

Phoenix



OVERVIEW

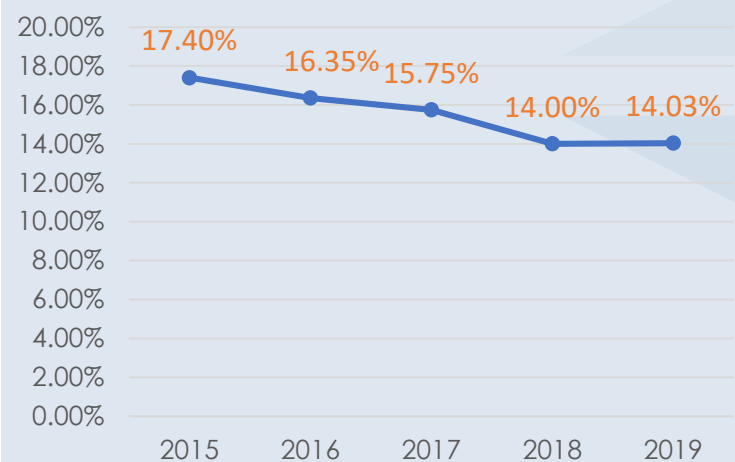
- Lowest vacancy rate (15.9%) since over ten years ago.
- Positive absorption for 24 quarters in a row.
- Large amount of new construction (2M+ square feet).
- 50% of new construction square footage currently in the Tempe North submarket.
- \$0.54 per square foot increase full service Class A office space, 2018 Corridor and Scottsdale submarkets.
- Office space demand driven from rising employment rates and major corporation expansion.
- Phoenix continues to outperform national average for vacancy.
- Market Rent Growth (YOY) up 2% since 2018 Q2; however, down 3.6% since 2016 Q2.

FUNDAMENTALS

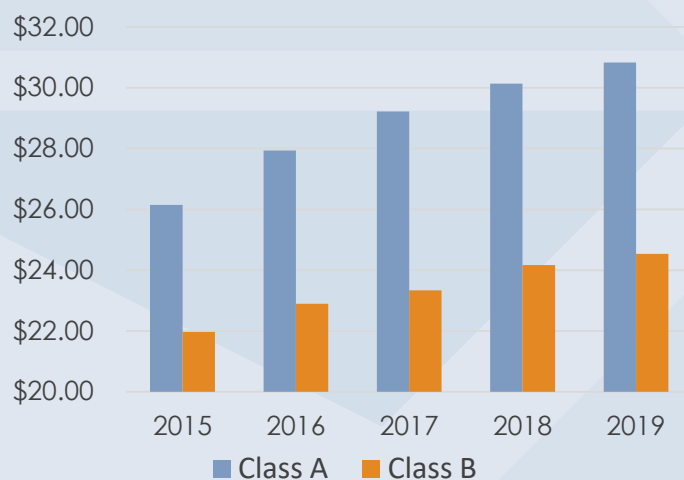
Forecast

YTD net absorption	959,845 ▲	
Under construction	2,218,331 ▲	
Average asking rent (gross)	\$26.48 ▲	
Concessions	Flat ▲	
Market Size	Largest Office Deal	Total Vacancy
186,815,281	Allred Park Place South 151,395 SF	14.03%

TOTAL VACANCY



AVERAGE ASKING RENTS



OUTLOOK

- Phoenix projected to remain a top market for employment and population growth.
- Affordable housing continues to draw millennials to PHX for work.
- Balance of supply and demand still strong, except small oversupply in Chandler submarket.
- Fundamentals of the market projected strong through rest of the year.
- Market suggests vacancy rates will continue to fall into 2020.

For more information, please contact:



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