

Real Estate Market Review

Phoenix Retail

Top Sale Transactions for 1Q18

Property	Submarket	Square Feet	Sale Price	Price/SF	Cap Rate	Buyer	Seller
Palmilla Center	N Goodyear/Litchfield	103,568	\$23,250,000	\$224.49	8.07%	Brixton Capital AC, LLC	Weingarten Realty Investors
Talavi Town Center	Northwest Phoenix	87,722	\$21,850,000	\$249.08	-	Talavi Bell, LLC	Kimco Realty Corporation
Safeway at Arcadia Towne Center	Central Scottsdale	57,618	\$18,300,000	\$317.61	5.04%	Samaritan Medical Center	Fortress Investment Group, LLC
Tuft & Needle	Downtown Phoenix	36,000	\$8,730,000	\$242.50	6.96%	Retail Realty Fund	SimonCRE
Gateway Airport Plaza	Gateway Airport	28,624	\$8,212,500	\$286.91	7.20%	Rajan Rakheja	Richard & Roberta Held

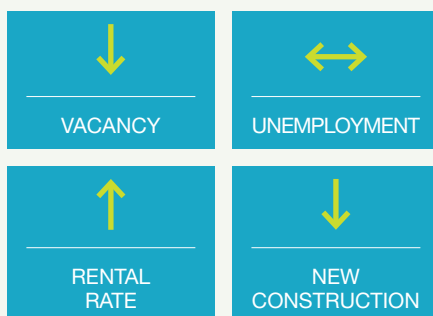
Top Lease Transactions for 1Q18

Property	Submarket	Square Feet	Date	Landlord	Tenant
3131 E Indian School Road	Central Scottsdale	16,000	March 2018	De Rito Partners, Inc.	N/A
15450 N 84th Street	North Scottsdale	15,620	January 2018	DKS Development & Brokerage	New Look Collision
Goodyear Central Marketplace	Goodyear	13,000	January 2018	CIRE Partners	N/A
Kino Plaza	East Phoenix	11,854	February 2018	Reliance Management	N/A
1258 W Baseline Road	Red Mountain/Mesa	11,720	February 2018	Van's Golf Properties, LLC	N/A

Top Under Construction

Property	Address	Submarket	Square Feet	Owner	Delivery Date
Maricopa Marketplace II	20697 N John Wayne Parkway	Pinal County	78,750	Land Capital Group, Inc.	July 2018
3338 S Speedway Drive	3338 S Speedway Drive	Gilbert	64,000	Bill Luke Chrysler Jeep Dodge, Inc.	September 2018
7356 W Encanto Boulevard	7356 W Encanto Boulevard	West Phoenix	60,000	Westridge Park Investors	June 2018
SanTan Pavilions	E Williams Field Rd & SanTan Village Pkwy	Gilbert	58,000	Capital Asset Management, LLC	July 2018
Ironwood Crossing	NW Ironwood Road & Ocotillo Road	Apache	57,532	CBDG Ironwood, LLC	September 2018

Market Forecast Trends



Market Snapshot

	1Q 2018	4Q 2017	1Q 2017	Annual % Change
New Construction	247,585	625,424	660,541	-62.52%
Under Construction	1,084,100	991,250	1,325,840	-18.23%
Vacancy Rate	7.50%	7.80%	8.50%	-11.76%
Average Asking Rents (NNN)	\$15.36	\$15.24	\$14.64	4.92%
Average Sales Price	\$233.20	\$196.25	\$211.52	10.25%
Cap Rate	6.49%	6.26%	6.84%	-5.12%
Net Absorption	835,262	1,478,061	454,718	N/A

