

IREM PHOENIX CHAPTER & Central Arizona CCIM Chapter
2015 Market Forecast
INDUSTRIAL MARKET SUMMARY

Category >25,000 Sq.Ft.	IREM/CCIM Index	JAN 2015 FORECAST (2015 Year End Projections)		
	2014 Basis	Stein Koss	Tony Lydon	Mark Singerman
<u>New Construction</u>				
Big Box/Distribution	5,662,823	2,200,000	3,528,586	2,000,000
General Industrial	383,019	2,000,000	494,098	150,000
<u>Net Absorption</u>				
Big Box/Distribution	4,956,271	3,300,000	5,569,041	1,500,000
General Industrial	2,135,418	2,800,000	2,386,732	150,000
<u>Asking Rental Rate (\$/Sq.Ft./Month)</u>				
Big Box/Distribution	\$0.37	\$0.34	\$0.38	\$0.38
General Industrial	\$0.51	\$0.53	\$0.52	\$0.55
<u>Vacancy Rate - %</u>				
Big Box/Distribution	14.6%	14.5%	14.0%	14.5%
General Industrial	10%	9.2%	9.6%	9.0%
<u>SALES/Sq. Ft.</u>				
Big Box/Distribution	\$59	\$55	\$64	\$60
General Industrial	\$73	\$70	\$80	\$75

Big Box/Distribution = Industrial Warehouse, Manufacturing, Distribution over 100,000 SF
Multi-Tenant = All Industrial including Warehouse, Manufacturing, Distribution 25,000-100,000 SF

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APARTMENT MARKET SUMMARY**

Category >100 Units	IREM/CCIM Index	2015 FORECAST		
	2014 Actual-3rd qtr	Mark Schilling	Cindy Cooke	Tom Lewis (new development stats)
New Construction - # of units	3,855 + 7,158 under construction	6,900	8,500	6,300
Net Absorption - # of units	4094	5,470	4,500	5,150
Vacancy Rate - %	5.70%	6.50%	4.50%	6.00%
Average Asking Rents/ Sq Ft:	not available	\$0.96/ft	\$1.04	not given
Average Asking Rents - \$:	\$824	\$845	\$860	\$850
<u>SALES</u>				
Total Units Sold:	29,241	26,817	34,000	10,000
Average Price Per Unit:	\$79,241	\$86,000	\$83,000	\$140,000
Average Price per Sq Ft:	\$106.82	n/a	n/a	n/a

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RETAIL MARKET SUMMARY**

Category >20,000 Sq. Ft.	IREM/CCIM Index	JAN 2015 FORECAST (year end projections, 12/31/15)		
	2015	Judi Butterworth	Dan Gardiner	Rick Hearn
New Construction (Completed)	718,520	500,000	1,250,000	800,000
Net Absorption	1,781,639	2,100,000	1,975,000	1,600,000
<u>Vacancy Rate - %</u>				
Large Shopping Centers	6.00%	5.00%	5.36%	5.00%
Shopping Centers Over 100,000 Sq. Ft.	11.86%	10.00%	10.59%	10.00%
Shopping Centers Under 100,000 Sq. Ft.	15.94%	12.50%	14.23%	13.00%
<u>Asking Rental Rate (\$/Sq.Ft./Year)</u>				
Large Shopping Centers	\$22.87	\$27.00	\$23.99	\$24.00
Shopping Centers Over 100,000 Sq. Ft.	\$17.34	\$17.50	\$18.19	\$18.00
Shopping Centers Under 100,000 Sq. Ft.	\$14.23	\$15.00	\$14.40	\$13.00
<u>SALES/Sq. Ft</u>				
Large Shopping Centers (Four Sales YTD 2014)	\$301	\$316	\$314	\$300
Shopping Centers Over 100,000 Sq. Ft.	\$90	\$95	\$99	\$175
Shopping Centers Under 100,000 Sq. Ft.	\$116	\$122	\$125	\$150

Large Shopping Center = Regional, Super Regional, Outlet, Theme/Festival, Lifestyle, and Power Centers
Shopping Center = Neighborhood, Community, and Strip Centers

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OFFICE MARKET SUMMARY**

Category >10,000 Sq. Ft.	IREM/CCIM Index	JAN 2015 FORECAST		
	Year End 2014	Jim Fijan	Chris Toci	Dave Krumwiede
New Construction (Completed) Class A (CoStar 4&5 Star)	324,081	1,094,189 SF	1,152,000 SF	1,100,000 SF
Net Absorption Class A (CoStar 4&5 Star)	1,382,843	1,525,000 SF	1,200,000 SF	600,000 SF
New Construction (Completed) Class B (CoStar 2&3 Star)	557,593	707,081	0	600,000 SF
Net Absorption Class B (CoStar 2&3 Star)	1,709,120	1,200,000 SF	800,000 SF	1,600,000 SF
<u>Vacancy Rate - %</u>				
Class A (CoStar 4&5 Star)	17.50%	12.20%	15.00%	17.50%
Class B (CoStar 2&3 Star)	18%	15.40%	17.00%	19.50%
<u>Asking Rental Rate (\$/Sq.Ft./Year)</u>				
Class A (CoStar 4&5 Star)	\$24.06	\$25.30	\$24.80	\$27.00
Class B (CoStar 2&3 Star)	\$19.99	\$20.25	\$20.75	\$21.50
<u>SALES</u>				
Class A (CoStar 4&5 Star) - Average \$/Sq. Ft	\$173	\$225.00	\$180.00	\$240.00
Class B (CoStar 2&3 Star) - Average \$/Sq. Ft	\$129	\$164.00	\$140.00	\$140.00