



Phoenix, AZ

Office
21Q3

Key Takeaways

- This quarter has the largest single move out in the market, forcing negative absorption.
- Rental rates are showing signs that they have bottomed out, increasing over-the-quarter.
- Investment sales hit \$858 million, nearly matching the first two quarters of 2021 combined.



Vacancy Rate
14.40%



Net Absorption
-317K SF



Under Construction
1.89M SF



Overall Asking Lease Rates (FSG)
\$27.76/SF



Q3 2021

Investment sales was the darling of the quarter, posting the second highest quarter of total volume in the past three years at \$858 million. Rental rates have gained positive momentum after declining the past two quarters, ending at \$27.76. The office market ended Q3 2021 posting -317,887 square feet of net absorption, which marked the second lowest quarter since the beginning of the Pandemic. This significant negative net absorption was dramatically impacted by JP Morgan Chase's move out of downtown.

Market Indicators



4.81%
Unemployment Rate (May-21)



8.84%
GDP - Quarterly % change yr/yr

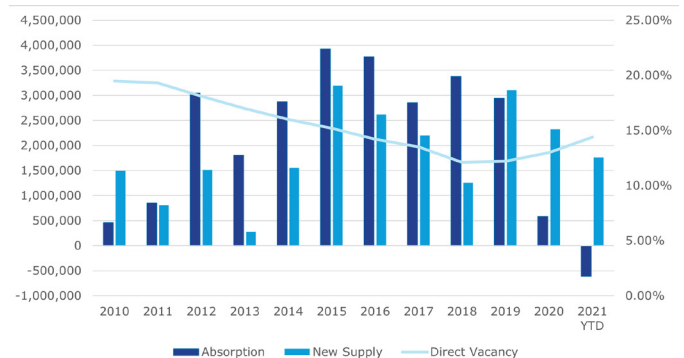


1.483%
U.S. 10 Year Treasury Note

Historic Comparison

	20 Q3	21 Q2	21 Q3
Total Inventory (in Thousands of SF)	162,851	164,386	164,665
New Supply (in Thousands of SF)	448	381	228
Net Absorption (in Thousands of SF)	109	76	(317)
Direct Vacancy	12.7%	14.0%	14.4%
Under Construction (in Thousands of SF)	3,314	2,010	1,894
Overall Asking Lease Rates	\$27.77	\$27.58	\$27.76

Historical Absorption, Deliveries and Vacancy Rates



Lease Transactions



Banner Health
The Grove
4200 E Camelback Rd
Direct Deal
Camelback | 70k SF



Peloton
The Circuit
615 S River Rd
Sublease
Tempe | 45k SF



Carvana
Mesa Corporate Center I
1001 W Southern Ave
Direct Deal
Superstition | 42k SF

Sale Transactions

Property Name/Property Address	Submarket	Sale Date	Sale Price	Size SF	Sale Price SF	Class
Rio 2100/2114-2116 S Freedom Way	Tempe	9/30	\$132,000,000	300,000	\$440	A
1625 & 1601 W Fountainhead Pwky	Tempe	9/20	\$117,500,000	445,957	\$263	B
CASA/7878 N 16th St	Piestewa Peak Corridor	8/10	\$56,500,000	181,138	\$312	A



Executive Summary

Q3 2021

According to US Census data, the City of Phoenix was America's fastest growing major city from 2010-2020, expanding by 11.2 percent and passing Philadelphia as the fifth largest city in the nation. The Metro Phoenix labor market has pushed full throttle and, according to a report from Labor IQ, Metro Phoenix ranked 2nd nationally for top labor markets, it is just behind Dallas-Fort Worth. As of August, Phoenix MSA had recovered from the 223,800 jobs lost last April. Currently Phoenix has 13,800 more private jobs than in March 2020, marking a surplus of 1 percent. Total non-farm jobs have increased 7 percent compared to August of 2020, and the Professional Business Services supersector jobs have increased by 8 percent over the same period. Manufacturing jobs have increased by 3.3 percent and this trend is expected to continue following Intel, TSMC and KORE POWER announcing the addition of over 8,000 new high-tech jobs in the next couple of years.

Arizona's economy is benefiting from workers moving out of large cities like Los Angeles, Chicago and San Francisco. According to a report released from LinkedIn, for every 10,000 members in Phoenix, 9.19 workers moved from Los Angeles in the last year, 5.43 from Chicago and 4.06 from San Francisco.

The Greater Phoenix Office market ended Q3 2021 posting -317,887 square feet of net absorption, which marked the second lowest quarter since the beginning of the Pandemic, and second lowest in the past five years. This significant negative net absorption was dramatically impacted by Chase Bank's move out of downtown. Direct vacancy has increased 20 bps quarter-over-

quarter and 160 bps year-over-year to end the third quarter at 14.2 percent.

