

## Navigating Office Trends in a Time of Transition

The past year has reminded us that Southern Arizona's economy is not insulated from national forces—yet it also has unique drivers shaping how we experience cycles. The office market, in particular, has become one of the most closely watched sectors. With hybrid work redefining demand, technology reshaping how companies operate, and infrastructure a make-or-break factor for location decisions, the office landscape is more complex than ever.

In this month's issue, we focus on "Office Trends." The goal is not simply to track absorption numbers or vacancy rates, but to put those statistics in context. Why does Tucson's office market seem to be outperforming national peers? How do new technologies like artificial intelligence influence the way businesses allocate space? And what does the controversy over Project Blue tell us about growth, governance, and community trust?

The lessons are layered. Tucson has recorded its strongest net absorption in six years, lowering vacancy and signaling that employers still see value in the region's talent base and affordability. Meanwhile, Phoenix is reassessing strengths, weaknesses, opportunities and threats through a "SWOT" analysis, offering insight into how metros across Arizona must position themselves to stay competitive. Together, these stories show that office markets remain highly local—even as national headlines tell a more cautious story.

Another theme is the connection between housing and office health. Workforce housing is no longer a "nice to have" but a foundation of economic development. Employees who cannot live near job centers face long commutes and affordability pressures, weakening the very office corridors employers rely on. Zoning reform, adaptive reuse, and mixed-use development all come into play. These solutions expand housing options while strengthening the ecosystems surrounding office districts.

Infrastructure is the third critical pillar. Whether water, power, or transportation, companies now evaluate these resources with greater scrutiny. Project Blue underscored how secrecy and fragmented decision-making can erode trust. Going forward, Southern Arizona must align leadership, communicate transparently, and ensure infrastructure is ready before—not after—large investments arrive. Doing so will give site selectors and corporate boards confidence that our region is prepared for the long term.

What gives me optimism is the resilience and creativity of our business community. From adaptive reuse projects in Tucson or technology talent from Phoenix, and from cross-border manufacturing synergies to new approaches in financing, our region continues to evolve. The challenge for all of us—public leaders, private investors, and community members—is to ensure that growth builds both prosperity and trust. That means being bold enough to welcome opportunity, and disciplined enough to demand sustainability.

I extend heartfelt thanks to all who share research and perspective to Trend Report, and to our production team — **Patti vanLeer, Michael Rossmann, and Jack Paddock**—for bringing each issue to life.

Looking ahead, don't miss our November issue: Infrastructure Trends, that takes a deep dive into the deals, data, and developments shaping 2025 —plus fresh op-eds!

We welcome your feedback and contributions—visit [trendreportaz.com](https://trendreportaz.com) and click "Connect" to get in touch.

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✦ Editorial  
Opinion: ✦

