

# CoStar Retail Statistics

Year - End 2017

## Phoenix Retail Market



**CoStar**<sup>TM</sup>  
The knowledge market

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## Methodology

The CoStar Retail Report calculates Retail statistics using CoStar Group's base of existing, under construction and under renovation Retail buildings in each given metropolitan area. All Retail building types are included, including Community Center, Freestanding Retail, Neighborhood Center, Power Center, Regional Mall, Specialty Center and Unanchored Strip Center, in both single-tenant and multi-tenant buildings, including owner-occupied buildings. CoStar Group's global database includes approximately 119 billion square feet of coverage in 5.4 million properties. All rental rates reported in the CoStar Retail Report are calculated using Triple Net (NNN) rental rates.

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**CoStar Group, Inc.**

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## Terms & Definitions

**Anchor Tenant:** A large national or regional retailer that serves as a primary draw for a shopping center; a store strategically located in a retail property in order to enhance, bring attention to, or increase traffic at the property. Sometimes called a “destination” tenant, usually these tenants lease at least 25,000 SF.

**Availability Rate:** The ratio of available space to total rentable space, calculated by dividing the total available square feet by the total rentable square feet.

**Available Space:** The total amount of space that is currently being marketed as available for lease in a given time period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date.

**Buyer:** The individual, group, company, or entity that has purchased a commercial real estate asset.

**Cap Rate:** Short for capitalization rate. The Cap Rate is a calculation that reflects the relationship between one year’s net operating income and the current market value of a particular property. The Cap Rate is calculated by dividing the annual net operating income by the sales price (or asking sales price).

**Community Center:** A shopping center development that has a total square footage between 100,000 – 350,000 SF. Generally will have 2-3 large anchored tenants, but not department store anchors. Community Center typically offers a wider range of apparel and other soft goods than the Neighborhood Center. Among the more common anchors are supermarkets and super drugstores. Community Center tenants sometime contain retailers selling such items as apparel, home improvement/furnishings, toys, electronics or sporting goods. The center is usually configured as a strip, in a straight line, or an “L” or “U” shape.

**Construction Starts:** Buildings that began construction during a specific period of time. (See also: Deliveries)

**Deliveries:** Buildings that complete construction during a specified period of time. In order for space to be considered delivered, a certificate of occupancy must have been issued for the property.

**Delivery Date:** The date a building completes construction and receives a certificate of occupancy.

**Developer:** The company, entity or individual that transforms raw land to improved property by use of labor, capital and entrepreneurial efforts.

**Direct Space:** Space that is being offered for lease directly from the landlord or owner of a building, as opposed to space being offered in a building by another tenant (or broker of a tenant) trying to sublet a space that has already been leased.

**Existing Inventory:** The square footage of buildings that have received a certificate of occupancy and are able to be occupied by tenants. It does not include space in buildings that are either planned, under construction or under renovation.

**Freestanding Retail:** Single tenant building with a retail tenant. Examples include video stores, fast food restaurant, etc.

**Full Service Rental Rate:** Rental rates that include all operating expenses such as utilities, electricity, janitorial services, taxes and insurance.

**General Retail:** Typically are single tenant freestanding general-purpose commercial buildings with parking. Many single retail buildings fall into this use code, especially when they don’t meet any of the more detailed use code descriptions.

**Growth in Inventory:** The change in size of the existing square footage in a given area over a given period of time, generally due to the construction of new buildings.

**Landlord Rep:** (Landlord Representative) In a typical lease transaction between an owner/landlord and tenant, the broker that

represents the interests of the owner/landlord is referred to as the Landlord Rep.

**Leased Space:** All the space that has a financial lease obligation. It includes all leased space, regardless of whether the space is currently occupied by a tenant. Leased space also includes space being offered for sublease.

**Leasing Activity:** The volume of square footage that is committed to and signed under a lease obligation for a specific building or market in a given period of time. It includes direct leases, subleases and renewals of existing leases. It also includes any pre-leasing activity in planned, under construction, or under renovation buildings.

**Lifestyle Center:** An upscale, specialty retail, main street concept shopping center. An open center, usually without anchors, about 300,000 SF GLA or larger, located near affluent neighborhoods, includes upscale retail, trendy restaurants and entertainment retail. Nicely landscaped with convenient parking located close to the stores.

**Mall:** The combined retail center types of Lifestyle Center, Regional Mall and Super Regional Mall.

**Market:** Geographic boundaries that serve to delineate core areas that are competitive with each other and constitute a generally accepted primary competitive set of areas. Markets are building-type specific, and are non-overlapping contiguous geographic designations having a cumulative sum that matches the boundaries of the entire Region (See also: Region). Markets can be further subdivided into Submarkets. (See also: Submarkets)

**Multi-Tenant:** Buildings that house more than one tenant at a given time. Usually, multi-tenant buildings were designed and built to accommodate many different floor plans and designs for different tenant needs. (See also: Tenancy).

**Neighborhood Center:** Provides for the sales of convenience goods (food, drugs, etc.) and personal services (laundry, dry cleaning, etc.) for day-to-day living needs of the immediate neighborhood with a supermarket being the principal tenant. In theory, the typical GLA is 50,000 square feet. In practice, the GLA may range from 30,000 to 100,000 square feet.

**Net Absorption:** The net change in occupied space over a given period of time. Unless otherwise noted Net Absorption includes direct and sublease space.

**New Space:** Sometimes called first generation space, refers to space that has never been occupied and/or leased by a tenant.

**Occupied Space:** Space that is physically occupied by a tenant. It does not include leased space that is not currently occupied by a tenant.

**Outlet Center:** Usually located in a rural or occasionally in a tourist location, an Outlet Center consists of manufacturer’s outlet stores selling their own brands at a discount. 50,000–500,000 SF. An Outlet Center does not have to be anchored. A strip configuration is most common, although some are enclosed malls and others can be arranged in a village cluster.

**Owner:** The company, entity, or individual that holds title on a given building or property.

**Planned/Proposed:** The status of a building that has been announced for future development but not yet started construction.

**Power Center:** The center typically consists of several freestanding (unconnected) anchors and only a minimum amount of small specialty tenants. 250,000–600,000 SF. A Power Center is dominated by several large anchors, including discount department stores, off-price stores, warehouse clubs, or “category killers,” i.e., stores that offer tremendous selection in a particular merchandise category at low prices.

**Preleased Space:** The amount of space in a building that has been leased prior to its construction completion date, or certificate

of occupancy date.

**Price/SF:** Calculated by dividing the price of a building (either sales price or asking sales price) by the Rentable Building Area (RBA).

**Quoted Rental Rate:** The asking rate per square foot for a particular building or unit of space by a broker or property owner. Quoted rental rates may differ from the actual rates paid by tenants following the negotiation of all terms and conditions in a specific lease.

**RBA:** Abbreviation for Rentable Building Area. (See also: Rentable Building Area)

**Region:** Core areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Regions are further divided into market areas, called Markets. (See also: Markets)

**Regional Mall:** Provides shopping goods, general merchandise, apparel, and furniture, and home furnishings in full depth and variety. It is built around the full-line department store with a minimum GLA of 100,000 square feet, as the major drawing power. For even greater comparative shopping, two, three, or more department stores may be included. In theory a regional center has a GLA of 400,000 square feet, and may range from 300,000 to more than 1,000,000 square feet. Regional centers in excess of 750,000 square feet GLA with three or more department stores are considered Super Regional. (See also: Super Regional Mall).

**Relet Space:** Sometimes called second generation or direct space, refers to existing space that has previously been occupied by another tenant.

**Rentable Building Area:** (RBA) The total square footage of a building that can be occupied by, or assigned to a tenant for the purpose of determining a tenant's rental obligation. Generally RBA includes a percentage of common areas including all hallways, main lobbies, bathrooms, and telephone closets.

**Rental Rates:** The annual costs of occupancy for a particular space quoted on a per square foot basis.

**Sales Price:** The total dollar amount paid for a particular property at a particular point in time.

**Sales Volume:** The sum of sales prices for a given group of buildings in a given time period.

**Seller:** The individual, group, company, or entity that sells a particular commercial real estate asset.

**SF:** Abbreviation for Square Feet.

**Shopping Center:** The combined retail center types of Community Center, Neighborhood Center and Strip Center.

**Single-Tenant:** Buildings that are occupied, or intended to be occupied by a single tenant. (See also: Build-to-suit and Tenancy)

**Specialty Center:** The combined retail center types of Airport Retail, Outlet Center and Theme/Festival Center.

**Sports & Entertainment:** A facility suited for recreational activities, including: Amusement Facility, Aquatic Facility/Swimming Pool, Bowling Alley, Casino/Gaming Facility, Equestrian Center/Stable, Fitness, Court and Spa Facility, Golf Related, Racetrack, Skating Rink, Ski Resort, Sports Arena/Stadium, and Theatre/Performing Art Facility.

**Strip Center:** A strip center is an attached row of stores or service outlets managed as a coherent retail entity, with on-site parking usually located in front of the stores. Open canopies may connect the storefronts, but a strip center does not have enclosed walkways linking the stores. A strip center may be configured in a straight line, or have an "L" or "U" shape.

**Sublease Space:** Space that has been leased by a tenant and is being offered for lease back to the market by the tenant with the lease obligation. Sublease space is sometimes referred to as sublet space.

**Submarkets:** Specific geographic boundaries that serve to delineate a core group of buildings that are competitive with each other

and constitute a generally accepted primary competitive set, or peer group. Submarkets are building type specific (office, industrial, retail, etc.), with distinct boundaries dependent on different factors relevant to each building type. Submarkets are non-overlapping, contiguous geographic designations having a cumulative sum that matches the boundaries of the Market they are located within (See also: Market).

**Super Regional Mall:** Similar to a regional mall, but because of its larger size, a super regional mall has more anchors, a deeper selection of merchandise, and draws from a larger population base. As with regional malls, the typical configuration is as an enclosed mall, frequently with multiple levels (See also: Regional Mall).

**Tenancy:** A term used to indicate whether or not a building is occupied by multiple tenants (See also: Multi-tenant) or a single tenant. (See also: Single-tenant)

**Tenant Rep:** Tenant Rep stands for Tenant Representative. In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the tenant is referred to as a Tenant Rep.

**Theme/Festival Center:** These centers typically employ a unifying theme that is carried out by the individual shops in their architectural design and, to an extent, in their merchandise. Sometimes the biggest appeal of these centers is to tourists; they can be anchored by restaurants and entertainment facilities. These centers, generally located in urban areas, tend to be adapted from older, sometimes historic, buildings, and can be part of mixed-use projects. 80,000–250,000 SF.

**Under Construction:** Buildings in a state of construction, up until they receive their certificate of occupancy. In order for CoStar to consider a building under construction, the site must have a concrete foundation in place. Abbreviated UC.

**Vacancy Rate:** A measurement expressed as a percentage of the total amount of physically vacant space divided by the total amount of existing inventory. Under construction space generally is not included in vacancy calculations.

**Vacant Space:** Space that is not currently occupied by a tenant, regardless of any lease obligation that may be on the space. Vacant space could be space that is either available or not available. For example, sublease space that is currently being paid for by a tenant but not occupied by that tenant, would be considered vacant space. Likewise, space that has been leased but not yet occupied because of finish work being done, would also be considered vacant space.

**Weighted Average Rental Rate:** Rental rates that are calculated by factoring in, or weighting, the square footage associated with each particular rental rate. This has the effect of causing rental rates on larger spaces to affect the average more than that of smaller spaces. The weighted average rental rate is calculated by taking the ratio of the square footage associated with the rental rate on each individual available space to the square footage associated with rental rates on all available spaces, multiplying the rental rate by that ratio, and then adding together all the resulting numbers. Unless specifically specified otherwise, rental rate averages include both Direct and Sublet available spaces.

**Year Built:** The year in which a building completed construction and was issued a certificate of occupancy.

**YTD:** Abbreviation for Year-to-Date. Describes statistics that are cumulative from the beginning of a calendar year through whatever time period is being studied.

## Phoenix's Vacancy Decreases to 7.8% Net Absorption Positive 1,371,431 SF in the Quarter

The Phoenix retail market experienced a slight improvement in market conditions in the fourth quarter 2017. The vacancy rate went from 8.2% in the previous quarter to 7.8% in the current quarter. Net absorption was positive 1,371,431 square feet, and vacant sublease space decreased by (39,091) square feet. Quoted rental rates increased from third quarter 2017 levels, ending at \$15.31 per square foot per year. A total of 19 retail buildings with 384,251 square feet of retail space were delivered to the market in the quarter, with 1,079,532 square feet still under construction at the end of the quarter.

### Net Absorption

Retail net absorption was strong in Phoenix fourth quarter 2017, with positive 1,371,431 square feet absorbed in the quarter. In third quarter 2017, net absorption was positive 964,712 square feet, while in second quarter 2017, absorption came in at positive 598,198 square feet. In first quarter 2017, positive 444,567 square feet was absorbed in the market.

### Vacancy

Phoenix's retail vacancy rate decreased in the fourth quarter 2017, ending the quarter at 7.8%. Over the past four quarters, the market has seen an overall decrease in the vacancy rate, with the rate going from 8.6% in the first and second quarters 2017, to 8.2% at the end of the third quarter 2017, to 7.8% in the current quarter.

The amount of vacant sublease space in the Phoenix market has trended down over the past four quarters. At the end of the first quarter 2017, there were 630,421 square feet of

vacant sublease space. Currently, there are 532,396 square feet vacant in the market.

### Largest Lease Signings

The largest lease signings occurring in 2017 included: the 108,000-square-foot-lease signed by At Home at SanTan Pavilions Center; the 63,697-square-foot-deal signed by Mountain side fitness at 4820 E Ray Rd; and the 57,539-square-foot-lease signed by Honor Health at Grayhawk Plaza.

### Rental Rates

Average quoted asking rental rates in the Phoenix retail market are up over previous quarter levels, and up from their levels four quarters ago. Quoted rents ended the fourth quarter 2017 at \$15.31 per square foot per year. That compares to \$15.14 per square foot in the third quarter 2017, and \$14.65 per square foot at the end of the first quarter 2017. This represents a 1.1% increase in rental rates in the current quarter, and a 4.31% increase from four quarters ago.

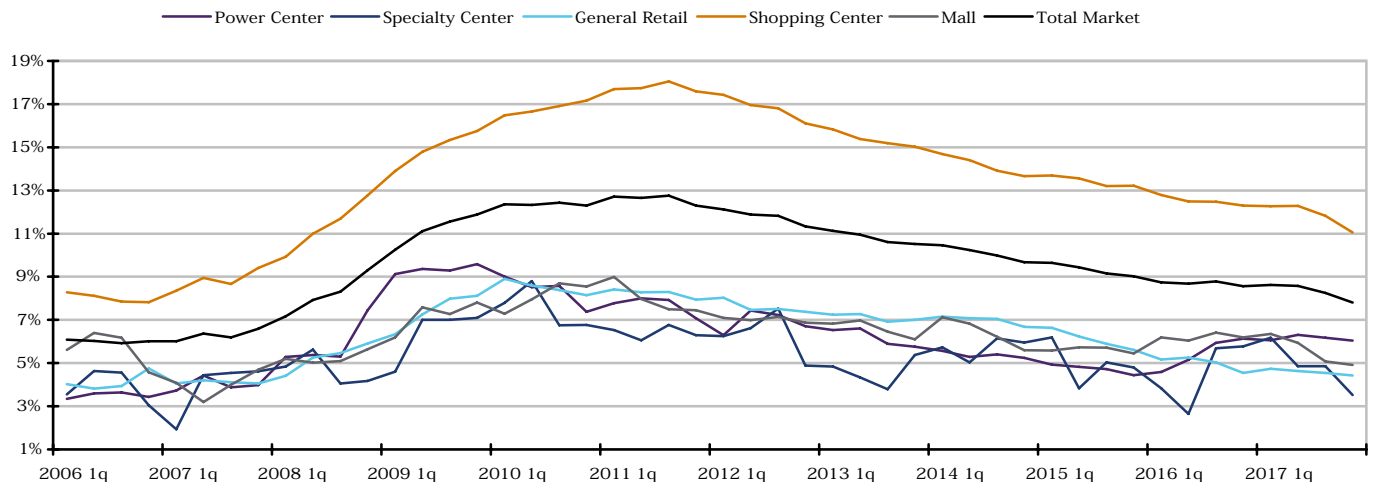
### Inventory & Construction

During the fourth quarter 2017, 19 buildings totaling 384,251 square feet were completed in the Phoenix retail market. Over the past four quarters, a total of 1,806,846 square feet of retail space has been built in Phoenix. In addition to the current quarter, 20 buildings with 243,893 square feet were completed in third quarter 2017, 57 buildings totaling 553,945 square feet completed in second quarter 2017, and 624,757 square feet in 51 buildings completed in first quarter 2017.

