

METRO PHOENIX INVESTMENT MARKET OVERVIEW



AUGUST 20, 2025

Chris Toci

Executive Managing Director
(602) 615 0999
christopher.toci@cushwake.com

Eric Wichterman

Vice Chairman
(602) 224 4471
eric.wichterman@cushwake.com

Jim Wilson

Executive Managing Director
(602) 229-5923
jim.wilson@cushwake.com

Jeems Lochridge

Managing Director
(602) 229 5822
jeems.lochridge@cushwake.com

CONTENTS

CONTACTS

CHRIS TOCI

Executive Managing Director
(602) 615 0999
christopher.toci@cushwake.com

ERIC WICHTERMAN

Vice Chairman
(602) 224 4471
eric.wichterman@cushwake.com

JIM WILSON

Executive Managing Director
(602) 229 5923
jim.wilson@cushwake.com

JEEMS LOCHRIDGE

Managing Director
(602) 229 5822
jeems.lochridge@cushwake.com

OPTIMISTIC TRENDS	01
ECONOMIC DRIVERS	02
INDUSTRIAL	03
OFFICE	04
MULTI-FAMILY	05
CASE STUDIES	06
CONCLUSION	07



01

REASONS FOR OPTIMISM

SOME OPTIMISTIC TRENDS

1. Silicon Desert Keeps Winning – Tech & Semis Drive Durable Job Demand

2. Still a Top - 5 U.S. Growth Market for Population Gains

3. Job Engine Resilient – Positive TTM Adds, Normalized Pace

4. Single-Family Starts Re-Accelerating (~27k, Highest Since '22)

5. Industrial Demand Diversifying – Strong in Multi-Tenant Parks

6. Industrial Supply Throttling – Pipeline Slowing, Equilibrium Ahead

7. Office Sublease Peaked in '23, Now Easing Lower

8. Smaller Multi-tenant Office Showing Relative Stability

9. Multifamily Deal Flow Unclogging – More Trades, Tighter Bid/Ask

10. Valuations Near Floor (Ex-office) – ODCE Re-Entry Poised

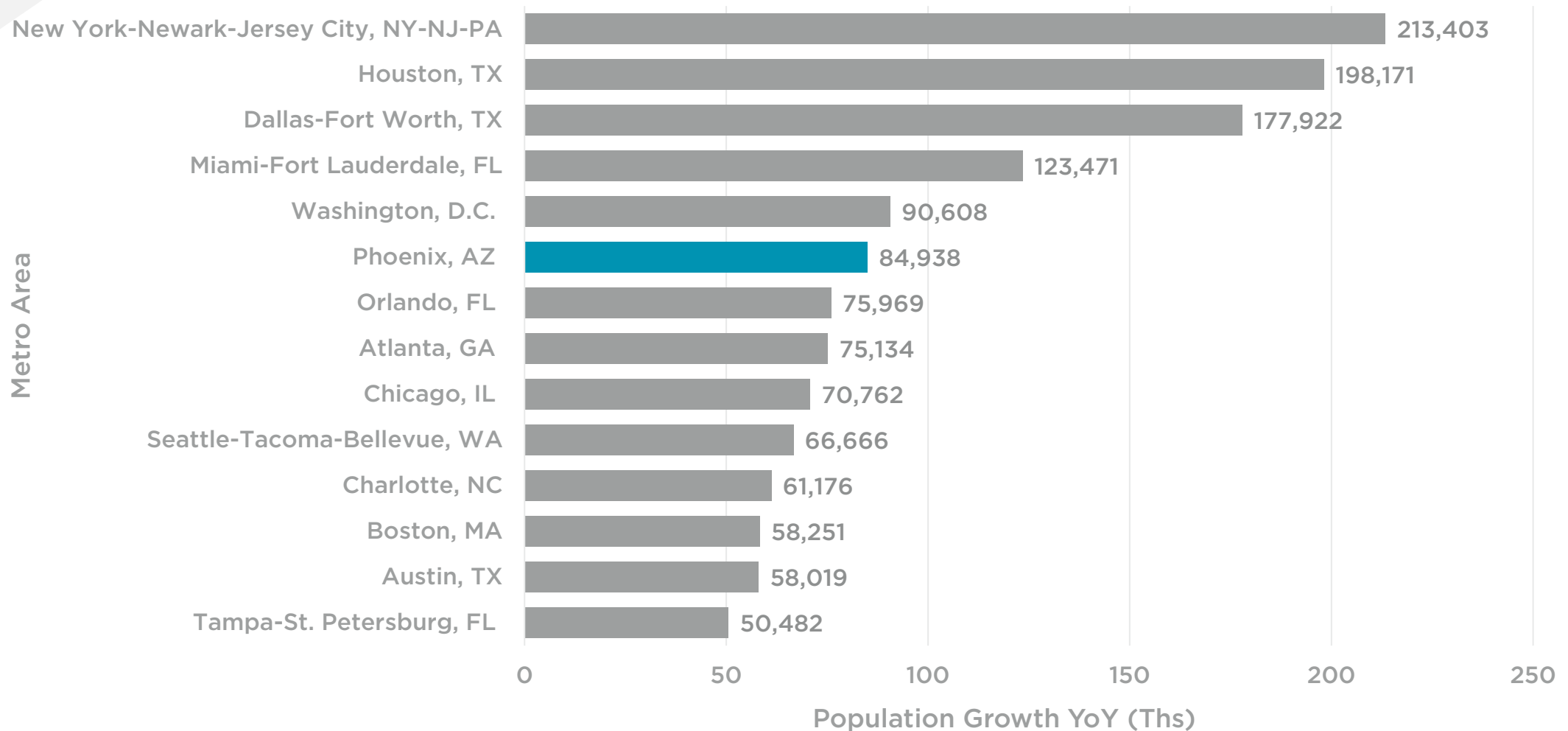
An aerial photograph of a wide, multi-lane city street, likely in Phoenix, Arizona. The street is lined with lush green trees and palm trees. In the background, a dense urban skyline is visible, with several high-rise buildings. Beyond the city, a range of rugged, brown mountains stretches across the horizon under a clear blue sky. A large, semi-transparent blue triangle is overlaid on the left side of the image, containing the text '02 ECONOMIC DRIVERS'.

