Q1 2024 – Office

Phoenix

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Inventory	Y-O-Y CHANGE	Availability Rate	Y-O-Y CHANGE	Asking Rental Rate	Y-O-Y CHANGE	Class A Asking Rental Rate	Y-O-Y CHANGE	Quarterly Leasing Activity	Y-O-Y CHANGE	Available Sublease Space	Y-O-Y CHANGE
105.2 msf	↗	**27.6** %	↗	**$30.34** psf (FS)	↗	**$32.59** psf (FS)	↗	**1.6** msf	→	**7.1** msf	↗
Q1 2023: 104.9 msf		Q1 2023: 26.3%		Q1 2023: $28.28		Q1 2023: $31.27		Q1 2023: 1.6 msf		Q1 2023: 7.0 msf	

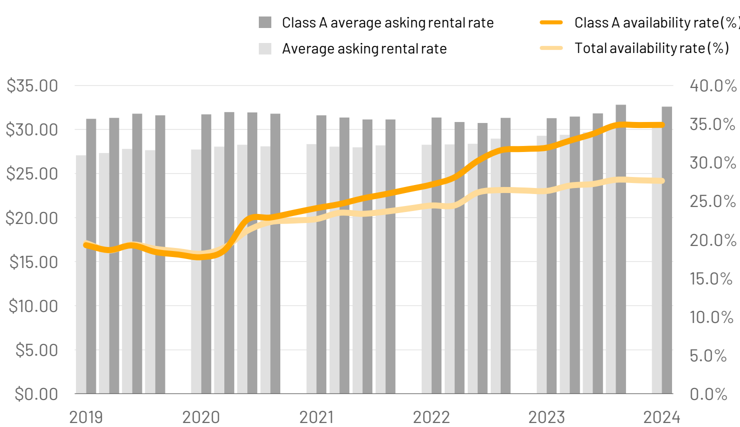
Market Trends

01 Uptick in leasing activity to 1.6 million square feet (msf) is above the 5-year quarterly average of 1.4 msf and office space demand expected to be steady despite slowing job growth

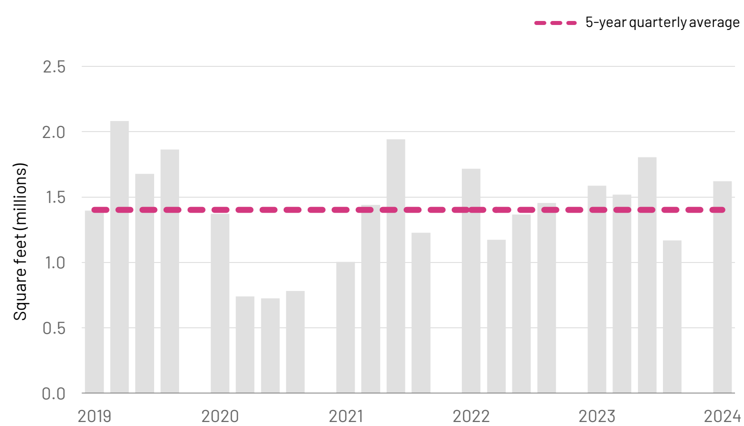
02 Availability continues to increase to 27.6%, up 130 basis points year over year, as occupiers continue to reevaluate their space needs amidst hybrid work models

03 Expect average asking rental rates to remain relatively high as most landlords prefer to give high concessions rather than drop their asking rents

Asking Rent and Availability



Leasing Activity



Top Transactions

*Trophy Building **Sublease Source: Savills Research

TENANT	INDUSTRY	SUBMARKET	ADDRESS	SIZE (SF)	TRANSACTION TYPE
Republic Services	Transportation	Paradise Valley	River North BTS	250,000	New Location
Fender	Retail	Paradise Valley	Cactus Road & Tatum Boulevard	80,000	New Location
Isagenix	Retail	Chandler	155 E Rivulon Boulevard	75,000	Renewal
Pulte Homes	Real Estate	Scottsdale/Airpark	8605 E Raintree Drive	46,324	New Location
Verigon	Manufacturing	South Tempe/Ahwatukee	14415 S 50th Street	40,997	New Location

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Unless otherwise noted, all rents quoted throughout this report are average asking gross (full service) 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.