There were 1,079,532 square feet of retail space under construction at the end of the fourth quarter 2017.

## Vacancy Rates by Building Type

2006-2017



Source: CoStar Property®

Some of the notable 2017 deliveries include: Walmart Supercenter, a 148,000-square-foot facility that delivered in fourth quarter 2017 and is now 100% occupied, and Canyon Crossroads - Fry's, a 128,056-square-foot building that delivered in first quarter 2017 and is now 98% occupied.

Total retail inventory in the Phoenix market area amounted to 227,006,157 square feet in 14,448 buildings and 1960 centers as of the end of the fourth quarter 2017.

## Shopping Center

The Shopping Center market in Phoenix currently consists of 1871 projects with 107,230,030 square feet of retail space in 4,901 buildings. In this report the Shopping Center market is comprised of all Community Center, Neighborhood Center, and Strip Centers.

After absorbing 942,592 square feet and delivering 148,136 square feet in the current quarter, the Shopping Center sector saw the vacancy rate go from 11.8% at the end of the third quarter 2017 to 11.1% this quarter.

Over the past four quarters, the Shopping Center vacancy rate has gone from 12.3% at the end of the first quarter 2017 and second quarters 2017, to 11.8% at the end of the third quarter 2017, and finally to 11.1% at the end of the current quarter.

Rental rates ended the fourth quarter 2017 at \$14.53 per square foot, up from the \$14.19 they were at the end of third quarter 2017. Rental rates have trended up over the past year, going from \$14.03 per square foot a year ago to their current levels.

Net absorption in the Shopping Center sector has totaled 2,040,255 square feet over the past four quarters. In addition to the positive 942,592 square feet absorbed this quarter, positive 578,087 square feet was absorbed in the third quarter 2017, positive 112,139 square feet was absorbed in the second quarter 2017, and positive 407,437 square feet was absorbed in the first

quarter 2017.

## Power Centers

The Power Center average vacancy rate was 6.0% in the fourth quarter 2017. With positive 38,933 square feet of net absorption and no new deliveries, the vacancy rate went from 6.2% at the end of last quarter to 6.0% at the end of the fourth quarter.

In the third quarter 2017, Power Centers absorbed positive 45,148 square feet, delivered 2,800 square feet, and the vacancy rate went from 6.3% to 6.2% over the course of the quarter. Rental started the quarter at \$17.93 per square foot and ended the quarter at \$18.33 per square foot.

A year ago, in fourth quarter 2016, the vacancy rate was 6.1%. Over the past four quarters, Power Centers have absorbed a cumulative 41,198 square feet of space and delivered cumulative 18,000 square feet of space. Vacant sublease space has gone from 122,101 square feet to 99,266 square feet over that time period, and rental rates have gone from \$18.65 to \$18.71.

At the end of the fourth quarter 2017, there was no space under construction in the Phoenix market. The total stock of Power Center space in Phoenix currently sits at 30,496,578 square feet in 58 centers comprised of 778 buildings.

## General Retail Properties

The General Retail sector of the market, which includes all freestanding retail buildings, except those contained within a center, reported a vacancy rate of 4.4% at the end of fourth quarter 2017. There was a total of 3,086,234 square feet vacant at that time. The General Retail sector in Phoenix currently has average rental rates of \$17.33 per square foot per year. There are 418,554 square feet of space under construction in this sector, with 88,115 square feet having been completed in the fourth quarter. In all, there are a total of 8,540 buildings with 69,695,787 square feet of General Retail space in Phoenix.

## Specialty Centers

There are currently 10 Specialty Centers in the Phoenix market, making up 2,407,271 square feet of retail space. In this report the Specialty Center market is comprised of Outlet Center, Airport Retail and Theme/Festival Centers.

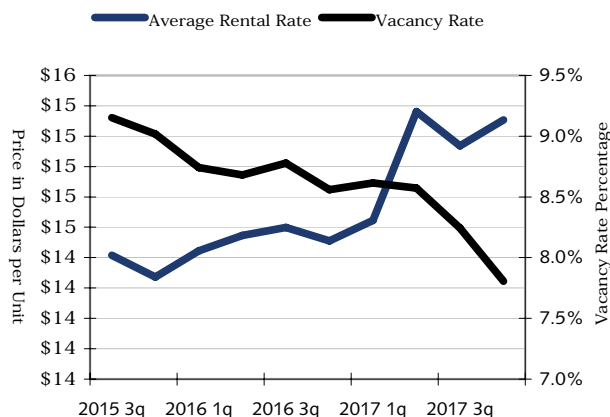
Specialty Centers in the Phoenix market have experienced positive 54,300 square feet of net absorption in 2017. The vacancy rate currently stands at 3.5%, and rental rates average \$16.00 per square foot.

## Malls

Malls recorded net absorption of positive 168,095 square feet in the fourth quarter 2017. This net absorption number, combined with the 148,000 square feet that was built in the quarter, caused the vacancy rate to go from 5.1% a quarter ago to 4.9% at the end of the fourth quarter 2017. Rental rates

## VACANCY & RENT

### Past 10 Quarters



Source: CoStar Property®

# Phoenix Retail Market



Overview

went from \$19.08 per square foot to \$17.37 per square foot during that time. In this report the Mall market is comprised of 21 Lifestyle Center, Regional Mall and Super Regional Malls.

## Sales Activity

Tallying retail building sales of 15,000 square feet or larger, Phoenix retail sales figures fell during the third quarter 2017 in terms of dollar volume compared to the second quarter of 2017.

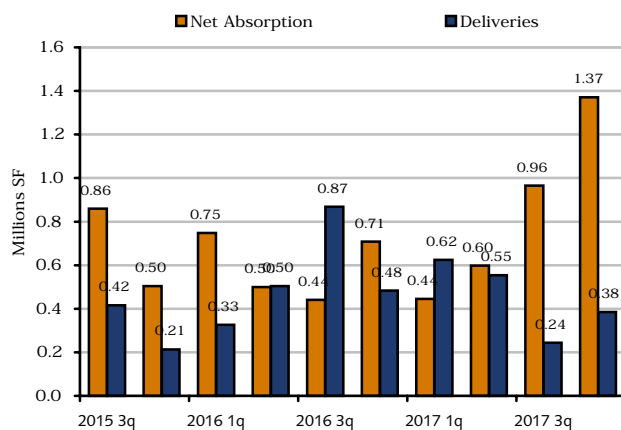
In the third quarter, 22 retail transactions closed with a total volume of \$180,871,500. The 22 buildings totaled 1,075,843 square feet and the average price per square foot equated to \$168.12 per square foot. That compares to 31 transactions totaling \$235,342,500 in the second quarter 2017. The total square footage in the second quarter was 2,046,497 square feet for an average price per square foot of \$115.00.

Total retail center sales activity in 2017 was down compared to 2016. In the first nine months of 2017, the market saw 81 retail sales transactions with a total volume of \$535,772,635. The price per square foot averaged \$131.01. In the same first nine months of 2016, the market posted 100 transactions with a total volume of \$965,713,429. The price per square foot averaged \$164.30.

Cap rates have been higher in 2017, averaging 7.30% compared to the same period in 2016 when they averaged 6.90%.

## ABSORPTION & DELIVERIES

### Past 10 Quarters



Source: CoStar Property®

One of the largest transactions that has occurred within the last four quarters in the Phoenix market is the sale of Pima Crossing in Scottsdale. This 238,303 square foot retail center sold for \$46,150,000, or \$193.66 per square foot. The property sold on 12/29/2016.

Reports compiled by: Brian Lasky, CoStar Research Manager.



## CoStar Submarket Clusters & Submarkets

In analyzing metropolitan areas, CoStar has developed geographic designations to help group properties together, called Markets, Submarket Clusters and Submarkets. Markets are the equivalent of metropolitan areas, or areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Markets are then divided into Submarket Clusters, which are core areas within a metropolitan area that are known to be competitive with each other in terms of attracting and keeping tenants. Markets are then further subdivided into smaller units called Submarkets, which serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted competitive set, or peer group.

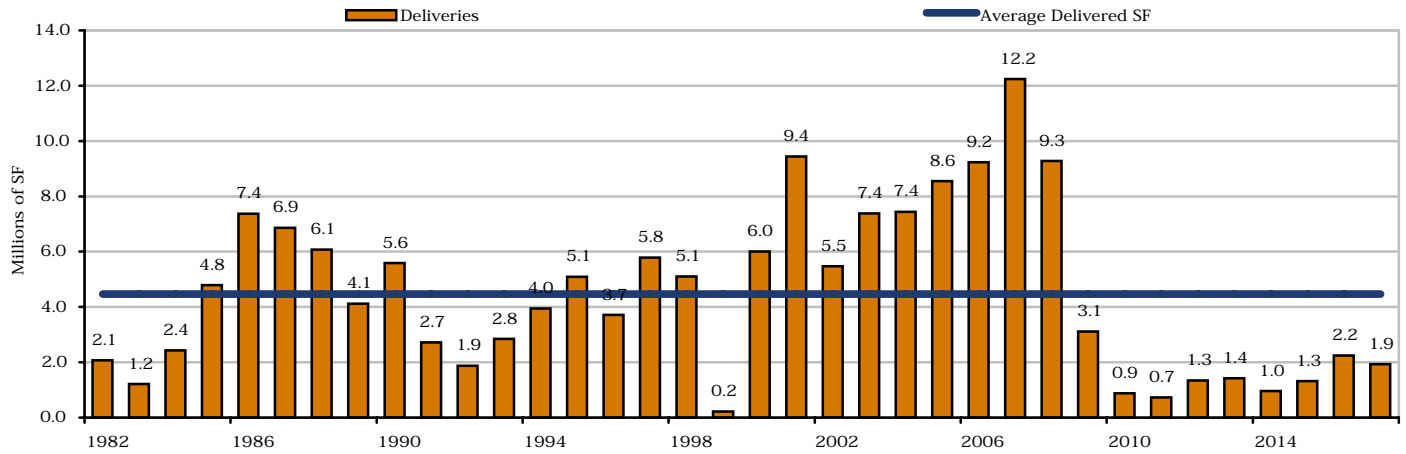
Submarket Clusters	Submarkets				
Airport Area Ret	Airport Area Ret	South Phoenix Ret			
Downtown Phoenix Ret	Downtown Phoenix Ret				
East Valley Ret	Chandler Ret Red Mountain/Mesa Ret	Gateway Airport Ret Tempe Ret	Gilbert Ret	Queen Creek Ret	
Maricopa County Ret	NE Outlying Maricopa Ret	W Outlying Maricopa Ret			
North Phoenix Ret	East Phoenix Ret	Glendale Ret	N Phoenix/I-17 Corr Ret	Sun City Ret	
North Scottsdale Ret	Carefree Ret	Fountain Hills Ret	North Scottsdale Ret		
Northwest Phoenix Ret	Anthem Ret	Ctrl Peoria/Arrowhead Ret	Deer Valley Ret	Surprise/North Peoria Ret	
Pinal County Ret	Apache Junction Ret	Outlying Pinal County Ret			
Scottsdale Ret	Central Scottsdale Ret	South Scottsdale Ret			
South Mountain Ret	Ahwatukee Foothills Ret	Gila River Outlying Ret	Laveen Ret	South Mountain Ret	
West Phoenix Ret	Goodyear Ret South Buckeye Ret	Loop 101/I-10 Ret Tolleson Ret	N Goodyear/Litchfield Ret West Phoenix/Maryvale Ret	North Buckeye Ret	

# Phoenix Retail Market



Inventory & development

## Historical Deliveries 1982 - 2017



Source: CoStar Property® \* Future deliveries based on current under construction buildings.

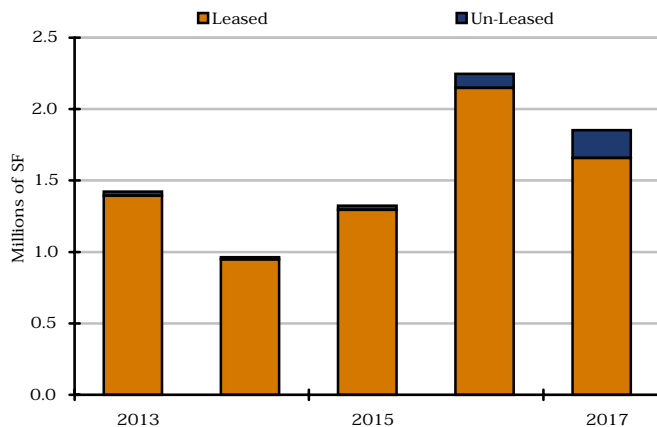
## Construction Activity Markets Ranked by Under Construction Square Footage

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total GLA	Preleased SF	Preleased %	All Existing	U/C
East Valley Ret	31	481,198	304,721	63.3%	17,844	15,523
Scottsdale Ret	15	166,940	24,864	14.9%	15,634	11,129
West Phoenix Ret	2	142,570	18,500	13.0%	15,947	71,285
Pinal County Ret	3	139,750	74,688	53.4%	10,426	46,583
North Scottsdale Ret	2	59,728	44,124	73.9%	21,333	29,864
Downtown Phoenix Ret	8	34,192	4,946	14.5%	8,831	4,274
Northwest Phoenix Ret	4	31,179	31,179	100.0%	20,101	7,795
North Phoenix Ret	2	12,475	12,475	100.0%	14,997	6,237
South Mountain Ret	2	11,500	5,970	51.9%	18,893	5,750
Maricopa County Ret	0	0	0	0.0%	6,304	0
All Other	0	0	0	0.0%	7,949	0
<b>Totals</b>	<b>69</b>	<b>1,079,532</b>	<b>521,467</b>	<b>48.3%</b>	<b>15,712</b>	<b>15,645</b>

Source: CoStar Property®

## Recent Deliveries

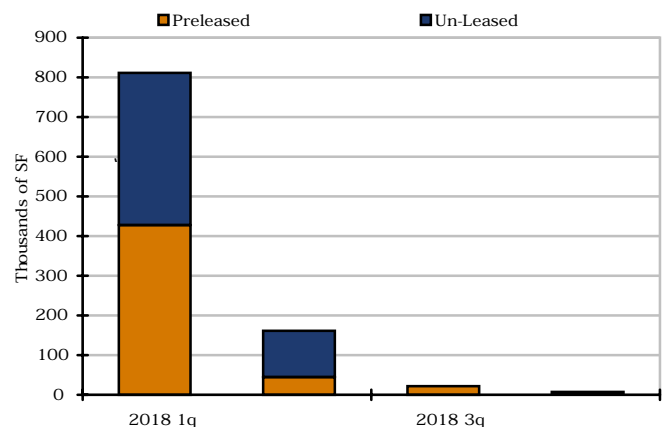
Leased & Un-Leased SF in Deliveries Since 2013