Sublease availability continued to increase this quarter, peaking at the highest level ever witnessed in the market at 4.7 million square feet. In the past 45 days, four large tenants added 526,755 square feet of new sublease space to the market, primarily focused in the Scottsdale Airpark and Tempe submarkets.

Rental rates have gained positive momentum after declining the past two quarters, ending at \$27.76. This marks an increase of 0.65 over-the-quarter, and coming close to matching year-over-year level, marginally decreasing -0.04 percent. The large amount of discounted sublease space continues to restrict rental growth.

Investment sales was the darling of the quarter, posting the second highest quarter of total volume in the past three years at \$858 million. This quarter tailed Q4 2019, which involved the sale of Biltmore Center.

Outlook

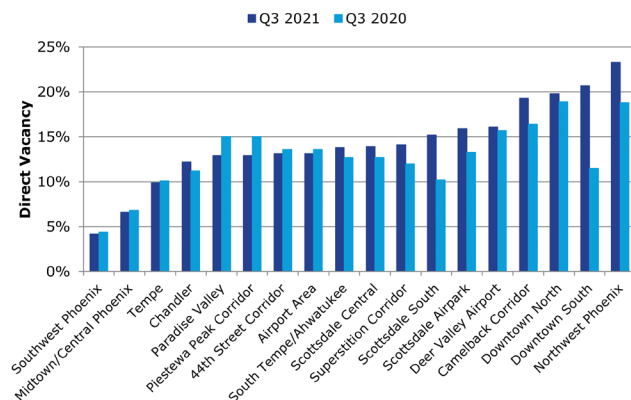
Despite the number of subleases becoming available, more workers are returning to the office. Being in an office environment creates collaboration and prompts unique creative ideas that drive success. The recent activity from new-to-market tenants demonstrates the strength of the labor force, which coupled with the pro-business environment, leads to a positive outlook for the office market.

Vacancy

Phoenix Office direct vacancy increased 20 bps over-the-quarter and 160 bps year-over-year to 14.2 percent. Class A property vacancy increased by 150 bps over-the-quarter to 16.7 percent, while Class B asset vacancy decreased by 20 bps to 14.2 percent. Chase Bank's relocation involved the majority of the employees relocating to the company's new campus in Tempe. Third quarter marked the official end of Chase's presence in its former landmark location Downtown. This is now the largest block of existing space available in the entire market. The combination of direct vacancy and sublease availability still falls far below the peak level of vacancy in 2011 of 21.8 percent.

Paradise Valley and Piestewa Peak Corridor had the largest decrease year-over-year, both decreasing 210 bps to both end third quarter at 12.9 percent. Chandler posted the largest new project delivery this quarter and the property delivered 100 percent vacant. Despite this addition, healthy leasing activity in the submarket resulted in vacancy only elevating 1 percent.

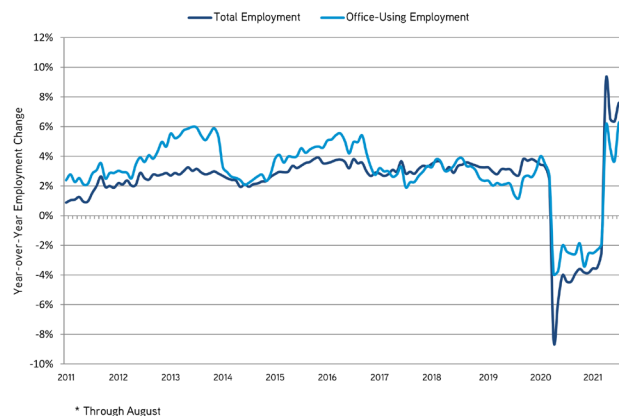
Tempe and Scottsdale Airport submarkets have the most available sublease space, but when looking at sublease vs the submarket inventory, Airport Area lands at the top with 9.4 percent of the total inventory available for sublease.



Absorption and Leasing

Net absorption finished the quarter at negative 317,887 square feet, driven by the largest move out of a single tenant in a single property ever in the market. If you analyze the market without the move out of Chase Bank, conditions were extremely active with over 400,000 square feet of positive absorption. Direct leasing activity experienced a 30 percent increase over-the-quarter, and a substantial increase compared to last year, increasing 92 percent. The primary driver of this was Dansons, Inc, a grill manufacturer that purchased a former Nationwide building in Central Scottsdale. Another large owner/user purchase this quarter was Goettl Air Conditioning acquiring a 55,000-square-foot vacant building at Baseline and 48th Street in the Airport Area submarket.

