Q1 2026 | OFFICE

Phoenix

DIRECT VACANCY RATE

14.50% ▼ YOY ▲ Forecast

NET ABSORPTION (SF)

432K ▲ YOY ▼ Forecast

UNDER CONSTRUCTION (SF)

184K ▼ YOY ▼ Forecast

OVERALL CLASS A ASKING LEASE RATES (FSG)

$30.52/SF ▲ YOY ▲ Forecast

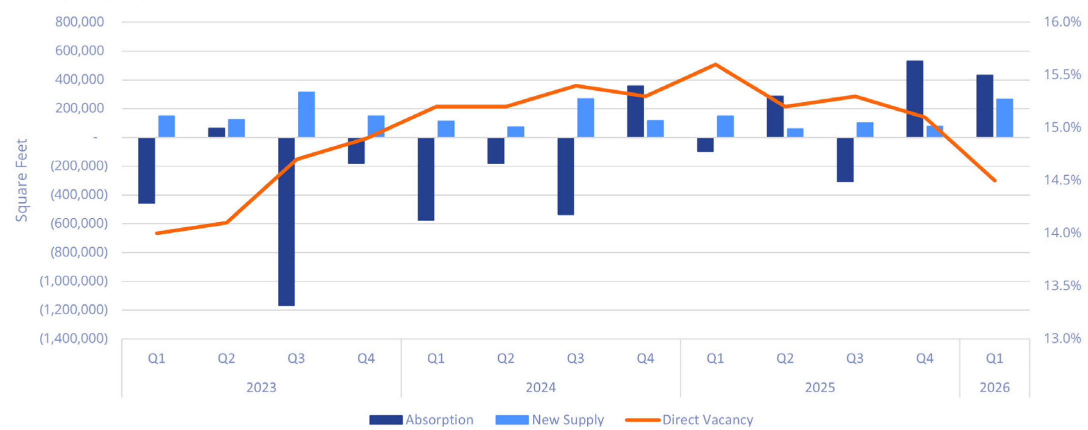
MARKET TRENDS

- The office market captured its second consecutive quarter of positive net absorption, ending at 432,379 square feet, stemming from strong leasing activity.
- Total inventory continues to decrease, as more developers move forward to re-purpose obsolete office buildings to better use. In addition, three buildings traded in the first quarter to developers for new use.
- Sales volume declined 33.3 percent from the previous quarter, but increased 53.7 percent year-over-year, reaching $353.0 million.
- Republic Service's new headquarters at City North was the only delivery of the quarter, totaling 265,525 square feet. Product under construction continues hitting new market low level, with 184,500 square feet currently underway.

HISTORIC COMPARISON

	Q1 2025	Q4 2025	Q1 2026
Total Inventory (in thousands of SF)	163,524	160,908	159,844
New Supply (in thousands of SF)	149	77	265
Net Absorption (in thousands of SF)	(96)	531	432
Overall Vacancy Rate	15.6%	15.1%	14.5%
Under Construction (in thousands of SF)	647	564	184
Overall Asking Lease Rates (FSG)	$29.68	$30.12	$30.52

HISTORICAL MARKET TRENDS



Strong leasing activity along with the delivery of Republic Service's new HQ influenced net absorption for the quarter to reach the second highest level in nearly four years.

Executive Summary

Q1 2026

The Phoenix market continues to see tremendous economic growth from a manufacturing and technology perspective, and now the office market is beginning to capture some of the spillover.

Employment in the Phoenix metropolitan area remains robust, total non-farm jobs increased by 14,000 in January compared to January 2025 representing a 0.57 percent increase.

Coming off a record setting fourth quarter 2025, the first quarter of 2026 rallied the momentum, recording two consecutive quarters of positive net absorption for the first time in nearly four years, ending at 432,379 square feet. Strong leasing activity combined with the total inventory base continuing to decrease, is forcing pressure on direct vacancy to drop 60 bps over the quarter to 14.5 percent. The delivery of Republic Service's new headquarters was the only delivery of the quarter, totaling 265,525 square feet, at City North, in the Paradise Valley submarket. Under construction levels continue to decrease to the market's lowest level, with 184,500 square feet under way.

Overall rental rates posted a slight increase for the fourth consecutive quarter, rising 1.33 percent to $30.52 per square foot. Class A assets recorded the largest year-over-year gain, increasing 1.41 percent to $34.60 per square foot. Office sales volume in the first quarter ended at $353 million, an increase of 53.7 percent compared to first quarter of 2025.

