Phoenix Investment Sales

2024 Year End Report

The Colliers Arizona Investment Properties Sales Team

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Statistics Snapshot | **2024**

Metropolitan Phoenix

Interest rates and uncertainty in an election year didn't stop greater Phoenix from being a **top 10 market for investors** during 2024. Industrial sales **fully bounced back** in the fourth quarter, office sales **grew** over 2023, and retail cap rates **remained stable** despite the 10-year U.S. treasury levels. Return to office mandates are on the tip of everyone's tongue, with a **steady office recovery** in 2025 anticipated by most prognosticators. TSMC has made good the promise of the **ripple effect** of this major chip supplier opening their first U.S. plant. **Many new businesses** are setting up shop, and **thousands of homes** and related community needs are **expanding** throughout the region. ASU also continues to deliver, earning its **10th** consecutive year as being recognized as the **#1 innovation school in the U.S**.

OFFICE | QUICK STATS

	CURRENT	2024 v 2023
VACANCY	15.3%	↑
LEASE RATES	$29.95	↑
NET ABSORPTION	(928,923)	↑
COMPLETIONS	496,616	↓

RETAIL | QUICK STATS

	CURRENT	2024 v 2023
VACANCY	4.1%	↓
LEASE RATES	$17.43	↑
NET ABSORPTION	1,497,778	↓
COMPLETIONS	1,269,776	↓

INDUSTRIAL | QUICK STATS

	CURRENT	2024 V 2023
VACANCY	10.6%	↑
LEASE RATES	$1.12	↑
NET ABSORPTION	15,565,997	↓
COMPLETIONS	34,825,782	↑

Metro Phoenix was highlighted in 2024

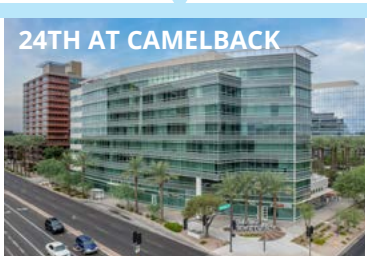
- Arizona saw a massive expansion in its boisterous semiconductor industry. Taiwan-based Sunlit Chemicals opened its first $100 million U.S. factory in Arizona, which will be a crucial partner to other semiconductor companies in the state.
- TSMC announced a third fab location, bringing its total Arizona investment to $65 billion.
- The U.S. Commerce Department announced the selection of Arizona and ASU as the site of the third CHIPS for America research and development (R&D) flagship facilities.
- Arizona ranks as the No. 6 growth state of 2024, following South Carolina, Texas, North Carolina, Florida and Tennessee.
- The NCAA Men's Basketball Final Four championship game was held in Glendale, AZ and delivered a $3m positive economic impact.
- Phoenix's tech scene boomed in 2024, with industry giants expanding throughout the city such as Intel, GoDaddy and Microchip.
- Arizona State University, recognized as the #1 innovation university for the 10th year in row by US News & World Report.

Market Makers | **Office 2024**

Feature: **April**

2024 office sales saw a larger volume, ranging from $28 to $506 PSF

The average price per square foot dropped again in 2024. From a high in 2022 of $238 PSF, 2024 ended at $158 PSF. Of the 83 office sales, consistent with 2023 activity, 43 sold at less than 70% leased, of which 24 were vacant when sold. Medical offices continued to be the darling of office investments – trading at the highest PSF prices and lowest cap rates.



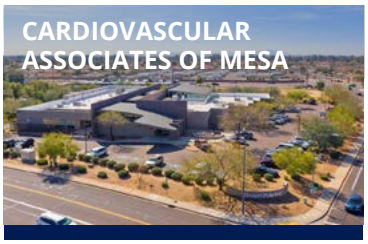
JAN

1925-2095 W Pinnacle Peak Rd, Phoenix, AZ
Size/Percent Leased: 164,235 SF /100%
Sales Price: $32.9M ($200 PSF)