Source: CoStar Property®

## Future Deliveries

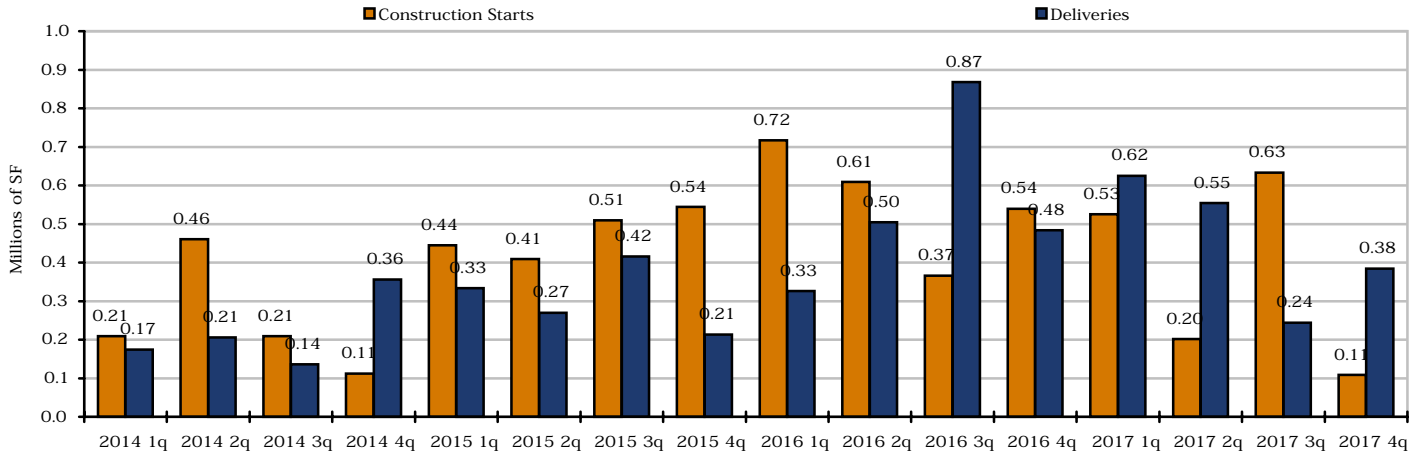
Preleased & Un-Leased SF in Properties Scheduled to Deliver



Source: CoStar Property®

## Historical Construction Starts & Deliveries

Square Footage Per Quarter Starting and Completing Construction



Source: CoStar Property®

## Recent Deliveries by Project Size of Year-to-Date Development

Building Size	# Bldgs	GLA	SF Leased	% Leased	Avg Rate	Single-Tenant	Multi-Tenant
< 50,000 SF	148	1,190,730	999,280	83.9%	\$26.71	545,963	644,767
50,000 SF - 99,999 SF	2	139,400	138,212	99.1%	\$0.00	0	139,400
100,000 SF - 249,999 SF	4	522,056	519,495	99.5%	\$0.00	399,056	123,000
250,000 SF - 499,999 SF	0	0	0	0.0%	\$0.00	0	0
>= 500,000 SF	0	0	0	0.0%	\$0.00	0	0

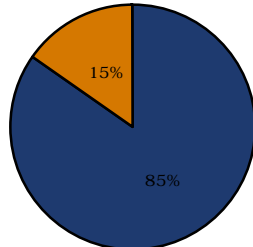
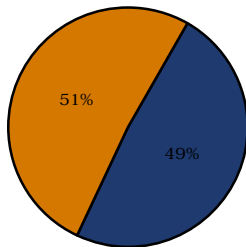
Source: CoStar Property®

## Recent Development by Tenancy

Based on GLA Developed for Single & Multi Tenant Use

2017 Deliveries

Currently Under Construction



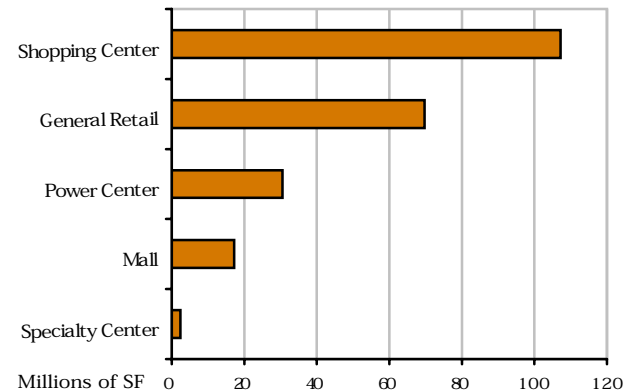
■ Multi ■ Single

■ Multi ■ Single

Source: CoStar Property®

## Existing Inventory Comparison

Based on Total GLA



Source: CoStar Property®

## Phoenix Retail Market



Inventory &amp; development

## Select Year-to-Date Deliveries

Based on Project Square Footage

<p><b>1. Walmart Supercenter</b></p> <p>Submarket: <b>North Phoenix Retail Market</b>            RBA: <b>148,000</b>            Occupied: <b>100%</b>            Quoted Rate: <b>N/A</b>            Grnd Brk Date: <b>Fourth Quarter 2016</b>            Deliv Date: <b>Fourth Quarter 2017</b>            Leasing Co: <b>Wal-Mart Stores, Inc.</b>            Developer: <b>Frontera Building Company LLC</b></p>	<p><b>2. Canyon Crossroads - Fry's</b></p> <p>Submarket: <b>Northwest Phoenix Retail Market</b>            RBA: <b>128,056</b>            Occupied: <b>98%</b>            Quoted Rate: <b>Negotiable</b>            Grnd Brk Date: <b>Second Quarter 2016</b>            Deliv Date: <b>First Quarter 2017</b>            Leasing Co: <b>Phoenix Commercial Advisors</b>            Developer: <b>Univest Development Group</b></p>	<p><b>3. Fry's Marketplace</b></p> <p>Submarket: <b>Northwest Phoenix Retail Market</b>            RBA: <b>123,000</b>            Occupied: <b>100%</b>            Quoted Rate: <b>N/A</b>            Grnd Brk Date: <b>Second Quarter 2016</b>            Deliv Date: <b>First Quarter 2017</b>            Leasing Co: <b>SRS Real Estate Partners</b>            Developer: <b>Cypress Equities</b></p>
<p><b>4. Fry's Marketplace</b></p> <p>Submarket: <b>Pinal County Retail Market</b>            RBA: <b>123,000</b>            Occupied: <b>100%</b>            Quoted Rate: <b>N/A</b>            Grnd Brk Date: <b>First Quarter 2017</b>            Deliv Date: <b>Fourth Quarter 2017</b>            Leasing Co: <b>Barclay Group</b>            Developer: <b>Barclay Group</b></p>	<p><b>5. 4005 N Pima Rd</b></p> <p>Submarket: <b>Scottsdale Retail Market</b>            RBA: <b>80,000</b>            Occupied: <b>100%</b>            Quoted Rate: <b>N/A</b>            Grnd Brk Date: <b>Fourth Quarter 2016</b>            Deliv Date: <b>Third Quarter 2017</b>            Leasing Co: <b>Ford Motor Company</b>            Developer: <b>N/A</b></p>	<p><b>6. 2223 W Camelback Rd</b></p> <p>Submarket: <b>Downtown Phoenix Retail Market</b>            RBA: <b>59,400</b>            Occupied: <b>98%</b>            Quoted Rate: <b>Negotiable</b>            Grnd Brk Date: <b>First Quarter 2017</b>            Deliv Date: <b>Third Quarter 2017</b>            Leasing Co: <b>De Rito Partners, Inc.</b>            Developer: <b>De Rito Partners, Inc.</b></p>
<p><b>7. Main Event</b></p> <p>Submarket: <b>East Valley Retail Market</b>            RBA: <b>49,882</b>            Occupied: <b>100%</b>            Quoted Rate: <b>N/A</b>            Grnd Brk Date: <b>Fourth Quarter 2016</b>            Deliv Date: <b>Second Quarter 2017</b>            Leasing Co: <b>Main Event Entertainment Holdings,</b>            Developer: <b>LeSueur Investments LLC</b></p>	<p><b>8. EOS Fitness</b></p> <p>Submarket: <b>East Valley Retail Market</b>            RBA: <b>49,130</b>            Occupied: <b>81%</b>            Quoted Rate: <b>Negotiable</b>            Grnd Brk Date: <b>Third Quarter 2016</b>            Deliv Date: <b>First Quarter 2017</b>            Leasing Co: <b>SRS Real Estate Partners</b>            Developer: <b>Dynamite Development Holdings, Inc.</b></p>	<p><b>9. The Potato Barn</b></p> <p>Submarket: <b>North Scottsdale Retail Market</b>            RBA: <b>47,300</b>            Occupied: <b>100%</b>            Quoted Rate: <b>N/A</b>            Grnd Brk Date: <b>Fourth Quarter 2016</b>            Deliv Date: <b>Second Quarter 2017</b>            Leasing Co: <b>N/A</b>            Developer: <b>N/A</b></p>
<p><b>10. Subaru Dealer</b></p> <p>Submarket: <b>West Phoenix Retail Market</b>            RBA: <b>33,340</b>            Occupied: <b>100%</b>            Quoted Rate: <b>N/A</b>            Grnd Brk Date: <b>Second Quarter 2016</b>            Deliv Date: <b>Second Quarter 2017</b>            Leasing Co: <b>Sparrow Family Trust</b>            Developer: <b>N/A</b></p>	<p><b>11. Lalton Plaza</b></p> <p>Submarket: <b>West Phoenix Retail Market</b>            RBA: <b>26,255</b>            Occupied: <b>0%</b>            Quoted Rate: <b>\$12.00</b>            Grnd Brk Date: <b>Third Quarter 2014</b>            Deliv Date: <b>First Quarter 2017</b>            Leasing Co: <b>KSG Management</b>            Developer: <b>KSG Management</b></p>	<p><b>12. 10105 W McDowell Rd</b></p> <p>Submarket: <b>West Phoenix Retail Market</b>            RBA: <b>25,000</b>            Occupied: <b>40%</b>            Quoted Rate: <b>\$16.50</b>            Grnd Brk Date: <b>First Quarter 2017</b>            Deliv Date: <b>Second Quarter 2017</b>            Leasing Co: <b>Mutual Property Advisors LLC</b>            Developer: <b>N/A</b></p>
<p><b>13. Goodwill</b></p> <p>Submarket: <b>East Valley Retail Market</b>            RBA: <b>25,000</b>            Occupied: <b>100%</b>            Quoted Rate: <b>N/A</b>            Grnd Brk Date: <b>Third Quarter 2016</b>            Deliv Date: <b>First Quarter 2017</b>            Leasing Co: <b>Velocity Retail Group LLC</b>            Developer: <b>Wadsworth Development Group</b></p>	<p><b>14. Goodwill</b></p> <p>Submarket: <b>East Valley Retail Market</b>            RBA: <b>25,000</b>            Occupied: <b>100%</b>            Quoted Rate: <b>N/A</b>            Grnd Brk Date: <b>Second Quarter 2016</b>            Deliv Date: <b>Second Quarter 2017</b>            Leasing Co: <b>De Rito Partners, Inc.</b>            Developer: <b>De Rito Partners, Inc.</b></p>	<p><b>15. Goodwill</b></p> <p>Submarket: <b>West Phoenix Retail Market</b>            RBA: <b>25,000</b>            Occupied: <b>100%</b>            Quoted Rate: <b>N/A</b>            Grnd Brk Date: <b>Third Quarter 2016</b>            Deliv Date: <b>First Quarter 2017</b>            Leasing Co: <b>Phoenix Commercial Advisors</b>            Developer: <b>N/A</b></p>



# Phoenix Retail Market

Inventory &amp; development

## Select Top Under Construction Properties

Based on Project Square Footage

<p><b>1. Major D</b></p> <p>Submarket: <b>East Valley Retail Market</b>            RBA: <b>168,535</b>            Preleased: <b>66%</b>            Quoted Rate: <b>\$25.29</b>            Grnd Brk Date: <b>Third Quarter 2017</b>            Deliv Date: <b>First Quarter 2018</b>            Leasing Co: <b>Capital Asset Management, LLC</b>            Developer: <b>N/A</b></p>	<p><b>2. Fry's Marketplace</b></p> <p>Submarket: <b>West Phoenix Retail Market</b>            RBA: <b>124,070</b>            Preleased: <b>0%</b>            Quoted Rate: <b>Negotiable</b>            Grnd Brk Date: <b>Third Quarter 2017</b>            Deliv Date: <b>First Quarter 2018</b>            Leasing Co: <b>Phoenix Commercial Advisors</b>            Developer: <b>DMB Associates, Inc.</b></p>	<p><b>3. Major A,B,C,D</b></p> <p>Submarket: <b>Pinal County Retail Market</b>            RBA: <b>78,750</b>            Preleased: <b>25%</b>            Quoted Rate: <b>Negotiable</b>            Grnd Brk Date: <b>Third Quarter 2017</b>            Deliv Date: <b>First Quarter 2018</b>            Leasing Co: <b>Cushman &amp; Wakefield</b>            Developer: <b>Land Capital Group, Inc.</b></p>
<p><b>4. Ocotillo Trails Marketplace - Pad A</b></p> <p>Submarket: <b>Pinal County Retail Market</b>            RBA: <b>55,000</b>            Preleased: <b>100%</b>            Quoted Rate: <b>N/A</b>            Grnd Brk Date: <b>Third Quarter 2017</b>            Deliv Date: <b>First Quarter 2018</b>            Leasing Co: <b>Diversified Partners, LLC</b>            Developer: <b>N/A</b></p>	<p><b>5. Burlington Coat Factory</b></p> <p>Submarket: <b>East Valley Retail Market</b>            RBA: <b>50,000</b>            Preleased: <b>100%</b>            Quoted Rate: <b>N/A</b>            Grnd Brk Date: <b>Third Quarter 2017</b>            Deliv Date: <b>First Quarter 2018</b>            Leasing Co: <b>Vestar</b>            Developer: <b>N/A</b></p>	<p><b>6. SW Avenue Of The Fountains &amp; Verde River Dr</b></p> <p>Submarket: <b>North Scottsdale Retail Market</b>            RBA: <b>44,124</b>            Preleased: <b>100%</b>            Quoted Rate: <b>N/A</b>            Grnd Brk Date: <b>First Quarter 2017</b>            Deliv Date: <b>First Quarter 2018</b>            Leasing Co: <b>Sam Gambacorta</b>            Developer: <b>N/A</b></p>
<p><b>7. The Watermark - Phase I - Retail</b></p> <p>Submarket: <b>East Valley Retail Market</b>            RBA: <b>43,819</b>            Preleased: <b>42%</b>            Quoted Rate: <b>\$50.00</b>            Grnd Brk Date: <b>Third Quarter 2017</b>            Deliv Date: <b>First Quarter 2018</b>            Leasing Co: <b>Cushman &amp; Wakefield</b>            Developer: <b>N/A</b></p>	<p><b>8. The Pavilions At Talking Stick - Pads</b></p> <p>Submarket: <b>Scottsdale Retail Market</b>            RBA: <b>36,974</b>            Preleased: <b>18%</b>            Quoted Rate: <b>Negotiable</b>            Grnd Brk Date: <b>Third Quarter 2017</b>            Deliv Date: <b>First Quarter 2018</b>            Leasing Co: <b>De Rito Partners, Inc.</b>            Developer: <b>N/A</b></p>	<p><b>9. Queen Creek Fiesta - PAD 13</b></p> <p>Submarket: <b>East Valley Retail Market</b>            RBA: <b>22,080</b>            Preleased: <b>100%</b>            Quoted Rate: <b>N/A</b>            Grnd Brk Date: <b>Fourth Quarter 2017</b>            Deliv Date: <b>Third Quarter 2018</b>            Leasing Co: <b>NAI Horizon</b>            Developer: <b>N/A</b></p>
<p><b>10. 7300 N Via Paseo Del Sur</b></p> <p>Submarket: <b>Scottsdale Retail Market</b>            RBA: <b>21,000</b>            Preleased: <b>4%</b>            Quoted Rate: <b>\$35.00</b>            Grnd Brk Date: <b>Second Quarter 2017</b>            Deliv Date: <b>First Quarter 2018</b>            Leasing Co: <b>Western Retail Advisors, LLC</b>            Developer: <b>N/A</b></p>	<p><b>11. Major B &amp; C</b></p> <p>Submarket: <b>West Phoenix Retail Market</b>            RBA: <b>18,500</b>            Preleased: <b>100%</b>            Quoted Rate: <b>N/A</b>            Grnd Brk Date: <b>First Quarter 2017</b>            Deliv Date: <b>First Quarter 2018</b>            Leasing Co: <b>Phoenix Commercial Advisors</b>            Developer: <b>N/A</b></p>	<p><b>12. Bella Via Village Shops</b></p> <p>Submarket: <b>East Valley Retail Market</b>            RBA: <b>18,000</b>            Preleased: <b>45%</b>            Quoted Rate: <b>\$26.75</b>            Grnd Brk Date: <b>Fourth Quarter 2017</b>            Deliv Date: <b>Second Quarter 2018</b>            Leasing Co: <b>Lee &amp; Associates</b>            Developer: <b>N/A</b></p>
<p><b>13. Chauncey Lane Marketplace - Bldgs A &amp; B</b></p> <p>Submarket: <b>North Scottsdale Retail Market</b>            RBA: <b>15,604</b>            Preleased: <b>0%</b>            Quoted Rate: <b>Negotiable</b>            Grnd Brk Date: <b>Fourth Quarter 2017</b>            Deliv Date: <b>First Quarter 2018</b>            Leasing Co: <b>Western Retail Advisors, LLC</b>            Developer: <b>N/A</b></p>	<p><b>14. The Block at Pima Center - Pad 5</b></p> <p>Submarket: <b>Scottsdale Retail Market</b>            RBA: <b>15,000</b>            Preleased: <b>0%</b>            Quoted Rate: <b>Negotiable</b>            Grnd Brk Date: <b>Second Quarter 2017</b>            Deliv Date: <b>Second Quarter 2018</b>            Leasing Co: <b>Colliers International</b>            Developer: <b>MainSpring Capital Group</b></p>	<p><b>15. Major E</b></p> <p>Submarket: <b>East Valley Retail Market</b>            RBA: <b>14,228</b>            Preleased: <b>100%</b>            Quoted Rate: <b>\$30.00</b>            Grnd Brk Date: <b>Fourth Quarter 2017</b>            Deliv Date: <b>Second Quarter 2018</b>            Leasing Co: <b>Capital Asset Management, LLC</b>            Developer: <b>N/A</b></p>