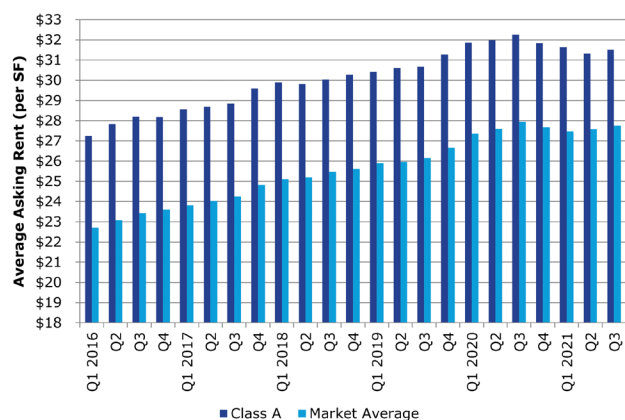
Sublease activity remained extremely active, particularly in the 10,000-50,000 square foot range, because of the highly attractive built-out space in desired submarkets. This quarter there were 10 sublease deals that closed involving more than 10,000 square feet each, with an average space of 30,908 square feet. Tempe and Scottsdale represented over 70 percent of sublease transactions this quarter, with tenants like Peloton, SmartRent, Imagen Dental, Cardone Venture and Mind 24/7 committing to sublease space in Scottsdale and Tempe.



Rental Rates

After seeing a slight dip in rental rates over the past two quarters, it looks like rates are bouncing back. Rental rates marginally increased over-the-quarter by 0.65 percent, but decreased 0.04 percent year-over-year to \$27.76. Asking rents in Class A buildings increased 0.57 percent over-the-quarter, but decreased 2.08 percent year-over-year to \$31.51 per square foot. Class B assets performed well this quarter, increasing over-the-quarter and year-over-year by 0.64 and 1.63 percent respectively, ending at \$24.99 per square foot.

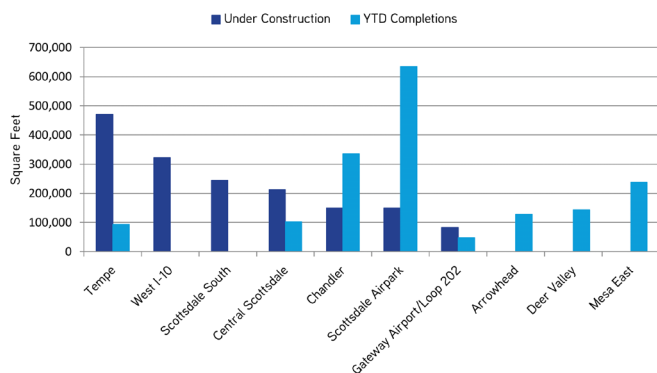
With the metro area growing outward, rental rates in suburban areas are experiencing the largest increase. Arrowhead, West I-10, and Glendale all posted an increase in rates both over-the-quarter and year-over-year. Downtown North and South both experienced decreased rental rates both over-the-quarter and year-over-year.



Construction

Three projects totaling 228,934 square feet were delivered this quarter with high vacancy of 74.9 percent. This increased the year-to-date total of new projects completed to 1,760,666 square feet. Douglas Allred, who has delivered more than 1 million square feet of office space in the Price Corridor, delivered another 150,000-square-foot speculative development. This corridor is full of large corporate users like GM Financial, PayPal, CVS, and Northrop Grumman. There are 16 projects currently under construction totaling 1,894,795 square feet, with 28.44 percent of the space pre-leased. Tempe submarket has the most development underway with 470,526 square feet and 32.5 percent of the space is pre-leased. 100 Mill in Tempe is the largest single building under construction and currently reports as 50 percent pre-leased.

West I-10 has the second highest amount of product under construction with 322,628 square feet under way. Last quarter this submarket broke ground on its first speculative development in over 10 years, illustrating the growth in this submarket, the area broke ground on an additional 94,000 square feet this quarter.