Offices

Seattle
206.296.9600

Bellevue
425.454.7040

South Seattle
206.248.7300

Tacoma
253.722.1400

Olympia
360.705.2800

Portland
503.221.9900

San Francisco
415.229.8888

Redwood Shores
650.769.3600

Silicon Valley
408.970.9400

Sacramento
916.970.9700

Roseville
916.751.3600

Los Angeles
213.880.5250

El Segundo
310.807.0880

Commerce
323.727.1144

Long Beach
562.472.0071

Orange County
949.557.5000

Inland Empire
909.764.6500

San Diego
858.509.1200

Carlsbad
760.430.1000

Reno
775.301.1300

Phoenix
602.513.5200

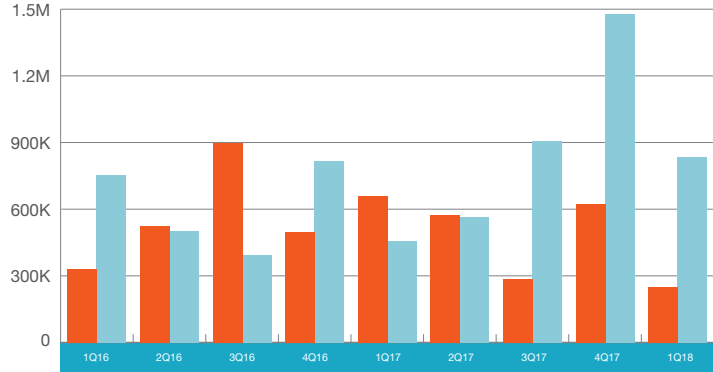
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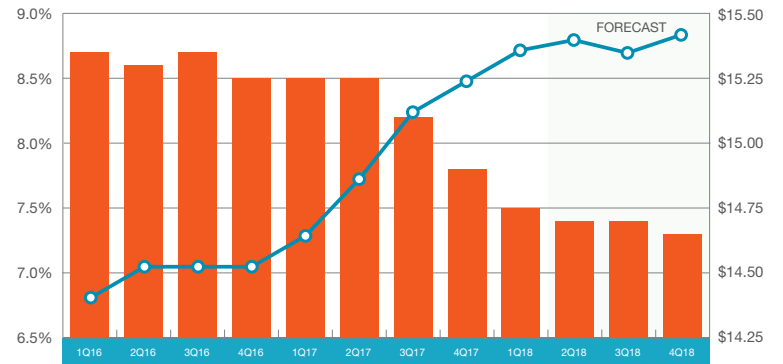
NEW RETAIL CONSTRUCTION & ABSORPTION

■ New Construction
■ Absorption



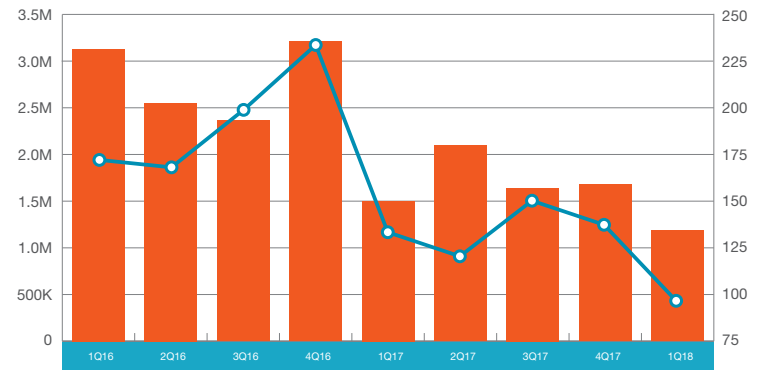
AVERAGE ASKING RENT/SF & VACANCY RATE

■ Vacancy Rate
● Asking Rent/SF



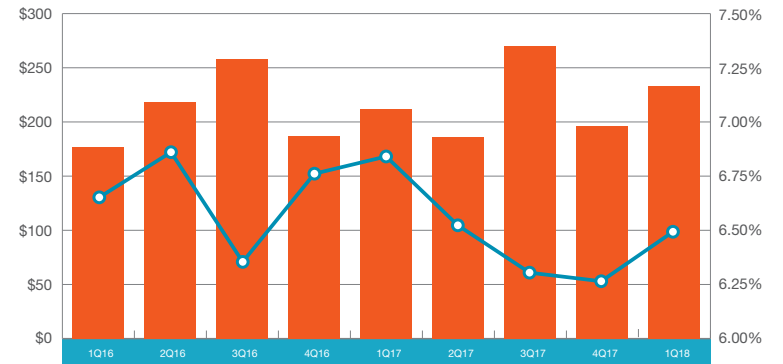
SQUARE FEET SOLD & NUMBER OF SALE TRANSACTIONS

■ SF Sold
● # of Transactions



AVERAGE SALES PRICE/SF & CAP RATES

■ Average Sales Price/SF
● Cap Rate



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