

PHOENIX METRO MARKET



Commercial Property Sales Trend Analysis 1998 - 2007

Phoenix Metro Market Area (Maricopa County)

Counties Surveyed:

Maricopa

Property Types Surveyed:

Industrial

Multi-Family

Office

Retail



- The office sector has led the way in the total number of sales transactions for the past five years, averaging 550 confirmed transactions per year from 2003 to 2007.
- During 2007, 2,121 confirmed sales occurred, reaching its highest level during the analysis, and finished well above its annual average of 1,545 transactions. In 2006, the total number of sales transactions totaled 1,827.
- During 2006, the total sales transaction dollar volume exceeded \$11.55 billion, reaching its highest annual total. In 2007, the total sales transaction dollar volume totaled \$10.55 billion, down 8.7% from the previous year.
- Average Annual Square Footage Sold from 1998 to 2007 for each category:
 - Industrial: 13,800,860 Sq. Ft.
 - Multi-Family: 26,137,220 Sq. Ft.
 - Office: 10,982,354 Sq. Ft.
 - Retail: 8,809,073 Sq. Ft.
- Median Price Growth / Sq. Ft. from 1998 to 2007 for each category:
 - Industrial: 141.9% (Annual Average= 15.8%)
 - Multi-Family: 133.0% (Annual Average= 14.8%)
 - Office: 151.4% (Annual Average= 16.8%)
 - Retail: 152.7% (Annual Average= 17.0%)
- Average Cap Rate Declines from 1998 to 2007 for each category:
 - Industrial: 30.0% (Annual Average= 3.3%)
 - Multi-Family: 39.4% (Annual Average= 4.4%)
 - Office: 31.4% (Annual Average= 3.5%)
 - Retail: 33.7% (Annual Average= 3.7%)

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HISTORICAL INDUSTRIAL / MULTI-FAMILY / OFFICE / RETAIL SALES TRANSACTION ANALYSIS

PHOENIX METRO MARKET

MARICOPA COUNTY

TOTAL SALES TRANSACTIONS										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Industrial	330	405	328	298	354	399	459	413	459	580
Multi-Family	320	264	274	283	274	337	403	456	357	273
Office	233	248	259	263	310	468	492	497	531	760
Retail	341	351	371	376	359	417	447	470	480	508
Totals	1,224	1,268	1,232	1,220	1,297	1,621	1,801	1,836	1,827	2,121

TOTAL TRANSACTION DOLLAR VALUE (\$1,000's)										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Industrial	\$570,113	\$801,432	\$635,766	\$465,085	\$616,620	\$622,245	\$924,450	\$1,319,621	\$1,667,425	\$1,956,355
Multi-Family	\$1,057,608	\$881,501	\$1,100,693	\$1,091,099	\$921,322	\$1,145,492	\$2,227,939	\$4,747,304	\$4,703,101	\$3,644,349
Office	\$811,996	\$788,670	\$921,310	\$513,952	\$858,715	\$1,062,812	\$2,013,919	\$3,229,341	\$2,863,451	\$3,324,151
Retail	\$605,138	\$716,527	\$709,297	\$854,778	\$738,017	\$1,322,953	\$1,717,528	\$2,206,858	\$2,324,680	\$1,623,574
Totals	\$3,044,855	\$3,188,130	\$3,367,066	\$2,924,914	\$3,134,674	\$4,153,502	\$6,883,836	\$11,503,124	\$11,558,657	\$10,548,429

TOTAL SQUARE FEET SOLD										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Industrial	12,255,422	15,312,963	11,194,682	8,056,682	10,874,066	11,924,257	14,894,706	17,480,880	17,179,431	18,835,515
Multi-Family	19,230,933	15,061,157	18,116,297	17,398,722	14,840,176	18,773,036	30,506,583	53,043,611	43,328,441	31,073,248
Office	7,557,313	7,682,892	7,699,390	4,146,737	7,156,453	8,737,746	15,174,280	19,821,728	15,352,808	16,494,193
Retail	7,610,602	7,524,969	6,408,192	7,239,669	5,866,531	9,222,379	10,897,580	12,732,957	12,468,618	8,119,234
Totals	46,654,270	45,581,981	43,418,561	36,841,810	38,737,226	48,657,418	71,473,149	103,079,176	88,329,298	74,522,190