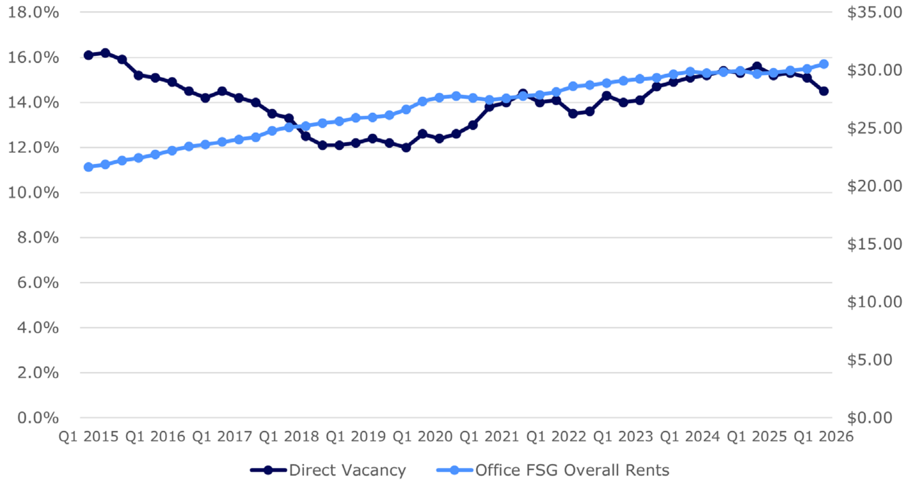
OUTLOOK

The office market continues to move in a positive direction toward rebalancing. The push for employees to return to the office is becoming more prevalent and is expected to strengthen throughout the year. Key market metrics are trending favorably: construction activity is at an all time low, and developers' efforts to acquire and repurpose obsolete buildings are reducing the overall inventory base, which in turn is putting downward pressure on direct vacancy.

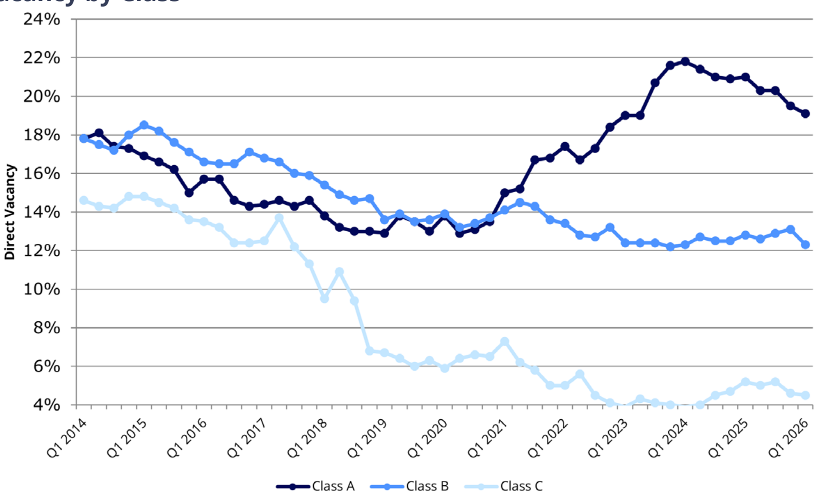
While certain submarkets will continue to outperform others, this environment also creates opportunities for tenants to secure space in lower performing submarkets at discounted rates and with less competition.

With strong support from economic development groups, the market is well positioned to attract out of market companies—particularly those seeking business friendly regulations, fewer governmental obstacles, and partnerships with higher education institutions that help sustain a robust labor force.

Historical Vacancy v. Rents



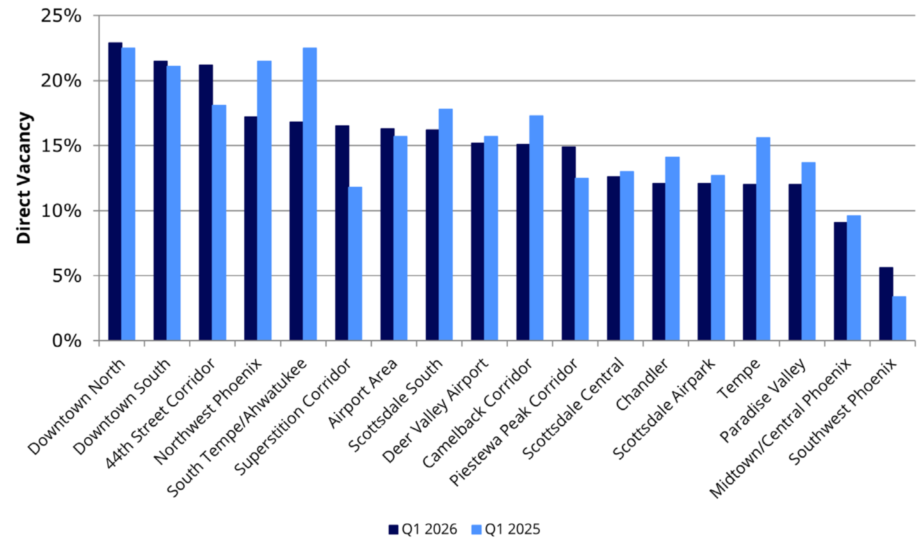
Vacancy by Class



Vacancy, Absorption & Leasing

For the first time since 2022, the office market recorded its second consecutive quarter of positive net absorption, ending the first quarter at 432,379 square feet. This figure was heavily influenced by the delivery and occupancy of Republic Services' new 265,000 square foot headquarters in the City North development near Desert Ridge. Healthy leasing activity pushed gross absorption to nearly 650,000 square feet for the quarter. The Tempe submarket dominated activity, accounting for nearly 35 percent of total leasing. Class A assets recorded 498,865 square feet of positive net absorption market wide, while both Class B and Class C assets posted negative totals.

Strong leasing activity, combined with the removal of nearly 1 million square feet of inventory this quarter, reduced direct vacancy by 60 basis points from the previous quarter, bringing it to 14.5 percent. Class A properties saw a 40 basis point decline, reaching 19.1 percent. For the first time in nine consecutive quarters, sublease space increased—though only modestly—by 33,178 square feet. Even with this uptick, available sublease space has decreased 36.7 percent since its peak of 7.8 million square feet in the first quarter of 2024.