## Phoenix Retail Market



Figures at a Glance

## General Retail Market Statistics

Year-End 2017

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total GLA	Direct SF	Total SF	Vac %				
Airport Area Ret	589	2,547,249	74,277	74,277	2.9%	(3,926)	1,500	0	\$15.93
Downtown Phoenix Ret	722	4,795,323	317,989	317,989	6.6%	(46,627)	21,886	34,192	\$18.47
East Valley Ret	2,066	20,242,954	982,290	987,508	4.9%	449,657	293,777	190,329	\$16.53
Maricopa County Ret	117	635,822	33,724	33,724	5.3%	267	9,100	0	\$33.98
North Phoenix Ret	1,648	13,319,442	518,509	564,312	4.2%	445	44,340	12,475	\$13.72
North Scottsdale Ret	366	5,014,924	258,239	285,254	5.7%	123,085	148,682	44,124	\$24.10
Northwest Phoenix Ret	424	4,280,568	97,351	117,383	2.7%	143,880	61,710	0	\$17.45
Pinal County Ret	742	4,406,001	137,752	169,493	3.8%	(28,734)	21,231	55,000	\$11.50
Scottsdale Ret	849	6,211,965	236,611	238,423	3.8%	178,306	118,536	75,434	\$22.97
South Mountain Ret	140	1,031,400	15,300	18,170	1.8%	7,989	7,529	7,000	\$21.58
West Phoenix Ret	877	7,210,139	264,488	279,701	3.9%	52,526	105,665	0	\$14.50
<b>Totals</b>	<b>8,540</b>	<b>69,695,787</b>	<b>2,936,530</b>	<b>3,086,234</b>	<b>4.4%</b>	<b>876,868</b>	<b>833,956</b>	<b>418,554</b>	<b>\$17.33</b>

Source: CoStar Property®

## Mall Market Statistics

Year-End 2017

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %				
Airport Area Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Downtown Phoenix Ret	0	0	0	0	0.0%	0	0	0	\$0.00
East Valley Ret	7	6,085,069	186,181	229,090	3.8%	135,878	0	0	\$35.00
Maricopa County Ret	0	0	0	0	0.0%	0	0	0	\$0.00
North Phoenix Ret	4	3,158,835	428,042	428,042	13.6%	215,449	156,000	0	\$17.22
North Scottsdale Ret	4	1,671,419	30,968	30,968	1.9%	6,295	0	0	\$0.00
Northwest Phoenix Ret	2	1,751,059	57,384	57,384	3.3%	10,941	0	0	\$0.00
Pinal County Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Scottsdale Ret	3	3,512,322	85,658	85,658	2.4%	(6,576)	0	0	\$0.00
South Mountain Ret	0	0	0	0	0.0%	0	0	0	\$0.00
West Phoenix Ret	1	997,787	12,242	12,242	1.2%	4,300	0	0	\$0.00
<b>Totals</b>	<b>21</b>	<b>17,176,491</b>	<b>800,475</b>	<b>843,384</b>	<b>4.9%</b>	<b>366,287</b>	<b>156,000</b>	<b>0</b>	<b>\$17.37</b>

Source: CoStar Property®

## Power Center Market Statistics

Year-End 2017

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %				
Airport Area Ret	3	1,419,579	82,419	82,419	5.8%	(977)	0	0	\$17.94
Downtown Phoenix Ret	0	0	0	0	0.0%	0	0	0	\$0.00
East Valley Ret	18	10,731,888	567,491	596,175	5.6%	(66,841)	7,200	0	\$20.29
Maricopa County Ret	0	0	0	0	0.0%	0	0	0	\$0.00
North Phoenix Ret	5	2,431,728	115,093	115,093	4.7%	10,131	8,000	0	\$22.50
North Scottsdale Ret	7	3,727,047	295,531	295,531	7.9%	(42,557)	0	0	\$23.85
Northwest Phoenix Ret	8	3,802,862	75,915	101,251	2.7%	79,853	2,800	0	\$21.58
Pinal County Ret	2	1,213,709	100,288	120,757	9.9%	1,797	0	0	\$5.50
Scottsdale Ret	3	1,780,683	218,924	225,825	12.7%	12,139	0	0	\$24.44
South Mountain Ret	2	1,129,696	54,997	54,997	4.9%	5,277	0	0	\$0.00
West Phoenix Ret	10	4,259,386	233,728	251,604	5.9%	42,376	0	0	\$14.90
<b>Totals</b>	<b>58</b>	<b>30,496,578</b>	<b>1,744,386</b>	<b>1,843,652</b>	<b>6.0%</b>	<b>41,198</b>	<b>18,000</b>	<b>0</b>	<b>\$18.71</b>

Source: CoStar Property®



# Phoenix Retail Market

Figures at a Glance

## Shopping Center Market Statistics

Year-End 2017

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %				
Airport Area Ret	59	1,573,775	101,060	101,060	6.4%	(4,224)	0	0	\$16.37
Downtown Phoenix Ret	68	2,254,750	370,762	370,762	16.4%	133,977	59,400	0	\$12.68
East Valley Ret	593	37,308,776	4,001,934	4,106,361	11.0%	1,060,457	163,515	290,869	\$14.68
Maricopa County Ret	7	152,176	3,700	3,700	2.4%	24,237	0	0	\$8.00
North Phoenix Ret	430	20,661,856	3,366,179	3,421,643	16.6%	6,002	36,057	0	\$11.85
North Scottsdale Ret	116	7,186,170	630,641	635,201	8.8%	297,184	18,524	15,604	\$17.32
Northwest Phoenix Ret	137	9,882,788	866,532	869,677	8.8%	245,061	278,606	31,179	\$15.30
Pinal County Ret	76	4,366,725	485,198	485,198	11.1%	(39,455)	137,000	84,750	\$12.33
Scottsdale Ret	151	8,338,570	586,480	604,866	7.3%	118,297	20,288	91,506	\$22.44
South Mountain Ret	54	4,265,427	458,915	463,450	10.9%	33,357	12,400	4,500	\$17.04
West Phoenix Ret	180	11,239,017	747,802	797,802	7.1%	165,362	73,100	142,570	\$15.34
<b>Totals</b>	<b>1,871</b>	<b>107,230,030</b>	<b>11,619,203</b>	<b>11,859,720</b>	<b>11.1%</b>	<b>2,040,255</b>	<b>798,890</b>	<b>660,978</b>	<b>\$14.53</b>

Source: CoStar Property®

## Specialty Center Market Statistics

Year-End 2017

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %				
Airport Area Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Downtown Phoenix Ret	1	288,678	54,122	54,122	18.7%	(19,832)	0	0	\$0.00
East Valley Ret	2	271,475	5,533	5,533	2.0%	8,689	0	0	\$16.00
Maricopa County Ret	0	0	0	0	0.0%	0	0	0	\$0.00
North Phoenix Ret	1	410,664	0	0	0.0%	0	0	0	\$0.00
North Scottsdale Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Northwest Phoenix Ret	2	544,478	0	0	0.0%	0	0	0	\$0.00
Pinal County Ret	1	200,211	0	0	0.0%	15,443	0	0	\$0.00
Scottsdale Ret	1	105,000	0	0	0.0%	75,000	0	0	\$0.00
South Mountain Ret	1	356,184	0	0	0.0%	0	0	0	\$0.00
West Phoenix Ret	1	230,581	25,000	25,000	10.8%	(25,000)	0	0	\$0.00
<b>Totals</b>	<b>10</b>	<b>2,407,271</b>	<b>84,655</b>	<b>84,655</b>	<b>3.5%</b>	<b>54,300</b>	<b>0</b>	<b>0</b>	<b>\$16.00</b>

Source: CoStar Property®

## Total Retail Market Statistics

Year-End 2017

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total GLA	Direct SF	Total SF	Vac %				
Airport Area Ret	697	5,540,603	257,756	257,756	4.7%	(9,127)	1,500	0	\$16.72
Downtown Phoenix Ret	831	7,338,751	742,873	742,873	10.1%	67,518	81,286	34,192	\$16.28
East Valley Ret	4,183	74,640,162	5,743,429	5,924,667	7.9%	1,587,840	464,492	481,198	\$15.22
Maricopa County Ret	125	787,998	37,424	37,424	4.7%	24,504	9,100	0	\$10.25
North Phoenix Ret	2,666	39,982,525	4,427,823	4,529,090	11.3%	232,027	244,397	12,475	\$12.66
North Scottsdale Ret	825	17,599,560	1,215,379	1,246,954	7.1%	384,007	167,206	59,728	\$19.56
Northwest Phoenix Ret	1,008	20,261,755	1,097,182	1,145,695	5.7%	479,735	343,116	31,179	\$15.79
Pinal County Ret	977	10,186,646	723,238	775,448	7.6%	(50,949)	158,231	139,750	\$11.89
Scottsdale Ret	1,276	19,948,540	1,127,673	1,154,772	5.8%	377,166	138,824	166,940	\$22.68
South Mountain Ret	359	6,782,707	529,212	536,617	7.9%	46,623	19,929	11,500	\$17.43
West Phoenix Ret	1,501	23,936,910	1,283,260	1,366,349	5.7%	239,564	178,765	142,570	\$15.11
<b>Totals</b>	<b>14,448</b>	<b>227,006,157</b>	<b>17,185,249</b>	<b>17,717,645</b>	<b>7.8%</b>	<b>3,378,908</b>	<b>1,806,846</b>	<b>1,079,532</b>	<b>\$15.31</b>

Source: CoStar Property®

## Phoenix Retail Market



Figures at a Glance

## General Retail Submarket Statistics

Year-End 2017

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total GLA	Direct SF	Total SF	Vac %				
Ahwatukee Foothills .	77	447,027	12,700	15,570	3.5%	(777)	0	0	\$18.09
Airport Area Ret	350	1,566,921	55,859	55,859	3.6%	(15,381)	0	0	\$17.48
Anthem Ret	63	881,263	51,297	51,297	5.8%	18,974	16,024	0	\$14.08
Apache Junction Ret	113	922,723	27,214	42,465	4.6%	(7,813)	0	55,000	\$11.23
Carefree Ret	70	575,854	23,144	50,159	8.7%	(15,871)	0	0	\$19.21
Central Scottsdale R.	548	3,623,534	115,130	116,942	3.2%	126,918	106,536	75,434	\$25.47
Chandler Ret	316	4,133,176	64,001	68,219	1.7%	66,149	38,971	0	\$19.03
Ctrl Peoria/Arrowhea.	149	1,927,500	25,657	25,657	1.3%	103,843	22,333	0	\$18.79
Deer Valley Ret	80	486,555	5,027	25,059	5.2%	2,521	15,848	0	\$0.00
Downtown Phoenix Ret	722	4,795,323	317,989	317,989	6.6%	(46,627)	21,886	34,192	\$18.47
East Phoenix Ret	494	3,222,550	124,741	124,741	3.9%	37,470	23,226	4,675	\$14.59
Fountain Hills Ret	67	370,100	39,832	39,832	10.8%	(14,904)	0	44,124	\$11.15
Gateway Airport Ret	48	492,137	11,806	11,806	2.4%	19,564	10,000	0	\$14.57
Gila River Outlying	0	0	0	0	0.0%	0	0	0	\$0.00
Gilbert Ret	370	3,829,403	88,401	88,401	2.3%	210,324	147,631	88,829	\$20.44
Glendale Ret	498	3,713,633	110,688	141,895	3.8%	(11,008)	5,945	7,800	\$12.49
Goodyear Ret	116	838,992	69,384	69,384	8.3%	4,520	4,000	0	\$16.20
Laveen Ret	18	101,729	0	0	0.0%	2,374	2,374	7,000	\$30.00
Loop 101/I-10 Ret	70	1,076,559	54,001	54,001	5.0%	(9,211)	29,255	0	\$15.80
N Goodyear/Litchfiel.	69	928,482	28,477	28,477	3.1%	24,543	33,340	0	\$16.55
N Phoenix/I-17 Corr .	505	4,737,972	249,494	264,090	5.6%	(25,359)	15,169	0	\$12.89
NE Outlying Maricopa.	1	4,722	0	0	0.0%	0	0	0	\$0.00
North Buckeye Ret	6	45,897	0	0	0.0%	2,841	0	0	\$25.00
North Scottsdale Ret	229	4,068,970	195,263	195,263	4.8%	153,860	148,682	0	\$26.08
Outlying Pinal Count.	629	3,483,278	110,538	127,028	3.6%	(20,921)	21,231	0	\$11.53
Queen Creek Ret	27	183,679	2,545	2,545	1.4%	6,687	0	3,041	\$14.37
Red Mountain/Mesa Re	994	9,119,081	710,894	711,894	7.8%	165,610	66,729	48,640	\$14.74
South Buckeye Ret	92	473,037	0	0	0.0%	0	0	0	\$17.00
South Mountain Ret	45	482,644	2,600	2,600	0.5%	6,392	5,155	0	\$22.70
South Phoenix Ret	239	980,328	18,418	18,418	1.9%	11,455	1,500	0	\$11.63
South Scottsdale Ret	301	2,588,431	121,481	121,481	4.7%	51,388	12,000	0	\$18.15
Sun City Ret	151	1,645,287	33,586	33,586	2.0%	(658)	0	0	\$17.13
Surprise/North Peori.	132	985,250	15,370	15,370	1.6%	18,542	7,505	0	\$9.00
Tempe Ret	311	2,485,478	104,643	104,643	4.2%	(18,677)	30,446	49,819	\$23.26
Tolleson Ret	189	1,035,812	28,725	43,938	4.2%	20,474	25,123	0	\$14.86
W Outlying Maricopa .	116	631,100	33,724	33,724	5.3%	267	9,100	0	\$33.98
West Phoenix/Maryval.	335	2,811,360	83,901	83,901	3.0%	9,359	13,947	0	\$11.22
<b>Totals</b>	<b>8,540</b>	<b>69,695,787</b>	<b>2,936,530</b>	<b>3,086,234</b>	<b>4.4%</b>	<b>876,868</b>	<b>833,956</b>	<b>418,554</b>	<b>\$17.33</b>