AVERAGE PRICE / SF										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Industrial	\$46.52	\$52.34	\$56.79	\$57.73	\$56.71	\$52.18	\$62.07	\$75.49	\$97.06	\$103.87
Multi-Family	\$55.00	\$58.53	\$60.76	\$62.71	\$62.08	\$61.02	\$73.03	\$89.50	\$108.55	\$117.28
Office	\$107.45	\$102.65	\$119.66	\$123.94	\$119.99	\$121.63	\$132.72	\$162.92	\$186.51	\$201.53
Retail	\$79.51	\$95.22	\$110.69	\$118.07	\$125.80	\$143.45	\$157.61	\$173.32	\$186.44	\$199.97
Wt. Average	\$65.27	\$69.94	\$77.55	\$79.39	\$80.92	\$85.36	\$96.31	\$111.60	\$130.86	\$141.55

MEDIAN PRICE / SQUARE FOOT										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Industrial	\$48.53	\$57.30	\$59.65	\$64.24	\$63.75	\$67.64	\$75.49	\$87.15	\$106.23	\$117.38
Multi-Family	\$42.32	\$46.10	\$49.14	\$52.17	\$54.00	\$57.03	\$65.92	\$75.91	\$90.61	\$98.60
Office	\$85.08	\$87.91	\$105.25	\$129.17	\$130.89	\$153.12	\$150.48	\$165.00	\$190.00	\$213.87
Retail	\$102.73	\$113.68	\$124.60	\$142.95	\$142.62	\$173.05	\$212.30	\$256.91	\$270.48	\$259.57
Wt. Average	\$60.73	\$68.07	\$72.94	\$81.32	\$84.36	\$98.88	\$108.19	\$117.31	\$136.31	\$146.40

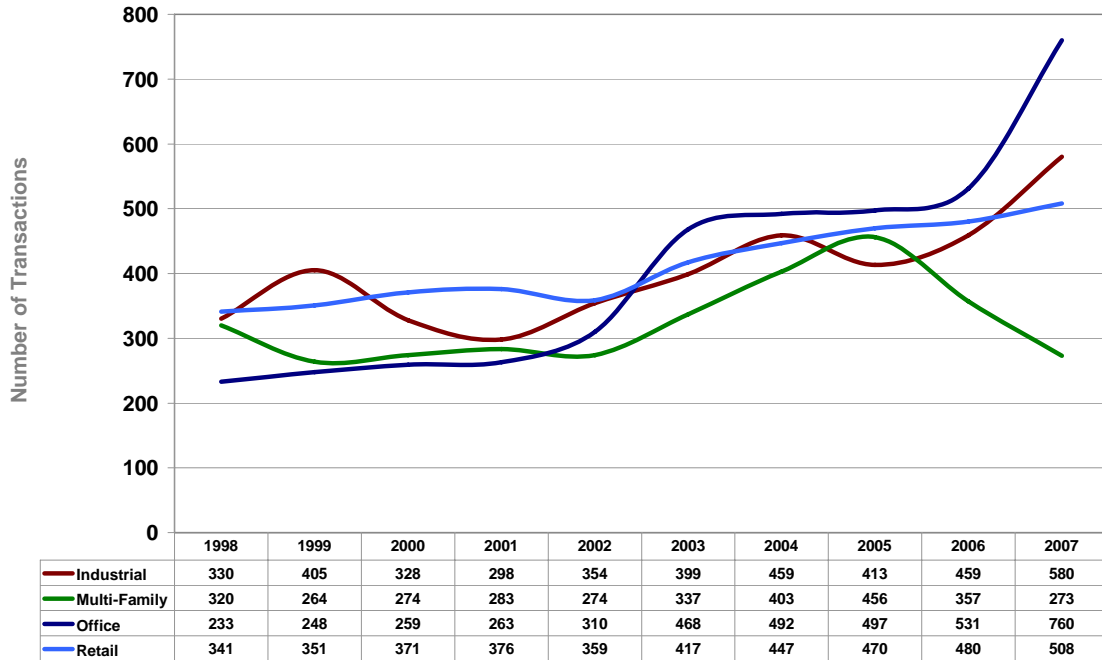
AVERAGE CAPITALIZATION RATE										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Industrial	10.0%	9.8%	9.9%	9.9%	9.6%	9.4%	8.6%	7.7%	7.3%	7.0%
Multi-Family	9.9%	9.8%	9.6%	9.4%	9.2%	8.4%	7.2%	6.3%	6.0%	6.0%
Office	10.2%	10.1%	9.8%	9.9%	9.8%	9.4%	8.7%	7.6%	7.2%	7.0%
Retail	10.4%	10.4%	10.1%	9.7%	9.6%	8.7%	7.9%	7.0%	6.8%	6.9%
Wt. Average	10.1%	9.9%	9.8%	9.6%	9.5%	8.9%	7.9%	6.9%	6.6%	6.6%

Note: Bulk Portfolio Sales have been excluded from this survey sample.