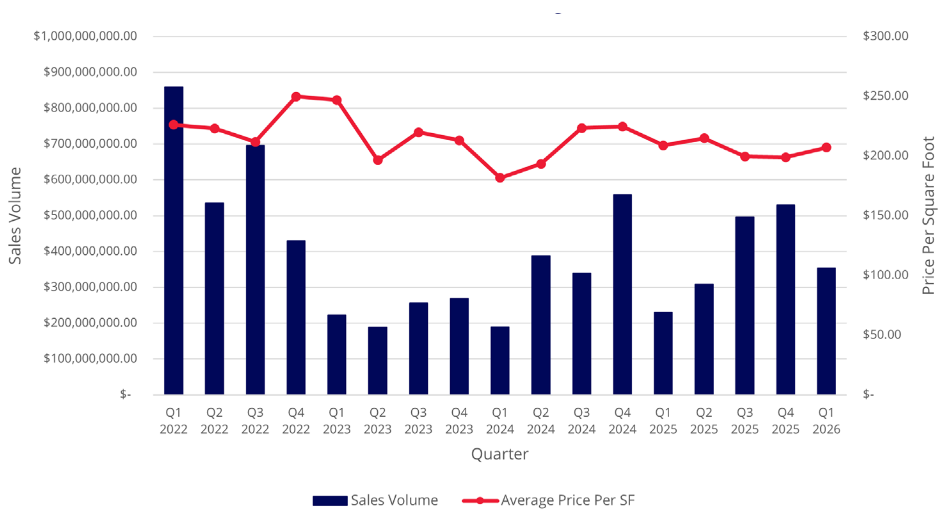
TENANT	BUILDING NAME	ADDRESS	LEASE/DEAL TYPE	SUBMARKET	SIZE SF	CLASS
Concord Career Colleges	91 Glendale	8990 W Glendale Ave	Direct / New	Glendale	53,325	A
NonStop Financial	Riverwalk Arizona	7720 N Dobson Rd	Sublease	Central Scottsdale	50,334	A
Waymo	The Grand at Papago II	1033 W Roosevelt Way	Sublease	Tempe	40,357	A
Pure Insurance	Galleria	4343 N Scottsdale Rd	Direct / New	Scottsdale South	40,302	A
KB Homes	Hayden Ferry II	60 E Rio Salado Pkwy	Direct / New	Tempe	37,893	A

Investment Trends

Office sales volume in the first quarter experienced a steep decline from an elevated fourth quarter, totaling $353.0 million, a 33.3 percent decrease. However, the market still outperformed the first quarter of 2025, with sales volume increasing 53.7 percent year over year. The average price per square foot settled at $207, remaining relatively stable with a modest 0.89 percent decline from the prior year. The Tempe submarket led the quarter in sales activity, accounting for more than 30 percent of total volume across seven transactions. Notably, the sale of Horizon Bay occurred on a ground lease, and the transaction value is confidential—meaning Tempe's share of total volume would be even higher if disclosed.

The largest transaction of the quarter was the five property "Rio West" portfolio, totaling 296,663 square feet, which sold for $61.5 million, trading from Oaktree Capital Management to Levine Investments. The largest single asset sale was Thirty 03 (3003 N. Central Avenue), a 26 story Midtown tower that sold for $32.25 million, or $70.41 per square foot.

Three office properties sold during the quarter are slated for repurposing into higher and better uses, which will remove more than 335,000 square feet from the existing office inventory.

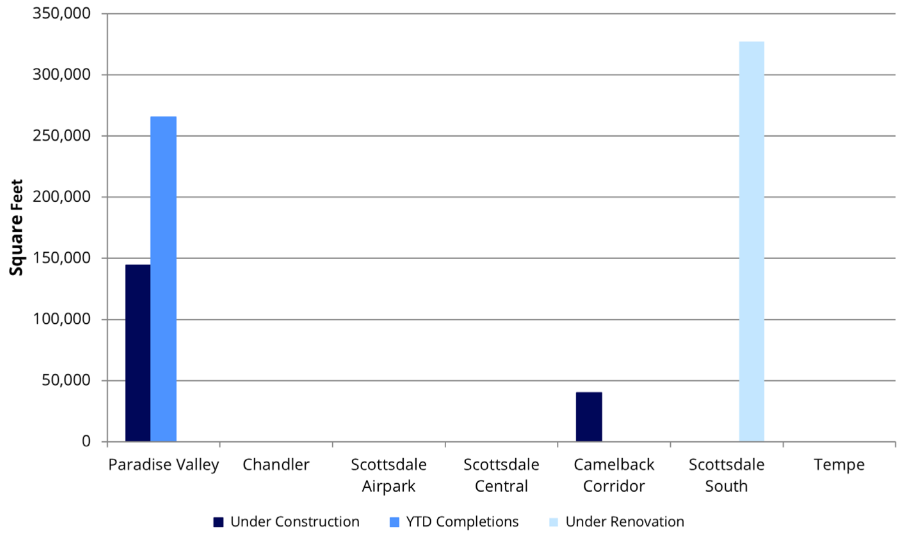


PROPERTY NAME/ADDRESS	SUBMARKET	SALE DATE	SALE PRICE	SIZE SF	SALE PRICE SF	CLASS
Rio West **1621-2021 W Rio Salado Pkwy (5 bldgs)**	Tempe	1/30	$61,500,000	296,663	$207	A
Thirty 03 **3003 N Central Ave**	Midtown	2/3	$32,250,000	458,047	$70	B
The Foundry at Norterra **25500 & 25600 N Norterra Pkwy**	Deer Valley/Airport	2/20	$26,754,750	237,834	$112	A
92 Mountain View **10001 N 92nd St**	Central Scottsdale	1/5	$15,500,000	116,200	$133	B
Horizon Bay **1337 E Rio Salado Pkwy**	Tempe	2/2	Confidential	147,495	N/A	A

CONSTRUCTION

The limited availability of capital for speculative office development, coupled with the rental rates required to achieve acceptable investment returns, continues to suppress new construction activity in the Phoenix market. Currently, only two projects are under construction, totaling 184,500 square feet. Both are build to suit developments, with deliveries anticipated over the next two quarters. Sprouts Farmers Market is relocating its headquarters less than a quarter mile—from the Offices on High Street to City North—with occupancy expected in August 2026. The project will also include a 25,000 square foot Sprouts grocery store.

