


**SIGNIFICANT LEASE DEALS**

| Address                 | Submarket/City | Square Feet | Tenant             |
|-------------------------|----------------|-------------|--------------------|
| PV 303                  | Northwest      | 643,798     | Ferrero Rocher     |
| 13351 W. Rioglass Solar | Northwest      | 170,625     | National Indoor RV |
| 901 S. 86th Ave         | Southwest      | 121,895     | Walmart            |

**SIGNIFICANT BUILDING SALES**

| Address<br>City                    | Sale Value<br>Type of Sale | PPSF<br>Cap Rate | SF<br>Class        | Buyer<br>Seller  |
|------------------------------------|----------------------------|------------------|--------------------|--|
| 8681 W. Washington St<br>Southwest | \$29,830,000<br>Investment | \$121.11<br>-    | 118,123<br>Class A | Investcorp International<br>Link Industrial Properties |
| 3575 S. 28th St<br>Airport         | \$28,600,000<br>Investment | \$125.03<br>-    | 228,750<br>Class A | Cohen Asset Mgmt<br>Kitchell Development               |
| 19019 N. 59th Ave<br>Northwest     | \$26,500,000<br>Investment | \$105.03<br>-    | 252,300<br>Class B | BH Properties<br>Lexington Realty Trust                |

**LARGEST DELIVERIES**


| Address                       | Submarket/City | SF      | Developer           |
|-------------------------------|----------------|---------|---------------------|
| 2111, 2125, 2133, 2145 S. 7th | Phoenix        | 554,874 | Prologis            |
| 7535-7749 Ray Rd              | Mesa           | 360,689 | Marwest Enterprises |
| 13459 W. Willow Rd            | Surprise       | 160,000 | SeaCa Packaging     |


**LARGEST UNDER CONSTRUCTION**

| Address                    | Submarket/City | SF      | Delivery Date |
|----------------------------|----------------|---------|---------------|
| 305 S. Bullard Ave         | Goodyear       | 790,980 | Q4 2019       |
| SWC Indian School & Cotton | Goodyear       | 643,798 | Q4 2019       |
| South Price Rd             | Chandler       | 617,000 | Q3 2019       |


**TOTAL INDUSTRIAL MARKET STATISTICS**

|         | Vacancy Rate | Avg. SF Rental Rates GRS | Net SF Absorption | SF Inventory | SF Under Construction |
|---------|--------------|--------------------------|-------------------|--------------|-----------------------|
| Q2 2019 | 6.80%        | \$7.56                   | 1,492,672         | 313,210,462  | 9,797,239             |
| Q1 2019 | 7.20%        | \$7.32                   | 672,695           | 311,916,181  | 6,933,315             |
| Q4 2018 | 7.50%        | \$7.56                   | 2,419,344         | 311,459,551  | 5,424,724             |
| Q3 2018 | 7.40%        | \$7.20                   | 688,445           | 307,968,137  | 7,004,491             |
| Q2 2018 | 7.30%        | \$7.20                   | 2,403,760         | 306,423,024  | 4,844,891             |


**1,492,672** NET ABSORPTION  
SF


**6.80%** VACANCY  
21,437,259 SF


**\$7.56** AVG. ASKING RATE  
PSF GROSS


**1,461,499** DELIVERIES  
13 Buildings


**9,797,239** UNDER  
CONSTRUCTION  
38 Buildings

**CHRIS MCCHESENEY**, Research Dir.

As we make it through the midpoint of 2019, the Phoenix Industrial Market continues its positive momentum. The second quarter of the year had close to 1.5M square feet of positive net absorption and rental rates remained unchanged at \$0.63/SF NNN. Vacancy rates in the Valley dropped to 6.8% from 7.2% in the second quarter. The largest sale of the quarter came from the Southwest Valley submarket. The distribution facility located at 8681 W. Washington Street sold to Investcorp International for \$29,830,000. With close to 10M square feet of industrial space under construction, the attraction to Phoenix for large industrial users remains bright.