Source: CoStar Property®





# Phoenix Retail Market

Figures at a Glance

## Mall Submarket Statistics

Year-End 2017

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %				
Ahwatukee Foothills	0	0	0	0	0.0%	0	0	0	\$0.00
Airport Area Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Anthem Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Apache Junction Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Carefree Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Central Scottsdale R.	3	3,512,322	85,658	85,658	2.4%	(6,576)	0	0	\$0.00
Chandler Ret	1	1,445,310	5,229	5,229	0.4%	11,182	0	0	\$0.00
Ctrl Peoria/Arrowhea.	1	1,397,944	13,799	13,799	1.0%	1,544	0	0	\$0.00
Deer Valley Ret	1	353,115	43,585	43,585	12.3%	9,397	0	0	\$0.00
Downtown Phoenix Ret	0	0	0	0	0.0%	0	0	0	\$0.00
East Phoenix Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Fountain Hills Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Gateway Airport Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Gila River Outlying	0	0	0	0	0.0%	0	0	0	\$0.00
Gilbert Ret	3	1,381,225	71,188	71,188	5.2%	73,482	0	0	\$35.00
Glendale Ret	2	550,479	38,306	38,306	7.0%	(29,998)	0	0	\$26.25
Goodyear Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Laveen Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Loop 101/I-10 Ret	0	0	0	0	0.0%	0	0	0	\$0.00
N Goodyear/Litchfiel.	0	0	0	0	0.0%	0	0	0	\$0.00
N Phoenix/I-17 Corr	2	2,608,356	389,736	389,736	14.9%	245,447	156,000	0	\$15.00
NE Outlying Maricopa.	0	0	0	0	0.0%	0	0	0	\$0.00
North Buckeye Ret	0	0	0	0	0.0%	0	0	0	\$0.00
North Scottsdale Ret	4	1,671,419	30,968	30,968	1.9%	6,295	0	0	\$0.00
Outlying Pinal Count.	0	0	0	0	0.0%	0	0	0	\$0.00
Queen Creek Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Red Mountain/Mesa Re	2	2,001,370	101,852	144,761	7.2%	16,873	0	0	\$0.00
South Buckeye Ret	0	0	0	0	0.0%	0	0	0	\$0.00
South Mountain Ret	0	0	0	0	0.0%	0	0	0	\$0.00
South Phoenix Ret	0	0	0	0	0.0%	0	0	0	\$0.00
South Scottsdale Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Sun City Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Surprise/North Peori.	0	0	0	0	0.0%	0	0	0	\$0.00
Tempe Ret	1	1,257,164	7,912	7,912	0.6%	34,341	0	0	\$0.00
Tolleson Ret	0	0	0	0	0.0%	0	0	0	\$0.00
W Outlying Maricopa	0	0	0	0	0.0%	0	0	0	\$0.00
West Phoenix/Maryval.	1	997,787	12,242	12,242	1.2%	4,300	0	0	\$0.00
<b>Totals</b>	<b>21</b>	<b>17,176,491</b>	<b>800,475</b>	<b>843,384</b>	<b>4.9%</b>	<b>366,287</b>	<b>156,000</b>	<b>0</b>	<b>\$17.37</b>

Source: CoStar Property®

## Phoenix Retail Market



Figures at a Glance

## Power Center Submarket Statistics

Year-End 2017

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %				
Ahwatukee Foothills	1	688,715	45,675	45,675	6.6%	(3,223)	0	0	\$0.00
Airport Area Ret	3	1,419,579	82,419	82,419	5.8%	(977)	0	0	\$17.94
Anthem Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Apache Junction Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Carefree Ret	1	324,422	2,750	2,750	0.8%	4,498	0	0	\$0.00
Central Scottsdale R.	3	1,780,683	218,924	225,825	12.7%	12,139	0	0	\$24.44
Chandler Ret	7	2,598,976	87,220	87,220	3.4%	15,433	0	0	\$34.79
Ctrl Peoria/Arrowhea.	4	1,524,366	17,133	42,469	2.8%	4,325	2,800	0	\$28.24
Deer Valley Ret	1	726,075	5,800	5,800	0.8%	71,937	0	0	\$0.00
Downtown Phoenix Ret	0	0	0	0	0.0%	0	0	0	\$0.00
East Phoenix Ret	1	593,799	7,749	7,749	1.3%	(3,869)	0	0	\$29.00
Fountain Hills Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Gateway Airport Ret	1	934,739	77,790	77,790	8.3%	(43,069)	0	0	\$19.15
Gila River Outlying	0	0	0	0	0.0%	0	0	0	\$0.00
Gilbert Ret	3	2,718,351	130,558	153,168	5.6%	(53,474)	7,200	0	\$15.43
Glendale Ret	3	1,361,149	83,994	83,994	6.2%	10,300	8,000	0	\$20.39
Goodyear Ret	2	833,297	42,972	60,848	7.3%	50,626	0	0	\$13.77
Laveen Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Loop 101/I-10 Ret	1	547,558	43,072	43,072	7.9%	(5,004)	0	0	\$0.00
N Goodyear/Litchfiel.	4	1,375,919	102,997	102,997	7.5%	(4,991)	0	0	\$13.53
N Phoenix/I-17 Corr	1	476,780	23,350	23,350	4.9%	3,700	0	0	\$0.00
NE Outlying Maricopa.	0	0	0	0	0.0%	0	0	0	\$0.00
North Buckeye Ret	0	0	0	0	0.0%	0	0	0	\$0.00
North Scottsdale Ret	6	3,402,625	292,781	292,781	8.6%	(47,055)	0	0	\$23.85
Outlying Pinal Count.	2	1,213,709	100,288	120,757	9.9%	1,797	0	0	\$5.50
Queen Creek Ret	2	987,802	13,199	13,199	1.3%	16,438	0	0	\$30.00
Red Mountain/Mesa Re	4	2,408,600	217,175	219,790	9.1%	10,379	0	0	\$19.14
South Buckeye Ret	1	619,683	26,231	26,231	4.2%	8,023	0	0	\$17.73
South Mountain Ret	1	440,981	9,322	9,322	2.1%	8,500	0	0	\$0.00
South Phoenix Ret	0	0	0	0	0.0%	0	0	0	\$0.00
South Scottsdale Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Sun City Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Surprise/North Peori.	3	1,552,421	52,982	52,982	3.4%	3,591	0	0	\$16.00
Tempe Ret	1	1,083,420	41,549	45,008	4.2%	(12,548)	0	0	\$35.00
Tolleson Ret	1	281,623	13,691	13,691	4.9%	(3,478)	0	0	\$0.00
W Outlying Maricopa	0	0	0	0	0.0%	0	0	0	\$0.00
West Phoenix/Maryval.	1	601,306	4,765	4,765	0.8%	(2,800)	0	0	\$24.00
<b>Totals</b>	<b>58</b>	<b>30,496,578</b>	<b>1,744,386</b>	<b>1,843,652</b>	<b>6.0%</b>	<b>41,198</b>	<b>18,000</b>	<b>0</b>	<b>\$18.7</b>

Source: CoStar Property®



# Phoenix Retail Market

Figures at a Glance

## Shopping Center Submarket Statistics

Year-End 2017

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %				
Ahwatukee Foothills .	28	2,151,245	227,941	231,076	10.7%	8,677	0	0	\$17.38
Airport Area Ret	37	922,471	49,603	49,603	5.4%	25,511	0	0	\$18.74
Anthem Ret	16	1,439,563	73,107	73,107	5.1%	136,345	128,056	0	\$19.70
Apache Junction Ret	14	1,021,437	133,525	133,525	13.1%	79,633	137,000	0	\$11.95
Carefree Ret	29	915,876	140,376	140,376	15.3%	87,350	0	0	\$17.16
Central Scottsdale R.	118	7,019,799	462,239	473,848	6.8%	116,663	20,288	91,506	\$23.18
Chandler Ret	123	8,729,262	913,823	963,407	11.0%	218,157	0	0	\$14.85
Ctrl Peoria/Arrowhea.	60	5,185,467	453,539	453,539	8.7%	56,245	3,000	0	\$15.75
Deer Valley Ret	14	508,477	35,259	35,259	6.9%	3,457	5,122	0	\$20.78
Downtown Phoenix Ret	68	2,254,750	370,762	370,762	16.4%	133,977	59,400	0	\$12.68
East Phoenix Ret	118	4,777,090	704,687	730,339	15.3%	2,960	14,659	0	\$13.60
Fountain Hills Ret	17	372,993	36,327	36,327	9.7%	2,173	0	0	\$16.50
Gateway Airport Ret	20	1,436,124	85,003	85,003	5.9%	15,300	6,565	50,094	\$18.31
Gila River Outlying	0	0	0	0	0.0%	0	0	0	\$0.00
Gilbert Ret	103	7,114,002	547,309	582,142	8.2%	137,339	113,698	197,563	\$19.36
Glendale Ret	119	5,397,517	731,013	735,413	13.6%	84,462	0	0	\$10.82
Goodyear Ret	31	1,785,305	183,308	183,308	10.3%	66,465	0	0	\$13.72
Laveen Ret	12	1,287,374	75,380	75,380	5.9%	9,085	12,400	4,500	\$14.99
Loop 101/I-10 Ret	21	1,331,793	119,429	119,429	9.0%	25,770	28,000	18,500	\$22.88
N Goodyear/Litchfiel.	30	2,582,127	111,292	111,292	4.3%	37,135	38,600	0	\$18.29
N Phoenix/I-17 Corr .	153	8,535,599	1,562,317	1,587,729	18.6%	42,194	21,398	0	\$11.87
NE Outlying Maricopa.	0	0	0	0	0.0%	0	0	0	\$0.00
North Buckeye Ret	1	18,071	0	0	0.0%	0	0	124,070	\$0.00
North Scottsdale Ret	70	5,897,301	453,938	458,498	7.8%	207,661	18,524	15,604	\$17.38
Outlying Pinal Count.	62	3,345,288	351,673	351,673	10.5%	(119,088)	0	84,750	\$12.47
Queen Creek Ret	12	463,706	26,956	26,956	5.8%	25,064	36,590	22,080	\$13.49
Red Mountain/Mesa Re	264	16,040,928	2,055,219	2,075,229	12.9%	702,869	5,041	6,000	\$13.25
South Buckeye Ret	7	388,049	3,029	3,029	0.8%	3,081	0	0	\$17.27
South Mountain Ret	14	826,808	155,594	156,994	19.0%	15,595	0	0	\$20.50
South Phoenix Ret	22	651,304	51,457	51,457	7.9%	(29,735)	0	0	\$12.99
South Scottsdale Ret	33	1,318,771	124,241	131,018	9.9%	1,634	0	0	\$16.53
Sun City Ret	40	1,951,650	368,162	368,162	18.9%	(123,614)	0	0	\$12.29
Surprise/North Peori.	47	2,749,281	304,627	307,772	11.2%	49,014	142,428	31,179	\$12.96
Tempe Ret	71	3,524,754	373,624	373,624	10.6%	(38,272)	1,621	15,132	\$17.33
Tolleson Ret	27	1,331,506	110,386	160,386	12.0%	(62,182)	3,000	0	\$14.87
W Outlying Maricopa	7	152,176	3,700	3,700	2.4%	24,237	0	0	\$8.00
West Phoenix/Maryval.	63	3,802,166	220,358	220,358	5.8%	95,093	3,500	0	\$11.95
<b>Totals</b>	<b>1,871</b>	<b>107,230,030</b>	<b>11,619,203</b>	<b>11,859,720</b>	<b>11.1%</b>	<b>2,040,255</b>	<b>798,890</b>	<b>660,978</b>	<b>\$14.53</b>

Source: CoStar Property®

## Phoenix Retail Market



Figures at a Glance

## Specialty Center Submarket Statistics

Year-End 2017

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %				
Ahwatukee Foothills	0	0	0	0	0.0%	0	0	0	\$0.00
Airport Area Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Anthem Ret	1	324,000	0	0	0.0%	0	0	0	\$0.00
Apache Junction Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Carefree Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Central Scottsdale R.	1	105,000	0	0	0.0%	75,000	0	0	\$0.00
Chandler Ret	1	159,695	5,533	5,533	3.5%	3,489	0	0	\$0.00
Ctrl Peoria/Arrowhea.	1	220,478	0	0	0.0%	0	0	0	\$0.00
Deer Valley Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Downtown Phoenix Ret	1	288,678	54,122	54,122	18.7%	(19,832)	0	0	\$0.00
East Phoenix Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Fountain Hills Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Gateway Airport Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Gila River Outlying	1	356,184	0	0	0.0%	0	0	0	\$0.00
Gilbert Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Glendale Ret	1	410,664	0	0	0.0%	0	0	0	\$0.00
Goodyear Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Laveen Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Loop 101/I-10 Ret	0	0	0	0	0.0%	0	0	0	\$0.00
N Goodyear/Litchfiel.	1	230,581	25,000	25,000	10.8%	(25,000)	0	0	\$0.00
N Phoenix/I-17 Corr	0	0	0	0	0.0%	0	0	0	\$0.00
NE Outlying Maricopa.	0	0	0	0	0.0%	0	0	0	\$0.00
North Buckeye Ret	0	0	0	0	0.0%	0	0	0	\$0.00
North Scottsdale Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Outlying Pinal Count.	1	200,211	0	0	0.0%	15,443	0	0	\$0.00
Queen Creek Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Red Mountain/Mesa Re	1	111,780	0	0	0.0%	5,200	0	0	\$16.00
South Buckeye Ret	0	0	0	0	0.0%	0	0	0	\$0.00
South Mountain Ret	0	0	0	0	0.0%	0	0	0	\$0.00
South Phoenix Ret	0	0	0	0	0.0%	0	0	0	\$0.00
South Scottsdale Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Sun City Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Surprise/North Peori.	0	0	0	0	0.0%	0	0	0	\$0.00
Tempe Ret	0	0	0	0	0.0%	0	0	0	\$0.00
Tolleson Ret	0	0	0	0	0.0%	0	0	0	\$0.00
W Outlying Maricopa	0	0	0	0	0.0%	0	0	0	\$0.00
West Phoenix/Maryval.	0	0	0	0	0.0%	0	0	0	\$0.00
<b>Totals</b>	<b>10</b>	<b>2,407,271</b>	<b>84,655</b>	<b>84,655</b>	<b>3.5%</b>	<b>54,300</b>	<b>0</b>	<b>0</b>	<b>\$16.00</b>

