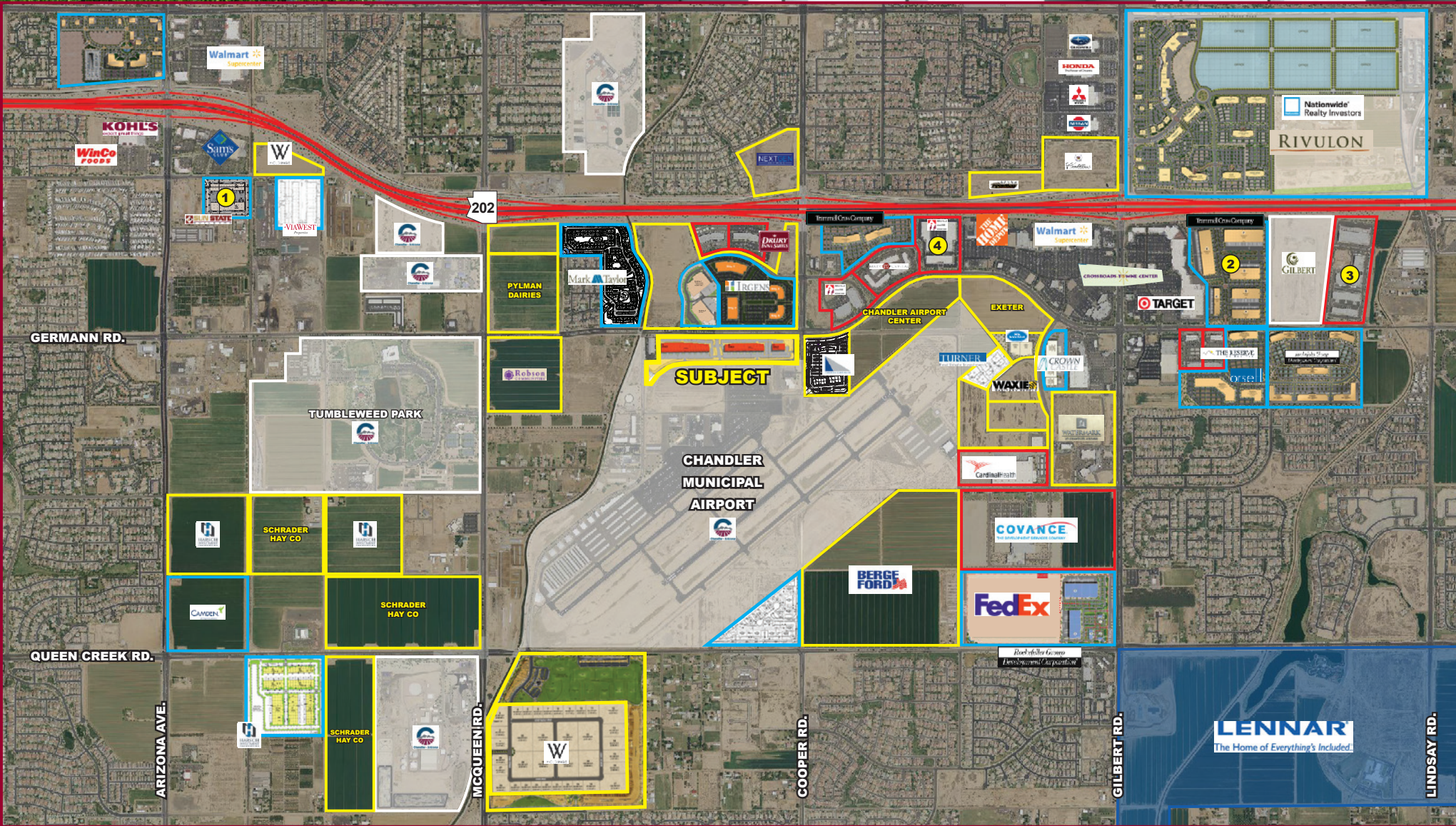


# CHANDLER AIRPORT MARKET STUDY

## DIRECT COMPETITION

### PROPERTY STATISTICS

### BUILDING FEATURES



#### CHANDLER AIRPORT CENTER 1725 - 1825 E. Germann



SIZE	AVAILABLE	RATE	TI	CLEAR	DEPTH	LOADING COURTS
122,247 SF	122,247 SF	\$0.75 NNN	\$12	30'	132' - 162'	130'
88,679 SF	88,679 SF	\$0.75 NNN	\$12	24'	116' - 132'	