FEB

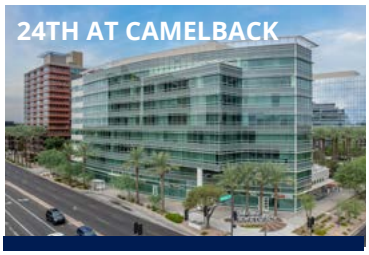
4050 E Cotton Center Blvd, Phoenix, AZ
Size/Percent Leased: 228,605 SF / 98.0%
Sales Price: $38M ($166 PSF)

MAR



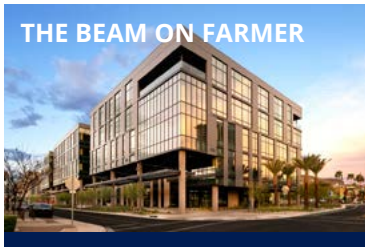
6309 E Baywood Ave, Mesa, AZ
Size/Percent Leased: 30,417 SF / 100.0%
Sales Price: $15.4M ($506 PSF)

APR



2375 E Camelback Rd, Scottsdale, AZ
Size/Percent Leased: 308,827 SF / 75.6%
Sales Price: $86.1M ($279 PSF)

MAY



433 S Farmer Ave, Tempe, AZ
Size/Percent Leased: 180,910 SF / 35.0%
Sales Price: $56.2M ($311 PSF)

JUNE

4625 & 4675 E Cotton Center Blvd, Phoenix, AZ
Size/Percent Leased: 147,627 SF / 98.6%
Sales Price: $29.2M ($198 PSF)

JULY

3 Properties in Metro Phoenix, AZ
Size/Percent Leased: 238,849 SF
Sales Price: $70.8M ($296 PSF)

AUG

9501 E Shea Blvd, Scottsdale, AZ
Size/Percent Leased: 366,513 SF / 100%
Sales Price: $71.5M ($195 PSF)

SEPT

2510 W Dunlap Ave, Phoenix, AZ
Size/Percent Leased: 311,706 SF / 4%
Sales Price: $21.4M ($27 PSF to Land)

OCT

2325 E Camelback Rd, Phoenix, AZ
Size/Percent Leased: 306,877 SF / 87%
Sales Price: $97.9M ($319 PSF)

NOV

2710-2850 E Camelback Rd, Phoenix, AZ
Size/Percent Leased: 208,105 SF / 74%
Sales Price: $60.0M ($288 PSF)

DEC

7272 E Indian School Rd, Scottsdale, AZ
Size/Percent Leased: 158,556 SF / 73%
Sales Price: $42.2M ($266 PSF)

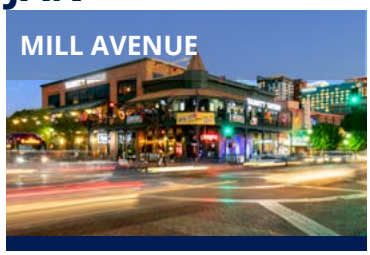
Market Makers | **Retail 2024**

Feature: **February**

2024 retail sales volume saw another year of “normal” volume

An ongoing lack of supply led 2024 retail sales to be about the same as the prior year. Cap rates for Class A & B multi-tenant centers ranged from 5.5% to 8.0%, and there were very few distress sales. Institutional investors of ethnic-oriented centers and small suite strips, along with development on the outskirts are some of the recent trends.

JAN



420, 501 S Mill Ave, Tempe, AZ
Size/Percent Leased: 38,816 SF / 100%
Sales Price: $22.2M ($572 PSF)

FEB

4021-4970 S Gilbert Rd, Chandler, AZ
Size/Percent Leased: 57,334 SF / 100.0%
Sales Price: $29.5M ($515 PSF)

MAR

10105-10155 E Via Linda, Scottsdale, AZ
Size/Percent Leased: 118,751 SF / 95.8%
Sales Price: $26.5M ($223 PSF)

APR

7119-7129 E Shea Blvd, Scottsdale, AZ
Size/Percent Leased: 69,482 SF / 96.6%
Sales Price: $22.1M ($319 PSF)