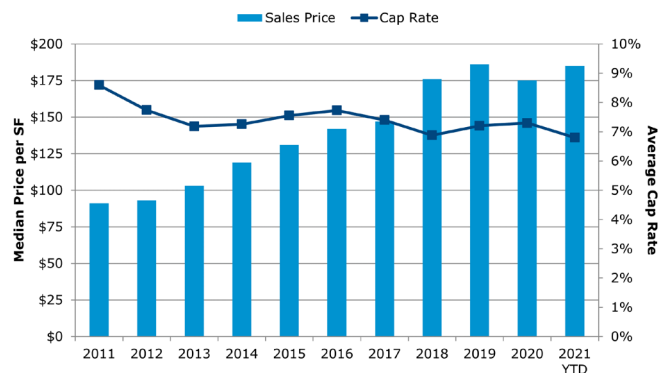


Investment Trends

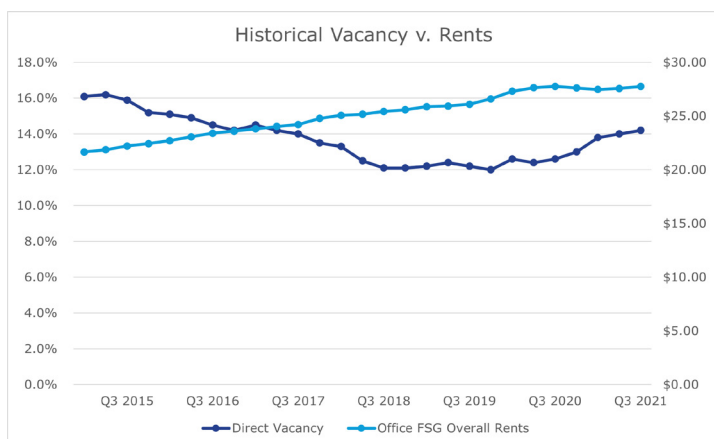
Investment sales for the quarter hit a high point for the past two years, behind fourth quarter of 2019. During third quarter, Greater Phoenix reached the highest volume since pre-pandemic ending at \$858 million, and equaling 94 percent of the volume in the first two quarters of 2021 combined. This activity brings year-to-date median price per square foot to \$185.

There were two transactions over \$100 million that were completed this quarter. The Boyer Company sold two of the Rio2100 buildings totaling 300,000 square feet to Strategic Office Partners for \$132 million (\$440/Sf). The buildings are completely leased to Freedom Financial and marked the third highest price per square foot sale in Tempe following The Grand Phase II and Marina Heights. The second transaction was Fountainhead Office Plaza, consisting of two buildings totaling 445,957 square feet. This project traded hands between KBS REIT and Shorestein Properties for \$117.5 million (\$263/Sf). The two buildings in the Tempe submarket were completely leased to Bank of the West and Concentrix.

Scottsdale had two notable transactions this quarter. Nationwide Insurance sold Gainey Ranch Corporate Center, a 200,000-square-foot building to Danson, Inc for \$39 million. The property was 100 percent vacant since the beginning of 2021. GoDaddy sold its three-property campus in Scottsdale Airport to Rialto Capital Management for \$25 million. The three properties total 153,704 square feet. GoDaddy has relocated its employees to the company's Tempe campus at ASU Research Park.



Vacancy vs. Rental Rate



Vacancy by Class



Existing Properties		Direct Vacancy		Sublease Availability		Total Vacancy		Net Absorption - SF		New Supply - SF		Under Constr.	Average Rent
Building Class	Total Inventory SF	SF	Rate	SF	Rate	Q3-21 Availability	Q3-20 Direct Vacancy	Current Period	YTD	Current Period	YTD	SF	Rate (fs)
CENTRAL BUSINESS DISTRICT													
Downtown North													
A	5,203,016	992,762	19.1%	158,345	3.0%	22.1%	19.2%	4,978	10,183	-	-	-	\$25.51
B	6,135,739	1,275,805	20.8%	52,045	0.8%	21.6%	18.8%	(32,301)	(97,340)	-	-	-	\$23.06
C	913,330	156,278	17.1%	-	0.0%	17.1%	20.7%	4,895	18,897	-	-	-	\$21.52
TOTAL	12,252,085	2,424,845	19.8%	210,390	1.7%	21.5%	18.9%	(22,428)	(68,260)	-	-	-	\$24.18
Downtown South													
A	6,130,813	1,902,446	31.0%	162,076	2.6%	33.7%	13.4%	(699,443)	(733,103)	-	-	-	\$31.71
B	3,886,020	379,496	9.8%	-	0.0%	9.8%	10.5%	16,106	14,699	-	-	-	\$28.80
C	1,108,937	21,743	2.0%	-	0.0%	2.0%	5.4%	5,606	11,788	-	-	-	\$21.14
TOTAL	11,125,770	2,303,685	20.7%	162,076	1.5%	22.2%	11.5%	(677,731)	(706,616)	-	-	-	\$31.20
SUBURBAN													
44th St. Corridor													
A	1,715,041	291,678	17.0%	152,204	8.9%	25.9%	15.9%	12,807	(47,360)	-	-	-	\$29.09
B	1,698,577	161,592	9.5%	-	0.0%	9.5%	11.7%	20,367	69,060	-	-	-	\$28.04
C	321,869	35,722	11.1%	-	0.0%	11.1%	12.1%	1,980	24,171	-	-	-	\$20.44
TOTAL	3,735,487	488,992	13.1%	152,204	4.1%	17.2%	13.6%	35,154	45,871	-	-	-	\$27.46
Airport Area													
A	714,634	113,347	15.9%	68,332	9.6%	25.4%	18.3%	5,493	2,896	-	-	-	\$24.29
B	6,134,148	842,107	13.7%	524,759	8.6%	22.3%	12.1%	28,071	1,571	-	-	-	\$22.51
C	296,906	12,822	4.3%	81,815	27.6%	31.9%	4.2%	4,264	713	-	-	-	\$15.76
TOTAL	7,145,688	968,276	13.6%	674,906	9.4%	23.0%	13.1%	37,828	5,180	-	-	-	\$22.22
Arrowhead													
A	260,175	53,066	20.4%	3,175	1.2%	21.6%	23.0%	(1,520)	441	-	-	-	\$29.39
B	2,603,627	263,025	10.1%	21,363	0.8%	10.9%	13.2%	20,854	124,529	-	128,413	-	\$27.78
C	211,785	31,150	14.7%	-	0.0%	14.7%	16.2%	7,924	4,851	-	-	-	\$20.87
TOTAL	3,075,587	347,241	11.3%	24,538	0.8%	12.1%	14.3%	27,258	129,821	-	128,413	-	\$27.32
Camelback Corridor													
A	5,115,469	1,075,500	21.0%	118,945	2.3%	23.3%	18.3%	(49,224)	(103,405)	-	-	251,494	\$37.88
B	3,556,253	645,429	18.1%	6,239	0.2%	18.3%	14.7%	46,257	(11,426)	-	-	-	\$28.64
C	351,932	19,239	5.5%	-	0.0%	5.5%	7.5%	826	(2,373)	-	-	-	\$27.63
TOTAL	9,023,654	1,740,168	19.3%	125,184	1.4%	20.7%	16.4%	(2,141)	(117,204)	-	-	251,494	\$34.64
Chandler													
A	4,797,092	734,703	15.3%	385,280	8.0%	23.3%	12.3%	23,730	168,705	150,000	270,294	150,000	\$30.53
B	6,674,551	665,220	10.0%	55,426	0.8%	10.8%	10.3%	30,954	(12,953)	65,000	65,000	-	\$28.38
C	131,725	20,134	15.3%	-	0.0%	15.3%	21.1%	8,695	7,298	-	-	-	\$15.13
TOTAL	11,603,368	1,420,057	12.2%	440,706	3.8%	16.0%	11.2%	63,379	163,050	215,000	335,294	150,000	\$29.68
Deer Valley Airport													
A	4,752,438	516,878	10.9%	214,952	4.5%	15.4%	10.3%	(5,678)	65,643	-	144,000	-	\$27.35
B	6,636,830	1,329,705	20.0%	273,210	4.1%	24.2%	19.6%	(29,546)	(106,977)	-	-	-	\$24.81
C	111,969	10,556	9.4%	-	0.0%	9.4%	3.5%	(7,592)	(7,045)	-	-	-	\$21.00
TOTAL	11,501,237	1,857,139	16.1%	488,162	4.2%	20.4%	15.7%	(42,816)	(48,379)	-	144,000	-	\$25.68