02

ECONOMIC DRIVERS

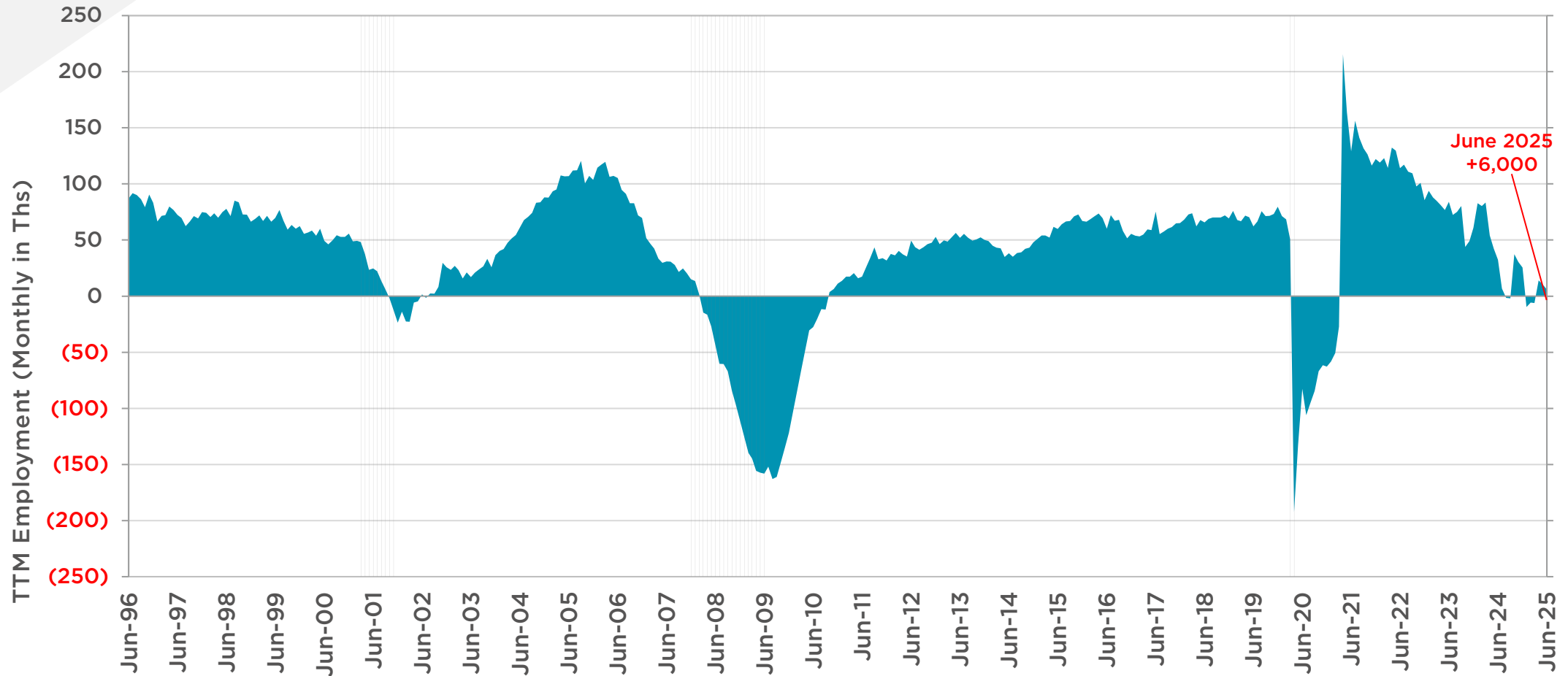
POPULATION GROWTH

Census Bureau Estimated Population Growth YoY July 2023 - July 2024



EMPLOYMENT TRENDS

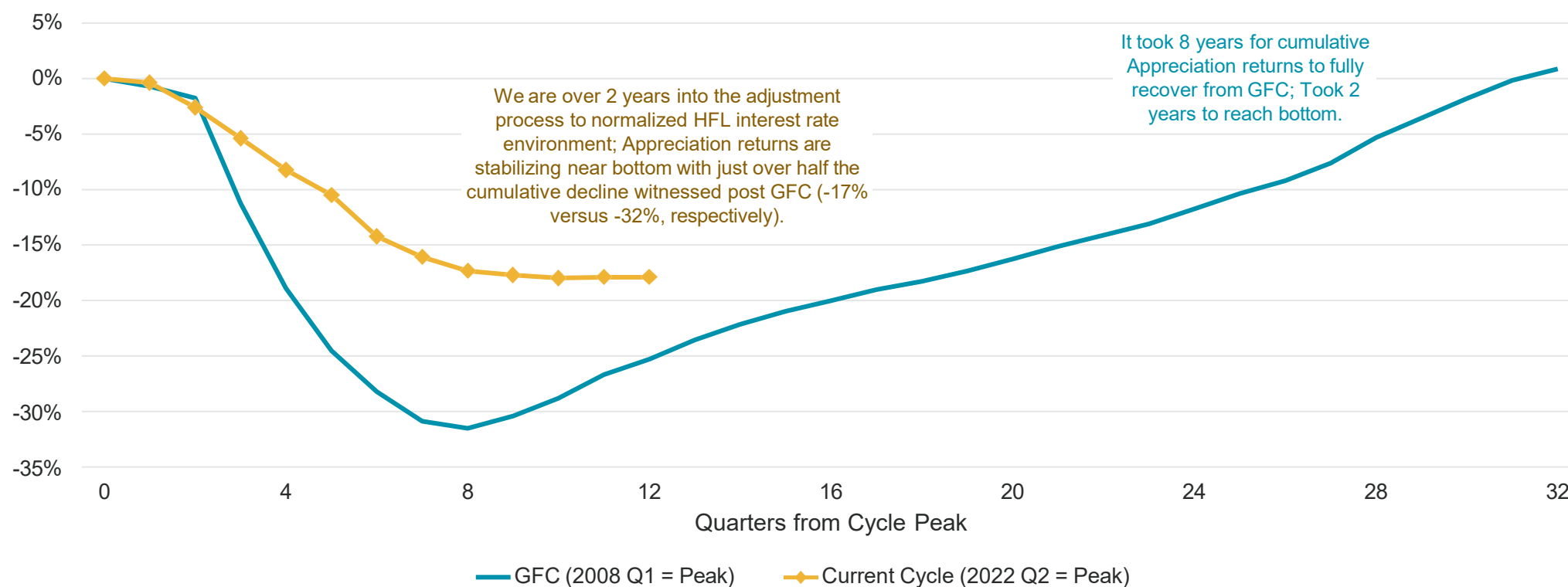
Metro Phoenix TTM Employment



INSTITUTIONAL PROPERTY VALUATION PERSPECTIVES

Write-downs stabilizing; more attractive entry point should help to inflect ODCE entrance queues

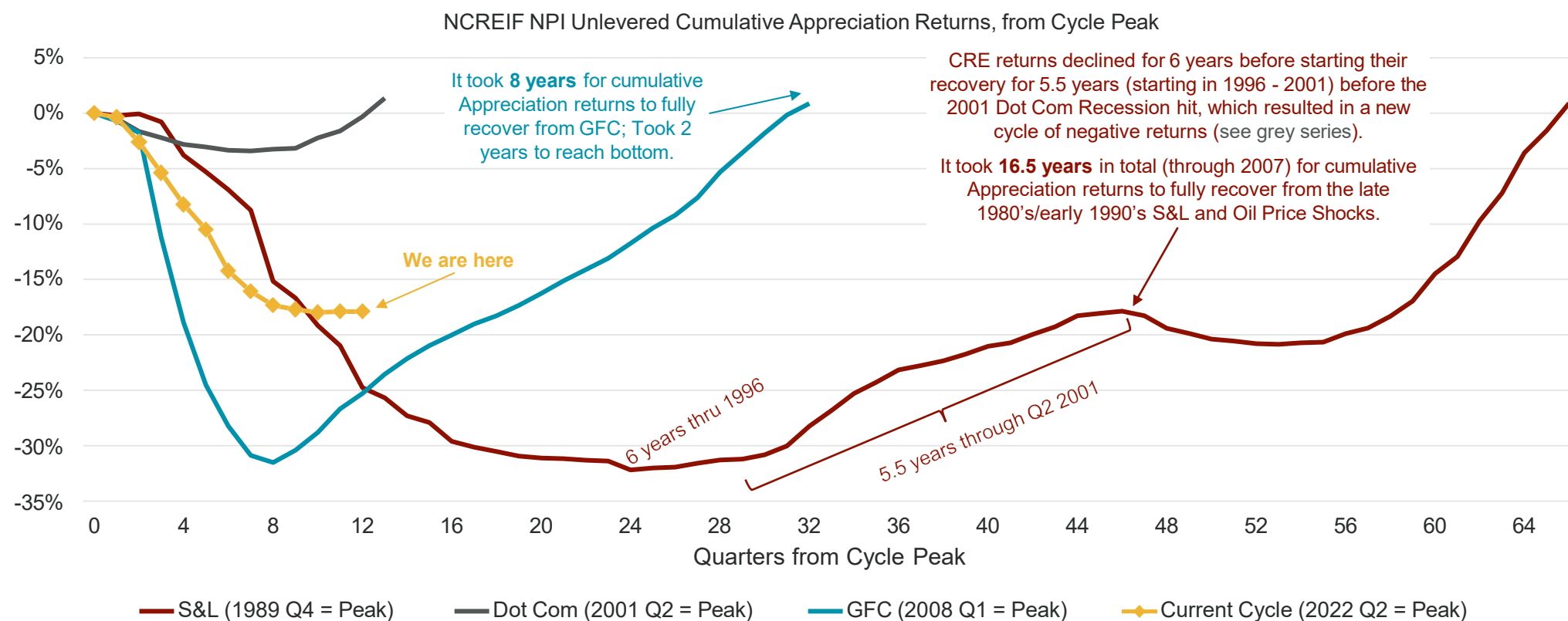
NCREIF NPI Unlevered Cumulative Appreciation Returns, from Cycle Peak



Source: NCREIF and Cushman & Wakefield Research, updated through Q2 2025. Reflects cumulative appreciation returns for all properties in NPI.

HISTORIC VALUATION PERSPECTIVES

Cycle severity (depth) & recovery time differ; current cycle is comparatively slower than GFC, but more shallow

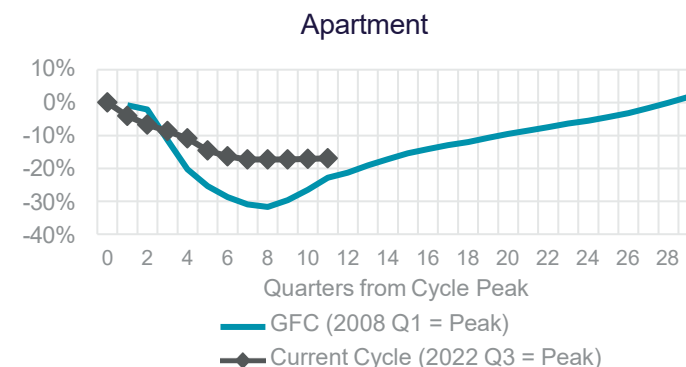
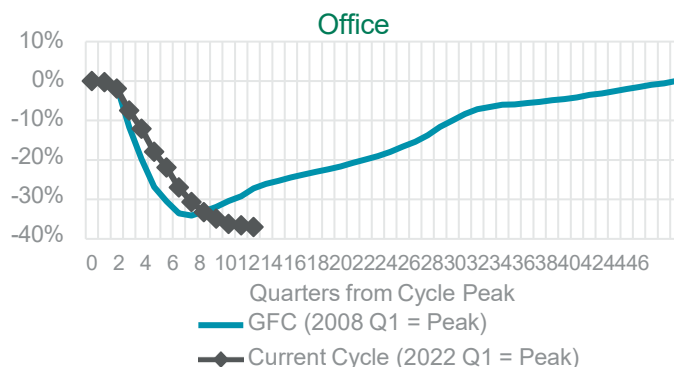
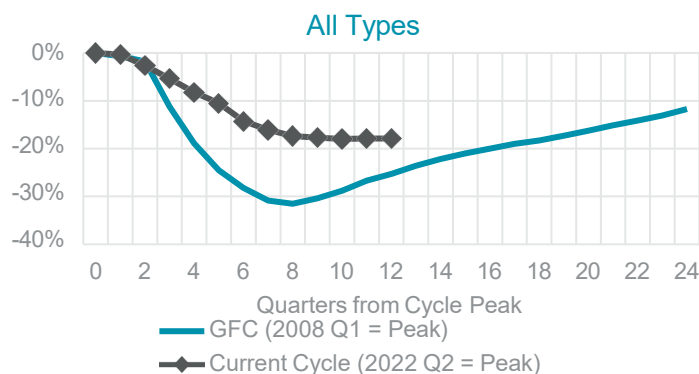


Source: NCREIF and Cushman & Wakefield Research, updated through Q2 2025. Reflects cumulative appreciation returns for all properties in NPI.