There was one new office delivery in the first quarter: Republic Services moved into its new 265,000 square foot headquarters at City North, located near the Sprouts project. The company relocated from its former headquarters at 18500 N. Allied Way, where it had been based since 2008. The six story project broke ground in the summer of 2024 and was constructed by Ryan Companies.



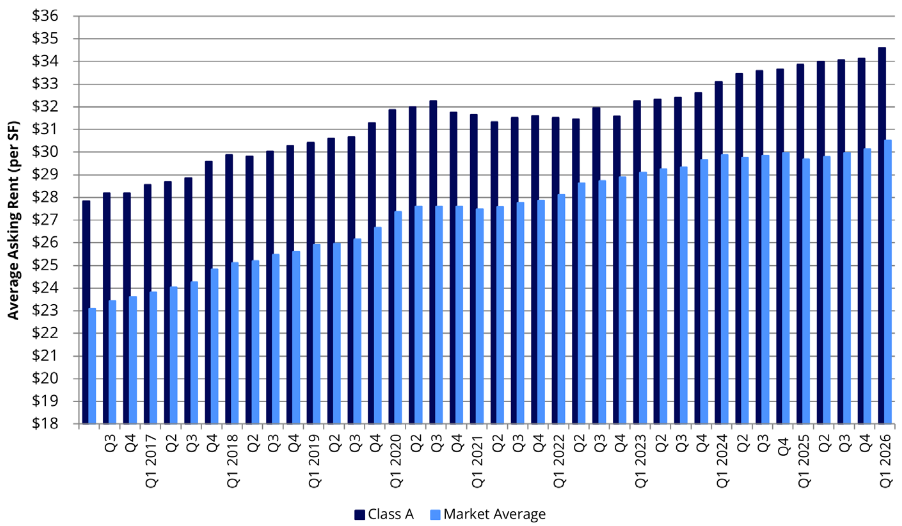
RENTAL RATES

Overall rental rates in the Phoenix office market increased a healthy 2.8 percent year over year, ending the quarter at $30.52 per square foot. However, the market remains highly bifurcated, with Class A assets significantly outperforming Class B and Class C properties. The overall rate increase was driven largely by Class A buildings, which posted gains both year over year and quarter over quarter—up 2.2 percent and 1.4 percent, respectively—reaching $34.60 per square foot.

Premier submarkets with highly amenitized Class A properties captured the strongest year over year rent growth. The Camelback Corridor rose 6.3 percent to $44.79 per square foot, while South Scottsdale increased 4.1 percent to $41.16 per square foot. Two new leases signed in the first quarter set a new watermark for the market, with starting rates exceeding $62.00 per square foot.

The South Tempe/Ahwatukee submarket recorded the largest year over year decline, with overall rental rates falling 7.1 percent to $27.87 per square foot.

The gap between Class A rental rates and both overall and Class B rates continues to widen. Class A assets now command a 13.4 percent premium over overall rates and a 33.6 percent premium over Class B assets, further expanding the separation between asset classes.



