



Phoenix, AZ

# Office 24Q4

## Key Takeaways

- Rental rates in Class A assets increased 3.2% Y-o-Y to \$33.66/SF
- Highest quarter of positive Net Absorption since Q2 2022, ending at 358,188 SF
- 2024 had the lowest level of office deliveries in over 10 years, adding 496,616 SF



## Q4 2024

The quarter ended with largest level of net absorption in over two and a half years, owner user acquisitions attributed to the hefty increase. The quarter ended with 358,118 square feet of positive net absorption, bringing the year end level to -928,923 square feet. Resulting in the first decrease in vacancy in over a year and a half, direct market vacancy saw a decrease quarter-over-quarter, dropping 10 bps to 15.3 percent. Investment sales ended with the strongest quarter of sales volume in eight quarters, reaching \$559 million. Total sales volume in 2024 reached \$1.47 billion, which was a 57.7 percent increase compared to 2023 sales volume.

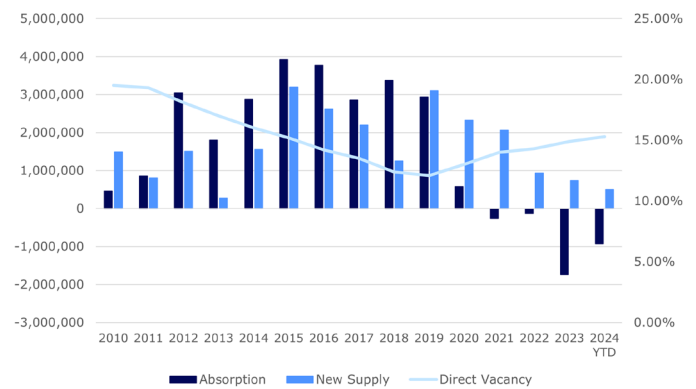
## Market Indicators



## Historic Comparison

	23 Q4	24 Q3	24 Q4
<b>Total Inventory</b> (in Thousands of SF)	164,257	164,258	164,626
<b>New Supply</b> (in Thousands of SF)	150	268	115
<b>Net Absorption</b> (in Thousands of SF)	(177)	(536)	358
<b>Direct Vacancy</b>	14.9%	15.4%	15.3%
<b>Under Construction</b> (in Thousands of SF)	757	763	789
<b>Overall Asking Lease Rates</b>	\$29.66	\$29.84	\$29.95

## Historical Absorption, Deliveries and Vacancy Rates



## Lease Transactions

**Barrett Financial Group**  
 One Insight Way  
 2701 E Insight Way  
 Direct / New  
 Chandler | 53k SF

**Cognite**  
 Hayden Ferry III  
 40 E Rio Salado Pkwy  
 Direct / New  
 Tempe | 28k SF

**C.H. Robinson**  
 Max at Kierland  
 16220 N Scottsdale Rd  
 Sublease  
 Scottsdale Airpark | 26k SF

## Sale Transactions

Property Name/Property Address	Submarket	Sale Date	Sale Price	Size SF	Sale Price SF	Class
24th At Camelback II/2325 E Camelback Rd	Camelback Corridor	10/30	\$97,900,000	306,877	\$319	A
Camelback Lakes(4 bldgs)/2710-2850 E Camelback Rd	Camelback Corridor	11/22	\$60,000,000	208,105	\$288	A
7272 Old Town/7272 E Indian School Rd	Scottsdale South	12/17	\$42,250,000	158,556	\$266	A



## Executive Summary

### Q4 2024

In October, the U.S. Census Bureau released State-to-State migration data based on 2023, which revealed that Arizona captured the fifth highest level of net migration in the country. This produced a net gain of 62,533 new residents, with 52.8 percent of the new residents coming from California, followed by Illinois and Florida. As of November 2024, Phoenix metro had expanded its labor force by 42,900 employees compared to November 2023, which represents a 1.7 percent increase. Education and Health Services supersector increased by 6.23 percent, Professional and Business Services supersector jobs increased by 0.71 percent and Financial Activities supersector increased by 1.51 percent. However, the Information supersector jobs decreased 1.90 percent during the same period.

The Phoenix office market ended 2024 on a positive note, posting the highest level of net absorption in two and a half years. The market posted 358,118 square feet of net absorption in the fourth quarter, which was heavily influenced by owner/user acquisitions. Direct vacancy decreased 10 bps from the previous quarter ending at 15.3 percent. Overall vacancy finished at 19.5 percent, which marks a decrease of 20 bps compared to the third quarter. Overall rental rates posted a small year-over-year increase of 0.98 percent ending at \$29.95 per square foot. Class A assets had the largest increase, moving up 3.2 percent over the same period. 2024 produced the lowest level of new construction in the Phoenix market since 2013, delivering

only 496,616 square feet, with an additional 789,847 square feet currently under construction. Two buildings account for more than 43 percent of inventory under construction. Phoenix continues to be a highly sought after market for investors. Sales volume during the fourth quarter was the best performing quarter since third quarter 2022, reaching \$559 million. This posting is a 64.6 percent increase quarter-over-quarter, and more than double the sales volume from fourth quarter 2023.