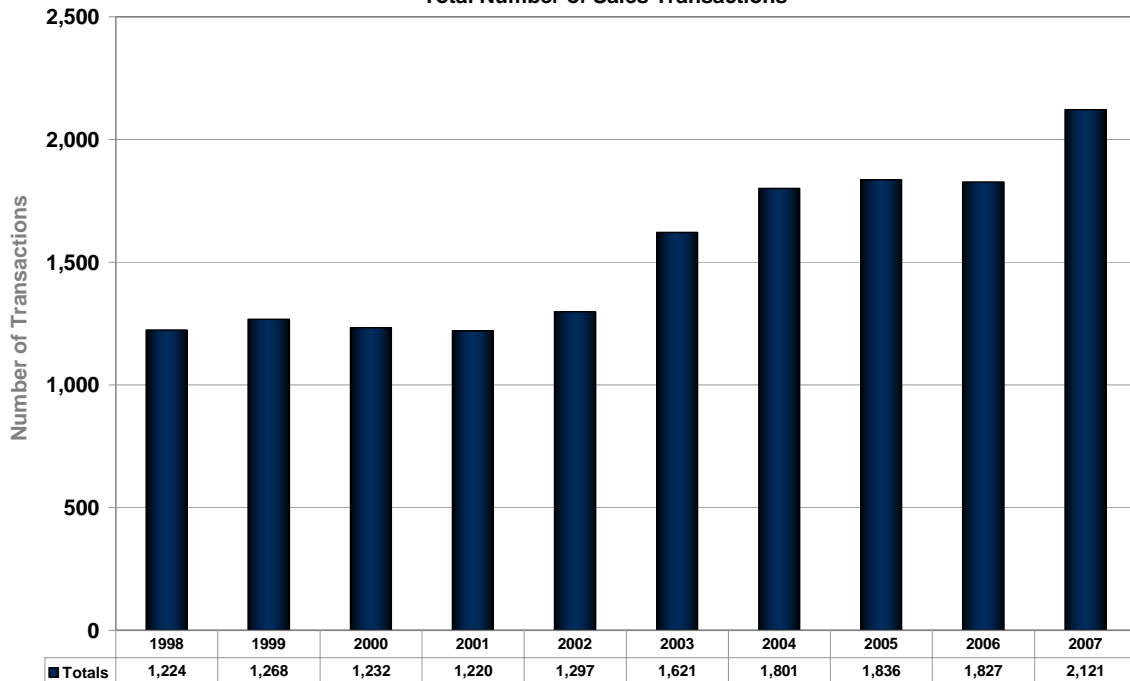
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Phoenix Metro Market
Total Number of Sales Transactions