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Existing Properties		Direct Vacancy		Sublease Availability		Total Vacancy		Net Absorption - SF		New Supply - SF		Under Constr.	Average Rent
Building Class	Total Inventory SF	SF	Rate	SF	Rate	Q3-21 Availability	Q3-20 Direct Vacancy	Current Period	YTD	Current Period	YTD	SF	Rate (fs)
SUBURBAN													
Gateway Airport/Loop 202													
A	208,734	55,528	26.6%	-	0.0%	26.6%	33.7%	0	14,726	-	-	-	\$32.94
B	1,348,460	84,874	6.3%	7,936	0.6%	6.9%	9.8%	17,928	95,355	-	48,500	82,358	\$30.96
C	33,232	-	0.0%	-	0.0%	0.0%	0.0%	0	0	-	-	-	\$16.80
TOTAL	1,590,426	140,402	8.8%	7,936	0.5%	9.3%	12.8%	17,928	110,081	-	48,500	82,358	\$31.57
Glendale													
A	726,206	110,051	15.2%	-	0.0%	15.2%	16.4%	(5,435)	(31,418)	-	-	-	\$28.44
B	1,800,412	276,077	15.3%	37,300	2.1%	17.4%	14.7%	(20,595)	(10,953)	-	-	-	\$24.76
C	397,896	53,408	13.4%	-	0.0%	13.4%	12.1%	(14,592)	(14,592)	-	-	-	\$19.18
TOTAL	2,924,514	439,536	15.0%	37,300	1.3%	16.3%	14.8%	(40,622)	(56,963)	-	-	-	\$26.74
Loop 303/Surprise													
A	529,525	1,625	0.3%	-	0.0%	0.3%	-	5,039	6,090	-	-	-	\$24.00
B	1,406,975	132,216	9.4%	2,258	0.2%	9.6%	13.6%	3,748	53,351	-	-	-	\$28.29
C	66,110	-	0.0%	-	0.0%	0.0%	0.0%	0	0	-	-	-	\$-
TOTAL	2,002,610	133,841	6.7%	2,258	0.1%	6.8%	9.5%	8,787	59,441	-	-	-	\$28.24
Mesa Downtown													
A	-	-	0.0%	-	0.0%	0.0%	0.0%	0	0	-	-	-	\$-
B	755,968	50,091	6.6%	-	0.0%	6.6%	9.5%	4,664	18,857	-	-	-	\$22.25
C	232,516	24,234	10.4%	-	0.0%	10.4%	13.7%	5,312	14,285	-	-	-	\$14.11
TOTAL	988,484	74,325	7.5%	-	0.0%	7.5%	10.5%	9,976	33,142	-	-	-	\$21.62
Mesa East													
A	666,853	126,472	19.0%	9,755	1.5%	20.4%	2.4%	0	123,957	-	238,349	-	\$34.19
B	1,981,199	77,284	3.9%	36,048	1.8%	5.7%	4.6%	(4,032)	12,570	-	-	-	\$24.08
C	633,578	41,554	6.6%	-	0.0%	6.6%	5.9%	(899)	7,429	-	-	-	\$15.86
TOTAL	3,281,630	245,310	7.5%	45,803	0.0%	8.9%	4.6%	(4,931)	143,956	-	238,349	-	\$32.80
Midtown/Central Phoenix													
A	-	-	0.0%	-	0.0%	0.0%	0.0%	0	0	-	-	-	\$-
B	2,924,486	253,327	8.7%	52,052	1.8%	10.4%	8.9%	(9,435)	(447)	-	-	-	\$22.87
C	1,840,470	61,586	3.3%	9,020	0.0%	3.8%	3.5%	5,014	(1,906)	-	-	-	\$18.68
TOTAL	4,764,956	314,913	6.6%	61,072	1.3%	7.9%	6.8%	(4,421)	(2,353)	-	-	-	\$22.22
Northwest Phoenix													
A	1,358,559	486,370	35.8%	-	0.0%	35.8%	28.9%	(23,580)	(105,913)	-	-	-	\$24.73
B	5,398,373	1,413,351	26.2%	38,097	0.7%	26.9%	21.7%	(67,311)	(213,517)	-	-	-	\$19.81
C	2,110,082	169,920	8.1%	1,479	0.1%	8.1%	4.5%	(41,251)	(128,603)	-	-	-	\$18.12
TOTAL	8,867,014	2,069,641	23.3%	39,576	0.4%	23.8%	18.8%	(132,142)	(448,033)	-	-	-	\$21.08
Paradise Valley													
A	1,740,024	168,086	9.7%	15,084	0.9%	10.5%	9.7%	(1,532)	(1,377)	-	-	-	\$30.33
B	2,024,108	225,010	11.1%	35,897	1.8%	12.9%	11.8%	10,653	(1,255)	13,934	13,934	-	\$26.51
C	292,341	39,373	13.5%	-	0.0%	13.5%	18.4%	5,902	19,833	-	-	-	\$20.67
TOTAL	4,056,473	432,469	10.7%	50,981	1.3%	11.9%	11.4%	15,023	17,201	13,934	13,934	-	\$28.47