### Outlook

Several companies were pushing critical office space decision making down the road until post-election in order to get a better understanding of the environment. With this key landmark behind us, the market will soon see more activity from companies that were sitting on the sidelines. With the near halt of new office developments, existing premier Class A space continues to be leading destination for tenants. However, as more employers are mandating a return to office either full time or on a hybrid schedule, numerous companies have expressed that their current footprint could not accommodate the requirements. Which will presumably add more pressure to existing Class A rental rates and vacancies, since the market is lacking new supply.

Despite the rapid increase of industrial inventory and vacancy, many bullish developers are still eager to locate distressed, underperforming office buildings for industrial conversion, especially within infill locations.



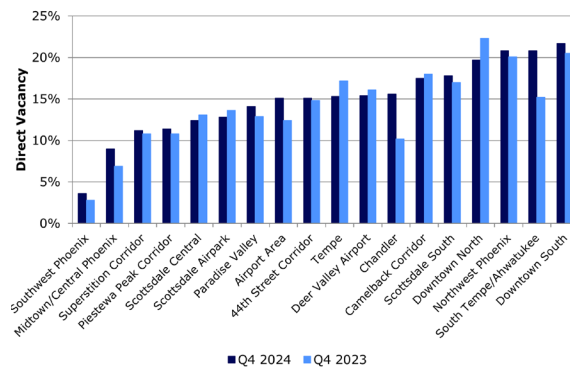
## Vacancy

For the first time in over a year and a half, direct market vacancy saw a decrease quarter-over-quarter, dropping 10 bps to 15.3 percent. However, vacancy rose 40 bps year-over-year. Total available space rose 10 bps year-over-year ending at 19.5 percent.

Downtown North, Tempe, and Scottsdale Airpark ended the year posting the largest decreases in direct vacancy, dropping 260 bps, 190 bps, and 80 bps, respectively. On the other hand, South Tempe/Ahwatukee, Chandler, and Airport Area posted the largest increases in vacancy over the same period, rising 560 bps, 540 bps and 270 bps, respectively.

Currently there are 58 office buildings that contain more than 100,000 square feet of direct vacant space available in the entire market. These spaces total 9.3 million square feet and make up 37 percent of the entire market vacancy. Of this subset of buildings, Downtown South, Downtown North and Tempe submarkets lead the market with the most amount of square footage vacant, 1.6 million, 1.5 million, and 1.4 million square feet, respectively.

Sublease availability decreased for the third consecutive quarter, as more master lease agreements expired. Sublease availability dropped 314,038 square feet from the previous quarter, marking a 4.4 percent quarterly decrease and 8.5 percent decline compared to fourth quarter 2023. The largest sublease added to the market was Panoramic Health's 19,923 square feet at IDEA in Tempe.

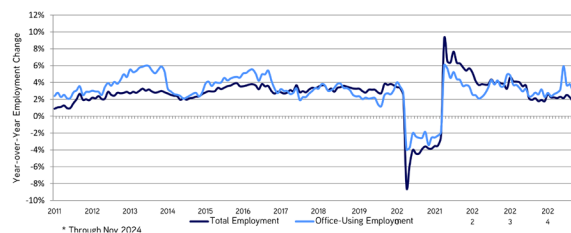


## Absorption and Leasing

The fourth quarter ended with the highest level of net absorption in over two and a half years, which was predominantly stimulated by owner user acquisitions. Three acquisitions benefitted the market with nearly 600,000 square feet of positive absorption, generated from the following users, U-haul, Cardon Ventures, and D.R. Horton. The fourth quarter ended with 358,118 square of positive net absorption, bringing the year end level to -928,923 square feet.

Office leasing activity continues to gain momentum in the Phoenix market, with over 500,000 square feet of new direct leases signed in the fourth quarter, marking an increase of 33.4 percent compared to the previous quarter. Of the 17 submarkets that had new direct leasing activity during fourth quarter, five of them made up more than 53 percent of leasing activity, led by Tempe, Chandler and Downtown South.

The largest new direct deal signed during fourth quarter was Barrett Financial Group agreeing to occupy 52,608 square feet at Insight's headquarters building in Chandler. This was followed by Cognite, a Norwegian software company that is new to market, leasing 28,332 square feet at Hayden Ferry in Tempe.

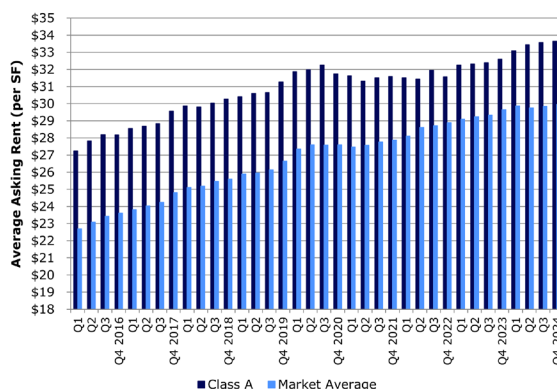


## Rental Rates

Overall office rents continue to hold stable, with a slight 0.98 percent increase year-over-year and a 0.37 percent increase quarter-over-quarter. Class A assets continue to perform the best in the market, posting a 3.2 percent increase year-over-year to \$33.66 per square foot. Rental rates in Class B assets decreased 1.09 percent year-over-year, and Class C asset rates decreased by 2.8 percent.

While Class A market starting rates are showing steady growth, analyzing the new direct deals signed in the fourth quarter tracked by Colliers, there was a 3.9 percent decline between the "Effective Rate" and the "Starting Rate", with an average term of five years. This demonstrates that tenants are benefiting from concessions either from increased rent abatement or grow-in structures.