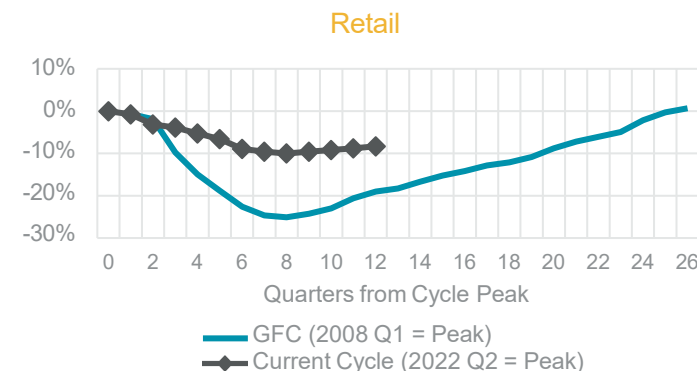
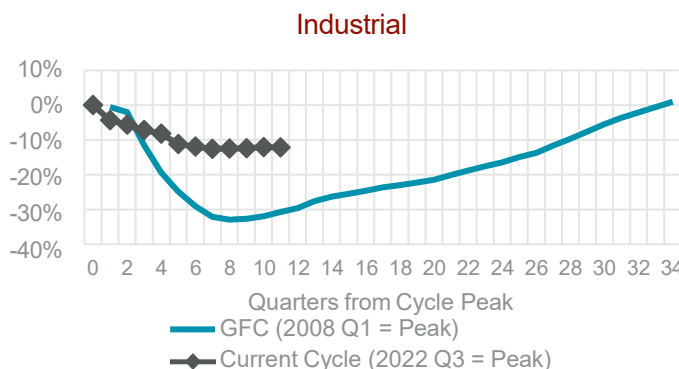
INSTITUTIONAL PROPERTY VALUATION PERSPECTIVES

Write-downs stabilizing (sans-Office); more attractive entry point should help inflect ODCE queues

NCREIF NPI Unlevered Cumulative Appreciation Returns, from Cycle Peak



	GFC	Q1 '25 Cumulative Loss	Current Cycle
All Property	-32%	-32%	-18%
Apartment	-32%	-32%	17%
Industrial	-33%	-33%	12%
Office	-34%	-34%	37%
Retail	-25%	-25%	-8%



Source: NCREIF and Cushman & Wakefield Research, updated through Q2 2025. Reflects cumulative appreciation returns for all properties in NPI.

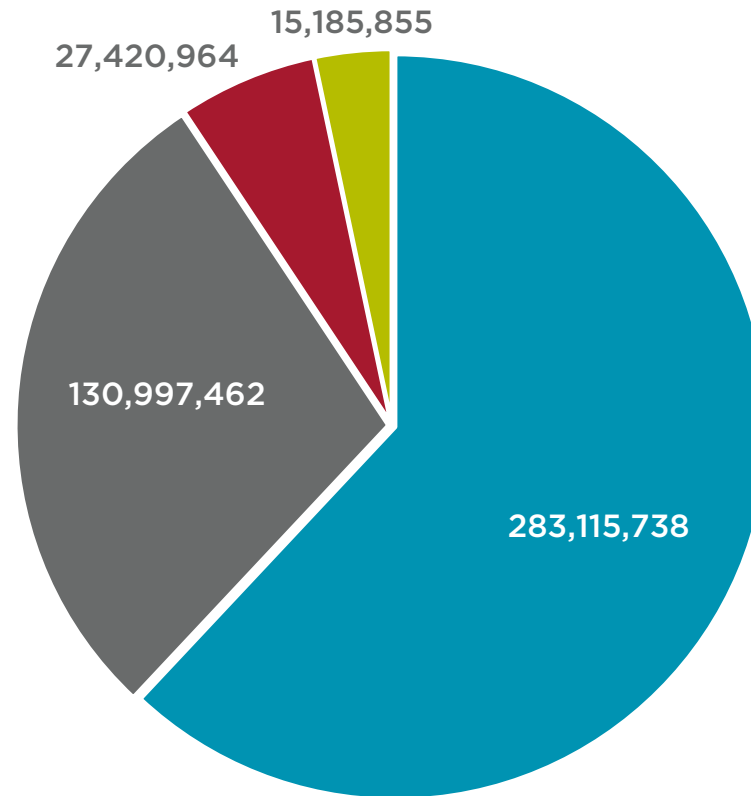


03

INDUSTRIAL

INDUSTRIAL INVENTORY (456,720,019 SF)

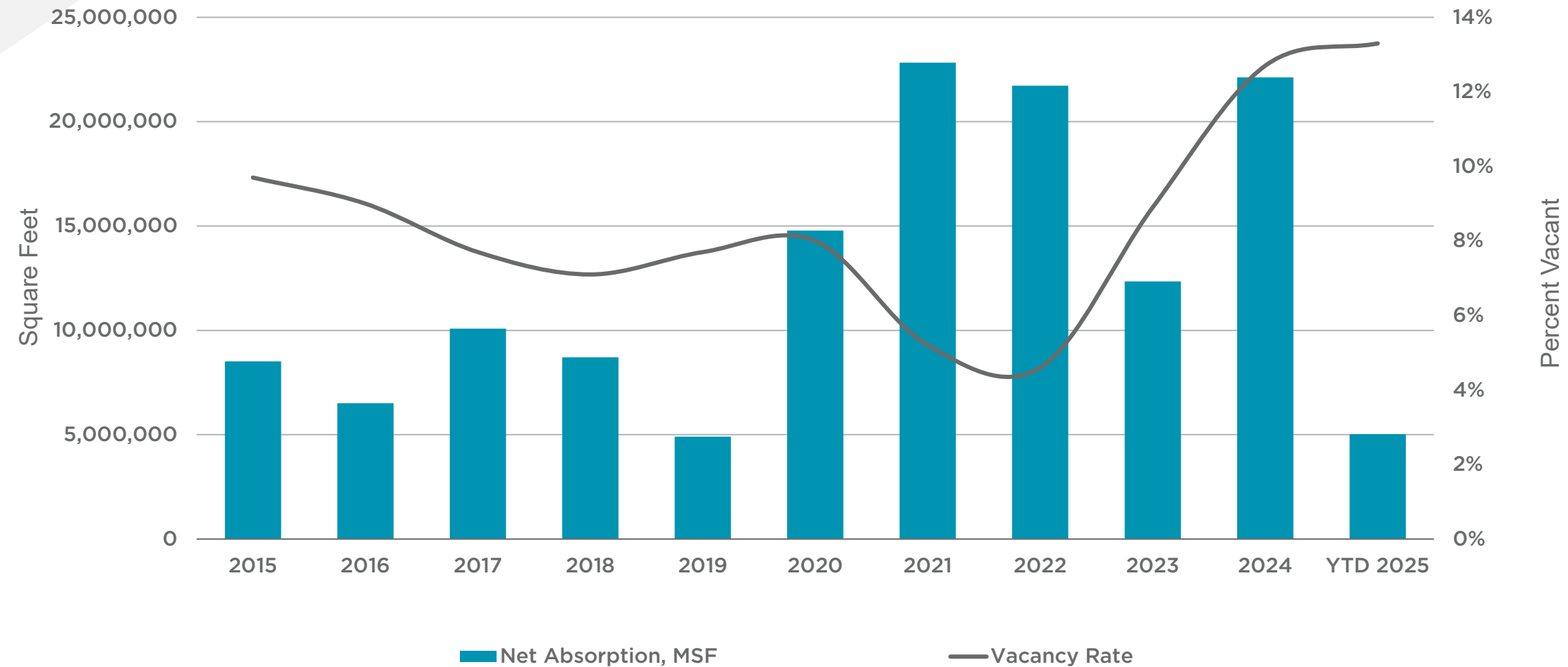
Metro Phoenix Industrial Inventory by Building Type (SF)



