

Phoenix

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Inventory	Y-0-Y CHANGE	Vacancy Rate	Y-0-Y CHANGE	Asking Rental Rate (Monthly)*	Y-0-Y CHANGE	Net Absorption	Y-0-Y CHANGE	Under Construction	Y-0-Y CHANGE	Deliveries	Y-0-Y CHANGE
286.9 msf	↗	9.3 %	↗	\$0.86 psf (NNN)	↗	2.1 msf	↘	43.3 msf	↘	8.6 msf	↗
Q4 2022: 255.7 msf		Q4 2022: 4.7%		Q4 2022: \$0.80		Q4 2022: 7.8 msf		Q4 2022: 48.1 msf		Q4 2022: 8.2 msf	

*Based on all classes of available inventory

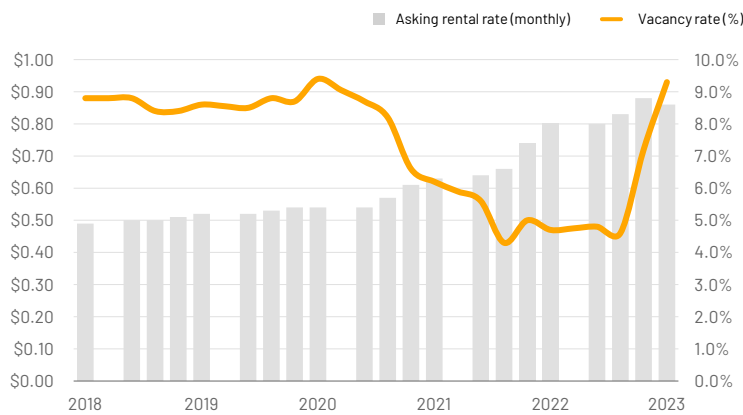
Market Trends

01 Vacancy continued to climb throughout 2023, up 460 basis points (bps) from Q4 2022. Leading the way is newly delivered vacant product. Yearly deliveries totaled 30.0 million square feet (msf), of which 63.0% remained available at the end of Q4.

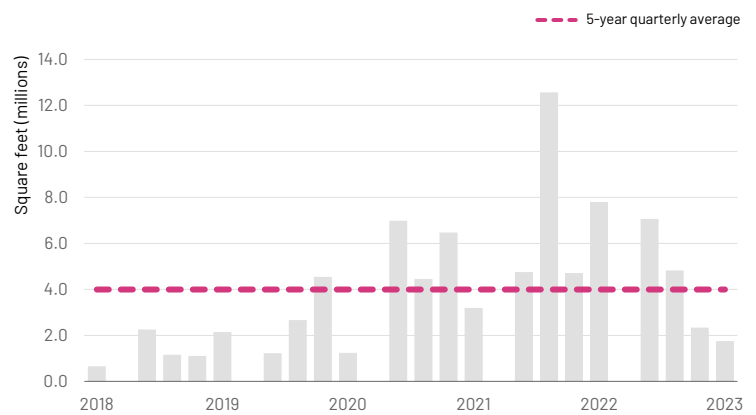
02 The Southeast Submarket posted the largest quarterly vacancy climb, settling at 9.6% as 4.6 msf of new product delivered in Q4. The largest delivery was in the Southwest, where the 1.2 msf Southern Industrial Center delivered vacant.

03 Construction starts totaled 6.1 msf in Q4 and 25.1 msf in 2023. While the yearly construction starts are less than 2022, totaling 53.1 msf, Phoenix's 2023 starts account for 7.3% of U.S. construction starts, compared to 6.9% in 2022.

Asking Rent and Vacancy



Net Absorption



Top Leases

Source: Savills Research

TENANT	SIZE (SF)	SUBMARKET	ADDRESS	TRANSACTION TYPE	INDUSTRY
Saddle Creek Logistics	570,080	Northwest	7421 N Reems Road - The Cubes at Glendale	New Lease	Logistics & Distribution/3PLs
Wholesale Tires And Wheel Distributor	220,162	Southwest	107 S 41st Avenue	New Lease	Automotive
Meyer Burger	218,451	Southwest	2250 S Litchfield Road - Goodyear Airport Industrial	New Lease	Energy
Sologistics, Inc.	194,598	Southwest	850 N 119th Avenue - Fairway 10	New Lease	Logistics & Distribution/3PLs
Lineage Logistics	174,330	Northwest	9600 N 151st Avenue	New Lease	Energy

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Unless otherwise noted, all rents quoted throughout this report are average asking net (NNN) rents per square foot. Statistics are calculated using both direct and sublease information. Current and historical availability and rent data are subject to change due to changes in inventory.

The information in this report is obtained from sources deemed reliable, but no representation is made as to the accuracy thereof. Unless otherwise noted, source for data is Savills Research.

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