As renovations near completion at The Esplanade in Camelback Corridor, ownership continues pushing rents in the complex. The property owners completed multiple leases during the fourth quarter at \$60.00 per square foot, setting a new high-water mark for office rental rates, which was previously held by George Oliver's re-development project "The Bond" at \$56.00 per square foot.

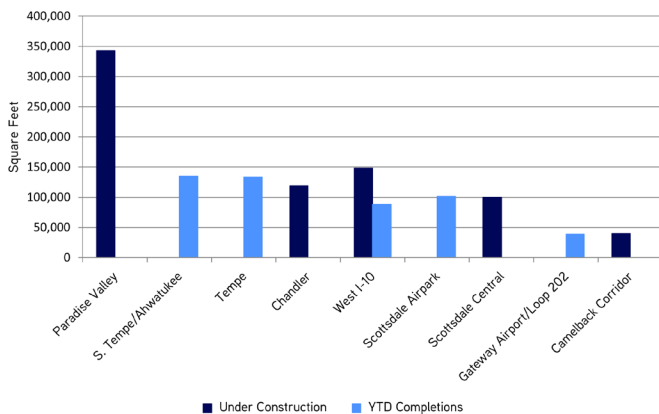


## Construction

2024 marked the second lowest level of office deliveries in the market, delivering 496,616 square feet, with 115,136 square feet delivering in the fourth quarter. The largest completion of the quarter was One Scottsdale Medical, a 101,136-square-foot multi-tenant building developed by Ryan Companies, which is a part of a 120-acre master planned development that includes retail, hotel and multifamily units.

One building broke ground in the fourth quarter, the 77,000-square-foot, three-story build-to-suit for Fender Musical Instruments at "PV" RED Development's re-development project. The new office building will be Fender's new headquarters, relocating from Scottsdale Perimeter in Scottsdale Airpark submarket.

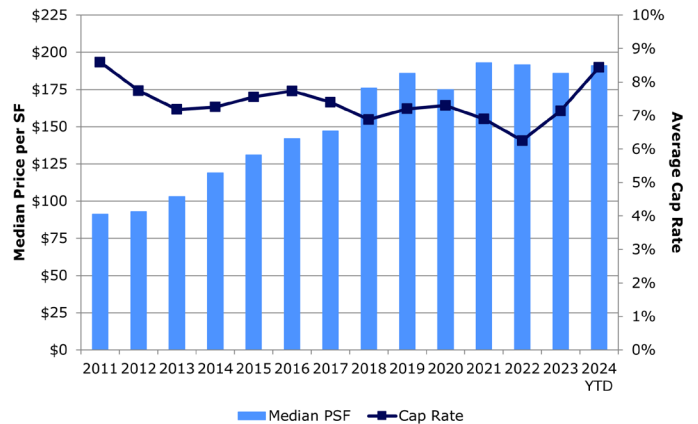
During fourth quarter, George Oliver and Ascentris acquired the final piece of an assemblage on the northeast corner of Indian School Road and Scottsdale Road. Design concepts are underway, but the two transactions total more than 345,000 square feet on nearly six acres. The Phoenix-based developer has previous success in the market with projects such as CASA, The Johnathan and Alexander, and Arbor. George Oliver is finalizing its \$52 million renovation of The Bond in the Camelback Corridor and experienced strong leasing activity throughout 2024.



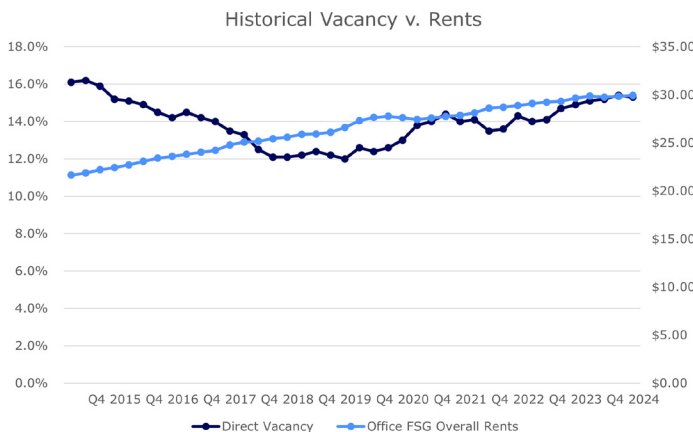
## Investment Trends

Investment sales volume during the fourth quarter was the strongest in eight quarters, reaching \$559 million. The market posted a 64.6 percent increase quarter-over-quarter, and more than doubled sales volume from fourth quarter 2023. Total sales volume in 2024 reached \$1.47 billion, which was a 57.7 percent increase compared to 2023. However, with more value add and owner user sales in 2024, the average price per square foot decreased 5.51 percent.