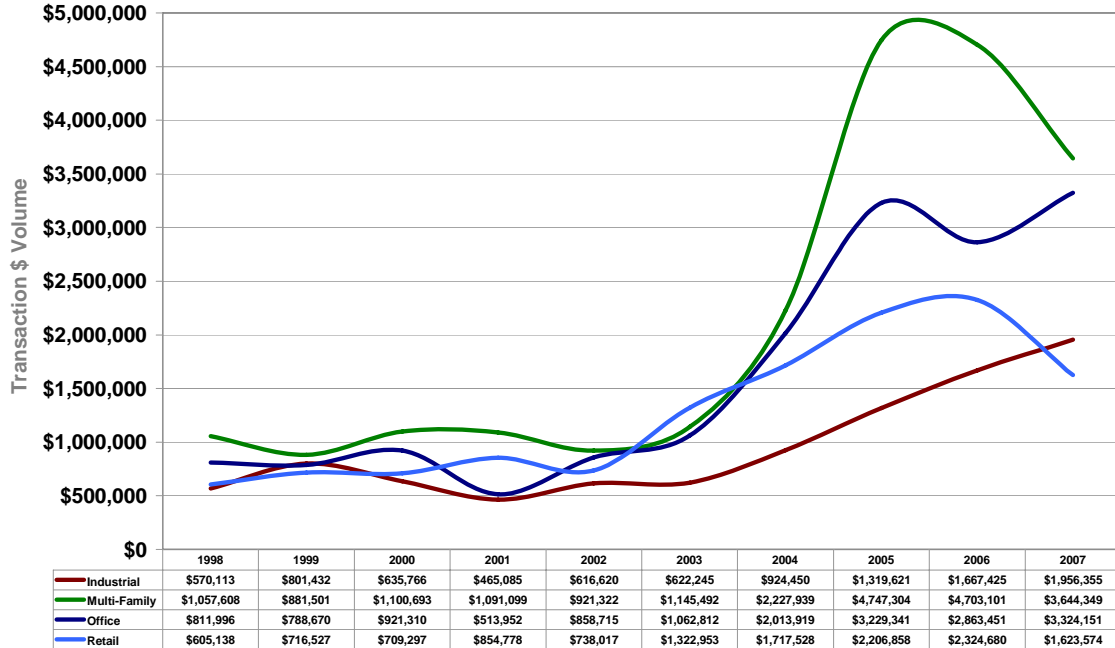


Phoenix Metro Market
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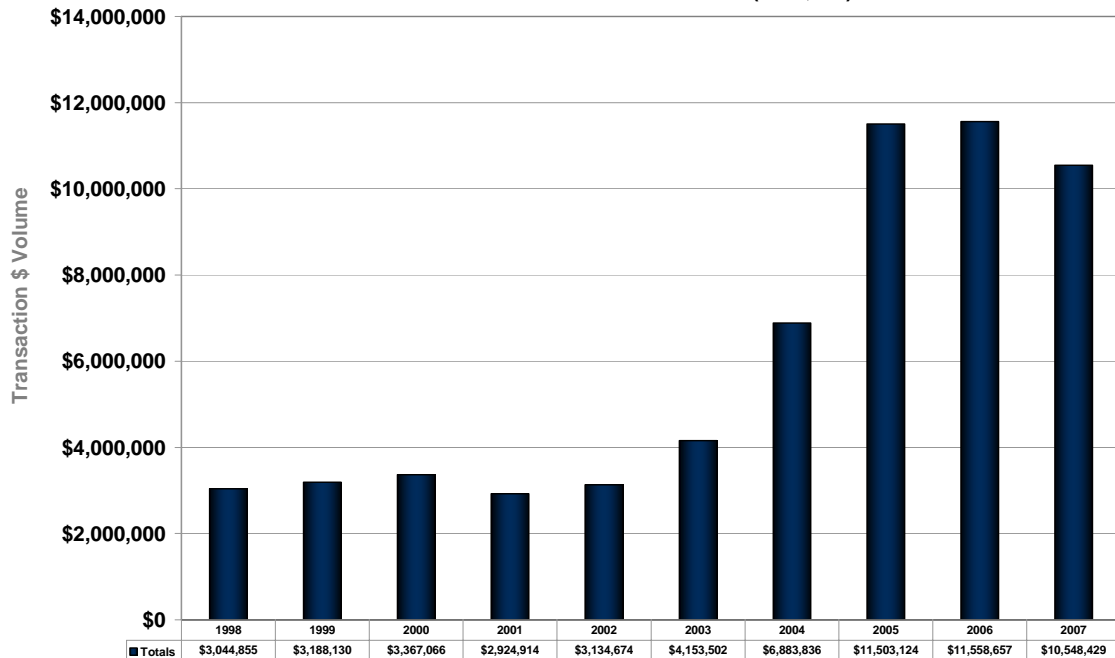


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Phoenix Metro Market
Total Sales Transaction Dollar Volume (In \$1,000)



