

Real Estate Market Review

Phoenix Retail

Top Sale Transactions for 3Q18

Property	Submarket	Square Feet	Sale Price	Price/SF	Buyer	Seller
QC District	Queen Creek	103,185	\$29,443,580	\$382.26	Sunbelt Investment Holdings, Inc.	Thompson Thrift
Elliot Plaza	Chandler	147,469	\$26,100,000	\$176.99	The Niki Group	RSF Partners
Vistancia Marketplace - Safeway	Surprise / N Peoria	57,795	\$16,204,365	\$280.38	John S. Winter	SAR Enterprises
Pavilions Shopping Center	Chandler	129,601	\$15,300,000	\$118.05	West Valley Properties, Inc.	Transwest Properties, Inc.
Union Plaza	N Phoenix / I-17 Corr	98,701	\$15,227,435	\$154.28	Sterling Organization	Charles Shifrin

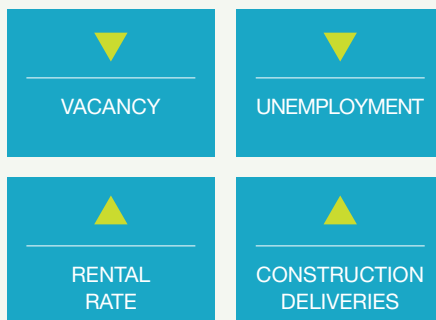
Top Lease Transactions for 3Q18

Property	Submarket	Square Feet	Date	Landlord	Tenant
Goodyear Centerpointe	N Goodyear / Litchfield	41,535	August 2018	Haagen Company	EOS Fitness
Gilbert Towne Center	Gilbert	35,270	July 2018	Stamm Family Trust	Altitude Trampoline
Paradise Square	N Scottsdale	26,835	July 2018	Manatee Investments III, LLC	YouFit Health Club
Deer Valley Center	N Phoenix / I-17 Corr	23,868	July 2018	Lawrence & Geysler Development	Crunch Fitness
Greenway Plaza	N Phoenix / I-17 Corr	16,553	July 2018	RPM Management	Royal Kids

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.	October 2018
7356 W Encanto Blvd	7356 W Encanto Boulevard	W Phoenix / Maryvale	60,000	Westridge Park Investors	October 2018
Safeway	NW Ironwood Road & Ocotillo Road	Apache Junction	57,532	CBDG Ironwood, LLC	October 2018
Ocotillo Trails Marketplace - Pad A	40975 N Ironwood Road	Apache Junction	55,000	CR Dayton VII, LLC	December 2018
Avenue of the Fountains	Verde River Drive & Avenue of the Fountains	Fountain Hills	44,124	Sam Gambacorta	December 2018