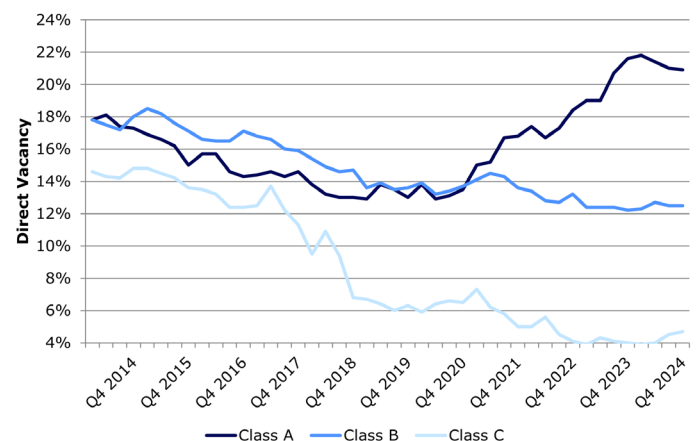
The market saw a transition shift in the fourth quarter, with Class A office sales predominantly led by private investors as opposed to institutional capital. The two largest transactions of the quarter were in Camelback Corridor submarket, which made up 32 percent of the quarter's sales volume. Both assets were acquired by private investors; 24th at Camelback II, an 87-percent leased, 306,877-square-foot, 11-story tower was purchased by Roger Norman for \$97.2 million. Camelback Lakes, a four-building, \$60 million acquisition totaling 230,222 square feet, traded to an entity tracing back to Arte Moreno.



## Vacancy vs. Rental Rate



## Vacancy by Class



Existing Properties Building Class	Direct Vacancy		Sublease Availability		Total Vacancy		Net Absorption - SF		New Supply - SF		Under Constr.	Average Rent	
	Total Inventory SF	SF	Rate	SF	Rate	Q4-24 Availability	Q4-23 Direct Vacancy	Current Period	YTD	Current Period	YTD	SF	Rate (fs)
<b>CENTRAL BUSINESS DISTRICT</b>													
<b>Downtown North</b>													
A	6,506,878	1,952,041	30.0%	46,597	0.7%	30.7%	25.1%	316,790	111,266	-	-	-	\$27.11
B	5,058,346	731,982	14.5%	18,675	0.4%	14.8%	14.3%	20,152	(48,480)	-	-	-	\$22.78
C	874,669	108,151	12.4%	-	0.0%	12.4%	9.6%	(1,351)	(24,309)	-	-	-	\$22.90
<b>TOTAL</b>	<b>12,439,893</b>	<b>2,792,174</b>	<b>22.4%</b>	<b>65,272</b>	<b>0.5%</b>	<b>23.0%</b>	<b>19.7%</b>	<b>335,591</b>	<b>38,477</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$25.31</b>
<b>Downtown South</b>													
A	5,935,665	1,976,376	33.3%	343,647	5.8%	39.1%	34.0%	21,412	36,470	-	-	-	\$32.89
B	3,454,486	251,312	7.3%	2,997	0.1%	7.4%	7.8%	26,957	(45,297)	-	-	-	\$27.80
C	1,140,569	1,890	0.2%	-	0.0%	0.2%	0.1%	0	(690)	-	-	-	\$21.05
<b>TOTAL</b>	<b>10,530,720</b>	<b>2,229,578</b>	<b>21.2%</b>	<b>346,644</b>	<b>3.3%</b>	<b>24.5%</b>	<b>21.7%</b>	<b>48,369</b>	<b>(9,517)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$32.71</b>
<b>SUBURBAN</b>													
<b>44th St. Corridor</b>													
A	2,026,742	351,359	17.3%	103,503	5.1%	22.4%	13.8%	(21,074)	(36,231)	-	-	-	\$27.88
B	1,544,861	210,448	13.6%	8,156	0.5%	14.2%	13.3%	1,053	(8,758)	-	-	-	\$26.51
C	268,061	17,054	6.4%	-	0.0%	6.4%	6.2%	0	(456)	-	-	-	\$21.77
<b>TOTAL</b>	<b>3,839,664</b>	<b>578,861</b>	<b>15.1%</b>	<b>111,659</b>	<b>2.9%</b>	<b>18.0%</b>	<b>13.5%</b>	<b>(20,021)</b>	<b>(45,445)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$27.14</b>
