

# Phoenix Investment Sales

Colliers

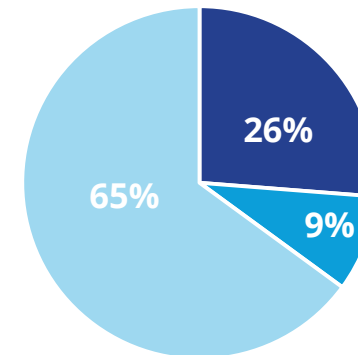
## 2021 Q3 Report

### Quarterly Highlights

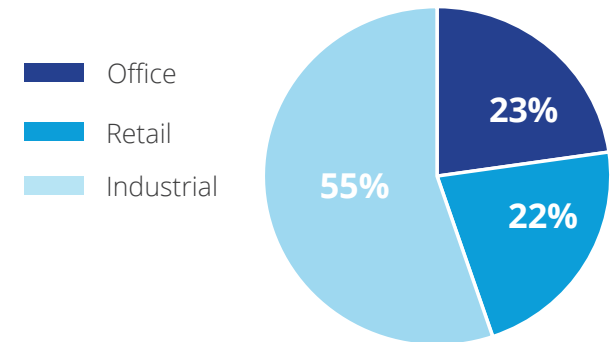
- According to US Census data, Phoenix was America's fastest growing major city from 2010-2020, expanding by 11.2% and passing Philadelphia as the fifth largest city in the nation.
- Metro Phoenix ranked 2nd nationally for top labor markets, just behind Dallas- Fort Worth. As of August, Phoenix MSA had fully recovered from the 223,800 jobs lost last April.
- Retail consumer spending has increased by 18.6% at the end of September compared to January 2020 in the entire Phoenix MSA.
- Phoenix Office market rental rates, at \$27.76 PSF, were steady year-over-year ("YOY"); direct vacancy was 14.2%; and while there was negative net absorption of 317,887 SF, this was caused by Chase Bank's move out of downtown as they relocate to their new Tempe campus. Without Chase Bank, 3Q2021 saw more than 400,000 SF of positive absorption. Office property sales totaling \$695 million reached the highest quarterly volume since pre-pandemic.
- The Industrial market is showing no signs of slowing down and posting new milestones each quarter. In 3Q2021 there was a record 7.2 million SF of positive net absorption, 20 million SF of properties under construction, 8.49% YOY rental growth, and YOY reduction in vacancy rate by 270 bps to 5.2%. Industrial property sales completed a record shattering \$1.7 billion in 3Q2021 with two sales eclipsing \$100 million.
- The Retail market ended 3Q2021 ahead of a healthy previous quarter, posting 286,386 SF of net absorption, YOY rent growth of 2.40%; and a decrease in vacancy to 7.2%, matching pre-pandemic levels. Year-to-date retail property sales are \$300 million more than all of 2020.
- The \$58 million in Medical sales during 3Q2021 averaged \$375 PSF, considerably more than the average of \$291 PSF over year-to-date \$163.6 million in Medical property sales.

### Direct Quarterly Sales (over 20,000 SF & \$1 M)

Total \$ Spent



# of Sales



Office  
Retail  
Industrial

**MINDY KORTH**  
Executive Vice President  
Direct +1 602 222 5005  
mindy.korth@colliers.com

**JENNY BASSETT**  
Real Estate Analyst  
Direct +1 602 222 5158  
jenny.bassett@colliers.com

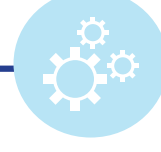
**KELSEY ROBINSON**  
Client Services Coordinator  
Direct +1 602 222 5041  
kelsey.robinson@colliers.com

**ALYSSA SMITH**  
Graphic Designer  
Direct +1 602 222 5041  
alyssa.smith@colliers.com

### The Colliers Arizona Investment Properties Sales Team

Colliers | 2390 E Camelback Road, Suite 100 | Phoenix, AZ 85016  
Main Phone: +1 602 222 5000  
colliers.com | www.phoenixinvestment.properties

# Monthly Snapshots



## July

### Office

### Retail

### Industrial

### Total

<b>TOTAL AMOUNT</b>	\$106,864,500	\$120,861,000	\$143,180,937	\$370,906,437
<b>PER SQUARE FOOT</b>	\$157	\$230	\$184	
<b>NUMBER OF TRANSACTIONS</b>	11	12	11	34

