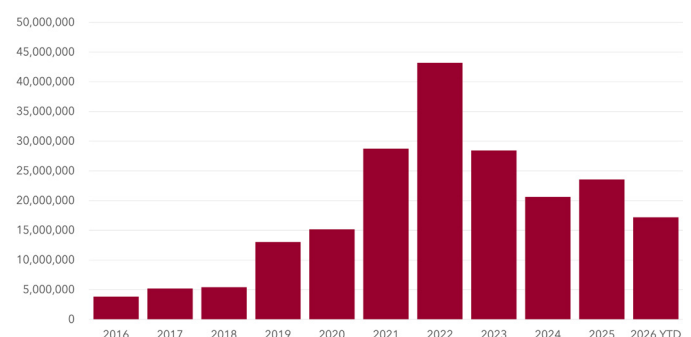
The Phoenix industrial market recorded 3,134,935 SF of net absorption in Q3, while vacancy declined to 11.1%. Deliveries totaled 3,769,831 square feet, and average asking rates rose to \$1.12 per square foot NNN. The construction pipeline expanded to a total of 17.2 million square feet, including 14.3 million speculative and 2.9 million build-to-suit or user-driven space. Two of the three largest projects are preleased by DHL. Major leases included DHL's 1,146,518 square feet and S&S Activewear's 497,234-SF Southwest lease at 15600 W. Camelback. Sales totaled \$1.451 billion across 172 transactions, with an average price of \$193 per square foot. TSMC's investment continues to attract suppliers, supporting long-term industrial demand.

MARKET INDICATORS	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025
▼ Qtrly Net Absorption SF	3,134,935	5,181,826	4,306,769	3,444,417	4,256,901
▼ Vacancy Rate	11.10%	11.40%	12.40%	13.70%	13.60%
▲ Avg NNN Asking Rate PSF	\$13.44	\$12.84	\$13.08	\$13.32	\$13.56
▲ Sale Price PSF	\$193.01	\$157.70	\$182.55	\$201.43	\$169.60
▼ Cap Rate	5.90%	6.10%	5.80%	6.40%	6.80%
▲ Under Construction SF	17,190,747	16,528,185	15,869,468	11,764,740	20,852,106
▲ Inventory SF	470,121,370	465,520,409	464,675,081	454,741,866	451,714,930

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
16400 & 16500 W. Glendale Ave. Litchfield Park, AZ	1,113,135 SF	\$170,250,000 \$152.95 PSF	Nuveen Real Estate Lincoln Property Co.	Class A
400 S. 99th Ave. Tolleson, AZ	881,513 SF	\$85,273,973 \$96.74 PSF	Blue Owl Capital BrightSpire Capital	Class B
670 S. 91st Ave. Tolleson, AZ	417,600 SF	\$47,800,000 \$114.46 PSF	INDUS Realty Nearon Enterprises	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
7842 N. Reems Rd. Waddell, AZ	1,146,518 SF	VanTrust Real Estate	DHL	Logistics
15600 W. Camelback Rd. Litchfield Park, AZ	497,234 SF	EXT Exeter	S & S Activewear	Wholesale
4021 & 4025 S. Binary Rd. Mesa, AZ	392,956 SF	Dalfen Industrial	Brinkmann Co.	Construction

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