- Warehouse/Distribution
- Manufacturing
- High Technology
- Office Service/Flex

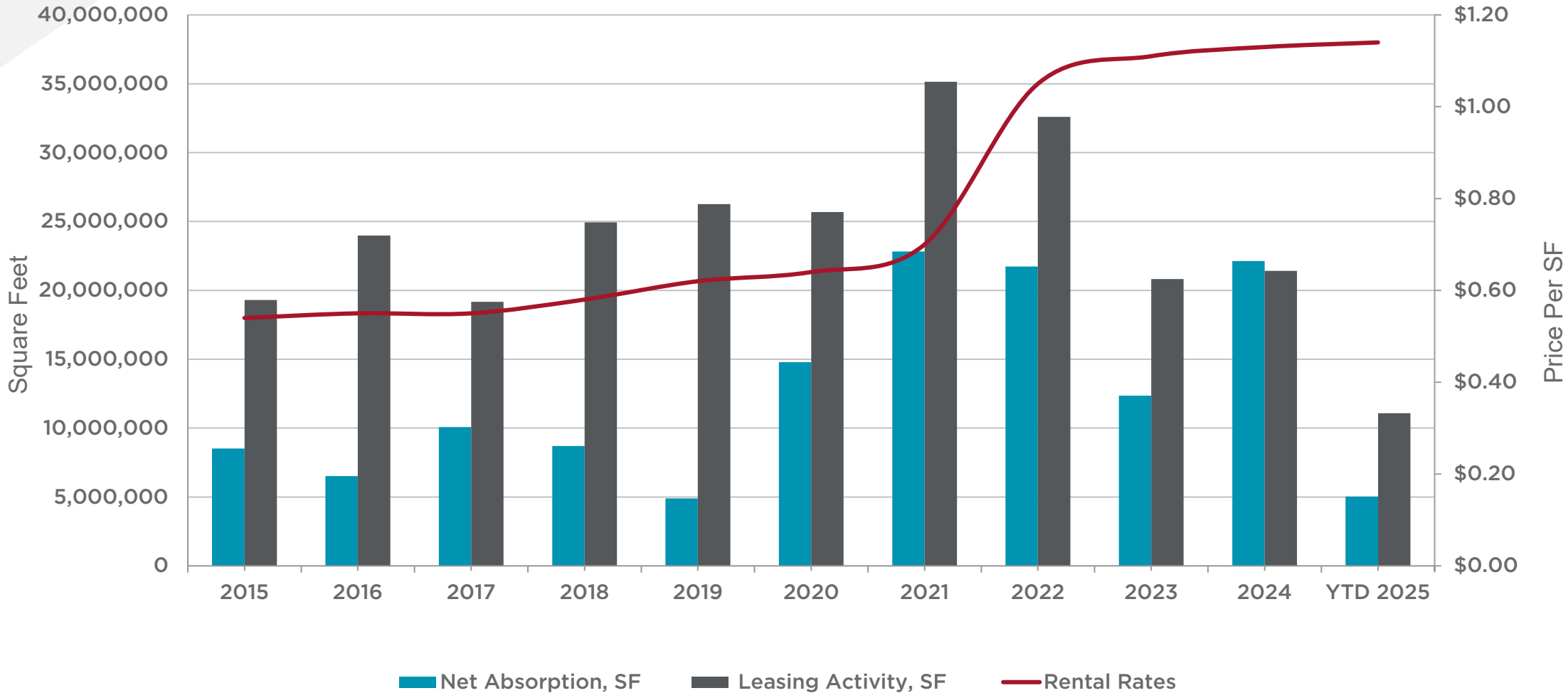
INDUSTRIAL

Net Absorption & Vacancy Rates
(All Building Types)



INDUSTRIAL

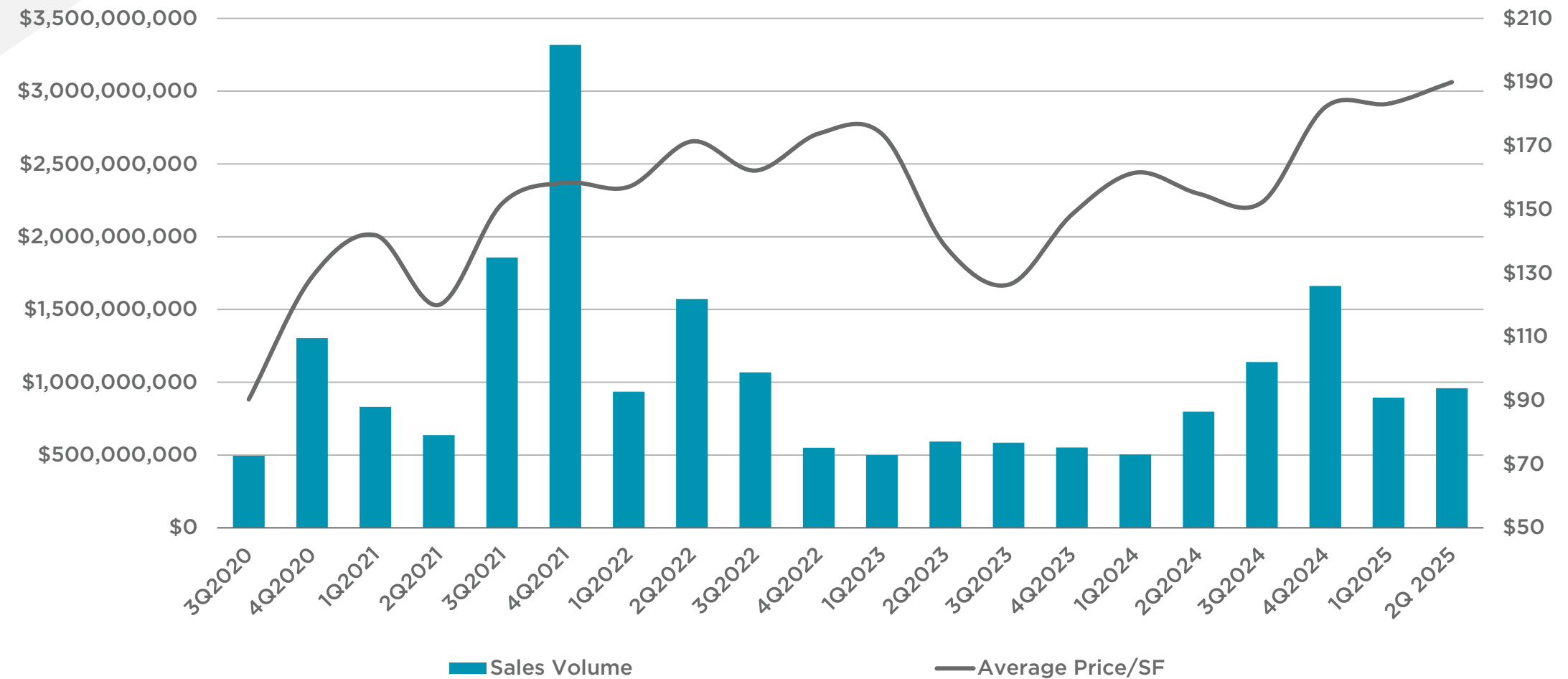
Net Absorption & Leasing Activity & Rental Rates
(All Building Types)



INDUSTRIAL

Price & Volume

(All Building Types)



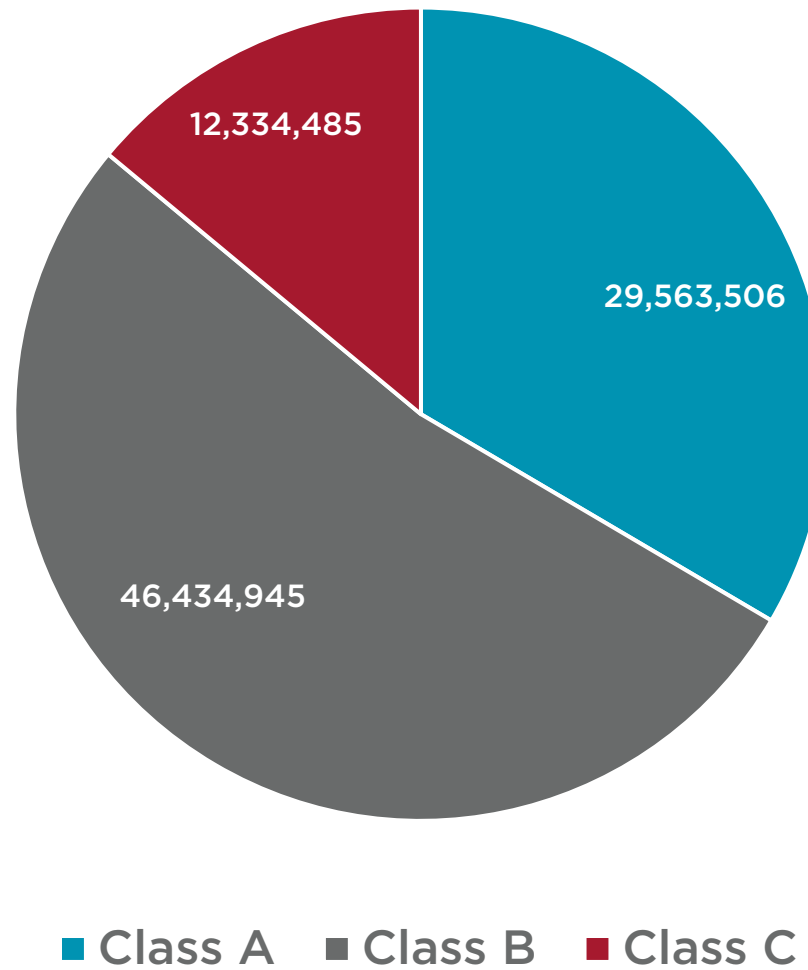
04

OFFICE



OFFICE INVENTORY (88,332,936 SF)

