

IREM PHOENIX CHAPTER & Central Arizona CCIM Chapter
2016 Market Forecast
OFFICE MARKET SUMMARY

| Category >10,000 Sq. Ft. | IREM/CCIM Index | 2016 Year-End Forecast | | |
|---|--------------------|------------------------|---------------|--|
| | 2015 | | Trisha Talbot | |
| New Construction (Completed) Class A (CoStar 4&5 Star) | 2,324,000 | | 3,000,000 | |
| Net Absorption Class A (CoStar 4&5 Star) | 2,739,000 | | 3,200,000 | |
| New Construction (Completed) Class B (CoStar 2&3 Star) | 347,000 | | 500,000 | |
| Net Absorption Class B (CoStar 2&3 Star) | 650,000 | | 1,000,000 | |
| <u>Vacancy Rate - %</u> | | | | |
| Class A (CoStar 4&5 Star) | 16.40% | | 15.00% | |
| Class B (CoStar 2&3 Star) | 14.80% | | 12.00% | |
| <u>Asking Rental Rate (\$/Sq.Ft./Year)</u> | | | | |
| Class A (CoStar 4&5 Star) | \$25.39 | | \$26.50 | |
| Class B (CoStar 2&3 Star) | \$21.69 | | \$22.25 | |
| <u>SALES</u> | | | | |
| Class A (CoStar 4&5 Star) - Average \$/Sq. Ft | \$215 | | \$240 | |
| Class B (CoStar 2&3 Star) - Average \$/Sq. Ft | \$164 | | \$180 | |