Comments: Immediate Freeway access. Excellent ingress/egress. All tenants have Germann frontage. Pods unsolicited offer - 100,000 SF  
Trane Proposal - 10,456 SF

#### 221 E. Willis



SIZE	AVAILABLE	RATE	TI	CLEAR	DEPTH	LOADING COURTS
139,735 SF	127,831 SF	\$0.70 - \$0.75 NNN	\$25	24'	120' - 140'	170' Shared

Comments: Across from Sam's Club. Inferior site surrounded by lumber yards & dairy farms. No area synergies. Cheer 180 6,422 SF. Turf & Sport 5,482 SF. Proposal on 8,300 SF on-going. 6,000 SF lease out for signature.

#### PARK LUCERO 220, 330, 440 E. Germann



SIZE	AVAILABLE	RATE	TI	CLEAR	DEPTH	LOADING COURTS
A - 73,229 SF	73,229 SF	\$0.58 NNN	\$12	24' - 32'	100' - 180'	120' - 190'
B - 87,876 SF	87,876 SF	\$0.55 NNN	\$12			
C - 47,234 SF	15,723 SF	\$0.68 NNN	\$12			

Comments: Congested site plan & ingress/egress. Freeway frontage, but heavy traffic to access site. Divisible to 5,000 SF. Completed two leases. Divind - 10,000 SF HOA Playground - 5,200 SF Cyclone Cup - 10,547 SF Wudel - 5,200 SF  
3 large deals looking & 150,000, 50,000, 30,000 proposals out. Pods toured 9/9/15  
Lease signed with furniture company ±17,500 SF - Building A. Norwood Furniture, 5 year deal. Three prospects pursuing spec suite. \*Focusing only on larger deals at this point

#### 202 BUSINESS PARK 560 - 620 E. Germann



SIZE	AVAILABLE	RATE	TI	CLEAR	DEPTH	LOADING COURTS
268,000 SF	46,682 SF	\$0.58 - \$0.70 NNN	Neg.	18' - 24'	140'	140'

Comments: Built in 2008. Freeway Frontage, but furthest access to full diamond. Divisible to 6,000 SF. Good activity on the vacancy. Available: 19,108 SF, 13,481 SF, 16,093 SF  
Activity on the back 19,108 space

#### ALLRED AIRPORT CENTER 2440 - 2460 E. Germann



SIZE	AVAILABLE	RATE	TI	CLEAR	DEPTH	LOADING COURTS
186,826 SF	7,635 SF	\$0.75 NNN	As-Is	24'	120' - 150'	130'

Comments: Built in 2008. Sold for \$38/SF in 2009 (Mostly shell) Heavier office/showroom buildout. Freeway frontage. Minimal TW loading Several non-traditional tenants (gymnastics, gym, cheer) Total Fulfillment - Expanded into the 7,325 SF space 7,635 SF lease out for signature has stalled. Trapez school tenant prospect.

#### KYRENE 202 BUSINESS PARK Kyrene & Gila Springs



SIZE	AVAILABLE	RATE	TI	CLEAR	DEPTH	LOADING COURTS
119,933 SF	0	\$0.65 NNN		24' - 30'	160' - 200'	125'
122,823 SF	122,823 SF	\$0.59 NNN				

Comments: Highly successful spec development. Closer to I-10 & Loop 202 with strong amenities. Low land basis at sub \$3/SF. Red Bull 24,787 SF Cort Furniture 50,544 SF Stone Creek 44,602 SF  
Phase II - Complete, 2 or 3, 30,000 SF lookers.

### SOUTHEAST VALLEY MARKET STATISTICS

	SIZE	AVAILABLE VACANCY %	QUARTERLY ABSORPTION	AVERAGE ASKING RENT/MO.
3Q 2015	79,146,809 SF	7,970,125 SF 9.93%	620,018 SF	\$0.556 NNN
2Q 2015	79,146,863 SF	8,358,798 SF 10.56%	626,018 SF	\$0.554 NNN
1Q 2015	78,318,367 SF	8,210,959 SF 10.48%	682,718 SF	\$0.552 NNN
4Q 2014	78,055,050 SF	8,780,115 SF 11.2%	438,819 SF	\$0.546 NNN
3Q 2014	78,143,288 SF	9,113,833 SF 11.7%	377,744 SF	\$0.54 NNN