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	Q1-26 AVAILABILITY	Q1-25 DIRECT VACANCY	CURRENT PERIOD	YTD	CURRENT PERIOD	YTD	SF	RATE (FS)
CENTRAL BUSINESS DISTRICT													
Downtown North													
A	6,476,547	1,934,383	29.9%	86,491	1.3%	31.2%	29.4%	(19,199)	(19,199)	-	-	-	$27.25
B	4,900,046	766,590	15.6%	17,539	0.4%	16.0%	14.7%	16,738	16,738	-	-	-	$21.85
C	746,049	76,156	10.2%	-	0.0%	10.2%	17.0%	(4,792)	(4,792)	-	-	-	$20.19
Total	**12,122,642**	**2,777,129**	**22.9%**	**104,030**	**0.9%**	**23.8%**	**23.6%**	**(7,253)**	**(7,253)**	**-**	**-**	**-**	**$26.08**
Downtown South													
A	6,029,953	2,002,082	33.2%	310,810	5.2%	38.4%	32.9%	(118,727)	(118,727)	-	-	-	$33.03
B	3,359,622	205,141	6.1%	37,987	1.1%	7.2%	6.5%	36,679	36,679	-	-	-	$27.42
C	896,433	4,049	0.5%	-	0.0%	0.5%	0.1%	(1,482)	(1,482)	-	-	-	$20.75
Total	**10,286,008**	**2,211,272**	**21.5%**	**348,797**	**3.4%**	**24.9%**	**21.6%**	**(83,530)**	**(83,530)**	**-**	**-**	**-**	**$32.19**
SUBURBAN													
44th St. Corridor													
A	1,893,056	600,406	31.7%	118,066	6.2%	38.0%	24.0%	(6,257)	(6,257)	-	-	-	$28.46
B	1,631,699	191,510	11.7%	8,156	0.5%	12.2%	12.3%	(14,799)	(14,799)	-	-	-	$26.08
C	268,061	12,683	4.7%	-	0.0%	4.7%	6.3%	(2,704)	(2,704)	-	-	-	$21.40
Total	**3,792,816**	**804,599**	**21.2%**	**126,222**	**3.3%**	**24.5%**	**14.6%**	**(23,760)**	**(23,760)**	**-**	**-**	**-**	**$27.29**
Airport Area													
A	1,828,871	101,045	5.5%	574,702	31.4%	36.9%	8.5%	57,586	57,586	-	-	-	$26.20
B	3,817,092	861,658	22.6%	30,997	0.8%	23.4%	21.3%	(7,108)	(7,108)	-	-	-	$22.21
C	395,403	19,582	5.0%	-	0.0%	5.0%	2.1%	(14,554)	(14,554)	-	-	-	$14.31
Total	**6,041,366**	**982,285**	**16.3%**	**605,699**	**10.0%**	**26.3%**	**17.2%**	**35,924**	**35,924**	**-**	**-**	**-**	**$23.35**
Arrowhead													
A	557,978	19,846	3.6%	28,368	5.1%	8.6%	6.8%	0	0	-	-	-	$33.29
B	2,518,354	271,081	10.8%	17,758	0.7%	11.5%	9.5%	(9,692)	(9,692)	-	-	-	$29.15
C	208,970	22,961	11.0%	-	0.0%	11.0%	10.8%	(62)	(62)	-	-	-	$22.20
Total	**3,285,302**	**313,888**	**9.6%**	**46,126**	**1.4%**	**11.0%**	**9.1%**	**(9,754)**	**(9,754)**	**-**	**-**	**-**	**$30.60**

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	Q1-26 AVAILABILITY	Q1-25 DIRECT VACANCY	CURRENT PERIOD	YTD	CURRENT PERIOD	YTD	SF	RATE (FS)
SUBURBAN													
Camelback Corridor													
A	6,416,224	1,011,283	15.8%	188,787	2.9%	18.7%	19.0%	41,065	41,065	-	-	40,000	$44.79
B	2,077,054	326,930	15.7%	71,543	3.4%	19.2%	15.6%	(1,905)	(1,905)	-	-	-	$28.49
C	353,525	1,489	0.4%	-	0.0%	0.4%	1.3%	0	0	-	-	-	$18.18
Total	**8,846,803**	**1,339,702**	**15.1%**	**260,330**	**2.9%**	**18.1%**	**16.9%**	**39,160**	**39,160**	**-**	**-**	**40,000**	**$40.29**
Chandler													
A	4,985,488	707,400	14.2%	348,218	7.0%	21.2%	14.7%	(24,523)	(24,523)	-	-	-	$29.86
B	6,217,521	641,629	10.3%	248,808	4.0%	14.3%	13.8%	63,491	63,491	-	-	-	$27.22
C	163,964	25,380	15.5%	-	0.0%	15.5%	11.9%	(3,235)	(3,235)	-	-	-	$21.25
Total	**11,366,973**	**1,374,409**	**12.1%**	**597,026**	**5.3%**	**17.3%**	**15.2%**	**35,733**	**35,733**	**-**	**-**	**-**	**$29.31**
Deer Valley Airport													
A	4,845,111	672,588	13.9%	156,978	3.2%	17.1%	15.2%	(43,741)	(43,741)	-	-	-	$30.60
B	5,652,019	948,580	16.8%	160,806	2.8%	19.6%	16.3%	(98,169)	(98,169)	-	-	-	$25.12
C	209,362	2,964	1.4%	1,044	0.5%	1.9%	3.9%	(1,233)	(1,233)	-	-	-	$22.40
Total	**10,706,492**	**1,624,132**	**15.2%**	**318,828**	**3.0%**	**18.1%**	**12.0%**	**(143,143)**	**(143,143)**	**-**	**-**	**-**	**$27.68**
Gateway Airport/Loop 202													
A	425,294	25,233	5.9%	-	0.0%	5.9%	6.0%	0	0	-	-	-	$38.46
B	1,192,761	20,924	1.8%	12,350	1.0%	2.8%	5.1%	6,257	6,257	-	-	-	$34.92
C	37,873	-	0.0%	-	0.0%	0.0%	0.0%	0	0	-	-	-	$16.80
Total	**1,655,928**	**46,157**	**2.8%**	**12,350**	**0.7%**	**3.5%**	**6.9%**	**6,257**	**6,257**	**-**	**-**	**-**	**$35.74**
Glendale													
A	739,337	94,094	12.7%	4,522	0.6%	13.3%	18.2%	54,148	54,148	-	-	-	$30.11
B	1,905,451	235,180	12.3%	3,529	0.2%	12.5%	11.2%	(19,181)	(19,181)	-	-	-	$26.80
C	393,770	32,139	8.2%	-	0.0%	8.2%	10.1%	0	0	-	-	-	$18.58
Total	**3,038,558**	**361,413**	**11.9%**	**8,051**	**0.3%**	**12.2%**	**12.5%**	**34,967**	**34,967**	**-**	**-**	**-**	**$28.72**