MAY

1930-1950 W Indian School Rd, Phoenix, AZ
Size/Percent Leased: 113,252 SF / 99.0%
Sales Price: $15.6M ($138 PSF)

JUNE

7525-7865 W Bell Rd, Peoria, AZ
Size/Percent Leased: 343,857 SF / 100.0%
Sales Price: $91.0M ($265 PSF)

JULY

4907-4965 W Bell Rd, Glendale, AZ
Size/Percent Leased:166,823 SF / 92.1%
Sales Price: $23.2M ($139 PSF)

AUG

20004, 20008, 20062 S Ellsworth Rd,
Queen Creek, AZ
Size/Percent Leased: 50,741 SF / 100%
Sales Price: $31.7M ($626 PSF)

SEPT

NWC of Shea Blvd and 32nd St, Phoenix, AZ
Size/Percent Leased: 83,787 SF / 97%
Sales Price: $16.8M ($201 PSF)

OCT

5833 W Thunderbird Rd, 13631 N 59th Ave,
Glendale, AZ
Size/Percent Leased: 22,115 SF / 79%
Sales Price: $5.9M ($268 PSF)

NOV

8831-8921 N 19th Ave, Phoenix, AZ
Size/Percent Leased: 101,269 SF / 99%
Sales Price: $17.0M ($168 PSF)

DEC

1817-1939 E Baseline Rd, Gilbert, AZ
Size/Percent Leased: 51,303 SF / 98%
Sales Price: $14.0M ($273 PSF)

Market Makers | **Industrial 2024**

Feature: **December**

2024 industrial 4th quarter sale volume equaled all of 2023

2024 industrial sales experienced a full bounce back in the 4Q2024, equaling all of 2023, and ending the year more than double 2023 sales. Despite an uptick in vacancy, industrial owners and investors remain bullish on this asset class, which has seen the highest number of institutional purchases.

BROADWAY 101 COMMERCE PARK II

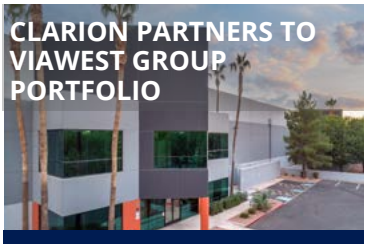
JAN

SOUTHBANK INDUSTRIAL PARK

3930 E Watkins St, Phoenix, AZ
Size/Percent Leased: 101,932 SF / 100.0%
Sales Price: $20.3M ($199 PSF)

FEB

CLARION PARTNERS TO VIAWEST GROUP PORTFOLIO



6 locations throughout Metro Phoenix
Size/Percent Leased: 428,453 SF / 98.0%
Sales Price: $71.1M ($166 PSF)

MAR

SPECTRUM LABS

2801 S 35th St, Phoenix, AZ
Size/Percent Leased: 25,596 SF / 100.0%
Sales Price: $6.3M ($246 PSF)

APR

KKR PORTFOLIO TO BLACKSTONE

5 Bldgs in Metro Phoenix, AZ
Size/Percent Leased: 539,560 SF / 95.8%
Sales Price: $87.0M ($161 PSF)

MAY

PACKAGING CORPORATION OF AMERICA

10100 N 151st Ave, Waddell, AZ
Size/Percent Leased: 364,700 SF / 0.0%
Sales Price: $73.9M ($203 PSF)

JUNE

GOODYEAR AIRPORT 85

1685 & 2250 S Litchfield Rd, Goodyear, AZ
Size/Percent Leased: 725,303 SF / 100.0%
Sales Price: $108.1M ($149 PSF)