## August

<b>TOTAL AMOUNT</b>	\$136,202,376	\$45,325,000	\$323,595,234	\$505,122,610
<b>PER SQUARE FOOT</b>	\$149	\$114	\$129	
<b>NUMBER OF TRANSACTIONS</b>	10	10	25	45

## September

<b>TOTAL AMOUNT</b>	\$452,174,731	\$67,685,000	\$1,253,134,529	\$1,772,994,260
<b>PER SQUARE FOOT</b>	\$267	\$136	\$162	
<b>NUMBER OF TRANSACTIONS</b>	14	12	49	75

## 3<sup>rd</sup> Quarter

<b>TOTAL AMOUNT</b>	\$695,241,007	\$233,871,000	\$1,719,910,690	\$2,648,923,307
<b>PER SQUARE FOOT</b>	\$191	\$160	\$158	
<b>NUMBER OF TRANSACTIONS</b>	35	34	85	154

# Market Makers

July

## Office



### Stadium Village

14815, 14823 W Bell Rd, Surprise, AZ  
Size/Percent Leased: 54,216 SF / 65%  
Sales Price: \$12.4M (\$229 PSF)

## Retail



### Arcadia Village

3923-3967 E Camelback Rd, Phoenix, AZ  
Size/Percent Leased: 37,006 SF / 100%  
Sales Price: \$21.0M (\$567 PSF)

## Industrial



### T-Mobile Switch

2601 W Broadway Rd, Tempe, AZ  
Size/Percent Leased: 44,244 SF / 100%  
Sales Price: \$45.6M (\$1,031 PSF)

August



### CASA

7878 N 16th St, Phoenix, AZ  
Size/Percent Leased: 181,138 SF / 100%  
Sales Price: \$56.5M (\$312 PSF)



### Shops at Raintree

8698 E Raintree Dr, Scottsdale, AZ  
Size/Percent Leased: 29,444 SF / 72%  
Sales Price: \$7.6M (\$260 PSF)



### Goodyear Logistics Center

575 S 143rd Ave, Goodyear, AZ  
Size/Percent Leased: 901,700 SF / 0%  
Sales Price: \$103.2M (\$114 PSF)

September



### Warner Crossing

8260, 8312 S Hardy Dr, Tempe, AZ  
Size/Percent Leased: 138,180 SF / 70%  
Sales Price: \$23.5M (\$170 PSF)



### Agua Caliente Shopping Center

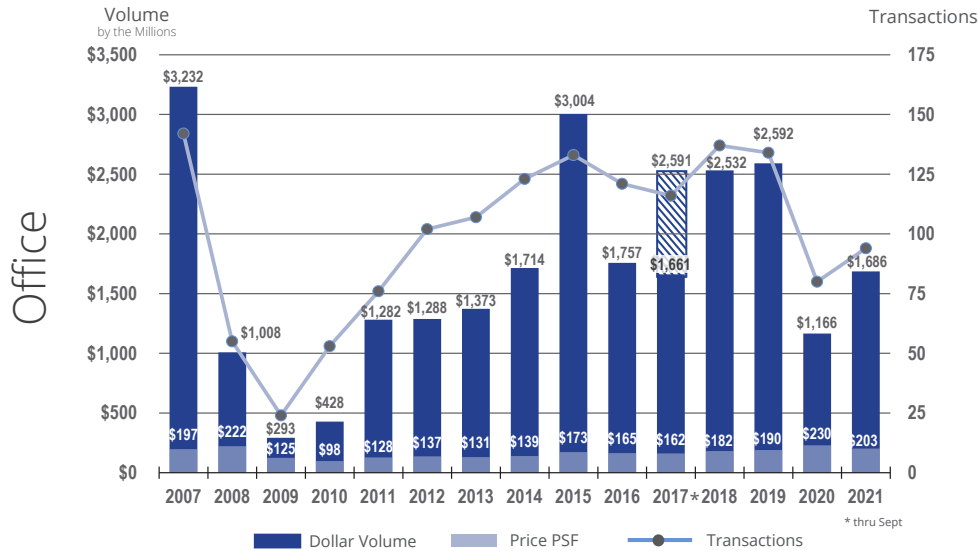
6990 E Shea Blvd, Scottsdale, AZ  
Size/Percent Leased: 48,669 SF / 89%  
Sales Price: \$14.0M (\$288 PSF)