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Building Class	Total Inventory SF	SF	Rate	SF	Rate	Q3-21 Availability	Q3-20 Direct Vacancy	Current Period	YTD	Current Period	YTD	SF	Rate (fs)
SUBURBAN													
Piestewa Peak Corridor													
A	412,800	41,174	10.0%	-	0.0%	10.0%	16.6%	0	27,282	-	-	-	\$28.36
B	2,261,681	321,463	14.2%	35,925	1.6%	15.8%	16.0%	16,126	43,942	-	-	-	\$23.36
C	276,634	18,400	6.7%	-	0.0%	6.7%	3.9%	(9,478)	(7,518)	-	-	-	\$18.76
TOTAL	2,951,115	381,037	12.9%	35,925	1.2%	14.1%	15.0%	6,648	63,706	-	-	-	\$23.68
Scottsdale Airport													
A	7,285,083	1,391,668	19.1%	338,311	4.6%	23.7%	15.6%	3,863	275,796	-	635,111	150,000	\$31.33
B	5,638,649	684,493	12.1%	310,961	5.5%	17.7%	10.8%	42,256	(70,187)	-	-	-	\$27.61
C	173,412	-	0.0%	-	0.0%	0.0%	6.4%	10,726	12,631	-	-	-	\$24.03
TOTAL	13,097,144	2,076,161	15.9%	649,272	5.0%	20.8%	13.3%	56,845	218,240	-	635,111	150,000	\$29.75
Scottsdale Central													
A	2,603,750	397,690	15.3%	122,863	4.7%	20.0%	12.1%	113,748	(36,177)	-	101,900	212,000	\$28.75
B	5,109,193	688,446	13.5%	62,462	1.2%	14.7%	13.3%	11,584	(58,247)	-	-	-	\$27.64
C	127,303	-	0.0%	-	0.0%	0.0%	1.3%	0	2,296	-	-	-	\$17.48
TOTAL	7,840,246	1,086,136	13.9%	185,325	2.4%	16.2%	12.7%	125,332	(92,128)	-	101,900	212,000	\$28.10
Scottsdale South													
A	2,682,377	288,729	10.8%	71,266	2.7%	13.4%	8.2%	17,911	(17,570)	-	-	244,998	\$35.97
B	2,913,544	578,522	19.9%	74,050	2.5%	22.4%	12.5%	(16,456)	(189,993)	-	-	-	\$31.30
C	505,292	58,782	11.6%	2,000	0.4%	12.0%	7.5%	(8,757)	(44,319)	-	-	-	\$31.18
TOTAL	6,101,213	926,033	15.2%	147,316	2.4%	17.6%	10.2%	(7,302)	(251,882)	-	-	244,998	\$33.77
South Tempe/Ahwatukee													
A	1,034,794	193,291	18.7%	-	0.0%	18.7%	11.5%	2,740	10,211	-	-	-	\$32.34
B	5,718,835	776,875	13.6%	209,255	3.7%	17.2%	13.4%	57,139	(5,714)	-	-	-	\$24.04
C	342,404	10,904	3.2%	-	0.0%	3.2%	0.0%	0	0	-	-	-	\$19.86
TOTAL	7,096,033	981,070	13.8%	209,255	2.9%	16.8%	12.7%	59,879	4,497	-	-	-	\$25.69
Southwest Phoenix													
A	749,125	146,979	19.6%	-	0.0%	19.6%	17.2%	2,103	(17,976)	-	-	-	\$28.00
B	1,726,792	42,198	2.4%	-	0.0%	2.4%	3.5%	0	0	-	-	-	\$27.84
C	2,048,715	-	0.0%	-	0.0%	0.0%	0.6%	11,670	11,670	-	-	-	\$17.36
TOTAL	4,524,632	189,177	4.2%	-	0.0%	4.2%	4.4%	13,773	(6,306)	-	-	-	\$27.37
Superstition Corridor													
A	717,035	94,300	13.2%	-	0.0%	13.2%	11.7%	(1,427)	(11,843)	-	-	-	\$28.31
B	4,096,194	608,983	14.9%	18,299	0.4%	15.3%	11.7%	(3,123)	(42,148)	-	22,040	10,791	\$24.07
C	419,442	32,445	7.7%	-	0.0%	7.7%	14.9%	8,065	17,802	-	-	-	\$15.38
TOTAL	5,232,671	735,728	14.1%	18,299	0.3%	14.4%	12.0%	3,515	(36,189)	-	22,040	10,791	\$24.36
Tempe													
A	9,012,121	587,472	6.5%	509,711	5.7%	12.2%	5.6%	38,053	135,899	-	93,125	470,526	\$38.22
B	7,323,258	1,157,786	15.8%	457,586	6.2%	22.1%	17.0%	53,787	48,349	-	-	-	\$23.19
C	1,468,690	20,894	1.4%	-	0.0%	1.4%	2.6%	14,517	18,334	-	-	-	\$17.58
TOTAL	17,804,069	1,766,152	9.9%	967,297	5.4%	15.4%	10.1%	106,357	202,582	-	93,125	470,526	\$29.71

