



### Market Highlights:

The Phoenix Industrial market continues toward a significant milestone of 300 million SF in building inventory with still more in the pipeline. Inventory has grown by 1 percent this quarter and nearly 2 percent so far in 2015. We continue to see a “flight to quality” as tenants look to upgrade and/or expand their presence in the market. As the housing market continues to improve, we see increased velocity and are poised for a strong second half of 2015.



*We won't just tell you  
we'll get the job done...  
We'll show you.*

Over the past twenty-five years, **Stein Koss** and **Tom Louer** have been involved in over 1,200 transactions, having leased or sold over 84 million square feet with a combined consideration of over \$1 billion dollars. Their clients benefit from their energy, focus, market knowledge and the ability to create value.

### Your real estate solution providers

- Landlord | Tenant Representation
- Seller | Buyer Representation
- Build-to-Suit Consulting
- Supply Chain Solutions

#### **STEIN KOSS, SIOR**

PRINCIPAL  
(602) 912.3520 Direct  
(602) 510.1999 Cell  
skoss@leearizona.com

#### **TOM LOUER, SIOR**

PRINCIPAL  
(602) 954.3779 Direct  
(602) 684.6909 Cell  
tlouer@leearizona.com

#### **VICTORIA BENAVIDEZ**

MARKETING COORDINATOR  
(602) 954.3757 Direct  
vbenaidez@leearizona.com



3200 E. Camelback Road, Suite 100  
Phoenix, Arizona, 85018  
ph: 602.956.7777 fx: 602.954.0510  
[www.leearizona.com](http://www.leearizona.com)

# Phoenix Industrial News

## AIRPORT | SOUTHEAST VALLEY UPDATES

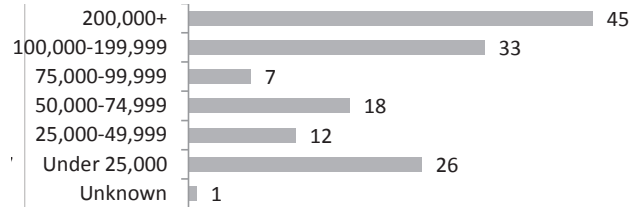
### Economic Indicators

as of Q2 2015

Unemployment	
U.S.	Down to 5.3%
Arizona	Down to 6.0%
Phoenix Metro	Up to 6.0%
U.S. Consumer Price Index (CPI)	Up 0.5%
Gross Domestic Product (GDP)	Down 1.5%

Source: Bureau of Labor Statistics, Arizona Dept. of Economic Security, Eller College of Management, University of Arizona

### Prospect Industrial Needs SF 2015



Home Depot leased 111,349 SF in a back-office building formerly occupied by Wells Fargo. The property is known as Tempe One 1616 W. 17th St. in Tempe, AZ.



JDM Partners paid \$152.31/SF (\$38,084,200) for a Data Center occupied by State Farm Insurance. The 250,043 SF building is located at 424 S. 56th St. in Phoenix, AZ. Sources say the sale/leaseback was a 10-year commitment by State Farm.



Connor Commercial with Globe Corp sold their Canal Crossings Logistic Center to Bixby. The 155,144 SF building traded for \$14.7 million (\$94.77/SF). LKQ Corp occupies over 100,000 SF of the building.



Paragon leased approximately 45,000 SF at 2120 W. Guadalupe Rd. in Gilbert, AZ. The ten (10) year term will commence 9/1/2015. The facility is 100% air-conditioned with 24' clear, dock high and grade level loading.



The Stone Collection pre-leased a 101,885 SF project currently under construction at 4101 S. 36th St. in Phoenix, AZ known as Reliance Broadway. The 10-year lease is targeted to commence Q3 2016.



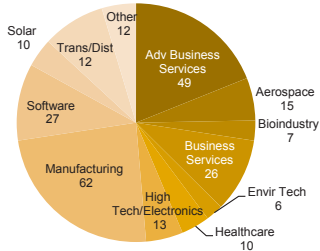
Amazon "Prime Direct" leased 62,880 SF at 500 S. 48th St, in Phoenix, AZ adjacent to the 202 Freeway. As a "prime member" of Amazon, this DC will deliver product within a two hour window to those members. The lease term is 120 months, commencing in October 2015.



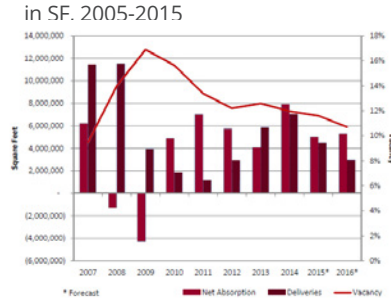
# Phoenix Industrial News

## CENTRAL | SOUTHWEST VALLEY UPDATES

### Prospect By Industry

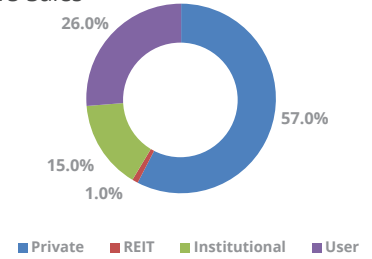


### Absorption/Vacancy in SF. 2005-2015



### Buyer Type

Q2 15 Sales



Mattress Firm leased 170,000 SF on a pre-lease, pre-construction transaction, just west of the NWC of 91st Ave. & Buckeye Rd. The 386,100 SF building is being developed by Merit Partners. Mattress Firm signed a 10-year lease.