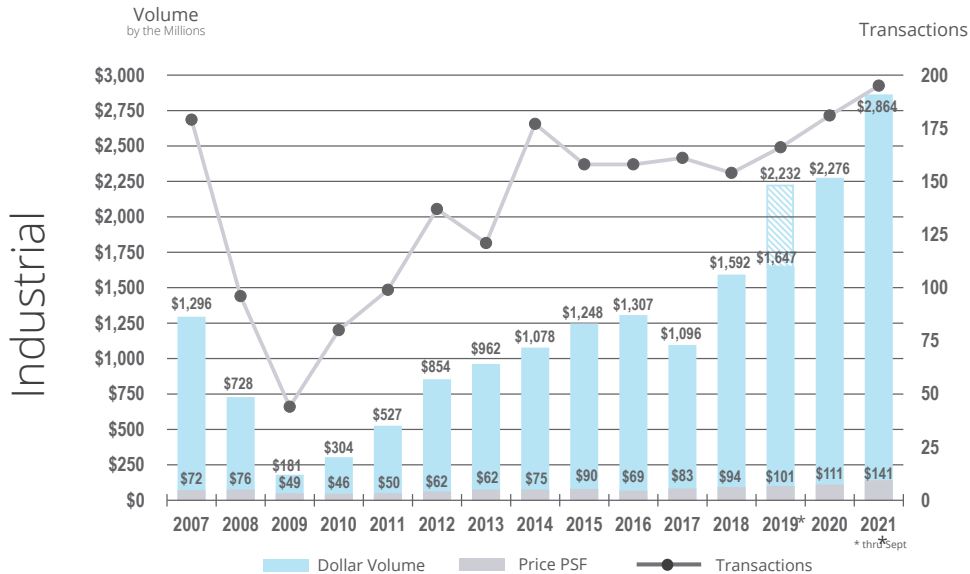
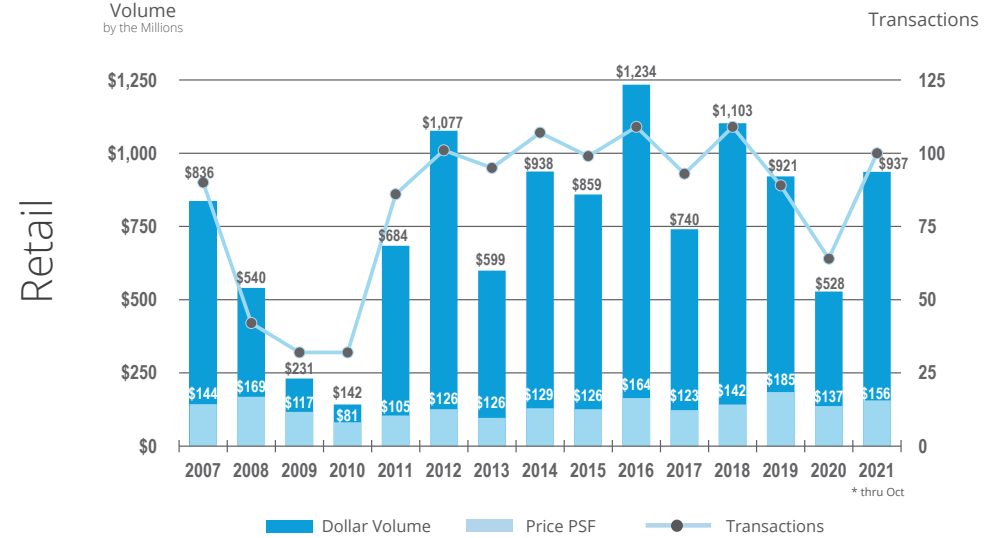
### Walmart @ Park 303

6600 N Sarival Ave, Litchfield Park, AZ  
Size/Percent Leased: 1,257,838 SF / 100%  
Sales Price: \$186.0M (\$148 PSF)

# 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



\* 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

## Trend Spotting

### Solutions to Labor Shortages

This quarter's trend spotter was to be about the shortages of labor, but as the quarter moved on, that was not a trend but a mainstream part of the supply chain dilemma. The real trend is from employers who have been successful in recruitment and more importantly retention. Those at the forefront of thought leadership are diligently accepting the changes in the marketplace as it relates to their workers. This may include compensation, benefits, and working conditions. While they are flexible with what their workers are looking for, they are also demanding in performance. This mutual respect is good business; and over time will create strong loyalty that translates into strong culture, strong brands, and superior corporate results. If you are having staffing concerns, think through what you can do to be more flexible while still demand excellence in performance.