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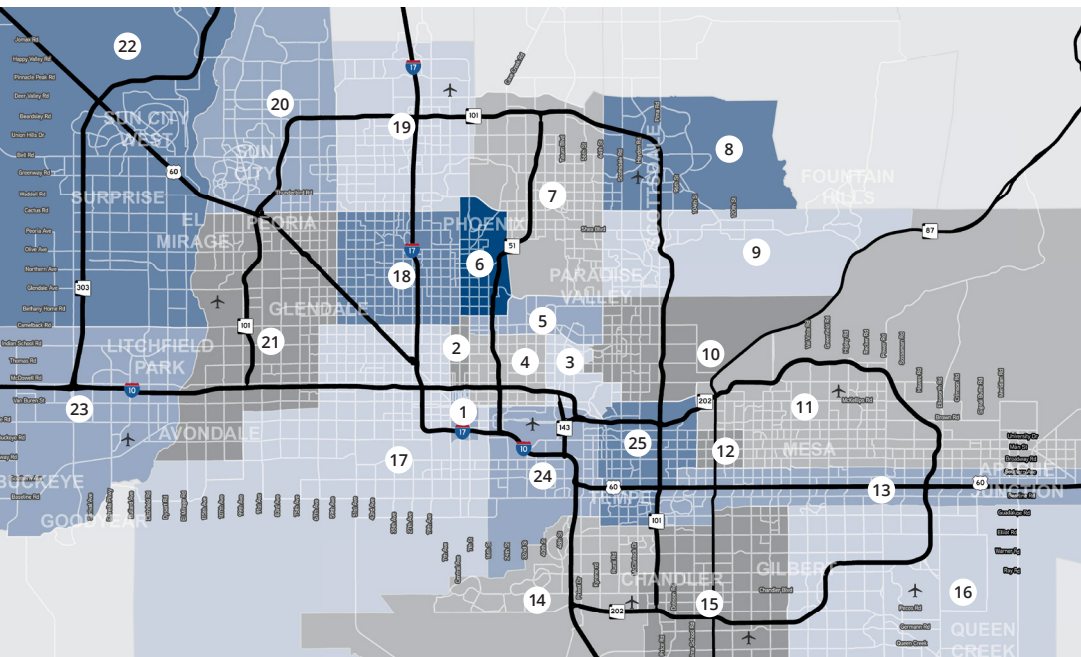
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Existing Properties		Direct Vacancy		Sublease Availability		Total Vacancy		Net Absorption - SF		New Supply - SF		Under Constr.	Average Rent
Building Class	Total Inventory SF	SF	Rate	SF	Rate	Q3-21 Availability	Q3-20 Direct Vacancy	Current Period	YTD	Current Period	YTD	SF	Rate (fs)
SUBURBAN													
West I-10													
A	144,407	10,140	7.0%	5,473	7.0%	10.8%	12.0%	(15)	4,927	-	-	228,628	\$31.00
B	1,786,706	114,184	6.4%	7,360	0.4%	6.8%	11.4%	28,980	25,563	-	-	94,000	\$28.10
C	148,696	3,777	2.5%	-	0.0%	2.5%	1.7%	0	(7,047)	-	-	-	\$20.79
TOTAL	2,079,809	128,101	6.2%	12,833	0.6%	6.8%	10.8%	28,965	23,443	-	-	322,628	\$29.34

