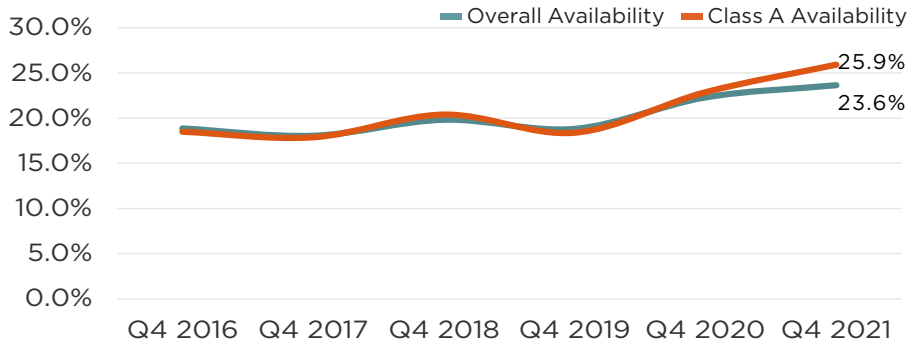
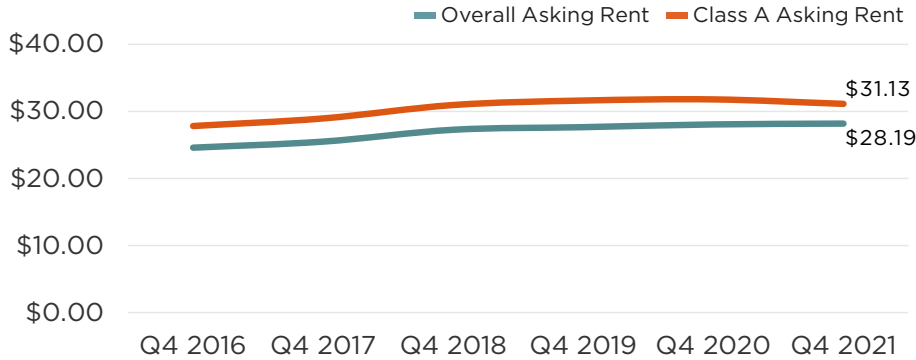




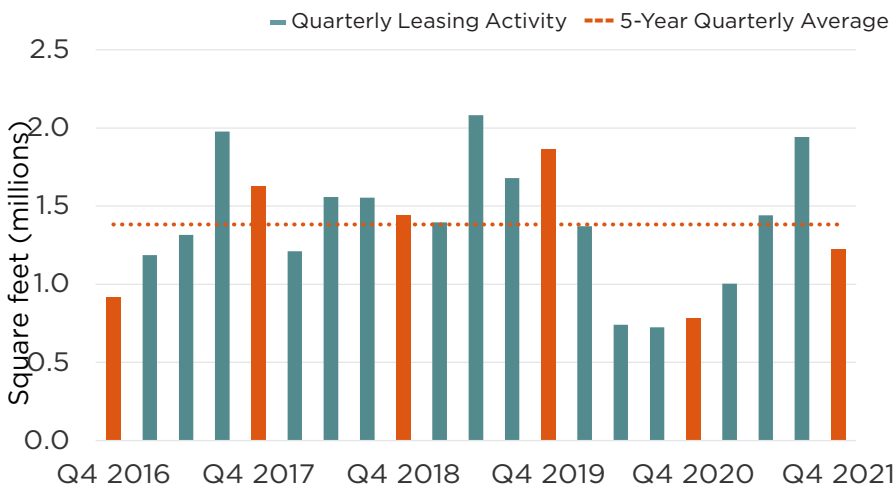
AVAILABILITY TRENDS



ASKING RENT TRENDS



QUARTERLY LEASING ACTIVITY



NOTABLE TRANSACTIONS

TENANT	SF
CENLAR - 8160 S Hardy Dr	65,580 SF
Radnet - 3110 N Central Ave	30,300 SF
Make-A-Wish - 1702 E Highland Ave	26,509 SF
MOOG Inc. - 2288 W Guadalupe Rd	25,000 SF
Make-A-Wish - 1702 E Highland Ave	24,404 SF

KEY STATISTICS

	Q4 2020	Q4 2021	Y-o-y Change
Overall Availability Rate (%)	22.3%	23.6%	▲
Sublease Availability (MSF)	2.8 MSF	4.4 MSF	▲
Overall Asking Rent (\$/PSF)	\$28.07	\$28.19	▲
Class A Asking Rent (\$/PSF)	\$31.79	\$31.13	▼
Quarterly Leasing Activity	0.8 MSF	1.2 MSF	▲

TAKEAWAYS

- Overall availability across the Phoenix market ticked up slightly at the close of the year, increasing to 23.6%, and was up 130 basis points over the course of the year.
- While sublease availability remained elevated above historical averages at 4.7 million square feet (msf), the rate of growth came to a near halt, since many tenants by now have determined their future occupancy requirements.
- Leasing volume in 2021 was markedly improved, increasing 55.2% over the previous year to 5.6 msf, while robust levels of construction starts and new deliveries indicate restored confidence in the regional economy.
- While asking rents have inched upwards in 2021 by 0.4% to \$28.19 per square foot, concessions levels have been on the rise in Phoenix, which has put downward pressure on overall net effective rents over the past 18 months.

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About Savills Inc.

Savills helps organizations find the right solutions that ensure employee success. Sharply skilled and fiercely dedicated, the firm's integrated teams of consultants and brokers are experts in better real estate. With services in tenant representation, workforce and incentives strategy, workplace strategy and occupant experience, project management, and capital markets, Savills has elevated the potential of workplaces around the corner, and around the world, for 160 years and counting.

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