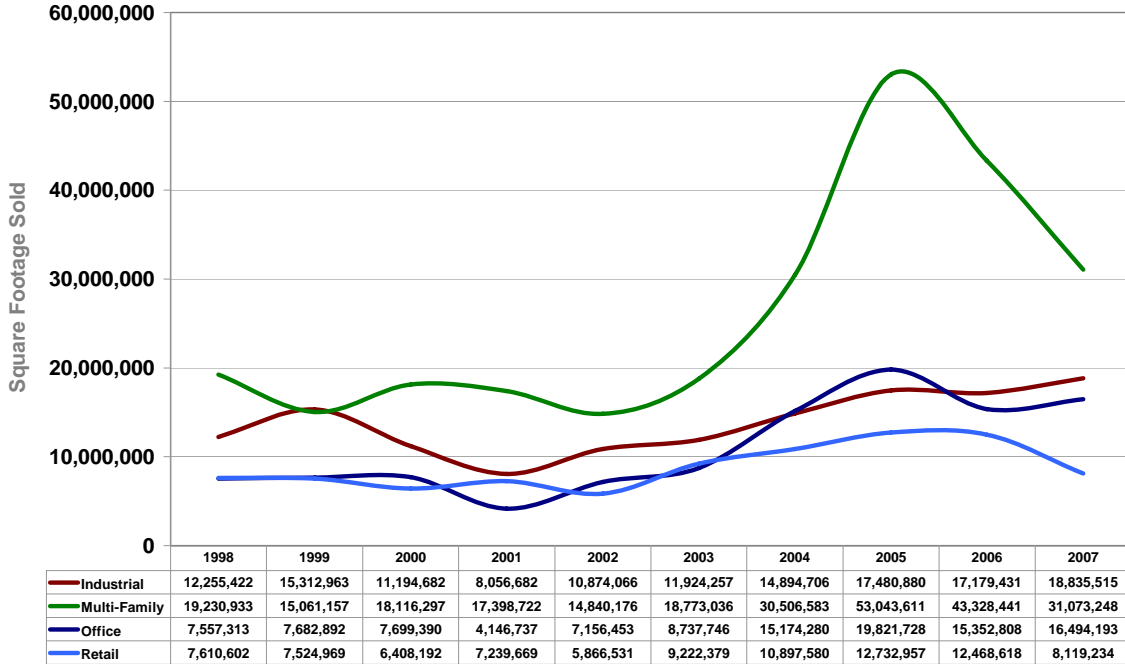
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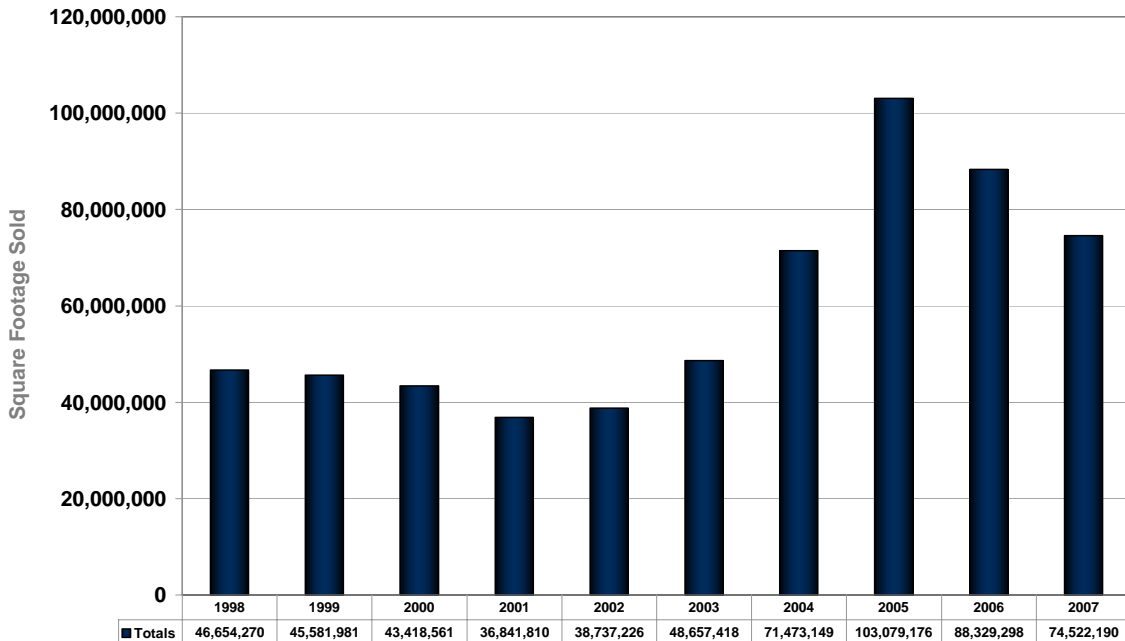
Phoenix Metro Market