Source: CoStar Property®



# Phoenix Retail Market

Figures at a Glance

## Total Retail Submarket Statistics

Year-End 2017

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total GLA	Direct SF	Total SF	Vac %				
Ahwatukee Foothills .	176	3,286,987	286,316	292,321	8.9%	4,677	0	0	\$17.43
Airport Area Ret	423	3,908,971	187,881	187,881	4.8%	9,153	0	0	\$18.03
Anthem Ret	126	2,644,826	124,404	124,404	4.7%	155,319	144,080	0	\$17.64
Apache Junction Ret	152	1,944,160	160,739	175,990	9.1%	71,820	137,000	55,000	\$11.90
Carefree Ret	147	1,816,152	166,270	193,285	10.6%	75,977	0	0	\$17.40
Central Scottsdale R.	907	16,041,338	881,951	902,273	5.6%	324,144	126,824	166,940	\$23.88
Chandler Ret	800	17,066,419	1,075,806	1,129,608	6.6%	314,410	38,971	0	\$15.58
Ctrl Peoria/Arrowhea.	445	10,255,755	510,128	535,464	5.2%	165,957	28,133	0	\$16.65
Deer Valley Ret	140	2,074,222	89,671	109,703	5.3%	87,312	20,970	0	\$20.78
Downtown Phoenix Ret	831	7,338,751	742,873	742,873	10.1%	67,518	81,286	34,192	\$16.28
East Phoenix Ret	745	8,593,439	837,177	862,829	10.0%	36,561	37,885	4,675	\$14.17
Fountain Hills Ret	87	743,093	76,159	76,159	10.2%	(12,731)	0	44,124	\$13.51
Gateway Airport Ret	130	2,863,000	174,599	174,599	6.1%	(8,205)	16,565	50,094	\$18.30
Gila River Outlying	9	356,184	0	0	0.0%	0	0	0	\$0.00
Gilbert Ret	820	15,042,981	837,456	894,899	5.9%	367,671	268,529	286,392	\$19.35
Glendale Ret	823	11,433,442	964,001	999,608	8.7%	53,756	13,945	7,800	\$12.19
Goodyear Ret	226	3,457,594	295,664	313,540	9.1%	121,611	4,000	0	\$14.08
Laveen Ret	79	1,389,103	75,380	75,380	5.4%	11,459	14,774	11,500	\$15.88
Loop 101/I-10 Ret	154	2,955,910	216,502	216,502	7.3%	11,555	57,255	18,500	\$20.63
N Goodyear/Litchfiel.	224	5,117,109	267,766	267,766	5.2%	31,687	71,940	0	\$16.04
N Phoenix/I-17 Corr .	863	16,358,707	2,224,897	2,264,905	13.8%	265,982	192,567	0	\$12.38
NE Outlying Maricopa.	1	4,722	0	0	0.0%	0	0	0	\$0.00
North Buckeye Ret	7	63,968	0	0	0.0%	2,841	0	124,070	\$25.00
North Scottsdale Ret	591	15,040,315	972,950	977,510	6.5%	320,761	167,206	15,604	\$20.20
Outlying Pinal Count.	825	8,242,486	562,499	599,458	7.3%	(122,769)	21,231	84,750	\$11.88
Queen Creek Ret	86	1,635,187	42,700	42,700	2.6%	48,189	36,590	25,121	\$19.32
Red Mountain/Mesa Re	1,830	29,681,759	3,085,140	3,151,674	10.6%	900,931	71,770	54,640	\$13.62
South Buckeye Ret	138	1,480,769	29,260	29,260	2.0%	11,104	0	0	\$17.66
South Mountain Ret	95	1,750,433	167,516	168,916	9.6%	30,487	5,155	0	\$20.88
South Phoenix Ret	274	1,631,632	69,875	69,875	4.3%	(18,280)	1,500	0	\$12.51
South Scottsdale Ret	369	3,907,202	245,722	252,499	6.5%	53,022	12,000	0	\$17.57
Sun City Ret	235	3,596,937	401,748	401,748	11.2%	(124,272)	0	0	\$12.99
Surprise/North Peori.	297	5,286,952	372,979	376,124	7.1%	71,147	149,933	31,179	\$13.08
Tempe Ret	517	8,350,816	527,728	531,187	6.4%	(35,156)	32,067	64,951	\$18.49
Tolleson Ret	262	2,648,941	152,802	218,015	8.2%	(45,186)	28,123	0	\$14.87
W Outlying Maricopa .	124	783,276	37,424	37,424	4.8%	24,504	9,100	0	\$10.25
West Phoenix/Maryval.	490	8,212,619	321,266	321,266	3.9%	105,952	17,447	0	\$11.99
<b>Totals</b>	<b>14,448</b>	<b>227,006,157</b>	<b>17,185,249</b>	<b>17,717,645</b>	<b>7.8%</b>	<b>3,378,908</b>	<b>1,806,846</b>	<b>1,079,532</b>	<b>\$15.31</b>

Source: CoStar Property®

## Phoenix Retail Market



Figures at a Glance

## General Retail Market Statistics

Year-End 2017

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total GLA	Direct SF	Total SF	Vac %		# Blds	Total GLA	# Blds	Total GLA	
2017 4q	8,540	69,695,787	2,936,530	3,086,234	4.4%	189,506	12	88,115	36	418,554	\$17.33
2017 3q	8,526	69,593,407	3,045,894	3,165,580	4.5%	194,267	14	152,593	46	495,734	\$17.22
2017 2q	8,512	69,452,914	3,046,490	3,219,354	4.6%	449,603	39	407,768	47	438,390	\$17.19
2017 1q	8,475	69,057,396	3,107,615	3,273,439	4.7%	43,492	28	185,480	73	754,162	\$15.05
2016 4q	8,448	68,874,557	2,965,306	3,134,092	4.6%	170,269	12	92,501	71	692,953	\$15.06
2016 3q	8,450	69,040,939	3,331,882	3,470,743	5.0%	237,171	16	234,580	55	465,958	\$15.21
2016 2q	8,447	68,954,384	3,486,608	3,621,359	5.3%	115,330	18	288,903	45	533,953	\$15.30
2016 1q	8,433	68,774,228	3,429,151	3,556,533	5.2%	321,098	13	206,223	43	657,655	\$15.61
2015	8,429	68,758,745	3,738,666	3,862,148	5.6%	693,578	61	630,534	37	574,006	\$15.15
2014	8,396	68,792,901	4,440,190	4,589,882	6.7%	(32,175)	41	534,606	31	329,785	\$14.07
2013	8,389	69,077,143	4,690,777	4,841,949	7.0%	470,311	42	489,846	21	339,867	\$13.07
2012	8,374	68,841,087	4,796,527	5,076,204	7.4%	117,597	28	218,390	11	104,982	\$12.77
2011	8,355	69,138,945	5,260,653	5,491,659	7.9%	357,531	26	325,596	23	212,757	\$13.26
2010	8,334	68,902,848	5,425,172	5,613,093	8.1%	353,913	16	250,332	20	287,610	\$14.16
2009	8,313	68,497,663	5,373,271	5,561,821	8.1%	(1,009,675)	30	290,908	19	320,927	\$15.18
2008	8,254	67,963,555	3,929,702	4,018,038	5.9%	393,514	77	1,082,815	28	226,513	\$16.96

Source: CoStar Property®

## Mall Market Statistics

Year-End 2017

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %		# Blds	Total GLA	# Blds	Total GLA	
2017 4q	21	17,176,491	800,475	843,384	4.9%	168,095	1	148,000	0	0	\$17.37
2017 3q	21	17,028,491	820,570	863,479	5.1%	147,210	0	0	1	148,000	\$19.08
2017 2q	21	17,028,491	967,780	1,010,689	5.9%	77,897	1	8,000	1	148,000	\$19.02
2017 1q	21	17,020,491	1,003,336	1,080,586	6.3%	(26,915)	0	0	2	156,000	\$20.12
2016 4q	21	17,020,491	976,421	1,053,671	6.2%	45,842	0	0	1	148,000	\$18.41
2016 3q	21	17,012,150	1,013,922	1,091,172	6.4%	23,312	3	92,021	1	8,341	\$19.72
2016 2q	21	16,920,129	1,021,428	1,022,463	6.0%	24,727	0	0	4	100,362	\$25.14
2016 1q	21	16,920,129	1,046,155	1,047,190	6.2%	(104,352)	2	22,452	2	22,021	\$25.93
2015	20	16,897,677	919,351	920,386	5.4%	164,278	2	146,345	3	30,237	\$26.77
2014	20	16,751,332	938,319	938,319	5.6%	122,379	2	42,238	1	7,785	\$27.78
2013	20	16,709,094	998,460	1,018,460	6.1%	152,303	2	14,747	3	50,023	\$34.46
2012	20	16,686,034	1,123,437	1,147,703	6.9%	95,735	0	0	3	22,532	\$35.09
2011	20	16,686,034	1,218,302	1,243,438	7.5%	308,644	2	138,785	2	14,685	\$35.22
2010	19	16,547,249	1,389,000	1,413,297	8.5%	(118,853)	1	3,600	4	153,470	\$36.53
2009	19	16,543,649	1,290,844	1,290,844	7.8%	214,443	7	566,306	0	0	\$34.53
2008	18	15,936,389	857,970	898,027	5.6%	186,334	14	344,774	6	396,306	\$34.79

Source: CoStar Property®

## Power Center Market Statistics

Year-End 2017

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %		# Blds	Total GLA	# Blds	Total GLA	
2017 4q	58	30,496,578	1,744,386	1,843,652	6.0%	38,933	0	0	0	0	\$18.71
2017 3q	58	30,496,578	1,734,788	1,882,585	6.2%	45,148	1	2,800	0	0	\$18.33
2017 2q	58	30,493,778	1,810,640	1,924,933	6.3%	(73,236)	1	7,200	1	2,800	\$17.93
2017 1q	58	30,486,578	1,717,119	1,844,497	6.1%	30,353	1	8,000	2	10,000	\$18.70
2016 4q	58	30,478,578	1,744,749	1,866,850	6.1%	27,986	2	91,400	1	8,000	\$18.65
2016 3q	58	30,387,178	1,670,955	1,803,436	5.9%	(236,862)	0	0	3	99,400	\$19.85
2016 2q	58	30,387,178	1,472,142	1,566,574	5.2%	(165,951)	1	7,200	2	91,400	\$18.57
2016 1q	58	30,379,978	1,299,327	1,393,423	4.6%	(33,325)	3	11,769	3	98,600	\$18.43
2015	58	30,368,209	1,230,291	1,348,329	4.4%	418,692	10	180,359	4	18,969	\$19.19
2014	58	30,182,150	1,432,042	1,580,962	5.2%	173,696	3	17,364	4	140,259	\$22.44
2013	58	30,162,761	1,592,661	1,735,269	5.8%	301,594	3	14,085	1	5,005	\$21.32
2012	58	30,148,676	1,865,208	2,022,778	6.7%	146,191	3	37,929	3	12,990	\$20.16
2011	58	30,110,747	1,973,332	2,131,040	7.1%	159,291	5	73,239	3	15,370	\$19.43
2010	58	30,037,508	2,202,609	2,217,092	7.4%	687,696	2	12,650	4	26,744	\$21.55
2009	58	30,011,496	2,852,820	2,878,776	9.6%	(601,747)	4	26,634	4	18,921	\$22.33
2008	58	29,965,019	1,941,171	2,230,552	7.4%	1,235,005	32	1,753,692	7	39,187	\$23.17

Source: CoStar Property®



# Phoenix Retail Market

Figures at a Glance

## Shopping Center Market Statistics

Year-End 2017

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %		# Blds	Total GLA	# Blds	Total GLA	
2017 4q	1,871	107,230,030	11,619,203	11,859,720	11.1%	942,592	6	148,136	33	660,978	\$14.53
2017 3q	1,871	107,081,894	12,393,081	12,654,176	11.8%	578,087	5	88,500	31	710,923	\$14.19
2017 2q	1,869	106,985,719	12,855,263	13,136,088	12.3%	112,139	16	130,977	26	376,449	\$14.55
2017 1q	1,868	106,844,742	12,847,281	13,107,250	12.3%	407,437	22	431,277	28	397,788	\$14.10
2016 4q	1,866	106,413,465	12,735,533	13,083,410	12.3%	466,819	21	299,906	40	568,727	\$14.03
2016 3q	1,863	106,106,199	12,935,981	13,242,963	12.5%	401,819	19	451,196	46	788,206	\$14.07
2016 2q	1,859	105,655,003	12,885,386	13,193,586	12.5%	497,464	14	208,561	44	1,047,598	\$14.06
2016 1q	1,855	105,441,136	12,958,623	13,477,183	12.8%	541,365	7	85,517	44	890,876	\$13.84
2015	1,853	105,355,619	13,425,149	13,933,031	13.2%	728,365	23	274,449	31	654,554	\$13.67
2014	1,849	105,042,850	13,943,573	14,348,627	13.7%	1,688,193	19	278,792	16	212,825	\$13.34
2013	1,844	104,748,286	15,314,591	15,742,256	15.0%	1,493,322	24	432,013	10	177,396	\$13.42
2012	1,841	104,316,273	16,348,476	16,803,565	16.1%	1,959,912	22	473,854	13	222,731	\$13.75
2011	1,839	103,814,777	17,851,370	18,261,981	17.6%	(333,340)	15	122,310	20	487,719	\$14.21
2010	1,836	103,672,936	17,480,162	17,786,800	17.2%	(1,135,242)	17	321,799	17	232,003	\$15.58
2009	1,832	103,297,312	15,909,838	16,275,934	15.8%	(1,412,459)	79	1,647,002	21	403,899	\$16.74
2008	1,808	101,387,604	12,603,133	12,953,767	12.8%	910,042	160	3,720,061	92	1,699,820	\$19.08

Source: CoStar Property®

## Specialty Center Market Statistics

Year-End 2017

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %		# Blds	Total GLA	# Blds	Total GLA	
2017 4q	10	2,407,271	84,655	84,655	3.5%	32,305	0	0	0	0	\$16.00
2017 3q	10	2,407,271	116,960	116,960	4.9%	0	0	0	0	0	\$45.90
2017 2q	10	2,407,271	116,960	116,960	4.9%	31,795	0	0	0	0	\$45.90
2017 1q	10	2,407,271	148,755	148,755	6.2%	(9,800)	0	0	0	0	\$42.40
2016 4q	10	2,407,271	138,955	138,955	5.8%	(2,200)	0	0	0	0	\$35.54
2016 3q	10	2,407,271	136,755	136,755	5.7%	14,614	1	90,000	0	0	\$21.59
2016 2q	10	2,317,271	61,369	61,369	2.6%	27,267	0	0	1	90,000	\$21.67
2016 1q	10	2,317,271	88,636	88,636	3.8%	22,522	0	0	1	90,000	\$19.45
2015	10	2,317,271	111,158	111,158	4.8%	26,711	0	0	1	90,000	\$19.45
2014	10	2,317,271	137,869	137,869	5.9%	(13,407)	0	0	0	0	\$11.85
2013	10	2,317,271	124,462	124,462	5.4%	341,867	10	371,184	0	0	\$9.54
2012	8	1,946,087	95,145	95,145	4.9%	412,122	1	410,664	10	371,184	\$11.76
2011	7	1,535,423	96,603	96,603	6.3%	7,319	0	0	0	0	\$15.83
2010	7	1,535,423	99,612	103,922	6.8%	4,969	0	0	0	0	\$17.53
2009	7	1,535,423	103,118	108,891	7.1%	(44,854)	0	0	0	0	\$13.93
2008	7	1,535,423	53,237	64,037	4.2%	6,955	0	0	0	0	\$19.30

Source: CoStar Property®

## Total Retail Market Statistics

Year-End 2017

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total GLA	Direct SF	Total SF	Vac %		# Blds	Total GLA	# Blds	Total GLA	
2017 4q	14,448	227,006,157	17,185,249	17,717,645	7.8%	1,371,431	19	384,251	69	1,079,532	\$15.31
2017 3q	14,427	226,607,641	18,111,293	18,682,780	8.2%	964,712	20	243,893	78	1,354,657	\$15.14
2017 2q	14,406	226,368,173	18,797,133	19,408,024	8.6%	598,198	57	553,945	75	965,639	\$15.36
2017 1q	14,350	225,816,478	18,824,106	19,454,527	8.6%	444,567	51	624,757	105	1,317,950	\$14.65
2016 4q	14,300	225,194,362	18,560,964	19,276,978	8.6%	708,716	35	483,807	113	1,417,680	\$14.51
2016 3q	14,277	224,953,737	19,089,495	19,745,069	8.8%	440,054	39	867,797	105	1,361,905	\$14.60
2016 2q	14,251	224,233,965	18,926,933	19,465,351	8.7%	498,837	33	504,664	96	1,863,313	\$14.55
2016 1q	14,221	223,832,742	18,821,892	19,562,965	8.7%	747,308	25	325,961	93	1,759,152	\$14.45
2015	14,205	223,697,521	19,424,615	20,175,052	9.0%	2,031,624	96	1,231,687	76	1,367,766	\$14.27
2014	14,133	223,086,504	20,891,993	21,595,659	9.7%	1,938,686	65	873,000	52	690,654	\$13.89
2013	14,099	223,014,555	22,720,951	23,462,396	10.5%	2,759,397	81	1,321,875	35	572,291	\$13.88
2012	14,044	221,938,157	24,228,793	25,145,395	11.3%	2,731,557	54	1,140,837	40	734,419	\$14.30
2011	13,994	221,285,926	26,400,260	27,224,721	12.3%	499,445	48	659,930	48	730,531	\$14.78
2010	13,947	220,695,964	26,596,555	27,134,204	12.3%	(207,517)	36	588,381	45	699,827	\$16.18
2009	13,898	219,885,543	25,529,891	26,116,266	11.9%	(2,854,292)	120	2,530,850	44	743,747	\$17.28
2008	13,720	216,787,990	19,385,213	20,164,421	9.3%	2,731,850	283	6,901,342	133	2,361,826	\$19.39