Sensormatic Electronics leased 89,600 SF at 7400 W. Buckeye Rd. in Phoenix, AZ. The 325,800 SF Building is owned by Kansas City Life Insurance Company.



Stein Koss and Tom Louer recently completed a lease for Thackeray Partners of Dallas, Texas. Jack Travis Logistics leased 20,000 sq ft at 236 E. Pima Street in Phoenix, AZ for three (3) years. The multi-tenant industrial project offers inexpensive functional space for Central Phoenix distribution requirements.

**Thackeray Partners**



The Koss | Louer Team and Jeff Conrad at Lee & Associates leased a 17,148 SF space to KW Transportation. The five (5) year lease also included a 2-acre site adjacent to the building for truck and trailer storage.

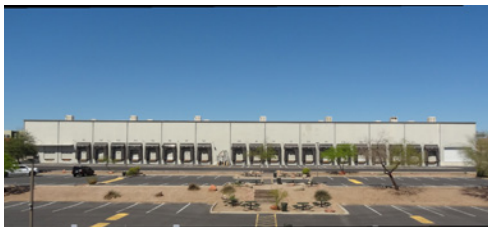


Pima Health Care leased 74,000 SF in the old Revlon facility at the SWC of 43rd Ave. & Buckeye. The property is at 4315 W. Buckeye Rd. in Phoenix, AZ and the term was ten (10) years.



Michael Lewis Company purchased approximately 30 acres in Goodyear, AZ for a 294,146 SF build to suit developed by LGE. The 42' clear height facility is currently under construction.



**1720 E. GRANT ST.**  
PHOENIX, AZFOR LEASE  
175,366 SF**PARC 17  
NWC OF 7TH AVE & I-17 FREEWAY**  
PHOENIX, AZFOR LEASE  
177,770 SF**SANTAN 10 DISTRIBUTION CENTER**  
6888 W. FRYE RD.  
CHANDLER, AZFOR LEASE  
64,787 SF**ALLRED AIPIORT CENTER I**  
CHANDLER, AZFOR LEASE  
14,960 SF**3333 E. ATLANTA AVE.**  
PHOENIX, AZFOR LEASE  
26,744 SF**SOUTH PARK INDUSTRIAL**  
280 N. ROOSEVELT AVE.  
CHANDLER, AZFOR LEASE  
69,886 SF**TEN SKY HARBOR**  
PHOENIX, AZFOR LEASE  
64,787 SF**MADISON | 51  
225 S. 51<sup>ST</sup> ST.**  
PHOENIX, AZFOR LEASE  
110,710 SF**MADISON | 51  
5125 E. MADISON ST.**  
PHOENIX, AZFOR LEASE  
352,415 SF

## DID YOU KNOW?

ON AUGUST 7, 1782, George Washington created the **Purple Heart**, America's oldest military decoration. Washington called the award the Badge of Military Merit. His order of that day read in part:

The General, ever desirous to cherish virtuous ambition in his soldiers as well as foster and encourage every species of military merit, directs that whenever any singularly meritorious actions is performed, the author of it shall be permitted to wear on his facings, over his left breast, the figure of a heart in purple cloth or silk edged with narrow lace or binding. Not only instances of unusual gallantry but also of extraordinary fidelity and essential service in any way shall meet with due reward.

The badge permitted the wearer to pass sentinels without challenge. Only three soldiers are known to have received the award during the Revolutionary War.

After the Revolution the badge fell out of use. In 1932 the military revived the decoration to help celebrate the two hundredth anniversary of George Washington's birth. The Order of the Purple Heart is now awarded to members of the armed services who have been wounded or killed in action. The modern medal has a bronze heart bearing Washington's silhouette in its purple center and the Washington coat-of-arms at the top.

Why did George Washington choose purple? No one is sure, but for ages purple had been the color of royalty. In Washington's eyes the common soldier who sacrificed for his country deserved as much respect as a king. As he wrote in his order creating the decoration, "The road to glory is a patriot army and a free country in thus open to all."

**STEIN KOSS, SIOR**  
PRINCIPAL  
(602) 912.3520 Direct  
(602) 510.1999 Cell  
skoss@learizona.com**TOM LOUER, SIOR**  
PRINCIPAL  
(602) 954.3779 Direct  
(602) 684.6909 Cell  
tlouer@learizona.com**LEE &  
ASSOCIATES®**  
COMMERCIAL REAL ESTATE SERVICES3200 E. Camelback Road  
Suite 100  
Phoenix, Arizona, 85018  
ph: 602.956.7777 fx: 602.954.0510  
[www.learizona.com](http://www.learizona.com)