Total Square Footage Sold



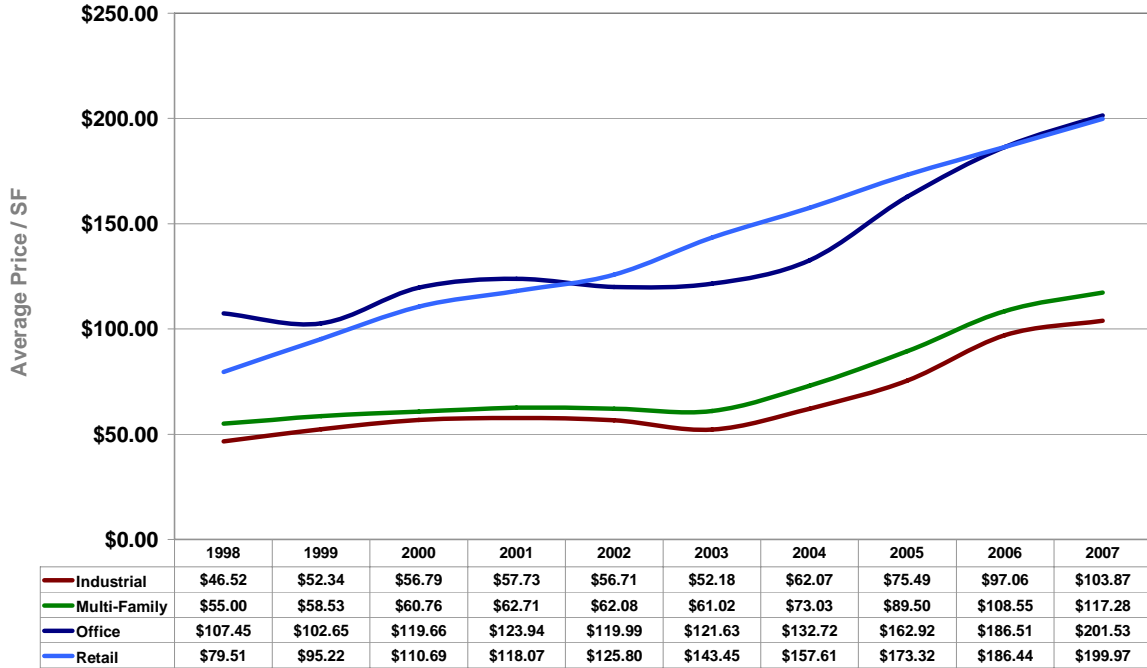
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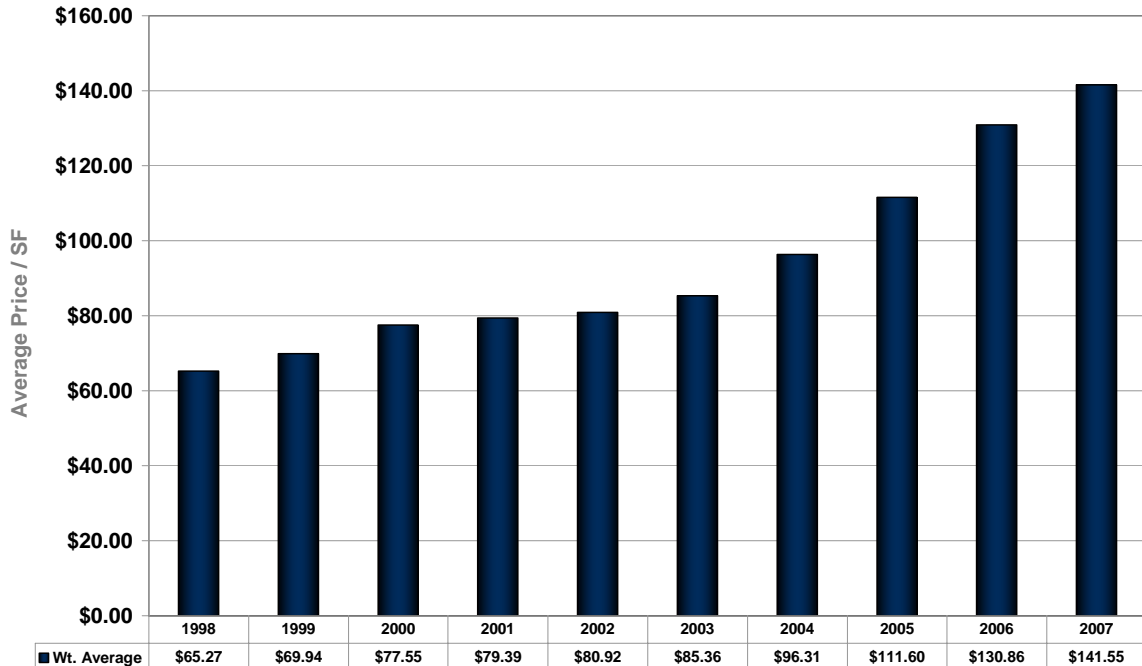


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Phoenix Metro Market
Average Sales Price / Square Foot