Source: CoStar Property®

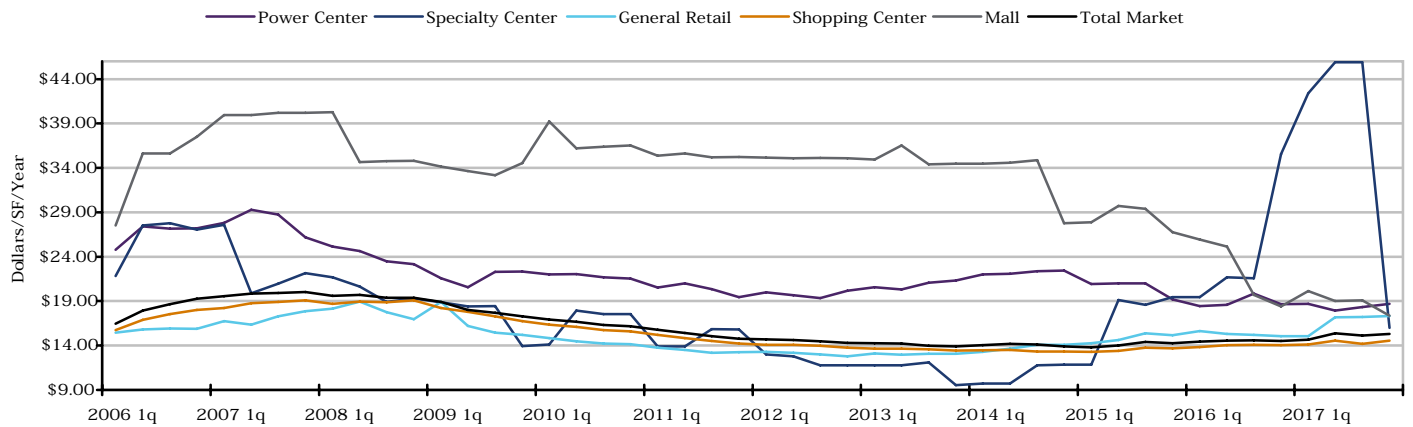
# Phoenix Retail Market



Leasing Activity

## Historical Rental Rates

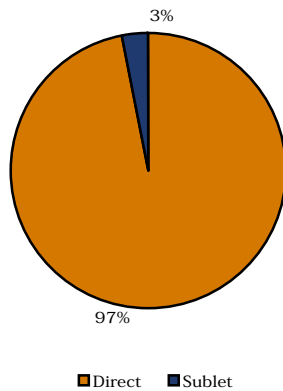
Based on NNN Rental Rates



Source: CoStar Property®

## Vacancy by Available Space Type

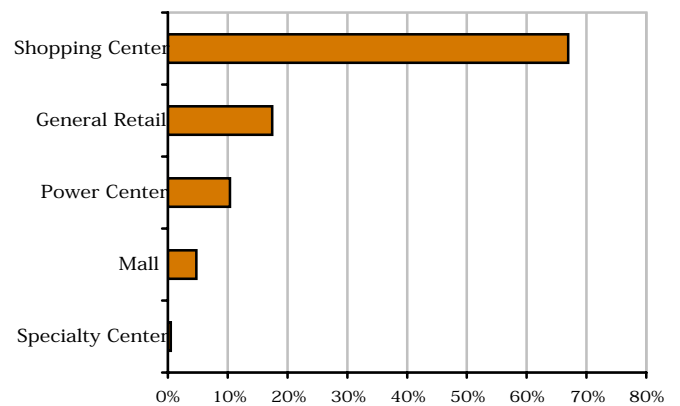
Percent of All Vacant Space in Direct vs. Sublet



Source: CoStar Property®

## Vacancy by Building Type

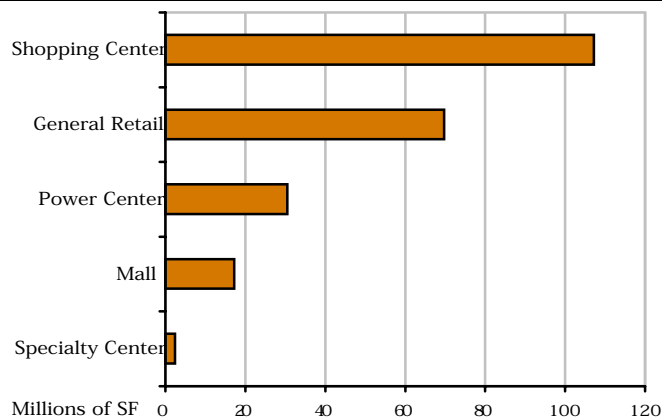
Percent of All Vacant Space by Building Type



Source: CoStar Property®

## GLA By Building Type

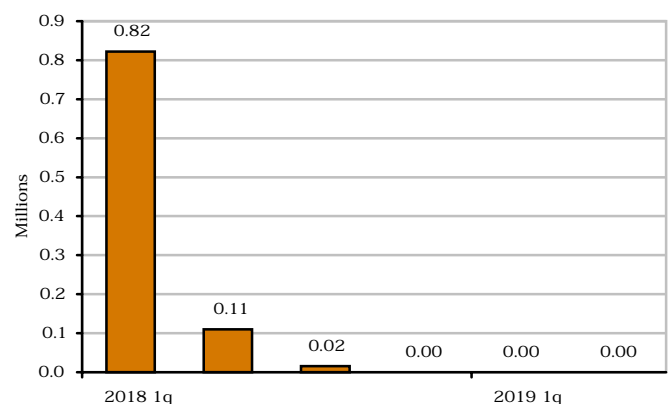
Ratio of Total GLA by Building Type



Source: CoStar Property®

## Future Space Available

Space Scheduled to be Available for Occupancy\*



\* Includes Under Construction Spaces

Source: CoStar Property®



## Select Top Retail Leases Based on Leased Square Footage For Deals Signed in 2017

Building	Submarket	SF	Qtr	Tenant Name	Tenant Rep Company	Landlord Rep Company	
1	SanTan Pavilions	Gilbert Ret	108,000	1st	At Home	Velocity Retail Group LLC	Capital Asset Management, LLC
2	4820 E Ray Rd	Ahwatukee Foothills Ret	63,697	1st	Mountain side fitness	N/A	Helix Properties
3	Junction Shoppes - Fry's	Apache Junction Ret	62,605	4th	N/A	N/A	Western Retail Advisors, LLC
4	147 S Dobson Rd	Red Mountain/Mesa Ret	58,000	2nd	N/A	N/A	Keith Ricker, Ricker & Ricker Pllc
5	Grayhawk Plaza	North Scottsdale Ret	57,539	1st	Honor Health	N/A	Direct Deal
6	Biltmore - Target	Downtown Phoenix Ret	50,428	1st	Target	N/A	Western Retail Advisors, LLC
7	SanTan Pavilions	Gilbert Ret	50,000	3rd	Planet Fitness	N/A	Capital Asset Management, LLC
8	Burlington Coat Factory	Gilbert Ret	50,000	1st	Burlington Coat Factory	N/A	Vestar
9	Pottery Barn Outlet	Goodyear Ret	42,096	2nd	Pottery Barn Outlet	SRS Real Estate Partners	Newmark Knight Frank
10	2501 W Happy Valley Rd	Deer Valley Ret	42,000	1st	Mountainside Fitness	N/A	SRS Real Estate Partners
11	Ahwatukee Foothills; Phase II	Ahwatukee Foothills Ret	41,752	2nd	Burlington	N/A	DDR Corp.
12	LA Fitness	Glendale Ret	40,916	3rd	Aspire Fitness Clubs	Rein & Grosseohme	The Laurel Group
13	Tri-Valley Plaza	Outlying Pinal County Ret	40,000	3rd	Spirit Halloween Superstore LLC	Phoenix Commercial Advisors	Larsen Baker, LLC
14	Paradise Valley Retail	North Scottsdale Ret	39,328	4th	N/A	N/A	Cushman & Wakefield
15	Scottsdale 101	North Scottsdale Ret	38,184	3rd	N/A	N/A	Hodgdon Group Realty, Inc.
16	Chandler Sunset Plaza	Chandler Ret	37,092	1st	Aspire Fitness	Rein & Grosseohme	Phoenix Commercial Advisors
17	Aspire Fitness	Red Mountain/Mesa Ret	36,241	4th	Aspire Fitness	Rein & Grosseohme	Rein & Grosseohme
18	West Bell -	Ctrl Peoria/Arrowhead Ret	35,922	1st	N/A	N/A	Direct Deal
19	Ocotillo Plaza	Chandler Ret	35,701	1st	Goodwill	N/A	JLL
20	2501 W Happy Valley Rd	Deer Valley Ret	33,862	1st	Mega Furniture	Velocity Retail Group LLC	Vestar
21	Scottsdale 101	North Scottsdale Ret	33,507	1st	Bowlmor AMF	SRS Real Estate Partners	Western Retail Advisors, LLC
22	3320 N 7th Ave	Downtown Phoenix Ret	31,020	4th	Sprouts Farmers Market	N/A	Phoenix Commercial Advisors
23	SanTan Pavilions	Loop 101/I-10 Ret	30,000	4th	N/A	N/A	Phoenix Commercial Advisors
24	SanTan Pavilions	Gilbert Ret	30,000	2nd	Planet Fitness	N/A	Capital Asset Management, LLC
25	The Mercado At Scottsdale Ranch	Central Scottsdale Ret	30,000	4th	N/A	N/A	Whitstone REIT
26	Mesa Riverview - Power Center Shops*	Red Mountain/Mesa Ret	28,800	3rd	Boot Barn	N/A	Kimco Realty Corporation
27	Plaza 75	West Phoenix/Maryvale Ret	27,434	2nd	American Freight	N/A	ZELL Commercial Real Estate Service
28	Santa Fe Square	Red Mountain/Mesa Ret	27,339	2nd	Lexington, LLC	N/A	JLL
29	Safeway Center	North Scottsdale Ret	27,000	3rd	Sky Zone	N/A	Rein & Grosseohme; Litwin Management
30	Artie's ACE Hardware*	North Scottsdale Ret	25,766	1st	Ace Hardware	N/A	N/A
31	4961 W Bell Rd	N Phoenix/I-17 Corr Ret	25,700	2nd	American Freight	Newmark Knight Frank	NAI Horizon
32	Crossroads Towne Center - Chandler - Phase I	Gilbert Ret	25,495	4th	Mor Furniture	Colliers International	Colliers International
33	Furniture King	Ctrl Peoria/Arrowhead Ret	25,365	4th	N/A	N/A	SRS Real Estate Partners
34	Fry's Food Store	East Phoenix Ret	25,324	2nd	Michael's	N/A	Velocity Retail Group LLC
35	Union Hills Village	N Phoenix/I-17 Corr Ret	24,036	1st	Goodwill	Kroot & Associates	Newmark Knight Frank
36	Greenfield Plaza	Red Mountain/Mesa Ret	23,600	2nd	N/A	N/A	Michael A. Pollack Real Estate Inve
37	Fry's Food Store	East Phoenix Ret	23,475	2nd	Marshall's	N/A	Velocity Retail Group LLC
38	20713 N 83rd Ave	Ctrl Peoria/Arrowhead Ret	22,923	1st	N/A	N/A	Kroot & Associates
39	Greenway Park Plaza	East Phoenix Ret	22,888	4th	Planet Fitness	NAI Horizon	Coldwell Banker Commercial Advisors
40	Scottsdale 101	North Scottsdale Ret	22,252	1st	C2 Tactical	N/A	Western Retail Advisors, LLC

Source: CoStar Property®

\* Renewal

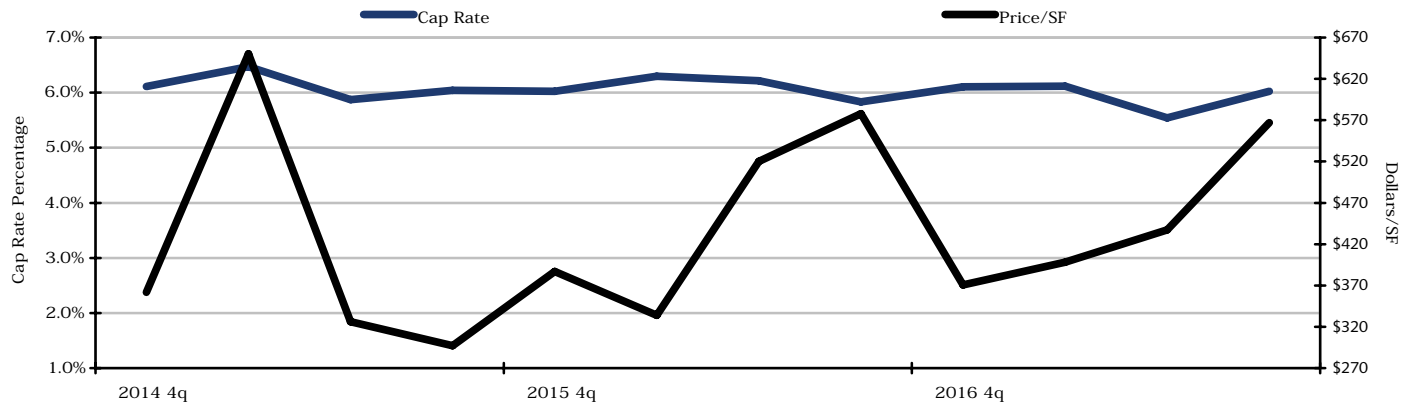
# Phoenix Retail Market



Sales Activity

## The Optimist Sales Index

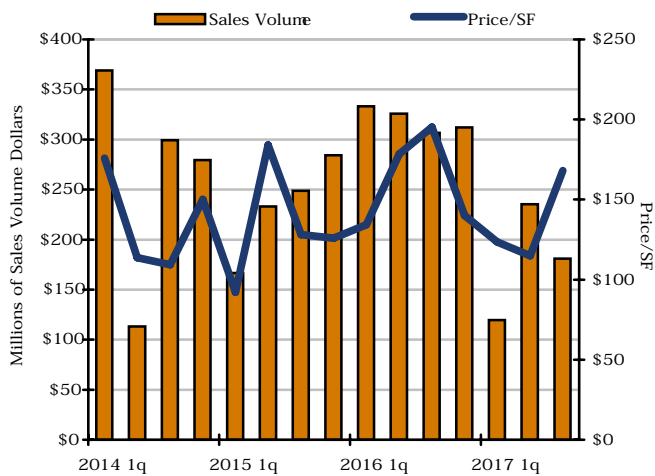
Average of Two Highest Price/SF's and Two Lowest Cap Rates