Market Forecast Trends

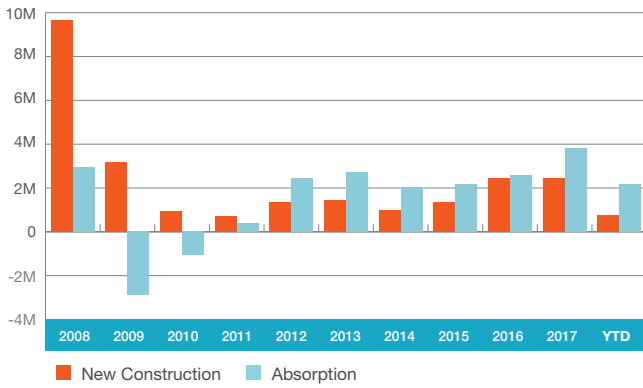


YEAR-TO-YEAR BASIS

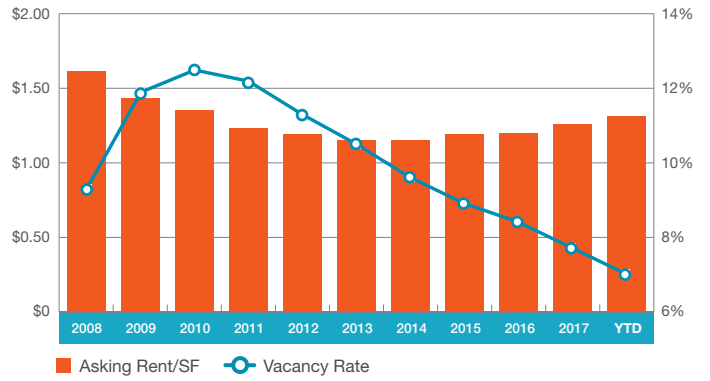
Market Snapshot

	3Q 2018	2Q 2018	3Q 2017	Annual % Change
New Construction	261,603	244,811	484,977	-46.06%
Under Construction	1,064,636	1,202,734	1,317,480	-19.19%
Vacancy Rate	7.0%	7.1%	8.1%	-13.58%
Average Asking Rents	\$1.31	\$1.31	\$1.25	4.80%
Average Sales Price (SF)	\$202.70	\$176.86	\$270.34	-25.02%
Cap Rate	6.75%	6.78%	6.30%	7.14%
Net Absorption	467,202	776,949	944,597	N/A

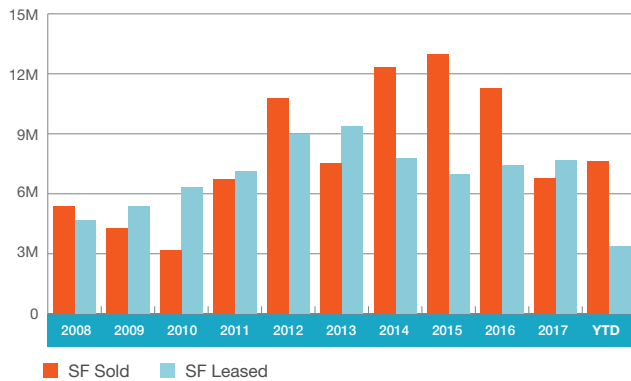
NEW RETAIL CONSTRUCTION & ABSORPTION



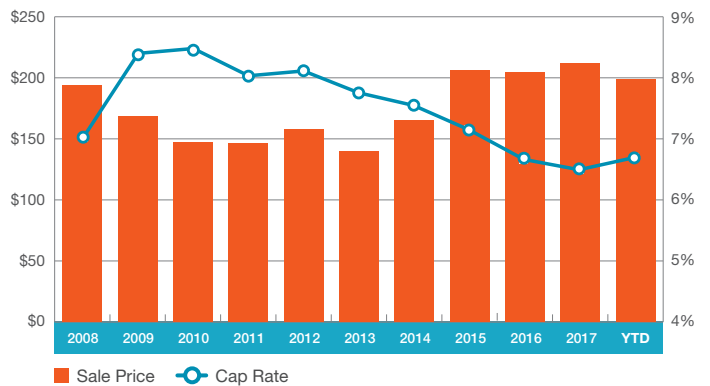
AVERAGE ASKING RENT/SF & VACANCY RATE



SALE & LEASE VOLUME



AVERAGE SALES PRICE/SF & CAP RATES

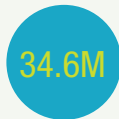


Kidder Mathews is the largest, independent commercial real estate firm on the West Coast, with more than 700 real estate professionals and staff in 20 offices in Washington, Oregon, California, Nevada, and Arizona. We offer a complete range of brokerage, appraisal, property management, consulting, project and construction management, and debt equity finance services for all property types.

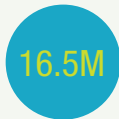
COMMERCIAL BROKERAGE



ANNUAL TRANSACTION VOLUME



ANNUAL LEASING SF



ANNUAL SALES SF



BROKERS

PROPERTY MANAGEMENT



MANAGEMENT PORTFOLIO

VALUATION ADVISORY



ASSIGNMENTS ANNUALLY



TOTAL # APPRAISERS/MAI'S

Contact

Jerry Holdner
 Director of Research
 949.557.5050
 jholdner@kiddermathews.com

Mark Read
 Executive VP, Brokerage
 602.513.5200
 mread@kiddermathews.com

Designated Broker
 Mark Read | LIC #00572743

kiddermathews.com



This information supplied herein is from sources we deem reliable. It is provided without any representation, warranty or guarantee, expressed or implied as to its accuracy. Prospective Buyer or Tenant should conduct an independent investigation and verification of all matters deemed to be material, including, but not limited to, statements of income and expenses. CONSULT YOUR ATTORNEY, ACCOUNTANT, OR OTHER PROFESSIONAL ADVISOR.