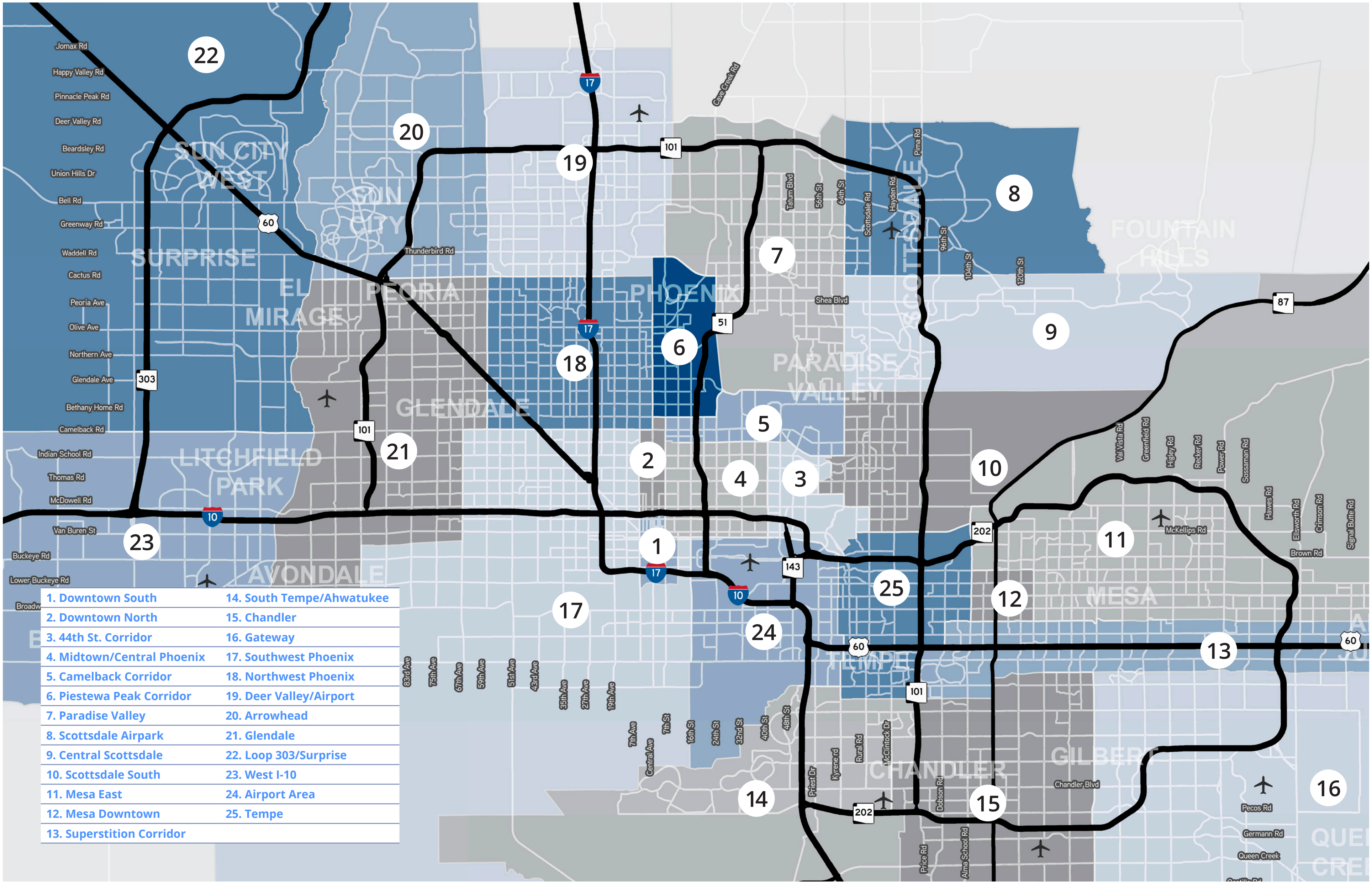
EXISTING PROPERTIES		DIRECT VACANCY		SUBLEASE AVAILABILITY		TOTAL VACANCY		NET ABSORPTION - SF		NEW SUPPLY - SF		UNDER CONSTR.	AVERAGE RENT
BUILDING CLASS	TOTAL INVENTORY SF	SF	RATE	SF	RATE	Q1-26 AVAILABILITY	Q1-25 DIRECT VACANCY	CURRENT PERIOD	YTD	CURRENT PERIOD	YTD	SF	RATE (FS)
SUBURBAN													
Loop 303/Surprise													
A	416,636	-	0.0%	-	0.0%	0.0%	0.0%	0	0	-	-		$34.36
B	1,537,540	109,175	7.1%	21,908	1.4%	8.5%	8.6%	(2,403)	(2,403)	-	-	-	$29.64
C	60,914	-	0.0%	-	0.0%	0.0%	0.0%	0	0	-	-	-	-
Total	**2,015,090**	**109,175**	**5.4%**	**21,908**	**1.1%**	**6.5%**	**6.5%**	**(2,403)**	**(2,403)**	**-**	**-**	**-**	**$28.15**
Mesa Downtown													
A	-	-	0.0%	-	0.0%	0.0%	0.0%	0	0	-	-	-	$-
B	706,715	49,169	7.0%	-	0.0%	7.0%	6.2%	(2,352)	(2,352)	-	-	-	$20.98
C	271,369	42,282	15.6%	-	0.0%	15.6%	6.3%	(14,030)	(14,030)	-	-	-	$17.03
Total	**978,084**	**91,451**	**9.4%**	**-**	**0.0%**	**9.4%**	**6.6%**	**(16,382)**	**(16,382)**	**-**	**-**	**-**	**$19.21**
Mesa East													
A	666,362	211,067	31.7%	3,258	0.5%	32.2%	41.0%	0	0	-	-	-	$41.80
B	1,947,237	119,034	6.1%	20,092	1.0%	7.1%	5.8%	(21,768)	(21,768)	-	-	-	$24.10
C	631,666	39,878	6.3%	-	0.0%	6.3%	6.8%	6,423	6,423	-	-	-	$21.14
Total	**3,245,265**	**369,979**	**11.4%**	**23,350**	**0.0%**	**12.1%**	**12.7%**	**(15,345)**	**(15,345)**	**-**	**-**	**-**	**$34.64**
Midtown/Central Phoenix													
A	-	-	0.0%	-	0.0%	0.0%	0.0%	0	0	-	-	-	$-
B	2,968,476	356,071	12.0%	20,229	0.7%	12.7%	12.3%	2,427	2,427	-	-	-	$24.90
C	1,545,762	55,029	3.6%	13,099	0.0%	4.4%	4.8%	(10,883)	(10,883)	-	-	-	$20.23
Total	**4,514,238**	**411,100**	**9.1%**	**33,328**	**0.7%**	**9.8%**	**10.0%**	**(8,456)**	**(8,456)**	**-**	**-**	**-**	**$24.62**
Northwest Phoenix													
A	1,016,659	364,806	35.9%	51,972	5.1%	41.0%	47.6%	4,323	4,323	-	-	-	$25.05
B	5,141,097	922,497	17.9%	44,197	0.9%	18.8%	21.4%	22,024	22,024	-	-	-	$21.24
C	1,899,894	95,571	5.0%	5,250	0.3%	5.3%	6.1%	9,292	9,292	-	-	-	$19.88
Total	**8,057,650**	**1,382,874**	**17.2%**	**101,419**	**1.3%**	**18.4%**	**19.7%**	**35,639**	**35,639**	**-**	**-**	**-**	**$23.13**