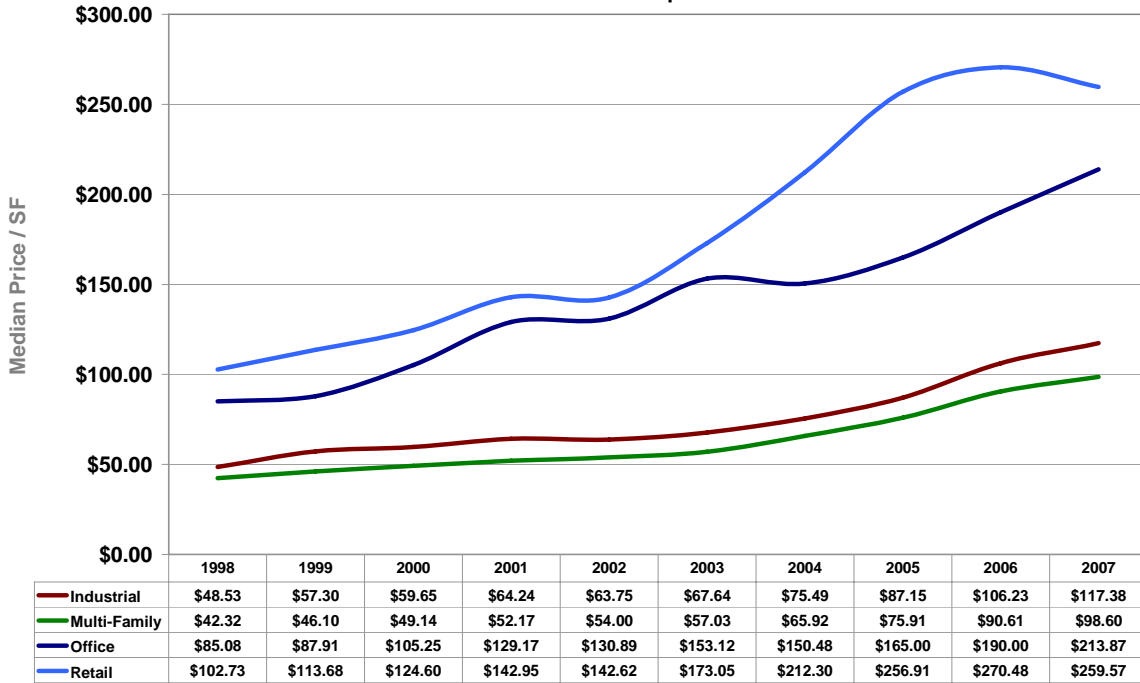
Phoenix Metro Market
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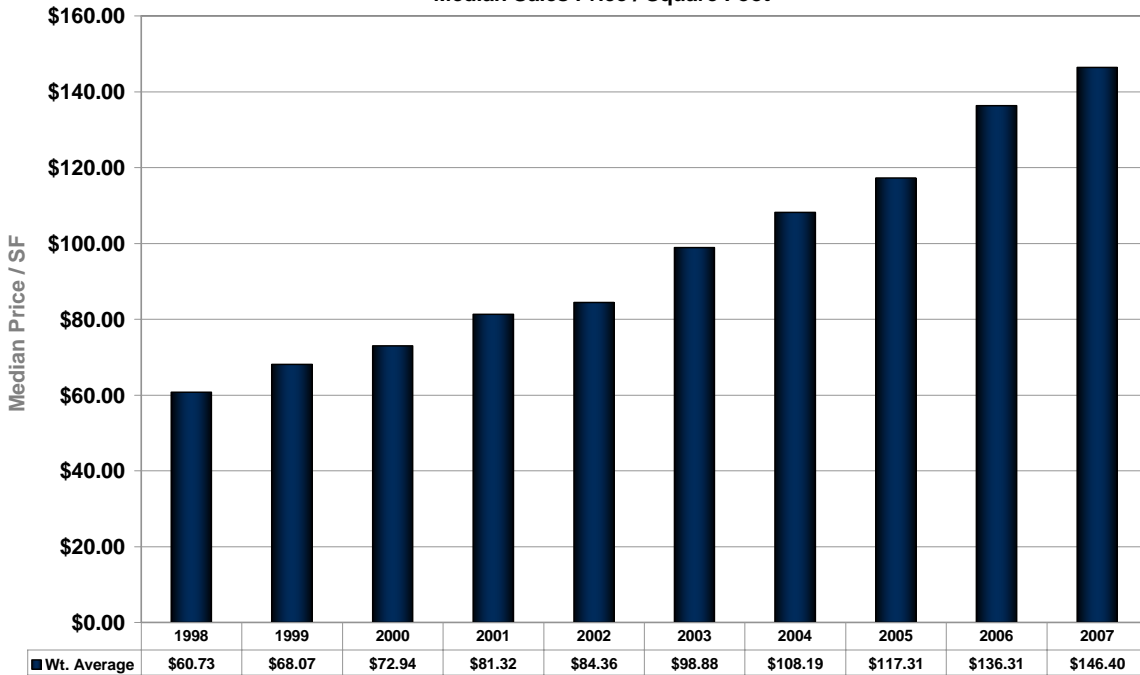
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Median Sales Price / Square Foot