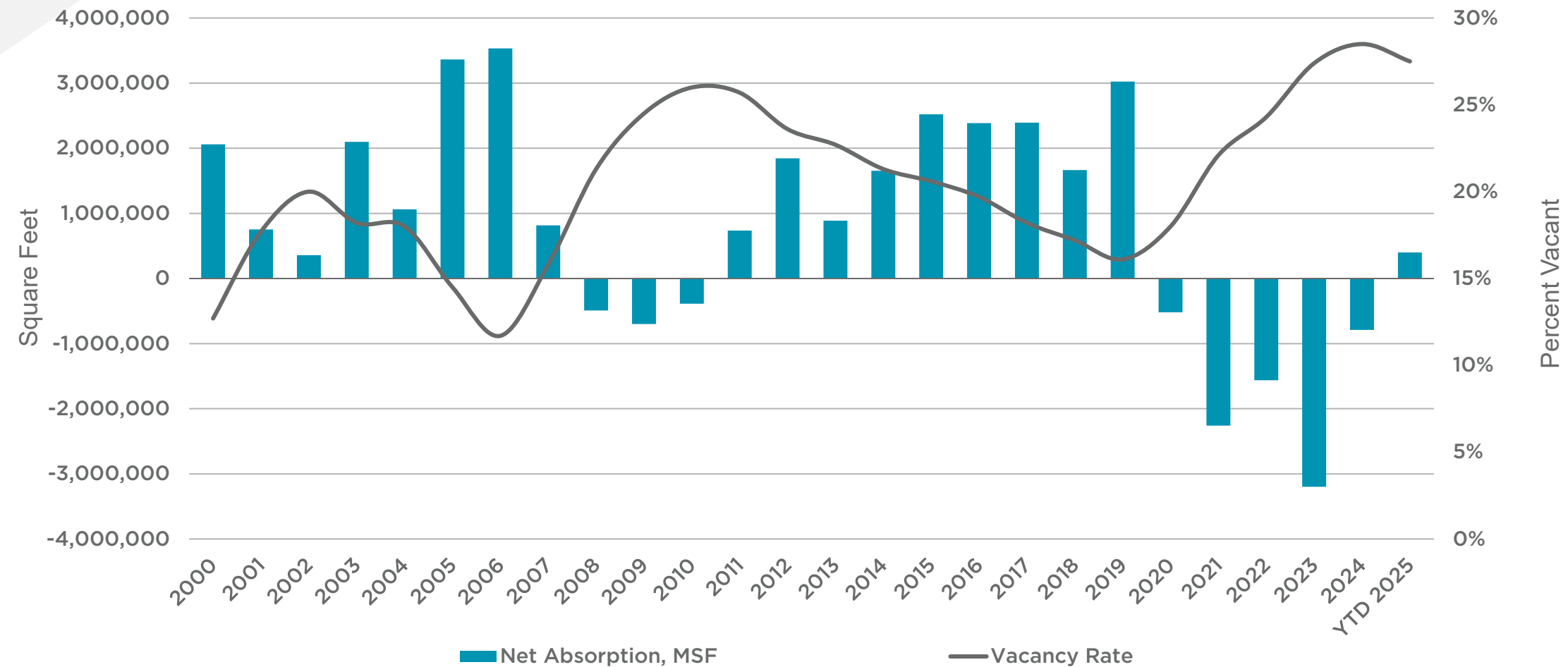
Metro Phoenix Office Inventory by Class (SF)



OFFICE

Net Absorption & Vacancy Rates

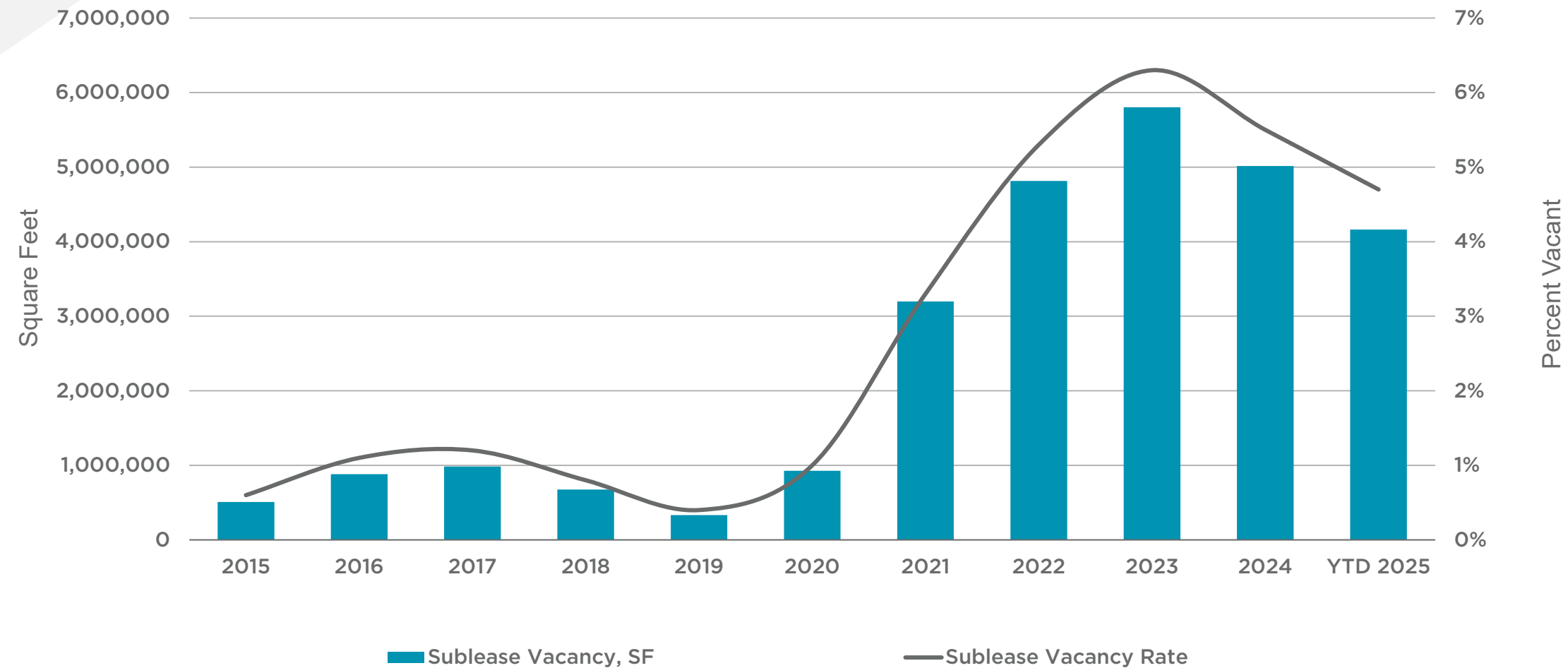
(All Classes)



OFFICE

Sublease Vacancy SF & Sublease Vacancy Rate

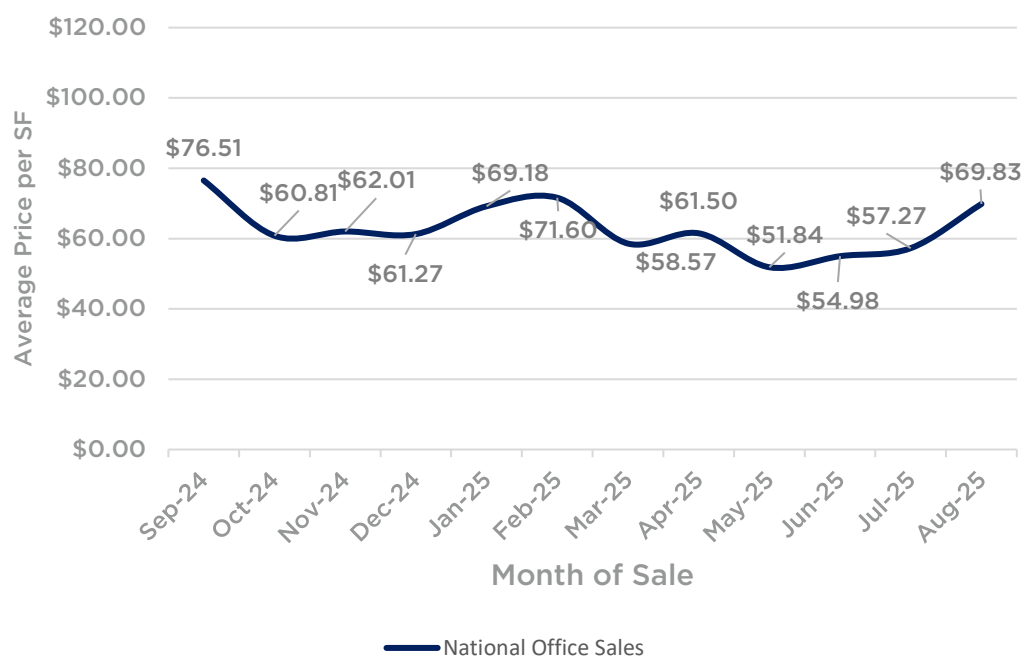
(All Classes)