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	Q1-26 AVAILABILITY	Q1-25 DIRECT VACANCY	CURRENT PERIOD	YTD	CURRENT PERIOD	YTD	SF	RATE (FS)
SUBURBAN													
Paradise Valley													
A	2,491,842	380,650	15.3%	163,291	6.6%	21.8%	20.3%	312,137	312,137	265,525	265,525	144,500	$35.21
B	1,977,799	166,753	8.4%	14,605	0.7%	9.2%	7.8%	9,299	9,299	-	-	-	$28.12
C	335,241	27,369	8.2%	-	0.0%	8.2%	7.7%	869	869	-	-	-	$22.41
Total	**4,804,882**	**574,772**	**12.0%**	**177,896**	**3.7%**	**15.7%**	**14.5%**	**322,305**	**322,305**	**265,525**	**265,525**	**144,500**	**$32.80**
Piestewa Peak Corridor													
A	594,367	124,665	21.0%	58,580	9.9%	30.8%	18.3%	7,051	7,051	-	-	-	$32.49
B	2,054,910	304,422	14.8%	37,298	1.8%	16.6%	12.0%	(53,456)	(53,456)	-	-	-	$23.51
C	272,149	7,153	2.6%	-	0.0%	2.6%	2.8%	0	0	-	-	-	$17.22
Total	**2,921,426**	**436,240**	**14.9%**	**95,878**	**3.3%**	**18.2%**	**12.3%**	**(46,405)**	**(46,405)**	**-**	**-**	**-**	**$25.57**
Scottsdale Airpark													
A	7,169,856	1,072,978	15.0%	218,541	3.0%	18.0%	17.9%	(11,828)	(11,828)	-	-	-	$36.59
B	5,924,980	525,898	8.9%	45,055	0.8%	9.6%	7.1%	(7,284)	(7,284)	-	-	-	$29.81
C	248,883	9,327	3.7%	-	0.0%	3.7%	2.7%	(2,359)	(2,359)	-	-	-	$20.85
Total	**13,343,719**	**1,608,203**	**12.1%**	**263,596**	**2.0%**	**14.0%**	**12.9%**	**(21,471)**	**(21,471)**	**-**	**-**	**-**	**$33.40**
Scottsdale Central													
A	2,754,295	451,938	16.4%	193,519	7.0%	23.4%	17.6%	10,128	10,128	-	-	-	$33.84
B	5,034,996	549,591	10.9%	65,651	1.3%	12.2%	10.2%	25,368	25,368	-	-	-	$30.91
C	165,640	3,981	2.4%	-	0.0%	2.4%	0.4%	1,977	1,977	-	-	-	$22.09
Total	**7,954,931**	**1,005,510**	**12.6%**	**259,170**	**3.3%**	**15.9%**	**13.3%**	**37,473**	**37,473**	**-**	**-**	**-**	**$32.23**
Scottsdale South													
A	4,072,306	874,939	21.5%	56,971	1.4%	22.9%	24.7%	77,132	77,132	-	-	-	$41.16
B	1,903,462	165,729	8.7%	13,762	0.7%	9.4%	8.0%	6,905	6,905	-	-	-	$31.70
C	555,476	14,486	2.6%	1,800	0.3%	2.9%	3.0%	2,207	2,207	-	-	-	$28.10
Total	**6,531,244**	**1,055,154**	**16.2%**	**72,533**	**1.1%**	**17.3%**	**20.6%**	**86,244**	**86,244**	**-**	**-**	**-**	**$37.88**