<b>Airport Area</b>													
A	2,225,045	152,919	6.9%	560,459	25.2%	32.1%	14.9%	4,949	(101,891)	-	-	-	\$26.29
B	3,869,132	819,757	21.2%	8,997	0.2%	21.4%	12.9%	(61,695)	(180,286)	-	-	-	\$23.37
C	399,290	9,301	2.3%	-	0.0%	2.3%	2.3%	3,950	(114)	-	-	-	\$13.02
<b>TOTAL</b>	<b>6,493,467</b>	<b>981,977</b>	<b>15.1%</b>	<b>569,456</b>	<b>8.8%</b>	<b>23.9%</b>	<b>8.6%</b>	<b>(52,796)</b>	<b>(282,291)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$23.59</b>
<b>Arrowhead</b>													
A	573,983	28,129	4.9%	13,880	2.4%	7.3%	10.1%	12,651	10,009	-	-	-	\$34.58
B	2,575,536	212,613	8.3%	40,641	1.6%	9.8%	7.6%	(21,228)	8,750	-	-	-	\$29.32
C	298,078	27,105	9.1%	2,929	1.0%	10.1%	16.0%	379	(7,380)	-	-	-	\$23.16
<b>TOTAL</b>	<b>3,447,597</b>	<b>267,847</b>	<b>7.8%</b>	<b>57,450</b>	<b>1.7%</b>	<b>9.4%</b>	<b>8.7%</b>	<b>(8,198)</b>	<b>11,379</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$30.51</b>
<b>Camelback Corridor</b>													
A	6,472,632	1,234,331	19.1%	200,552	3.1%	22.2%	21.8%	14,985	7,733	-	-	40,000	\$41.98
B	1,990,468	320,431	16.1%	28,148	1.4%	17.5%	16.4%	11,737	3,857	-	-	-	\$28.55
C	448,004	4,930	1.1%	-	0.0%	1.1%	1.5%	2,080	1,700	-	-	-	\$18.37
<b>TOTAL</b>	<b>8,911,104</b>	<b>1,559,692</b>	<b>17.5%</b>	<b>228,700</b>	<b>2.6%</b>	<b>20.1%</b>	<b>18.4%</b>	<b>28,802</b>	<b>13,290</b>	<b>-</b>	<b>-</b>	<b>40,000</b>	<b>\$38.12</b>
<b>Chandler</b>													
A	4,802,842	803,644	16.7%	404,600	8.4%	25.2%	12.4%	(6,211)	(178,382)	-	-	119,222	\$31.46
B	6,271,549	925,799	14.8%	652,389	10.4%	25.2%	9.8%	(53,632)	(443,523)	-	-	-	\$25.45
C	163,964	19,026	11.6%	-	0.0%	11.6%	7.1%	3,362	(5,684)	-	-	-	\$20.09
<b>TOTAL</b>	<b>11,238,355</b>	<b>1,748,469</b>	<b>15.6%</b>	<b>1,056,989</b>	<b>9.4%</b>	<b>25.0%</b>	<b>10.4%</b>	<b>(56,481)</b>	<b>(627,589)</b>	<b>-</b>	<b>-</b>	<b>119,222</b>	<b>\$29.28</b>
<b>Deer Valley Airport</b>													
A	4,819,395	756,370	15.7%	428,467	8.9%	24.6%	10.9%	(135,988)	(93,496)	-	-	-	\$28.27
B	5,789,984	893,801	15.4%	388,129	6.7%	22.1%	7.7%	18,629	16,975	-	-	-	\$25.46
C	96,293	2,755	2.9%	-	0.0%	2.9%	1.8%	1,024	(1,024)	-	-	-	\$22.07
<b>TOTAL</b>	<b>10,705,672</b>	<b>1,652,926</b>	<b>15.4%</b>	<b>816,596</b>	<b>7.6%</b>	<b>23.1%</b>	<b>9.0%</b>	<b>(116,335)</b>	<b>(77,545)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$27.17</b>

