



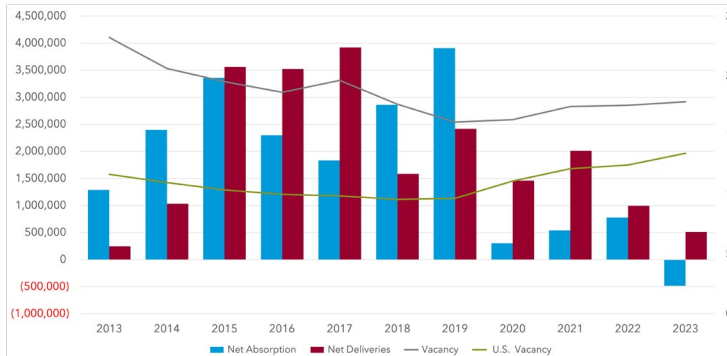
### OFFICE MARKET OVERVIEW

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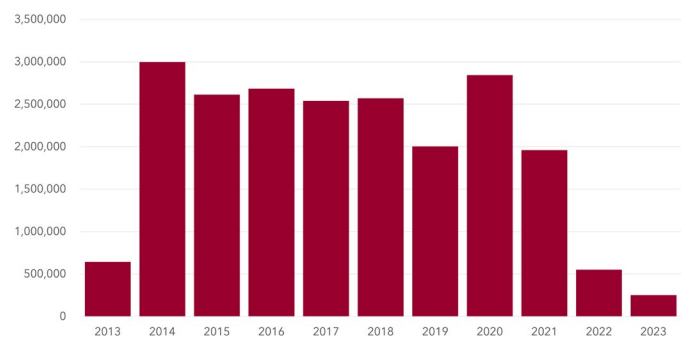
The conclusion of the year brought positive results for the Phoenix Office Market, recording a net absorption of 68,616 square feet. Overall, rental rates continued their upward trend, reaching \$29.56 per square foot by the end of 2023. The attractiveness of office space affordability continues to play a pivotal role in drawing businesses to the market. As existing leases approach expiration, tenants face decisions regarding their space requirements. However, potential economic challenges may lead tenants to exercise caution before committing to significant long-term space arrangements.

MARKET INDICATORS	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
▲ Qtrly Net Absorption SF	68,616	(355,027)	(137,097)	(127,468)	123,048
▼ Vacancy Rate	17.8%	17.9%	17.7%	17.6%	17.5%
▲ Avg NNN Asking Rate PSF	\$29.56	\$28.64	\$28.79	\$28.35	\$28.06
▼ SF Under Construction	252,578	402,194	552,194	689,000	551,054
▲ Inventory SF	109,075,724	108,988,962	108,838,962	108,795,619	108,349,479

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
14350 N. 87th Street Scottsdale, AZ	138,693 SF	\$26,500,000 \$191.07 PSF	Providence RE Group New York Life Inv.	Class B
3285 S. Val Vista Drive Gilbert, AZ	71,259 SF	\$29,000,075 \$406.97 PSF	Beaudin Construction Hill Development	Class A
475 E. Lincoln Street Phoenix, AZ	65,000 SF	\$21,650,000 \$333.08 PSF	Phoenix Suns Montana Ave. Capital	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3150 S. 48th Street Phoenix, AZ	136,194 SF	Menlo Equities	Peckham, Inc.	Health Care
2394 E. Camelback Road Phoenix, AZ	52,886 SF	ViaWest Group	Fennemore	Law Firm
4313 E. Cotton Center Boulevard Phoenix, AZ	30,539 SF	Workspace Trust	Clin-Path Associates	Medical

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