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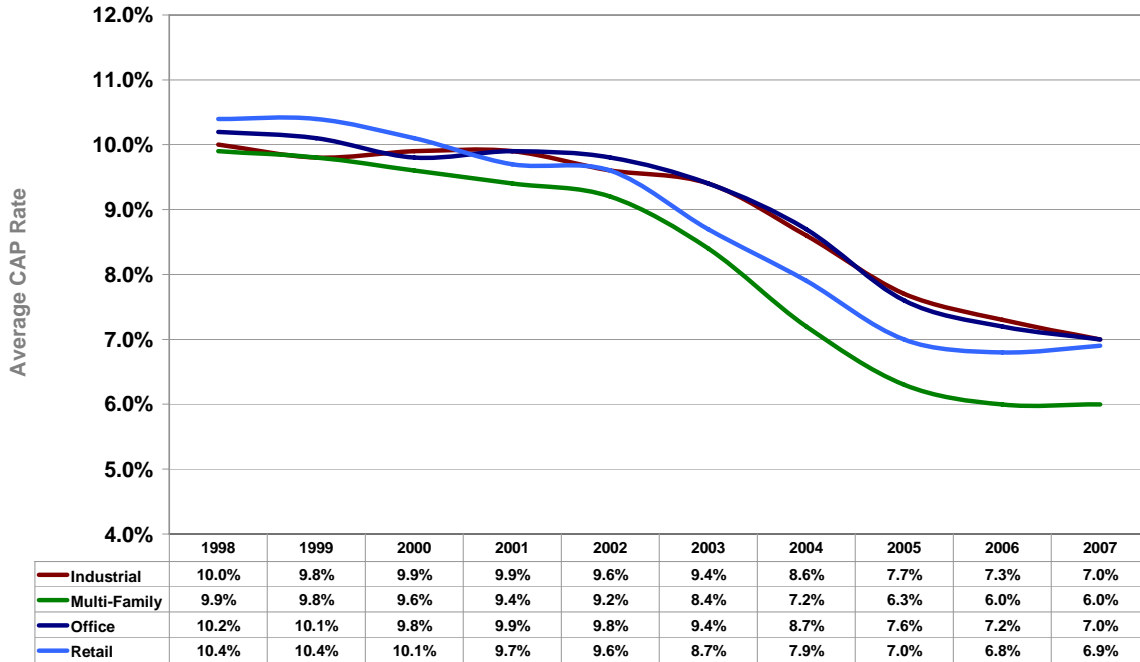
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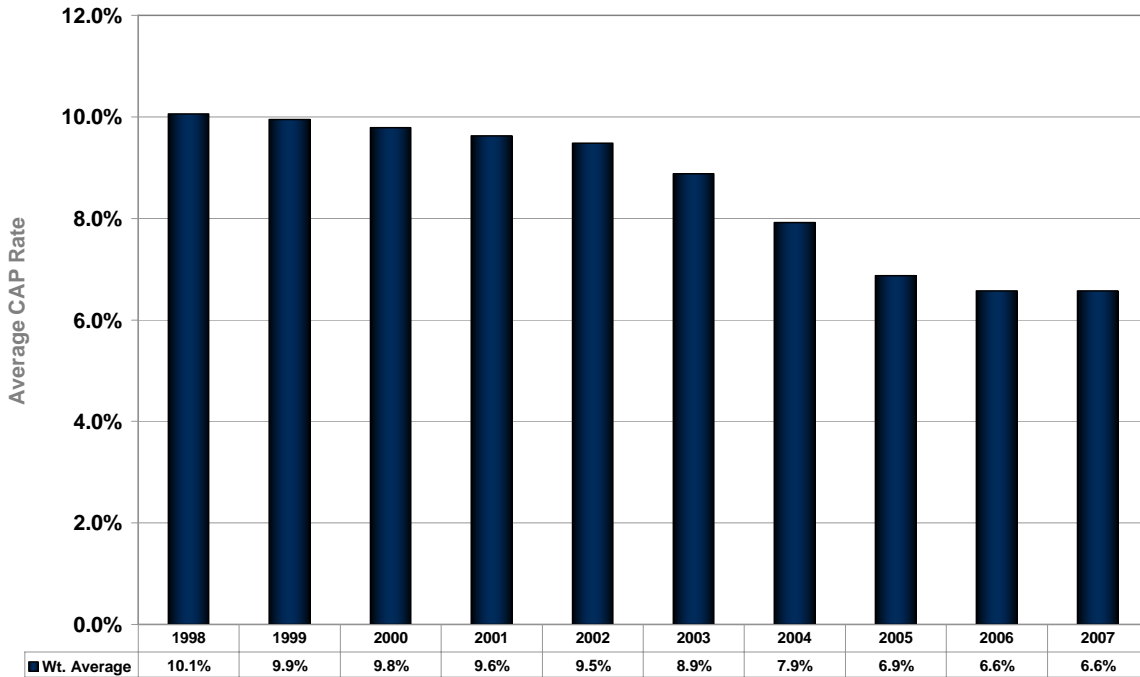
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Average Capitalization Rate



Phoenix Metro Market

Average Capitalization Rate



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