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	Q1-26 AVAILABILITY	Q1-25 DIRECT VACANCY	CURRENT PERIOD	YTD	CURRENT PERIOD	YTD	SF	RATE (FS)
SUBURBAN													
South Tempe/Ahwatukee													
A	1,658,933	451,152	27.2%	173,266	10.4%	37.6%	36.7%	13,086	13,086	-	-	-	$33.26
B	3,769,482	535,151	14.2%	69,409	1.8%	16.0%	18.5%	17,330	17,330	-	-	-	$24.88
C	437,986	-	0.0%	15,350	3.5%	3.5%	6.9%	0	0	-	-	-	$20.24
Total	**5,866,401**	**986,303**	**16.8%**	**258,025**	**4.4%**	**21.2%**	**22.9%**	**30,416**	**30,416**	**-**	**-**	**-**	**$27.87**
Southwest Phoenix													
A	510,869	103,950	20.3%	-	0.0%	20.3%	19.8%	0	0	-	-	-	$28.00
B	1,869,720	114,154	6.1%	5,225	0.3%	6.4%	1.6%	1,963	1,963	-	-	-	$20.02
C	1,536,777	-	0.0%	-	0.0%	0.0%	0.0%	0	0	-	-	-	$19.88
Total	**3,917,366**	**218,104**	**5.6%**	**5,225**	**0.1%**	**5.7%**	**3.4%**	**1,963**	**1,963**	**-**	**-**	**-**	**$27.52**
Superstition Corridor													
A	903,597	249,650	27.6%	39,915	4.4%	32.0%	19.2%	4,261	4,261	-	-	-	$28.68
B	3,639,609	512,645	14.1%	5,676	0.2%	14.2%	9.9%	18,382	18,382	-	-	-	$22.45
C	379,424	47,871	12.6%	-	0.0%	12.6%	6.7%	(6,175)	(6,175)	-	-	-	$20.21
Total	**4,922,630**	**810,166**	**16.5%**	**45,591**	**0.9%**	**17.4%**	**14.2%**	**16,468**	**16,468**	**-**	**-**	**-**	**$24.64**
Tempe													
A	10,733,468	1,410,184	13.1%	880,089	8.2%	21.3%	16.2%	141,799	141,799	-	-	-	$40.97
B	5,651,500	651,010	11.5%	155,633	2.8%	14.3%	17.0%	(31,205)	(31,205)	-	-	-	$26.15
C	1,384,567	69,371	5.0%	142,190	10.3%	15.3%	5.8%	10,834	10,834	-	-	-	$20.89
Total	**17,769,535**	**2,130,565**	**12.0%**	**1,177,912**	**6.6%**	**18.6%**	**15.7%**	**121,428**	**121,428**	**-**	**-**	**-**	**$33.71**
West I-10													
A	539,887	68,129	12.6%	28,365	12.6%	17.9%	15.9%	424	424	-	-	-	$37.10
B	1,203,814	95,420	7.9%	4,323	0.4%	8.3%	8.4%	5,880	5,880	-	-	-	$32.55
C	115,444	3,939	3.4%	-	0.0%	3.4%	6.9%	0	0	-	-	-	$22.18
Total	**1,859,145**	**167,488**	**9.0%**	**32,688**	**1.8%**	**10.8%**	**11.2%**	**6,304**	**6,304**	**-**	**-**	**-**	**$35.15**

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	Q1-26 AVAILABILITY	Q1-25 DIRECT VACANCY	CURRENT PERIOD	YTD	CURRENT PERIOD	YTD	SF	RATE (FS)
GRAND TOTAL													
A	67,726,936	12,932,468	19.1%	3,684,709	5.4%	24.5%	21.0%	498,865	498,865	265,525	265,525	184,500	$34.60
B	78,602,956	9,645,942	12.3%	1,132,536	1.4%	13.7%	12.8%	(36,579)	(36,579)	0	0	0	$25.88
C	13,514,602	613,660	4.5%	178,733	1.3%	5.9%	5.2%	(29,907)	(29,907)	0	0	0	$21.79
Total	**159,844,494**	**23,192,070**	**14.5%**	**4,995,978**	**3.1%**	**17.6%**	**15.6%**	**432,379**	**432,379**	**265,525**	**265,525**	**184,500**	**$30.52**
Quarterly Comparisons and Totals													
2026 Q1	159,844,494	23,192,070	14.5%	4,995,978	3.1%	17.6%	15.6%	432,379	432,379	265,525	265,525	184,500	$30.52
2025 Q4	160,908,318	24,232,337	15.1%	4,962,800	3.1%	18.1%	15.3%	531,893	414,850	77,505	386,682	564,057	$30.12
2025 Q3	161,757,248	24,764,265	15.3%	5,703,989	3.5%	18.8%	15.4%	(306,638)	(117,043)	100,000	309,177	655,662	$29.96
2025 Q2	162,384,172	24,625,174	15.2%	6,331,822	3.9%	19.1%	15.2%	286,309	189,595	60,000	209,177	755,662	$29.78
2025 Q1	163,524,248	25,469,441	15.6%	6,698,145	4.1%	19.7%	15.1%	(96,714)	(96,714)	149,177	149,177	647,164	$29.68

Submarket Map



Global Stats Boilerplate

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$5.6B
ANNUAL REVENUE

70
COUNTRIES WE OPERATE IN

$108B
ASSETS UNDER MANAGEMENT

44,000
LEASE AND SALE TRANSACTIONS

2B
SQUARE FEET MANAGED

24,000
PROFESSIONALS

Number of countries includes affiliates

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