



SIGNIFICANT LEASE DEALS

Address	Submarket/City	SF	Tenant
6205 S. Arizona Ave	Southeast Valley	222,000	Z Modular
1755 S. 75th Ave	Southwest Valley	211,185	States Logistics
9494 W. Buckeye Rd	Southwest Valley	186,336	CHEP Manufacturing

SIGNIFICANT BUILDING SALES

Address	Sale Value	PPSF	SF	Buyer
Submarket	Type of Sale	Cap Rate	Class	Seller
2950 S. Litchfield Rd	\$28,437,600	\$698.00	418,200	Stream Realty
Southwest Valley	User Sale	-	Class A	Sun Financial
1343 N. Colorado St	\$27,000,000	\$119.68	225,600	Evan Porges
Southeast Valley	Investment	-	Class A	McShane Development
2200 S. 43rd Ave	\$24,679,244	\$98.70	250,043	Cohen Asset Mgmt
Southwest Valley	Investment	-	Class A	Merit Partners

LARGEST DELIVERIES

Address	Submarket/City	SF	Developer
13600 W. Sweetwater Ave	Surprise	272,500	Trimaco
PV 303	Goodyear	160,000	Merit Partners
3055 E. Rose Garden Lane	Phoenix	58,984	Sunstate Dev

LARGEST UNDER CONSTRUCTION

Address	Submarket/City	SF	Delivery Date
SEC Van Buren & Bullard	The Hub @ Goodyear	790,980	Q4 2019
Price Road (Orbital ATK)	Chandler	617,000	Q3 2019
59th Ave & Lower Buckeye	Phoenix	554,000	Q2 2019

TOTAL INDUSTRIAL MARKET STATISTICS

	Vacancy Rate	Avg. SF Rental Rates	Net SF Absorption	SF Inventory	SF Under Construction
Q1 2019	7.2%	\$7.56 NNN	672,695	311,916,181	6,933,315
Q4 2018	7.5%	\$7.32 NNN	2,419,344	307,968,137	5,424,724
Q3 2018	7.4%	\$7.20 NNN	688,445	306,423,024	7,004,491
Q2 2018	7.3%	\$7.20 NNN	2,403,760	303,015,540	4,844,891
Q1 2018	7.5%	\$7.20 NNN	1,359,837	300,495,997	7,498,082

▼
672,695
NET
ABSORPTION SF

▼
7.2%
VACANCY
22,552,355 SF

▲
\$7.56
AVG. ASKING
RATE PSF

▼
513,484
DELIVERIES
4 Buildings

▲
6,933,315
UNDER
CONSTRUCTION
49 Buildings

CHRIS MCCHESENEY
Research Director

The Phoenix Industrial sector remains strong as we come to the end of the first quarter. Early indicators for 2019 project a very strong outlook for growth, absorption, and rental rates. Q1 rental rates increased by 4.2%, vacancy rates crept down to 7.2%, and average price per square foot rose 7.2%. Throughout the first quarter, 124 sales transactions occurred with a total volume of \$365M, a decrease from Q1 2018's sale volume of \$435M. There were 2 less sale transactions in Q1 2019 compared to Q1 2018 with a decrease of \$70M in sale consideration. The average price per square foot in the first quarter was up 7.2% from the previous quarter.