NATIONAL DISTRESSED OFFICE SALES | SEPT 2024 – AUG 2025*

475 Sales

National Office Sales - Price per SF



National Office Sales - Occupancy vs \$/SF



*May 2023 Marked Beginning of Distressed Sale Cycle



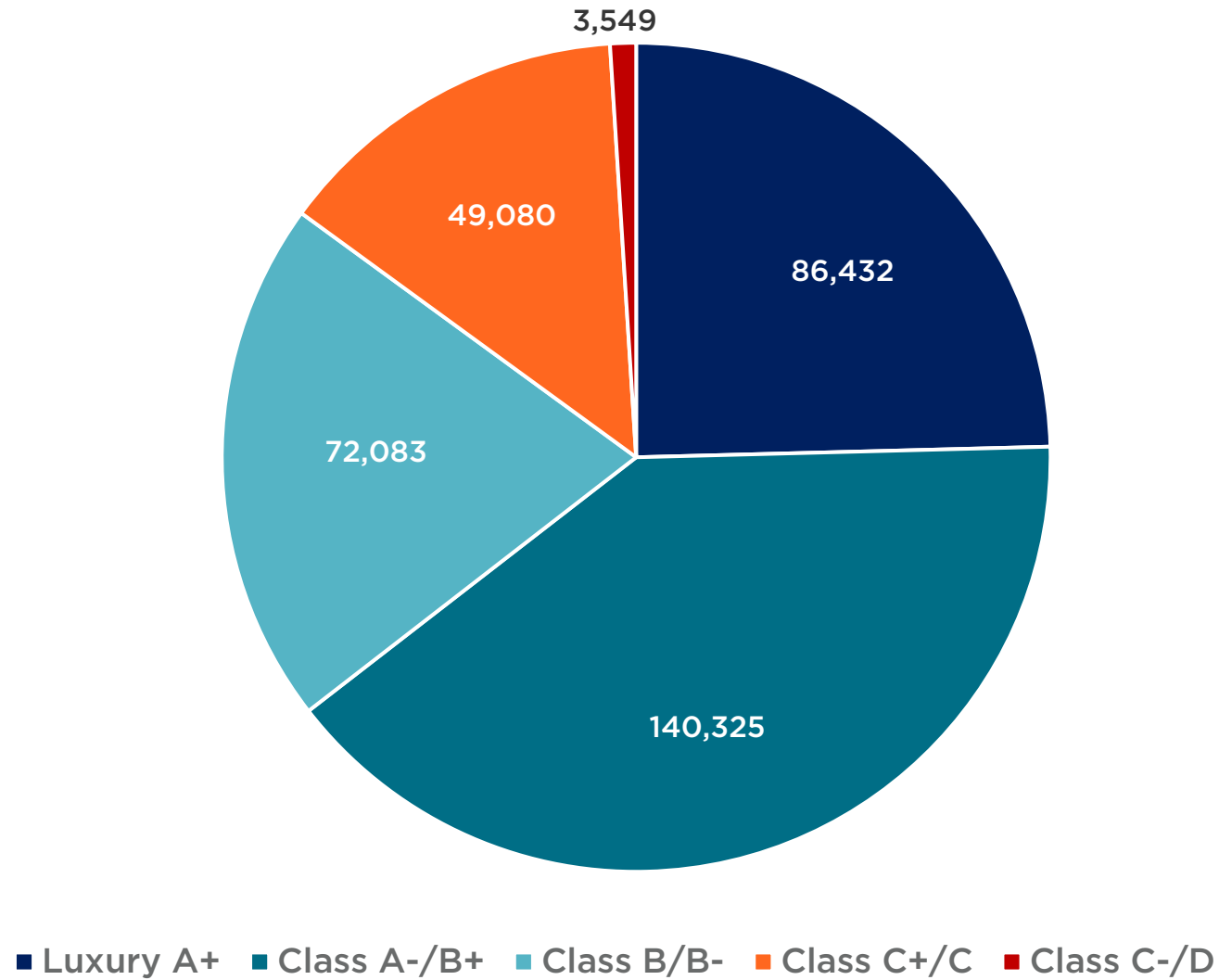
05

MULTI-FAMILY

MULTI-FAMILY INVENTORY (351,469 UNITS)

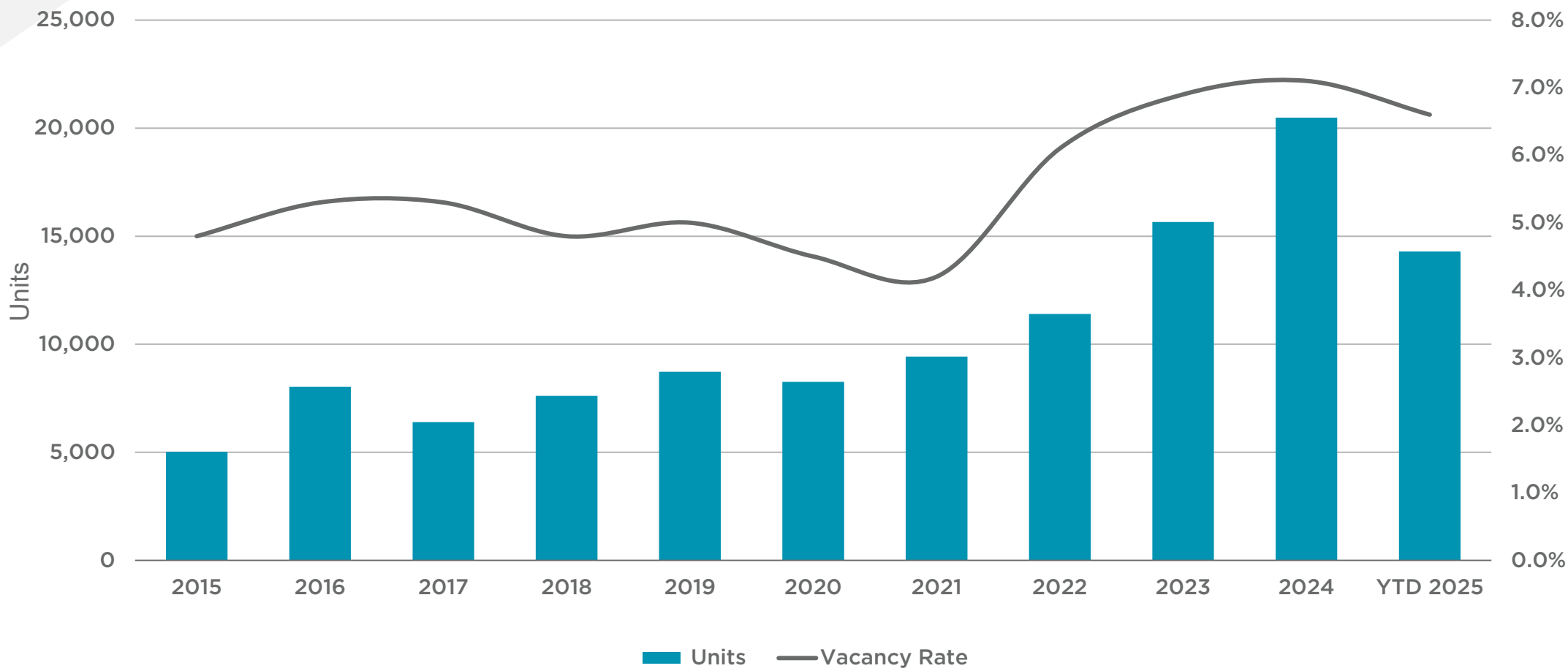
Metro Phoenix Apartment Inventory by Class

(Properties 100+ Units)