FOR MORE INFORMATION

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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	Rate	SF	Rate	Q4-24 Availability	Q423 Direct Vacancy	Current Period	YTD	Current Period	YTD	SF	Rate (fs)
	SF												
<b>SUBURBAN</b>													
<b>Gateway Airport/Loop 202</b>													
A	483,925	31,685	6.5%	-	0.0%	6.5%	1.3%	1,984	(9,210)	-	39,000	-	\$36.98
B	1,224,857	51,760	4.2%	5,952	0.5%	4.7%	6.0%	5,257	45,961	-	-	-	\$34.77
C	37,873	-	0.0%	-	0.0%	0.0%	0.0%	0	(2,496)	-	-	-	\$16.80
<b>TOTAL</b>	<b>1,746,655</b>	<b>83,445</b>	<b>4.8%</b>	<b>5,952</b>	<b>0.3%</b>	<b>5.1%</b>	<b>4.6%</b>	<b>7,241</b>	<b>34,255</b>	<b>-</b>	<b>39,000</b>	<b>-</b>	<b>\$35.23</b>
<b>Glendale</b>													
A	739,337	146,356	19.8%	4,522	0.6%	20.4%	27.4%	12,045	28,119	-	-	20,000	\$29.88
B	1,837,113	212,661	11.6%	37,122	2.0%	13.6%	12.5%	(1,526)	(47,353)	-	-	20,000	\$26.12
C	457,955	54,394	11.9%	-	0.0%	11.9%	12.2%	0	(56)	-	-	-	\$20.22
<b>TOTAL</b>	<b>3,034,405</b>	<b>413,411</b>	<b>13.6%</b>	<b>41,644</b>	<b>1.4%</b>	<b>15.0%</b>	<b>14.9%</b>	<b>10,519</b>	<b>(19,290)</b>	<b>-</b>	<b>-</b>	<b>40,000</b>	<b>\$28.14</b>
<b>Loop 303/Surprise</b>													
A	416,636	-	0.0%	-	0.0%	0.0%	0.4%	0	1,600	-	-	-	\$34.36
B	1,469,707	142,388	9.7%	2,703	0.2%	9.9%	10.2%	4,831	10,749	-	-	-	\$29.32
C	115,130	-	0.0%	-	0.0%	0.0%	12.3%	14,213	14,213	-	-	-	-
<b>TOTAL</b>	<b>2,001,473</b>	<b>142,388</b>	<b>7.1%</b>	<b>2,703</b>	<b>0.1%</b>	<b>7.2%</b>	<b>8.3%</b>	<b>19,044</b>	<b>26,562</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$27.37</b>
<b>Mesa Downtown</b>													
A	-	-	0.0%	-	0.0%	0.0%	0.0%	0	0	-	-	-	\$-
B	743,199	46,179	6.2%	972	0.0%	6.3%	25.2%	12,895	134,461	-	-	-	\$23.24
C	257,712	16,711	6.5%	-	0.0%	6.5%	1.9%	(7,524)	(811)	-	-	-	\$16.55
<b>TOTAL</b>	<b>1,000,911</b>	<b>62,890</b>	<b>6.3%</b>	<b>972</b>	<b>0.0%</b>	<b>6.4%</b>	<b>19.2%</b>	<b>5,371</b>	<b>133,650</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$21.80</b>
<b>Mesa East</b>													
A	666,362	273,408	41.0%	15,168	2.3%	43.3%	49.3%	0	47,664	-	-	-	\$39.98
B	2,113,747	132,669	6.3%	55,564	2.6%	8.9%	9.1%	13,213	57,866	-	-	-	\$25.21
C	626,838	31,018	4.9%	-	0.0%	4.9%	4.8%	(5,357)	(1,767)	-	-	-	\$20.69
<b>TOTAL</b>	<b>3,406,947</b>	<b>437,095</b>	<b>12.8%</b>	<b>70,732</b>	<b>0.0%</b>	<b>14.9%</b>	<b>16.1%</b>	<b>7,856</b>	<b>103,763</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$33.40</b>
<b>Midtown/Central Phoenix</b>													
A	-	-	0.0%	-	0.0%	0.0%	0.0%	0	0	-	-	-	\$-
B	2,975,014	342,867	11.5%	17,435	0.6%	12.1%	9.1%	(20,502)	(54,105)	-	-	-	\$25.55
C	1,671,041	76,070	4.6%	13,099	0.0%	5.3%	1.7%	(29,100)	(43,424)	-	-	-	\$21.22
<b>TOTAL</b>	<b>4,646,055</b>	<b>418,937</b>	<b>9.0%</b>	<b>30,534</b>	<b>0.7%</b>	<b>9.7%</b>	<b>6.6%</b>	<b>(49,602)</b>	<b>(97,529)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$25.30</b>
<b>Northwest Phoenix</b>													
A	1,237,326	566,612	45.8%	93,440	7.6%	53.3%	42.2%	(7,949)	(4,071)	-	-	-	\$25.10
B	5,588,568	1,155,265	20.7%	16,728	0.3%	21.0%	19.3%	2,978	(38,295)	-	-	-	\$21.99
C	2,044,934	123,492	6.0%	12,208	0.6%	6.6%	5.1%	11,579	(19,983)	-	-	-	\$20.57
<b>TOTAL</b>	<b>8,870,828</b>	<b>1,845,369</b>	<b>20.8%</b>	<b>122,376</b>	<b>1.4%</b>	<b>22.2%</b>	<b>17.8%</b>	<b>6,608</b>	<b>(62,349)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$23.10</b>
<b>Paradise Valley</b>													
A	2,156,528	452,076	21.0%	2,033	0.1%	21.1%	22.6%	(25,666)	(54,881)	-	-	342,525	\$33.29
B	2,042,524	160,186	7.8%	8,590	0.4%	8.3%	7.8%	19,270	(28,269)	-	-	-	\$28.25
C	357,198	30,442	8.5%	-	0.0%	8.5%	10.6%	(16,327)	(24,768)	-	-	-	\$22.22
<b>TOTAL</b>	<b>4,556,250</b>	<b>642,704</b>	<b>14.1%</b>	<b>10,623</b>	<b>0.2%</b>	<b>14.3%</b>	<b>13.6%</b>	<b>(22,723)</b>	<b>(107,918)</b>	<b>-</b>	<b>-</b>	<b>342,525</b>	<b>\$32.20</b>