### CHANDLER/GILBERT MARKET STATISTICS

	SIZE	AVAILABLE VACANCY %	QUARTERLY ABSORPTION	AVERAGE ASKING RENT/MO.
3Q 2015	35,835,206 SF	4,807,634 SF 13.42%	314,415 SF	\$0.582 NNN
2Q 2015	35,681,874 SF	5,109,623 SF 14.32%	455,881 SF	\$0.569 NNN
1Q 2015	34,841,927 SF	4,642,124 SF 13.32%	210,555 SF	\$0.570 NNN
3Q 2014	34,602,833 SF	4,906,981 SF 14.18%	82,125 SF	\$0.584 NNN
4Q 2014	34,771,083 SF	4,914,005 SF 14.13%	-33,167 SF	\$0.567 NNN

### SUBMARKET HIGHLIGHTS:

- Southeast Valley leads the 5 major markets in absorption for the 4th consecutive quarter
- Chandler/Gilbert submarkets rank 3rd out of 27 in warehouse absorption
- Chandler Airport Warehouse is 2,217,158 SF up 714,889 SF from Q3, 2014
- Chandler Airport Warehouse is currently at 17.9% up from 12% in Q2



COMMERCIAL REAL ESTATE SERVICES

3200 East Camelback Road  
Suite #100  
Phoenix, Arizona, 85018  
ph: 602.956.7777  
www.leeearizona.com












**KEN MCQUEEN**  
PRINCIPAL  
602.474.9564  
kmcqueen@leeearizona.com

**CHRIS McCLURG**  
PRINCIPAL  
(602) 954.3766  
cmcclurg@leeearizona.com

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### Comparison Report

Building Name Address	Submarket	Tenant Landlord	Trans. Date Start Date	Size	Term (Mos.)	Rate Structure Effective Rate	T.I.	Lease Type Expenses	Features	Comments
Wills/AZ Avenue Corporate  221 E. Willis Rd.	Southeast	Turf and Sport, LLC Greenwood & McKenzie	09-22-2015 12-01-2015	5,482 SF	62 Mos.	Mos. 1-2 \$0.000 Mos. 3-14 \$0.750 Mos. 15-26 \$0.775 Mos. 27-38 \$0.800 Mos. 39-50 \$0.825 Mos. 51-62 \$0.850 Eff. Rate: \$0.77	As-Is	NNN	Truckwell Grade Level Sprinklered EVAP	Year Built: 2015 Clear Height: 24'
Kyrene 202 Business Park  150 S. Kyrene Rd.	Southeast	Redbull EastGroup Properties	07-15-2015 09-01-2015	24,787 SF	63 Mos.	Mos. 1-3 \$0.000 Mos. 4-15 \$0.700 Mos. 16-27 \$0.720 Mos. 28-39 \$0.740 Mos. 40-51 \$0.760 Mos. 52-63 \$0.780 Eff. Rate: \$0.70	\$15.00 SF	NNN	Grade Level Dock Hi Sprinklered EVAP	Year Built: 2014 Clear Height: 24'
Reliance Broadway  4145 S. 38th St. - Bldg. F	Sky Harbor	The Stone Collection Presson Corporation	07-09-2015 11-01-2015	103,094 SF	126 Mos.	Mos. 1-6 \$0.000 Mos. 7-18 \$0.570 Mos. 19-30 \$0.600 Mos. 31-42 \$0.630 Mos. 43-54 \$0.660 Mos. 55-66 \$0.690 Mos. 67-78 \$0.720 Mos. 79-90 \$0.750 Mos. 91-102 \$0.780 Mos. 103-114 \$0.810 Mos. 115-126 \$0.840 Eff. Rate: \$0.67	\$12.00 SF	NNN	Grade Level Sprinklered EVAP	Year Built: 2015 Clear Height: 32' TI Allowance for 10,000 SF Office/Showroom, Lights, Evaps, & Fans
Park Lucero - Phase I  220 E. Germann Rd.	Southeast	Divind Trammell Crow Company	06-04-2015 10-01-2015	10,000 SF	87 Mos.	Mos. 1-3 \$0.000 Mos. 4-15 \$0.830 Mos. 16-27 \$0.850 Mos. 28-39 \$0.871 Mos. 40-51 \$0.892 Mos. 52-63 \$0.914 Mos. 64-75 \$0.936 Mos. 76-87 \$0.959 Eff. Rate: \$0.86	\$30.00 SF	NNN	Truckwell Grade Level Sprinklered	Year Built: 2015 Clear Height: 24'