MULTI-FAMILY

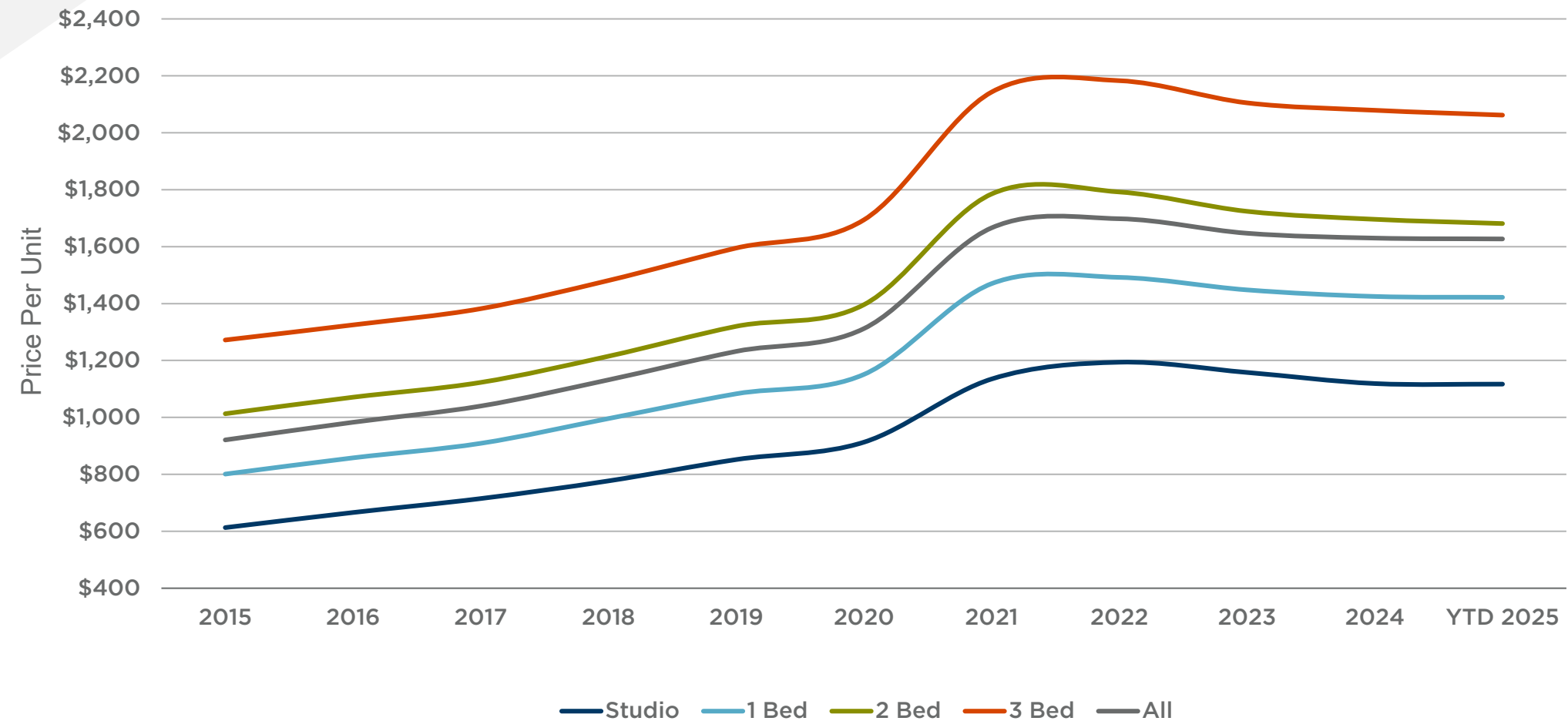
New Inventory & Vacancy
(Properties 100+ Units)



MULTI-FAMILY

Average Rent Per Unit

(Properties 100+ Units)



MULTI-FAMILY

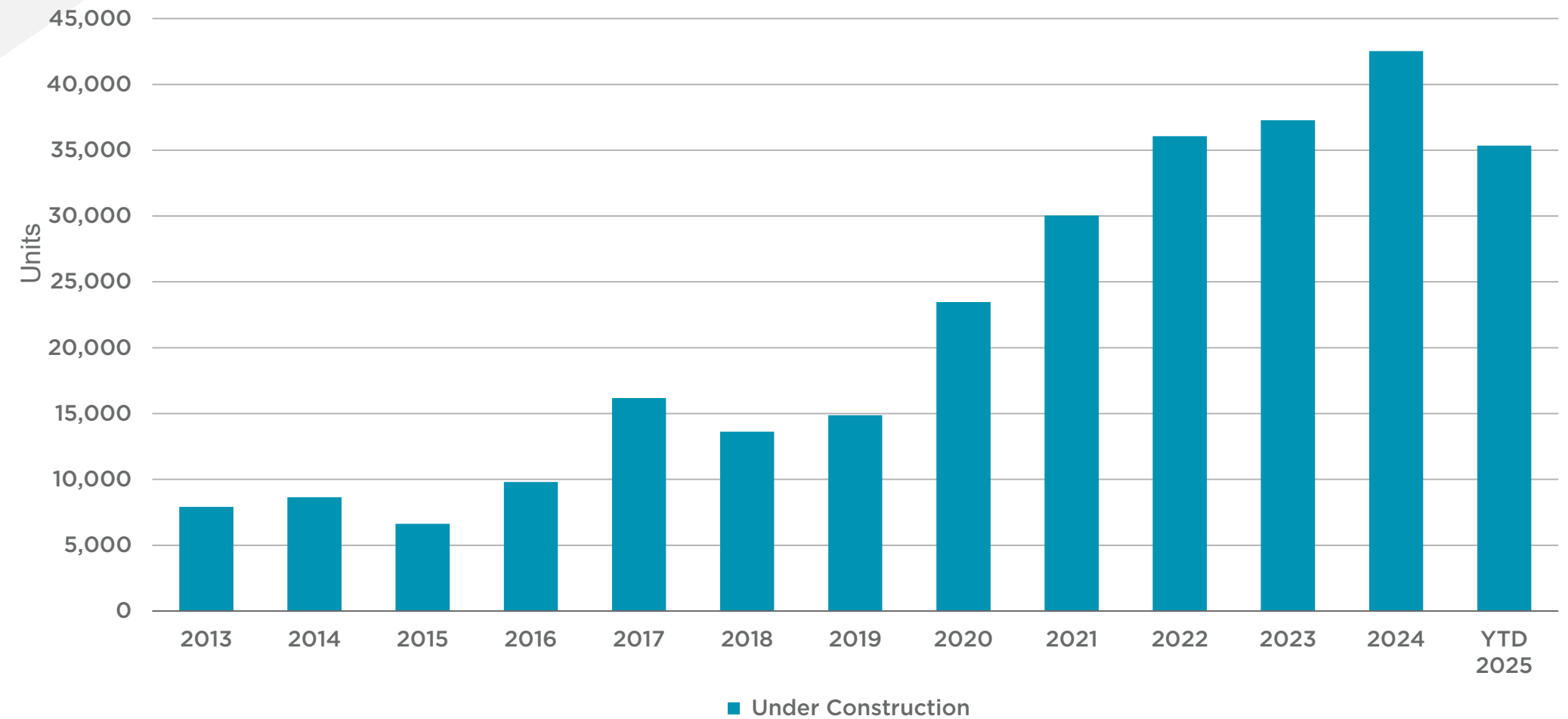
Sale Transaction Price & Volume

(Properties 100+ Units)



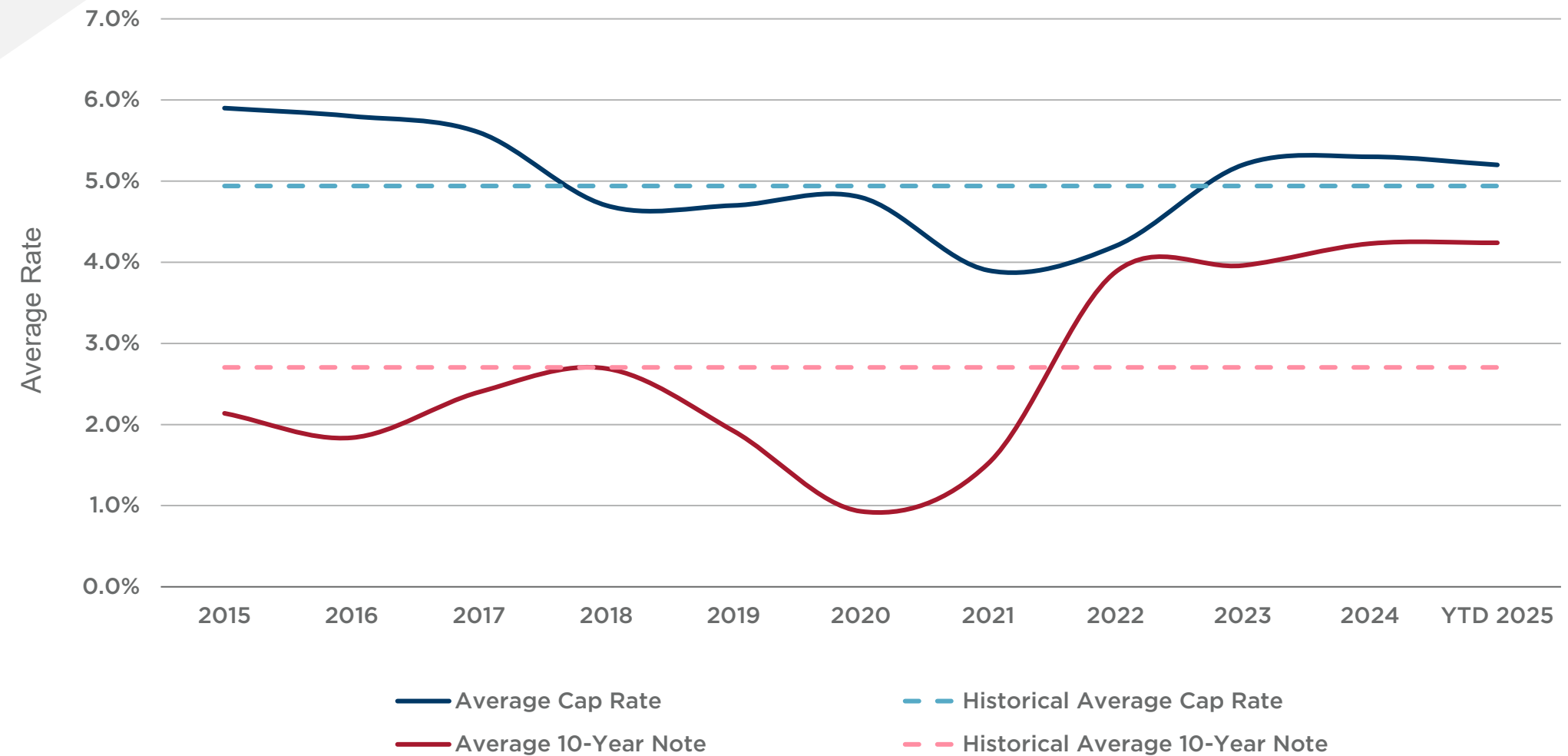
MULTI-FAMILY

Under Construction
(Properties 50+ Units)