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Existing Properties Building Class	Direct Vacancy		Sublease Availability		Total Vacancy		Net Absorption - SF		New Supply - SF		Under Constr.	Average Rent	
	Total Inventory SF	SF	Rate	SF	Rate	Q4-24 Availability	Q4-23 Direct Vacancy	Current Period	YTD	Current Period	YTD	SF	Rate (fs)
<b>SUBURBAN</b>													
<b>Piestewa Peak Corridor</b>													
A	597,291	108,645	18.2%	110,121	18.4%	36.6%	10.8%	4,298	(39,949)	-	-	-	\$32.28
B	2,025,268	206,537	10.2%	21,715	1.1%	11.3%	12.3%	20,534	(3,274)	-	-	-	\$25.11
C	300,934	19,138	6.4%	1,368	0.5%	6.8%	0.0%	(1,240)	(16,838)	-	-	-	\$18.21
<b>TOTAL</b>	<b>2,923,493</b>	<b>334,320</b>	<b>11.4%</b>	<b>133,204</b>	<b>4.6%</b>	<b>16.0%</b>	<b>10.0%</b>	<b>23,592</b>	<b>(60,061)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$25.88</b>
<b>Scottsdale Airpark</b>													
A	7,064,722	1,245,420	17.6%	553,318	7.8%	25.5%	17.8%	161,765	133,910	101,136	101,136	-	\$35.66
B	5,990,321	456,449	7.6%	106,453	1.8%	9.4%	7.8%	(16,854)	41,847	-	-	-	\$31.23
C	261,021	6,968	2.7%	11,222	4.3%	7.0%	1.5%	5,746	(2,966)	-	-	-	\$23.43
<b>TOTAL</b>	<b>13,316,064</b>	<b>1,708,837</b>	<b>12.8%</b>	<b>670,993</b>	<b>5.0%</b>	<b>17.9%</b>	<b>13.3%</b>	<b>150,657</b>	<b>172,791</b>	<b>101,136</b>	<b>101,136</b>	<b>-</b>	<b>\$32.59</b>
<b>Scottsdale Central</b>													
A	2,714,709	466,709	17.2%	87,052	3.2%	20.4%	22.6%	47,583	67,761	-	-	100,000	\$33.86
B	5,185,848	530,121	10.2%	136,865	2.6%	12.9%	9.6%	11,417	(65,785)	-	-	-	\$29.84
C	165,640	625	0.4%	-	0.0%	0.4%	2.2%	2,702	2,972	-	-	-	\$22.89
<b>TOTAL</b>	<b>8,066,197</b>	<b>997,455</b>	<b>12.4%</b>	<b>223,917</b>	<b>2.8%</b>	<b>15.1%</b>	<b>12.8%</b>	<b>61,702</b>	<b>4,948</b>	<b>-</b>	<b>-</b>	<b>100,000</b>	<b>\$32.13</b>
<b>Scottsdale South</b>													
A	3,871,947	974,463	25.2%	150,226	3.9%	29.0%	23.3%	35,239	81,160	-	-	-	\$39.42
B	2,204,151	188,318	8.5%	16,158	0.7%	9.3%	13.1%	(7,577)	17,455	-	-	-	\$32.85
C	573,430	20,059	3.5%	-	0.0%	3.5%	6.8%	3,728	17,802	-	-	-	\$28.96
<b>TOTAL</b>	<b>6,649,528</b>	<b>1,182,840</b>	<b>17.8%</b>	<b>166,384</b>	<b>2.5%</b>	<b>20.3%</b>	<b>15.3%</b>	<b>31,390</b>	<b>116,417</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$36.78</b>
<b>South Tempe/Ahwatukee</b>													
A	1,731,808	661,939	38.2%	361,128	20.9%	59.1%	36.4%	881	(41,774)	-	135,000	-	\$33.15
B	4,474,511	709,742	15.9%	255,099	5.7%	21.6%	16.9%	16,724	(126,992)	-	-	-	\$25.41
C	440,144	10,904	2.5%	-	0.0%	2.5%	0.0%	0	(10,904)	-	-	-	\$20.24
<b>TOTAL</b>	<b>6,646,463</b>	<b>1,382,585</b>	<b>20.8%</b>	<b>616,227</b>	<b>9.3%</b>	<b>30.1%</b>	<b>16.2%</b>	<b>17,605</b>	<b>(179,670)</b>	<b>-</b>	<b>135,000</b>	<b>-</b>	<b>\$29.32</b>
<b>Southwest Phoenix</b>													
A	524,569	103,950	19.8%	-	0.0%	19.8%	19.8%	0	0	-	-	-	\$28.00
B	2,012,090	40,663	2.0%	-	0.0%	2.0%	0.7%	(17,538)	(27,994)	-	-	-	\$22.39
C	1,509,610	-	0.0%	-	0.0%	0.0%	0.6%	0	9,402	-	-	-	\$21.11
<b>TOTAL</b>	<b>4,046,269</b>	<b>144,613</b>	<b>3.6%</b>	<b>-</b>	<b>0.0%</b>	<b>3.6%</b>	<b>3.2%</b>	<b>(17,538)</b>	<b>(18,592)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$27.45</b>
<b>Superstition Corridor</b>													
A	1,371,580	212,454	15.5%	78,226	5.7%	21.2%	8.1%	(31,768)	(85,061)	-	-	-	\$29.39
B	3,325,674	357,042	10.7%	18,790	0.6%	11.3%	10.2%	(11,542)	(68,706)	-	-	-	\$24.20
C	644,133	30,984	4.8%	1,295	0.2%	5.0%	3.9%	(4,082)	(6,843)	-	-	-	\$19.71
<b>TOTAL</b>	<b>5,341,387</b>	<b>600,480</b>	<b>11.2%</b>	<b>98,311</b>	<b>1.8%</b>	<b>13.1%</b>	<b>9.7%</b>	<b>(47,392)</b>	<b>(160,610)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$24.99</b>
<b>Tempe</b>													
A	11,404,786	1,815,198	15.9%	1,075,622	9.4%	25.3%	20.4%	37,617	308,207	-	133,356	-	\$40.47
B	5,742,098	964,436	16.8%	118,718	2.1%	18.9%	17.7%	(19,406)	(167,100)	-	-	-	\$26.36
C	1,479,604	73,429	5.0%	139,688	9.4%	14.4%	3.5%	(15,036)	(14,571)	-	-	-	\$22.24
<b>TOTAL</b>	<b>18,626,488</b>	<b>2,853,063</b>	<b>15.3%</b>	<b>1,334,028</b>	<b>7.2%</b>	<b>22.5%</b>	<b>15.5%</b>	<b>3,175</b>	<b>126,536</b>	<b>-</b>	<b>133,356</b>	<b>-</b>	<b>\$32.90</b>