JULY

FALCON PARK 303 - PHASE II

15152 W Camelback Rd, Litchfield Park, AZ
Size/Percent Leased: 326,018 SF / 100.0%
Sales Price: $50.0M ($153 PSF)

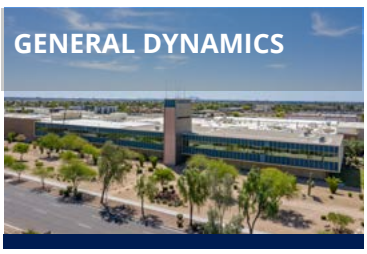
AUG

ARTIS TO EQT EXETER PORTFOLIO

15 Bldg AZ / MN portfolio (12 bldgs in AZ)
AZ Size/Percent Leased: 833,619 SF / 100%
AZ Sales Price: $151.7 M ($182 PSF)

SEPT

GENERAL DYNAMICS



8201 E McDowell Rd, Scottsdale, AZ
Size/Percent Leased: 850,000 SF / 100%
Sales Price: $61.1 M ($72 PSF)

OCT

TA REALTY TO LEON CAPITAL PORTFOLIO

Three locations in Tempe, AZ
Size/Percent Leased: 175,723 SF / 100%
Sales Price: $33.7M ($192 PSF)

NOV

PALOMA VISTA LOGISTICS CENTER - AMAZON

18900 W McDowell Rd, Buckeye, AZ
Size/Percent Leased: 1,056,353 SF / 100%
Sales Price: $118.2M ($112 PSF)

DEC

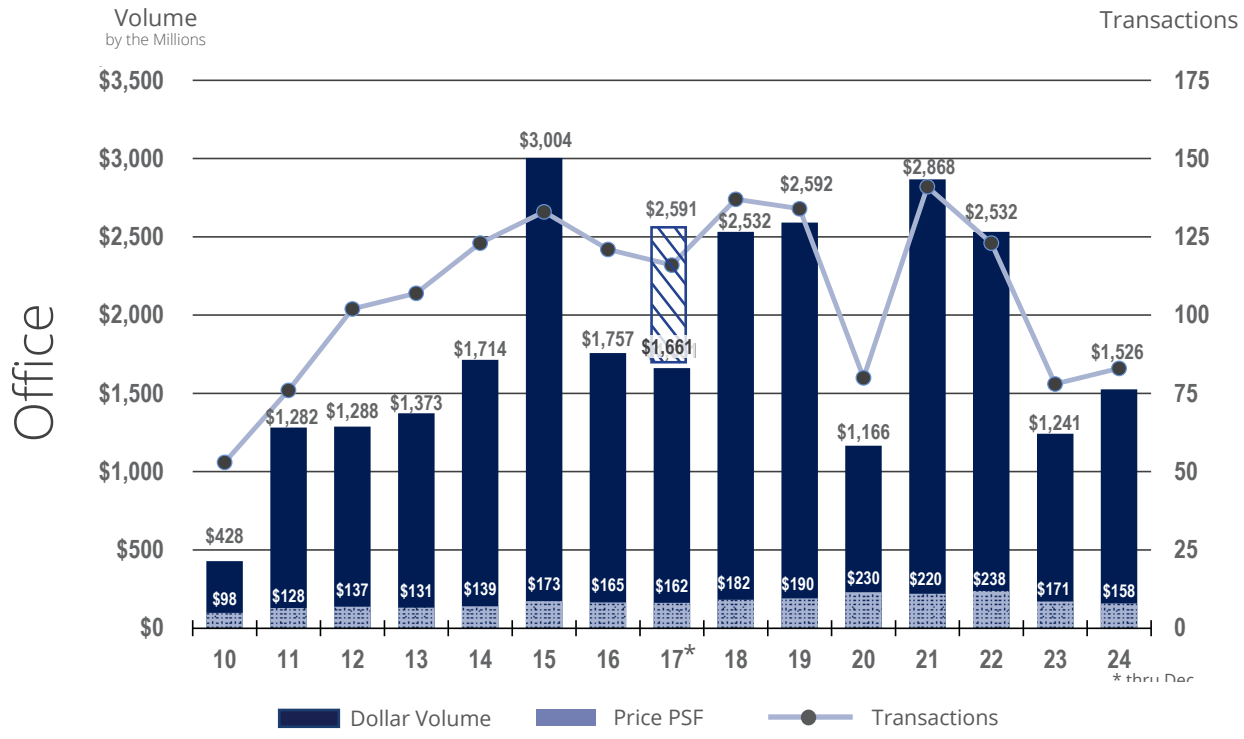
BROADWAY 101 COMMERCE PARK II

2140-2360 W Broadway Rd, Mesa, AZ
Size/Percent Leased: 856,894 SF / 98%
Sales Price: $168.3M ($196 PSF)