Wills/AZ Avenue Corporate  221 E. Willis Rd.	Southeast	Cheer One80 Chamberlain Development	05-28-2015 09-01-2015	6,422 SF	63 Mos.	Mos. 1-3 \$0.000 Mos. 4-15 \$0.680 Mos. 16-27 \$0.700 Mos. 28-39 \$0.720 Mos. 40-51 \$0.740 Mos. 52-63 \$0.760 Eff. Rate: \$0.69	\$20.00 SF	NNN	Truckwell Grade Level Sprinklered EVAP	Year Built: 2015 Clear Height: 24'
Park Lucero - Phase I  220 E. Germann Rd.	Southeast	Cyclone Cup Trammell Crow Company	04-23-2015 06-01-2015	10,647 SF	63 Mos.	Mos. 1-3 \$0.000 Mos. 4-15 \$0.695 Mos. 16-27 \$0.716 Mos. 28-39 \$0.737 Mos. 40-51 \$0.759 Mos. 52-63 \$0.781 Eff. Rate: \$0.70	\$15.00 SF	NNN	Truckwell Grade Level Dock Hi Sprinklered	Year Built: 2015 Clear Height: 24'
Park Lucero - Phase I  220 E. Germann Rd.	Southeast	Wudel Trammell Crow Company	03-01-2015 06-01-2015	5,250 SF	75 Mos.	Mos. 1-3 \$0.000 Mos. 4-15 \$0.720 Mos. 16-27 \$0.740 Mos. 28-39 \$0.760 Mos. 40-51 \$0.780 Mos. 52-63 \$0.800 Mos. 64-75 \$0.820 Eff. Rate: \$0.74	\$18.00 SF	NNN	Truckwell Grade Level Dock Hi Sprinklered	Year Built: 2015 Clear Height: 24'
Park Lucero - Phase I  220 E. Germann Rd.	Southeast	HOA Playgrounds Trammell Crow Company	01-28-2015 04-01-2015	5,200 SF	62 Mos.	Mos. 1-2 \$0.000 Mos. 3-14 \$0.700 Mos. 15-26 \$0.721 Mos. 27-38 \$0.746 Mos. 39-50 \$0.768 Mos. 51-62 \$0.791 Eff. Rate: \$0.72	\$20.00 SF	NNN	Truckwell Grade Level Dock Hi Sprinklered	Year Built: 2015 Clear Height: 32' New construction in Shell condition
Kyrene 202 Business Park  200 S. Kyrene Rd.	Southeast	Stone Creek Inc. EastGroup Properties	11-19-2014 02-01-2015	44,602 SF	129 Mos.	Mos. 1-8 \$0.360 Mos. 9-20 \$0.690 Mos. 21-32 \$0.700 Mos. 33-44 \$0.720 Mos. 45-56 \$0.740 Mos. 57-68 \$0.750 Mos. 69-80 \$0.770 Mos. 81-92 \$0.790 Mos. 93-104 \$0.810 Mos. 105-116 \$0.830 Mos. 117-128 \$0.850 Eff. Rate: \$0.74	\$15.00 SF	NNN	Grade Level Dock Hi	Year Built: 2014 Clear Height: 24'
202 Business Park  566 E. Germann Rd.	Southeast	SolarCity Corporation Mountain West Properties	11-05-2014 12-01-2014	9,783 SF	62 Mos.	Mos. 1-2 \$0.000 Mos. 3-14 \$0.650 Mos. 15-26 \$0.669 Mos. 27-38 \$0.690 Mos. 39-50 \$0.710 Mos. 51-62 \$0.731 Eff. Rate: \$0.67	\$12.00 SF	NNN	Grade Level Dock Hi Sprinklered EVAP	Year Built: 2008 Clear Height: 24'
Kyrene 202 Business Park  150 S. Kyrene Rd.	Southeast	Cort Furniture Rental EastGroup Properties	08-01-2014 11-01-2014	50,544 SF	146 Mos.	Mos. 1-2 \$0.000 Mos. 3-32 \$0.610 Mos. 33-62 \$0.640 Mos. 63-92 \$0.670 Mos. 93-122 \$0.700 Mos. 123-134 \$0.730 Mos. 135-146 \$0.730 Eff. Rate: \$0.66	\$14.00 SF	NNN	EVAP A/C	Landlord is going to build out 2,500 SF of office, 4,000 SF of showroom, 5,000 SF A/C clearance center, then lights and evaps in the warehouse. Tenant has to pay \$51,000 of those costs.