

LEE & ASSOCIATES ARIZONA

Historical Phoenix Office Market Statistics

LEASING	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Inventory	62,408,882	63,157,119	64,884,343	66,230,935	68,269,150	72,475,180	77,295,471	79,354,018	80,648,158	80,648,158	81,048,674	81,244,354	81,054,198	84,301,262	86,943,444	99,108,710	99,495,850
Vacancy	20.6%	19.1%	14.2%	14.2%	12.0%	16.1%	22.5%	26.2%	27.1%	26.6%	24.0%	23.2%	20.6%	19.5%	18.6%	19.6%	17.6%
Asking (FS) Rent	\$20.27	\$19.60	\$19.43	\$21.83	\$24.95	\$26.55	\$25.90	\$23.24	\$21.44	\$20.69	\$20.36	\$20.66	\$21.47	\$22.92	\$24.34	\$24.88	\$24.09
Absorption	113,340	1,550,414	1,960,706	3,745,098	3,304,205	702,307	(926,366)	(1,321,891)	221,915	432,551	2,008,925	1,286,535	2,396,705	3,358,813	2,928,342	1,833,318	2,860,837
Deliveries	1,771,328	748,237	1,727,224	1,346,592	2,038,215	4,206,030	4,820,291	2,058,547	1,294,140	170,211	416,723	246,999	1,034,675	3,560,159	3,522,101	3,920,432	1,584,255
Under Construction	4,060,629	3,611,081	5,325,441	9,687,701	5,712,972	5,854,664	3,118,880	1,286,715	440,413	270,202	424,709	642,823	2,997,726	2,613,730	2,683,027	2,538,998	2,569,439

LEASING	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Class A Vacancy	21.3%	17.8%	16.8%	11.5%	10.7%	16.0%	24.5%	27.3%	28.6%	26.6%	23.2%	22.4%	21.1%	18.1%	17.0%	16.6%	15.8%
Class A Asking Rent	\$22.06	\$22.01	\$21.75	\$25.05	\$28.22	\$29.88	\$29.66	\$26.58	\$24.33	\$23.35	\$23.20	\$23.58	\$24.42	\$26.46	\$27.84	\$28.69	\$29.28
Class B Vacancy	20.5%	20.1%	19.7%	16.2%	13.1%	16.4%	21.9%	25.8%	26.4%	27.0%	26.0%	24.0%	21.8%	21.0%	19.6%	22.4%	20.5%
Class B Asking Rent	\$19.22	\$18.34	\$18.58	\$20.05	\$19.22	\$18.34	\$18.58	\$20.05	\$19.42	\$18.97	\$18.58	\$18.75	\$19.44	\$20.55	\$21.75	\$22.58	\$20.52
Class C Vacancy	14.8%	15.2%	12.1%	12.0%	7.9%	12.3%	12.1%	20.9%	21.3%	20.1%	23.3%	22.9%	15.2%	15.2%	14.6%	14.7%	13.5%
Class C Asking Rent	\$13.79	\$13.79	\$12.70	\$13.91	\$16.94	\$18.63	\$15.43	\$15.50	\$15.83	\$13.81	\$15.47	\$16.22	\$15.20	\$15.01	\$18.02	\$16.80	\$15.72

SALES	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
No. of Sales	119	140	228	266	233	246	105	48	70	104	332	345	396	471	489	391	528
Average Cap Rate	9.62%	9.22%	8.27%	6.94%	6.39%	6.32%	6.12%	8.81%	6.87%	7.44%	7.98%	7.62%	7.56%	7.58%	7.56%	7.30%	6.99%
Median Price/SF	\$108.13	\$115.21	\$123.64	\$150.58	\$173.13	\$185.00	\$185.13	\$108.93	\$86.14	\$82.86	\$134.30	\$118.95	\$130.91	\$167.08	\$152.86	\$134.43	\$149.82

Updated 1/18/2019