Historical Sales | **2024**

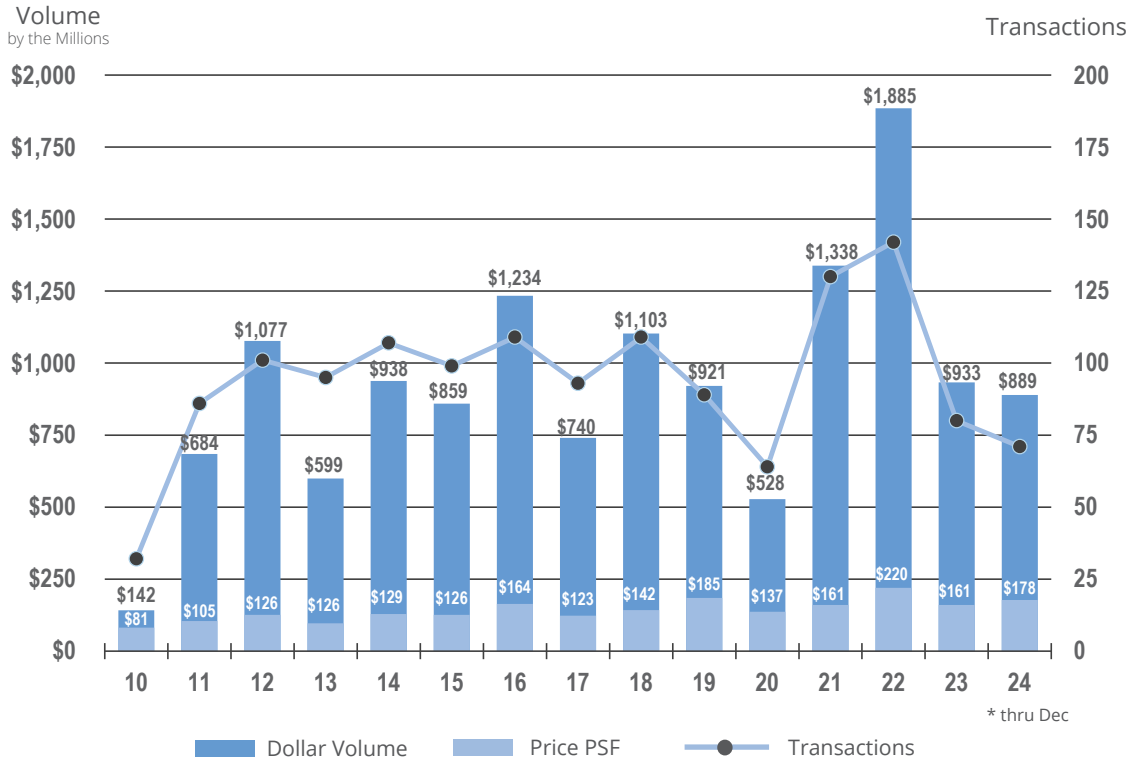
Metropolitan Phoenix

Historical Volume vs. Avg PSF and Number of Transactions

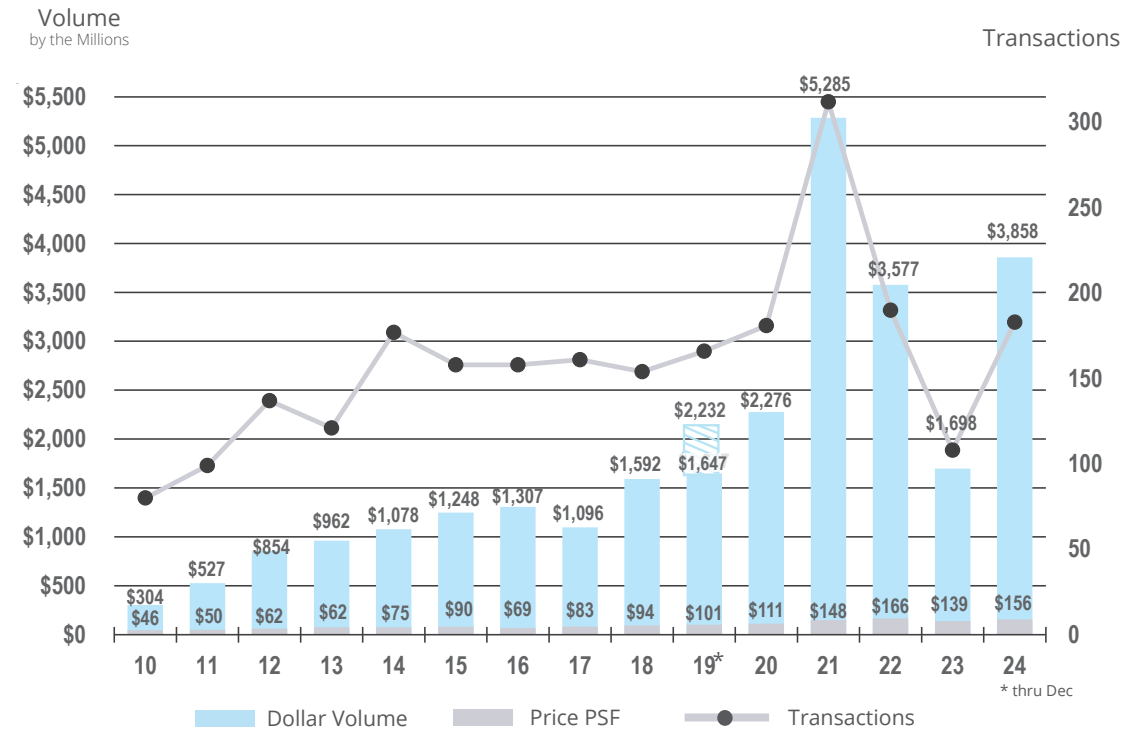


* 2017 sales exclude State Farm @ Marina Heights which if included totals $2.591 B; 117 sales; $211 PSF and if excluded totals $1.661 B; 116 sales; $162 PSF

Retail



Industrial



* 2019 sales exclude the GLP/Blackstone Group portfolio, which if included would total $2,232B; 177 sales; $103 PSF and if excluded would total $1.647B; 166 sales; $101 PSF

What to Watch in 2025 and beyond

AZ & U.S. Commercial Real Estate

Phoenix Commercial Real Estate Market Update: 2025 Outlook Observations from the CCIM IREM Forecast
(Real Estate Daily News Service, January 22, 2025)

Will 2025 be a pivotal year of recovery in commercial real estate?
(World Economic Forum, January 6, 2025)

Real Estate in Focus: 2025 Trends to Watch
(MCSI, January 8, 2025)

AZ & U.S. Housing Market

2025 housing market predictions from Arizona Association of REALTORS
(AZBigMedia, January 29, 2025)

Metro Phoenix forecast to be one of top 10 U.S. housing markets in 2025
(AZ Central, December 12, 2024)

The outlook for the US housing market in 2025
(J.P. Morgan, February 10, 2025)

Arizona Economy

Arizona's economy: Headed into uncharted waters
(AZBigMedia, February, 13, 2025)

Phoenix is one of the best big cities for jobs and wages. Here's why
(AZ Central, January 23, 2025)

Regional Report: 2025 Economic Outlook
(Greater Phoenix Economic Council, January 24, 2025)

U.S. Economy

Economic Forecast for the US Economy
(The Conference Board, February 12, 2025)

The US economy is poised to beat expectations in 2025
(Goldman Sachs, November 20, 2024)

Economic Forecast For 2025 And Beyond: Growth With Continued Inflation
(Forbes, December 30, 2024)

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