



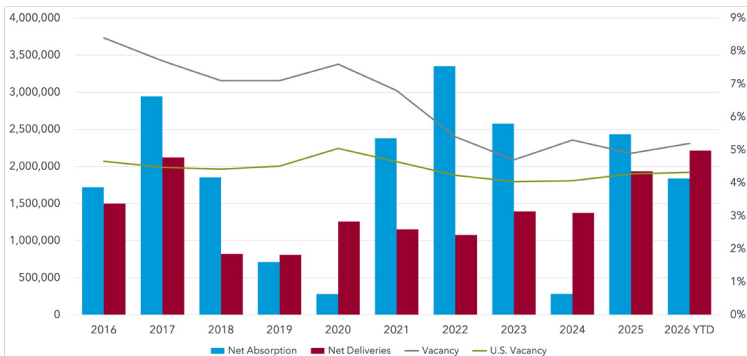
RETAIL MARKET OVERVIEW

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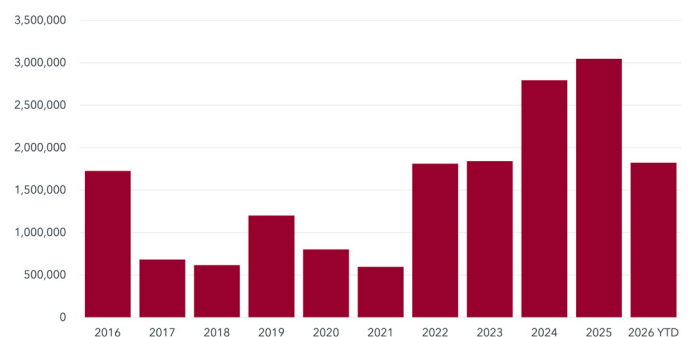
The Phoenix retail market remained active during the third quarter of 2026, recording 331,137 square feet of positive net absorption. Vacancy edged up to 5.2%, while average NNN asking rents increased to \$19.56 per square foot. The development pipeline continued to contract, with 1,822,796 square feet under construction, down from the prior quarter. Overall market inventory grew to 173,169,542 square feet. Leasing activity included Safeway's 64,000-square-foot deal in Gilbert, Amped Fitness' 44,615-square-foot lease in Mesa, and Goodwill's 27,957-square-foot space in Glendale. Rising rents and continued absorption indicate resilient tenant demand, though the vacancy increase bears watching as the market adjusts to new supply and tenants pursue suitable space throughout Phoenix.

MARKET INDICATORS	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025
▼ Qtrly Net Absorption SF	331,137	990,948	509,591	704,491	381,417
▲ Vacancy Rate	5.20%	5.10%	5.00%	4.90%	5.10%
▲ Avg NNN Asking Rate PSF	\$19.56	\$19.08	\$18.36	\$18.12	\$17.88
▲ Sale Price PSF	\$328.34	\$298.39	\$317.25	\$306.22	\$224.80
▼ Cap Rate	6.30%	6.40%	6.30%	6.10%	7.10%
▼ Under Construction SF	1,822,796	2,067,284	2,375,016	3,047,510	2,606,789
▲ Inventory SF	173,169,542	172,922,088	171,977,891	171,279,591	170,801,437

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
1800-1916 E. Baseline Rd. Mesa, AZ	129,315 SF	\$19,500,000 \$150.79 PSF	Arileus Capital Schneider Trust	Multi-Tenant
1421-1441 S. Signal Butte Rd. Mesa, AZ	97,300 SF	\$26,206,206 \$269.33 PSF	NETSTREIT Corp. SimonCRE	Multi-Tenant
SWC Bell Rd. & Civic Center Dr. Surprise, AZ	50,250 SF	\$27,050,000 \$538.31 PSF	Crow Holdings SimonCRE	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3960 S. Val Vista Rd. Gilbert, AZ	64,000 SF	Thompson Thrift	Safeway	Grocery
1840 W. Broadway Rd. Mesa, AZ	44,615 SF	Manila Oriental Market	Amped Fitness	Gym
5820 W. Greenway Rd. Glendale, AZ	27,957 SF	MM George	Goodwill	Nonprofit

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