MULTI-FAMILY

Average Cap Rates





06

CASE STUDIES

CLOSED TRANSACTION



20 EAST THOMAS ROAD

PROPERTY DETAILS

Address	20 East Thomas Road, Phoenix, AZ 85012
Size	548,938 SF
Year Built	1989
Occupancy	16%
WALT	1.0
Property Type	Office

SALE INFORMATION

Sale Date	December 2024
Price	\$23,700,000
PSF	\$43
Buyer	Uhaul
Seller	Bank of America

TRANSACTION DETAILS

Cash | Owner/User Transaction | Uhaul to occupy 84% of building and lease remaining space.

183 Confidentiality Agreements executed. Through three competitive bid rounds, 13 offers were secured from a diverse buyer pool, including residential apartment converters, billionaire investors, corporate owner-users, and value-add office buyers, driving final bids 82% above the initial offers received.

PRIVATE + INSTITUTIONAL INVESTMENT ADVISORS

CHRIS TOCI

Executive Managing Director
Mobile: +1 602 615 0999
christopher.toci@cushwake.com

ERIC WICHTERMAN

Vice Chair
Mobile: +1 602 339 3131
eric.wichterman@cushwake.com

MIKE COOVER

Managing Director
Mobile: +1 602 741 0344
mike.coover@cushwake.com

CLOSED TRANSACTION



AVNET

PRIVATE + INSTITUTIONAL INVESTMENT ADVISORS

CHRIS TOCI

Executive Managing Director
Mobile: +1 602 615 0999
christopher.toci@cushwake.com

ERIC WICHTERMAN

Vice Chair
Mobile: +1 602 339 3131
eric.wichterман@cushwake.com

MIKE COOVER

Managing Director
Mobile: +1 602 741 0344
mike.coover@cushwake.com

PROPERTY DETAILS

Address	6700 W Morelos Place, Chandler, AZ 85226		
Size	231,454 SF		
Year Built	2008		
Occupancy	100%		
Property Type	Single Tenant Net Leased Industrial Manufacturing; 5,000 AMPs power; 35' W/H Clearance		
In-Place Rent	\$1.02/SF/Mos, 2% annual increases		
Lease Type	NNN (LL=Roof/Structure)		
LCD	5/1/08	LXD	4/30/28
Termination Option	11/30/25 w/ notice by 11/30/24 (Penalty=unamortized leasing cost\$)		

SALE INFORMATION

Sale Date	December 2024		
Price	\$36,000,000		
PSF	\$156		
Cap Rate	N/A (Owner/User)		
Buyer	Avnet, Inc.		
Seller	GC Net Lease (Phoenix Chandler) Investors, LLC		

TRANSACTION DETAILS

Through meticulous research, C&W uncovered Avnet's recent multi-million-dollar investments to support VAST Data, a key international client requiring a U.S. presence. This compelling fact pattern assured investors of Avnet's commitment, enabling them to underwrite beyond the 11/30/25 termination option (Notice by 11/30/24, in middle of marketing effort!). C&W's strategy generated 11 competitive offers, driving pricing +38% from initial bids.

CLOSED TRANSACTION



CROSSPOINT @ BEARDSLEY

PROPERTY DETAILS

Address	20022 N 31st Ave, Phoenix, AZ 85027		
Size	351,570 SF (Existing)		
Stories	4	Site Size	24.41-acres
Year Built	1985	Zoning	CP/BP-SP
Occupancy	8%		
Property Type	Office to Industrial Redevelopment		

Proposed Industrial Redevelopment (322,448 SF; 0.30 site coverage)
 2, Gen. Ind. Bldgs. of ±103,352 SF ea. (32' clear, 180' deep); 1, Gen. Ind. Bldg. of ±115,744 SF (40' clear, 210' deep); 64 docks, 6 Drive-Ins

SALE INFORMATION

Sale Date	December 2024		
Price	\$15,000,000	Yield on Cost	7.6%
PSF	\$14 (Raw)		
PSF	\$46.52 (Buildable)		
PSF	\$5.13 (Demolition Costs per Improved Office Area)		
Buyer	Lincoln Property Company		
Seller	GC Net Lease (Phoenix Beardsley) Investors, LLC		

TRANSACTION DETAILS

Buyer's original \$27MM pricing contemplated normal market closing at end of Q12025. Pricing reported above reflected discount for year-end 2024 "Cash" closing. Nine (9) offers received from developers; sponsor/operators; investment funds; and private, high net worth (HNW) investors through multiple bid rounds.

PRIVATE + INSTITUTIONAL INVESTMENT ADVISORS

CHRIS TOCI

Executive Managing Director
 Mobile: +1 602 615 0999
christopher.toci@cushwake.com

ERIC WICHTERMAN

Vice Chair
 Mobile: +1 602 339 3131
eric.wichterman@cushwake.com

MIKE COOVER

Managing Director
 Mobile: +1 602 741 0344
mike.coover@cushwake.com

©2025 Cushman & Wakefield. All rights reserved. The information contained in this communication is strictly confidential. This information has been obtained from sources believed to be reliable but has not been verified.





07

CONCLUSION

KEY TAKEAWAYS



- **Phoenix Secular Story Intact:**
Population + Job Growth Underpinning Demand
- **Industrial Resetting:**
Vacancy Indigestion Fading, Rent Growth Base Ahead
- **Office Stabilizing:**
Sublease Trending Down, Small Tenant Strength
- **Multifamily Moving From Stalemate To Discovery**
With Firmer Comps
- **Capital Stack Improving:**
Fed Cuts, Easing Inflation, Lenders More Active
- **Cycle Depth Shallower Than GFC;**
Duration Longer, Bottoming Underway
- **Liquidity Advantage This Cycle:**
Dry Powder Chasing Compelling Basis Plays

INVESTMENT CONTACTS



Chris Toci
Executive Managing Director

P: (602) 615 0999
E: christopher.toci@cushwake.com

Chris Toci leads a Capital Markets team that advises private capital and institutional real estate investors in the disposition and acquisition of income-producing properties throughout the West. Gifted in negotiation, Mr. Toci and his team have perfected the nuanced art of investment sales.

Over the past two decades, Chris has closed over 200 single asset and portfolio transactions comprising over 31.5 million square feet with total consideration of \$4.95 billion. With client advocacy as his primary objective, Chris fiercely represents his clients, not the transaction. He is their “sword” and their “shield” and is constantly hacking and defending on their behalf.



Eric Wichterman
Vice Chairman

P: (602) 224 4471
E: eric.wichterman@cushwake.com

Eric leads the top private capital markets team in the Greater Phoenix area and has specialized in the sale of investment properties for over 25 years. In his career, Eric has completed more than 530 transactions totaling 28.2 million square feet and \$3.4 billion in value.

Eric has been recognized with several awards in his career, including NAIOP Phoenix’s Investment Broker of the Year in 2017 and 2004, the 2010 & 2012 Broker of the Year, AZ Real Estate and Development Magazine’s RED Award.



Jim Wilson
Executive Managing Director

P: (602) 229 5923
E: jim.wilson@cushwake.com

Jim has primarily focused his efforts on the sale, lease and build-to-suit sectors of the greater Phoenix market and has represented tenants, landlords, sellers and buyers of real estate.

Jim is a graduate of the University of Southern California. He is affiliated with Special Olympics of Arizona, Habitat for Humanity and the Arizona Youth Football League.



Jeems Lochridge
Managing Director

P: (602) 229 5822
E: jeems.lochridge@cushwake.com

Jeems Lochridge began his real estate career in 2004 and has specialized in multifamily since 2014. Mr. Lochridge joined Cushman & Wakefield of Arizona, Inc. in January, 2014. Prior to Cushman and Wakefield, his work experience includes time with Henkel (The Dial Corporation), Wells Fargo Bank and The London Stock Exchange. Jeems has been involved in the transaction of over 40,000 units with a value in excess of \$6 billion. Jeems is a licensed real estate broker in the State of Arizona.

CONTACTS

CHRIS TOCI

Executive Managing Director
(602) 615 0999
christopher.toci@cushwake.com

ERIC WICHTERMAN

Vice Chairman
(602) 224 4471
eric.wichterman@cushwake.com

JIM WILSON

Executive Managing Director
(602) 229 5923
jim.wilson@cushwake.com

JEEMS LOCHRIDGE

Managing Director
(602) 229 5822
jeems.lochridge@cushwake.com