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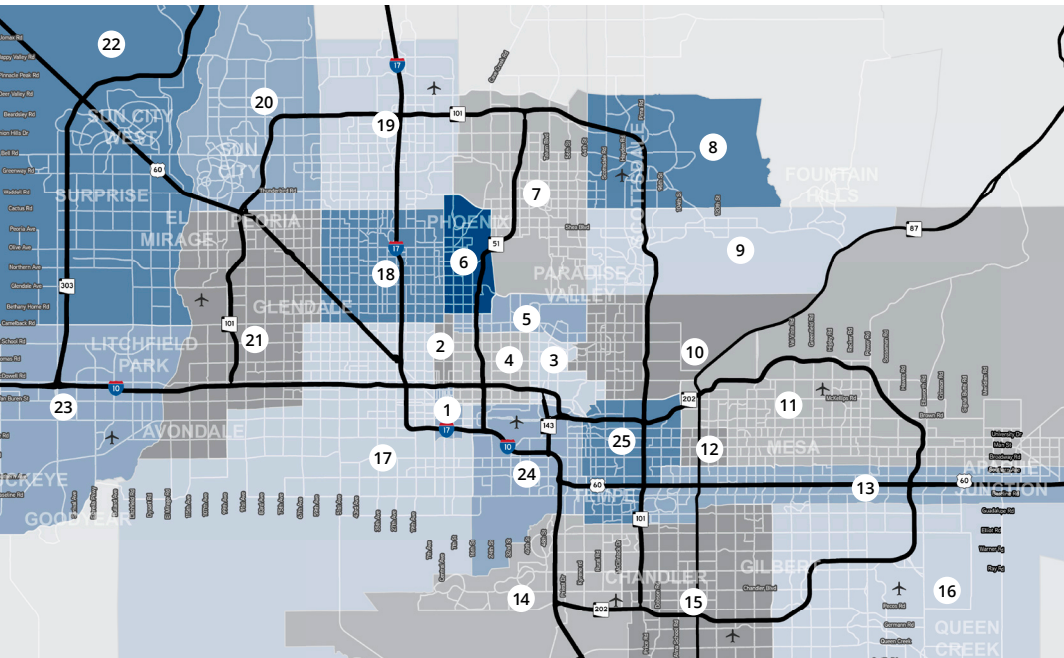
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Existing Properties Building Class	Direct Vacancy		Sublease Availability		Total Vacancy		Net Absorption - SF		New Supply - SF		Under Constr. SF	Average Rent Rate (fs)	
	Total Inventory SF	SF	Rate	SF	Rate	Q4-24 Availability	Q4-23 Direct Vacancy	Current Period	YTD	Current Period			YTD
<b>SUBURBAN</b>													
<b>West I-10</b>													
<b>A</b>	522,277	84,665	16.2%	3,897	16.2%	17.0%	16.0%	3,011	35,435	-	48,000	60,000	\$37.13
<b>B</b>	1,490,834	82,874	5.6%	7,810	0.5%	6.1%	5.7%	(7,311)	(1,832)	14,000	40,124	88,100	\$31.54
<b>C</b>	127,488	7,957	6.2%	-	0.0%	6.2%	9.2%	(4,018)	3,812	-	-	-	\$22.35
<b>TOTAL</b>	2,140,599	175,496	8.2%	11,707	0.5%	8.7%	9.3%	(8,318)	37,415	14,000	88,124	148,100	\$34.09

<b>Grand Total</b>													
<b>A</b>	68,866,985	14,398,749	20.9%	4,636,458	6.7%	27.6%	21.6%	446,554	224,388	101,136	456,492	681,747	\$33.66
<b>B</b>	80,999,886	10,146,300	12.5%	1,974,806	2.4%	15.0%	12.2%	(53,164)	(1,018,128)	14,000	40,124	108,100	\$26.40
<b>C</b>	14,759,613	692,403	4.7%	181,809	1.2%	5.9%	4.0%	(35,272)	(135,183)	0	0	0	\$21.90
<b>TOTAL</b>	164,626,484	25,237,452	15.3%	6,793,073	4.1%	19.5%	14.9%	358,118	(928,923)	115,136	496,616	789,847	\$29.95

<b>Quarterly Comparisons and Totals</b>													
<b>2024 Q4</b>	164,626,484	25,237,452	15.3%	6,793,073	4.1%	19.5%	14.9%	358,118	(928,923)	115,136	496,616	789,847	\$29.95
<b>2024 Q3</b>	164,258,011	25,230,150	15.4%	7,107,111	4.3%	19.7%	14.7%	(536,192)	(1,287,041)	268,356	381,480	763,883	\$29.84
<b>2024 Q2</b>	164,388,945	24,926,223	15.2%	7,708,776	4.7%	19.9%	14.1%	(178,095)	(750,849)	74,124	113,124	767,558	\$29.76
<b>2024 Q1</b>	164,568,730	24,908,829	15.1%	7,886,709	4.8%	19.9%	14.0%	(572,754)	(572,754)	39,000	39,000	711,673	\$29.87
<b>2023 Q4</b>	164,257,935	24,517,697	14.9%	7,425,600	4.5%	19.4%	14.3%	(177,760)	(1,738,159)	150,000	740,128	757,273	\$29.66

\*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 1-10
24. Airport Area
25. Tempe

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\$4.5B+  
annual revenue



2B  
square feet managed



22,000  
professionals



70  
countries we operate in



\$99B  
assets under management



46,000  
lease and sale transactions

*Number of countries includes affiliates*

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