Grand Total													
A	58,560,071	9,779,955	16.7%	2,335,772	4.0%	20.7%	12.9%	(557,389)	(259,386)	150,000	1,482,779	1,707,646	\$31.51
B	91,540,578	13,047,559	14.3%	2,318,528	2.5%	16.8%	13.3%	226,675	(313,311)	78,934	277,887	187,149	\$24.99
C	14,565,266	842,921	5.8%	94,314	0.6%	6.4%	6.2%	12,827	(41,405)	0	0	0	\$20.09
TOTAL	164,665,915	23,670,435	14.4%	4,748,614	2.9%	17.3%	12.8%	(317,887)	(614,102)	228,934	1,760,666	1,894,795	\$27.76

Quarterly Comparisons and Totals													
21Q3	164,665,915	23,670,435	14.4%	4,748,614	2.9%	17.3%	12.8%	(317,887)	(614,102)	228,934	1,760,666	1,894,795	\$27.76
21Q2	164,386,355	23,355,323	14.2%	4,529,405	2.8%	17.0%	12.6%	76,690	(296,215)	381,499	1,531,732	2,010,918	\$27.58
21Q1	164,250,213	23,185,629	14.1%	4,071,603	2.5%	16.6%	12.8%	(372,905)	(372,905)	1,150,233	1,150,233	1,886,389	\$27.43
20Q4	162,990,486	21,390,127	13.1%	3,155,034	1.9%	15.1%	12.2%	(142,343)	582,212	360,507	2,327,588	289,774	\$27.59
20Q3	162,851,506	20,894,101	12.8%	3,163,687	1.9%	14.8%	12.4%	109,718	724,555	448,785	1,859,700	3,331,560	\$27.77

*Sublease availability is all sublease space being marketed whether vacant or occupied.



1. Downtown South
2. Downtown North
3. 44th St. Corridor
4. Midtown/Central Phoenix
5. Camelback Corridor
6. Piestewa Peak Corridor
7. Paradise Valley
8. Scottsdale AirPark
9. Central Scottsdale
10. Scottsdale South
11. Mesa East
12. Mesa Downtown
13. Superstition Corridor
14. South Tempe/Ahwatukee
15. Chandler
16. Gateway Airport/Loop 202
17. Southwest Phoenix
18. Northwest Phoenix
19. Deer Valley/Airport
20. Arrowhead
21. Glendale
22. Loop 303/ Surprise
23. West I-10
24. Airport Area
25. Tempe

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351 offices in 67 countries on 6 continents

United States: 115

Canada: 41

Latin America: 12

Asia Pacific: 33

EMEA: 78



\$3.3B
in revenue



2B
square feet under management



18,000 +
professionals and staff

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Colliers (NASDAQ, TSX: CIGI) is a leading diversified professional services and investment management company. With operations in 67 countries, our more than 15,000 enterprising professionals work collaboratively to provide expert advice to real estate occupiers, owners and investors. For more than 25 years, our experienced leadership with significant insider ownership has delivered compound annual investment returns of almost 20% for shareholders. With annualized revenues of \$3.0 billion (\$3.3 billion including affiliates) and \$40 billion of assets under management, we maximize the potential of property and accelerate the success of our clients and our people. Learn more at corporate.colliers.com, Twitter @Colliers or LinkedIn.

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