Source: CoStar COMPS®

## Sales Volume & Price

Based on Retail Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

## Sales Analysis by Building Size

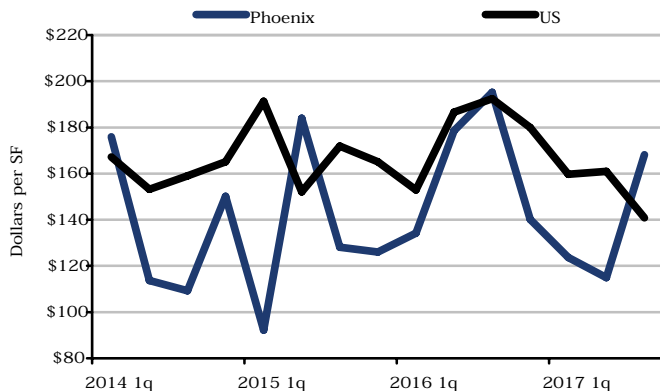
Based on Retail Building Sales From Oct. 2016 - Sept. 2017

Bldg Size	#	RBA	\$ Volume	Price/SF	Cap Rate
< 25,000 SF	341	2,761,680	\$803,150,886	\$ 290.82	6.46%
25K-99K SF	59	2,744,375	\$384,710,009	\$ 140.18	7.15%
100K-249K SF	14	2,137,819	\$267,466,383	\$ 125.11	7.16%
>250K SF	2	580,334	\$43,470,000	\$ 74.91	5.98%

Source: CoStar COMPS®

## U.S. Price/SF Comparison

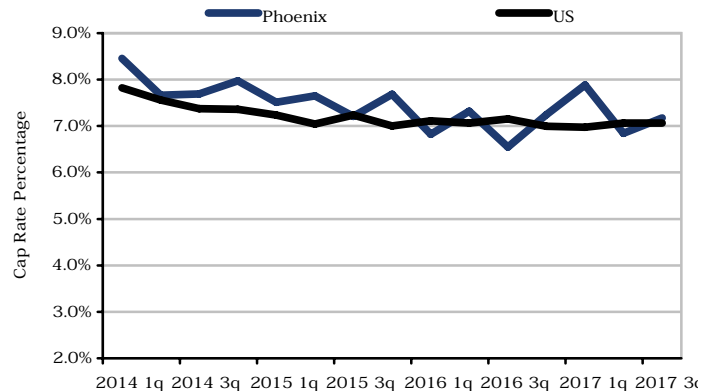
Based on Retail Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

## U.S. Cap Rate Comparison

Based on Retail Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

## Select Top Sales

Based on Sales from October 2016 Through December 2017

### 1. Pima Crossing



#### Scottsdale

Price: **\$46,150,000**  
 Price/SF: **\$193.66**  
 Cap Rate: **N/A**  
 RBA: **238,303**  
 Date: **12/29/2016**  
 Year Built: **1993**  
 Buyer: **Karlin Real Estate**  
 Seller: **Regency Centers Corporation**

### 2. 1641 S Stapley Dr



#### Mesa

Price: **\$41,900,000**  
 Price/SF: **\$179.73**  
 Cap Rate: **6.94%**  
 RBA: **233,130**  
 Date: **7/28/2017**  
 Year Built: **1999**  
 Buyer: **DESCO Southwest**  
 Seller: **Vestar**

### 3. Southern Palms



#### Tempe

Price: **\$36,750,000**  
 Price/SF: **\$140.35**  
 Cap Rate: **5.98%**  
 RBA: **261,839**  
 Date: **10/26/2016**  
 Year Built: **1983**  
 Buyer: **Phillips Edison Grocery Center REIT I, Inc.**  
 Seller: **West Valley Properties, Inc.**

### 4. 14046 N Scottsdale Rd



#### Scottsdale

Price: **\$31,000,000**  
 Price/SF: **\$191.05**  
 Cap Rate: **N/A**  
 RBA: **162,259**  
 Date: **4/27/2017**  
 Year Built: **1987**  
 Buyer: **Woodbury Corporation**  
 Seller: **Holualoa Companies**

### 5. Shops B



#### Chandler

Price: **\$25,750,000**  
 Price/SF: **\$2,516.12**  
 Cap Rate: **N/A**  
 RBA: **10,234**  
 Date: **12/15/2017**  
 Year Built: **2016**  
 Buyer: **The Plant Holding LLC**  
 Seller: **Common Bond Development LLC**

### 6. 1610 E Camelback Rd



#### Phoenix

Price: **\$23,500,000**  
 Price/SF: **\$712.92**  
 Cap Rate: **5.25%**  
 RBA: **32,963**  
 Date: **7/26/2017**  
 Year Built: **2004**  
 Buyer: **William K. Perry Farms**  
 Seller: **Crow Holdings Capital - Real Estate**

### 7. Park Central



#### Phoenix

Price: **\$23,000,000**  
 Price/SF: **\$68.17**  
 Cap Rate: **N/A**  
 RBA: **337,403**  
 Date: **10/18/2017**  
 Year Built: **1968**  
 Buyer: **Holualoa Companies**  
 Seller: **LNR Partners LLC**

### 8. 1717 N Dysart Rd



#### Avondale

Price: **\$22,650,000**  
 Price/SF: **\$169.87**  
 Cap Rate: **6.72%**  
 RBA: **133,338**  
 Date: **12/5/2016**  
 Year Built: **2006**  
 Buyer: **Phillips Edison Grocery Center REIT II, Inc.**  
 Seller: **West Valley Properties, Inc.**

### 9. Palm Valley Marketplace



#### Goodyear

Price: **\$22,450,000**  
 Price/SF: **\$208.58**  
 Cap Rate: **5.78%**  
 RBA: **107,633**  
 Date: **5/31/2017**  
 Year Built: **1999**  
 Buyer: **Sterling Organization**  
 Seller: **Regency Centers Corporation**

# Phoenix Retail Market

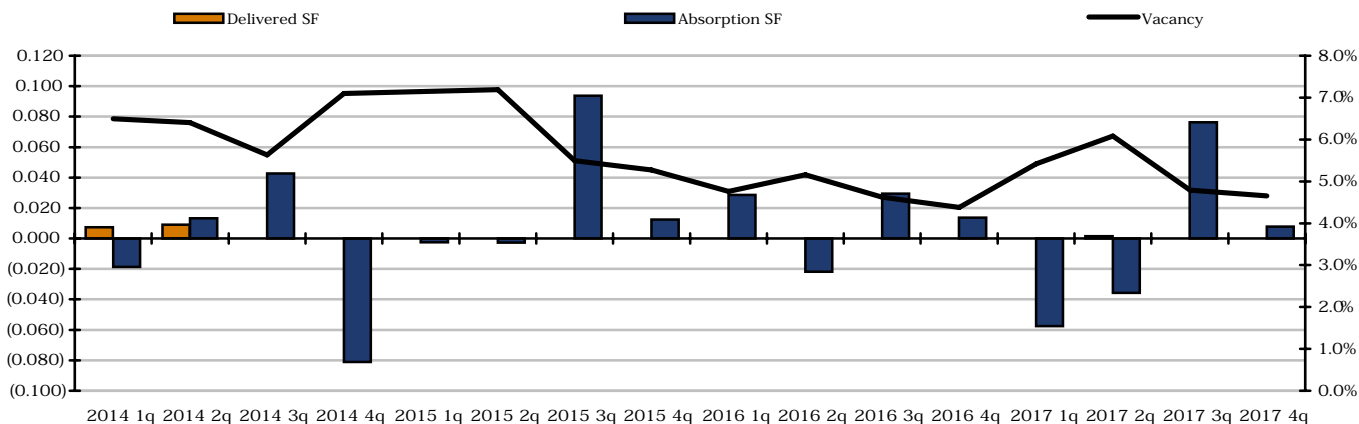


## Airport Area Market

Market Highlights - Class "A, B & C"

### Deliveries, Absorption & Vacancy

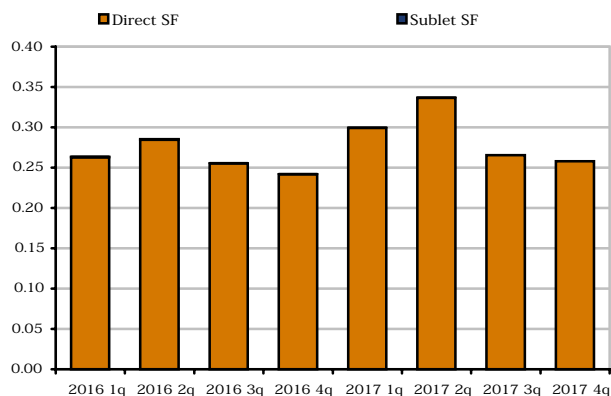
Historical Analysis, All Classes



Source: CoStar Property®

### Vacant Space

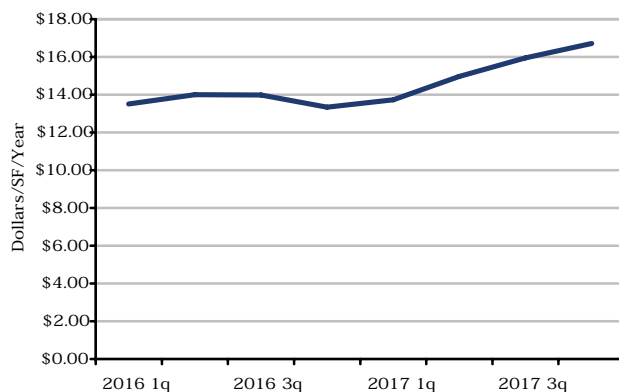
Historical Analysis, All Classes



Source: CoStar Property®

### Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 4q	697	5,540,603	257,756	4.7%	7,755	0	0	0	0	\$16.72
2017 3q	697	5,540,603	265,511	4.8%	76,381	0	0	0	0	\$15.95
2017 2q	696	5,535,603	336,892	6.1%	(35,767)	1	1,500	1	5,000	\$14.96
2017 1q	695	5,534,103	299,625	5.4%	(57,496)	0	0	2	6,500	\$13.72
2016 4q	695	5,534,103	242,129	4.4%	13,574	0	0	1	1,500	\$13.34
2016 3q	695	5,534,103	255,703	4.6%	29,525	0	0	0	0	\$13.98
2016 2q	695	5,534,103	285,228	5.2%	(21,895)	0	0	0	0	\$14.01
2016 1q	695	5,534,103	263,333	4.8%	28,528	0	0	0	0	\$13.51
2015 4q	695	5,534,103	291,861	5.3%	12,349	0	0	0	0	\$13.29
2015 3q	695	5,534,103	304,210	5.5%	93,815	0	0	0	0	\$13.07
2015 2q	695	5,534,103	398,025	7.2%	(2,637)	0	0	0	0	\$12.74
2015 1q	695	5,534,103	395,388	7.1%	(2,534)	0	0	0	0	\$13.74
2014 4q	695	5,534,103	392,854	7.1%	(81,121)	0	0	0	0	\$13.64
2014 3q	695	5,534,103	311,733	5.6%	42,694	0	0	0	0	\$13.94
2014 2q	695	5,534,103	354,427	6.4%	13,319	1	9,026	0	0	\$14.10
2014 1q	694	5,525,077	358,720	6.5%	(18,579)	1	7,400	1	9,026	\$14.12

Source: CoStar Property®



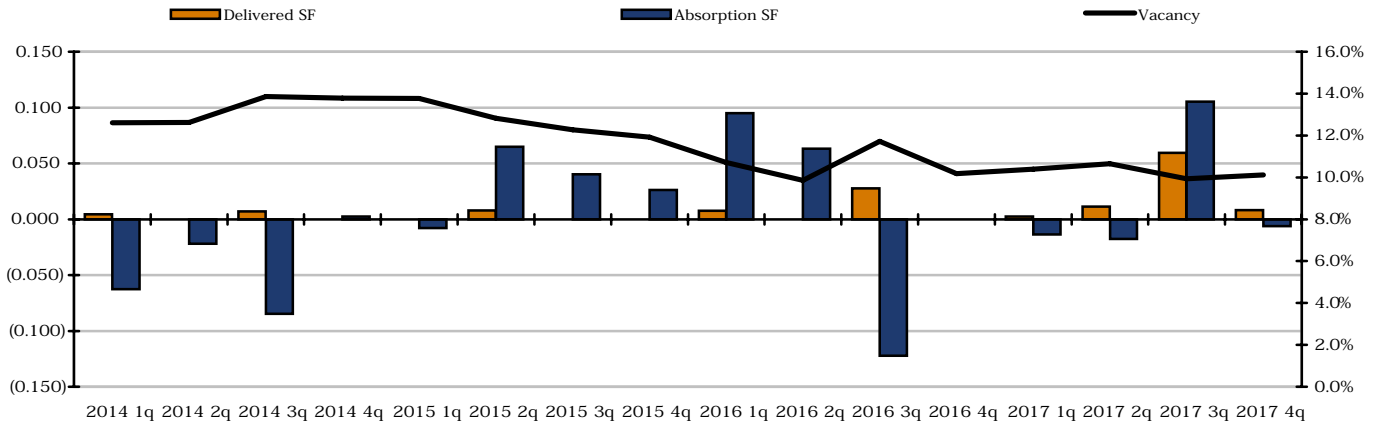
# Phoenix Retail Market

## Downtown Phoenix Market

Market Highlights - Class "A, B & C"

### Deliveries, Absorption & Vacancy

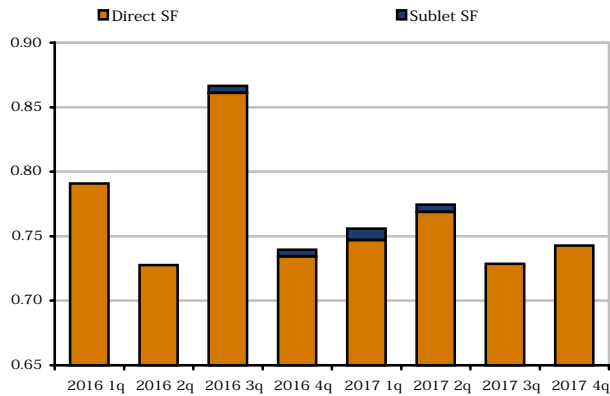
### Historical Analysis, All Classes



Source: CoStar Property®

### Vacant Space

#### Historical Analysis, All Classes



Source: CoStar Property®

### Quoted Rental Rates

#### Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 4q	831	7,338,751	742,873	10.1%	(6,249)	1	8,039	8	34,192	\$16.28
2017 3q	830	7,330,712	728,585	9.9%	105,222	1	59,400	9	42,231	\$16.16
2017 2q	829	7,271,312	774,407	10.7%	(17,729)	1	11,372	7	87,146	\$14.80
2017 1q	829	7,270,465	755,831	10.4%	(13,726)	1	2,475	7	95,518	\$14.34
2016 4q	828	7,267,990	739,630	10.2%	(114)	0	0	3	18,395	\$13.59
2016 3q	830	7,394,923	866,449	11.7%	(122,236)	1	27,760	3	18,395	\$13.71
2016 2q	832	7,378,315	727,605	9.9%	63,203	0	0	3	43,680	\$14.12
2016 1q	832	7,378,315	790,808	10.7%	95,053	2	7,500	2	39,132	\$14.55
2015 4q	830	7,370,815	878,361	11.9%	26,126	0	0	3	18,872	\$13.61
2015 3q	830	7,370,815	904,487	12.3%	40,170	0	0	3	18,872	\$13.80
2015 2q	830	7,370,815	944,657	12.8%	65,030	1	8,000	2	14,372	\$13.79
2015 1q	832	7,376,579	1,015,451	13.8%	(7,964)	0	0	1	8,000	\$13.68
2014 4q	834	7,387,771	1,018,679	13.8%	2,332	0	0	1	8,000	\$13.83
2014 3q	836	7,391,048	1,024,288	13.9%	(84,776)	1	7,000	1	8,000	\$13.49
2014 2q	835	7,384,048	932,512	12.6%	(21,895)	0	0	1	7,000	\$12.68
2014 1q	837	7,406,913	933,482	12.6%	(62,732)	1	4,407	1	7,000	\$12.52

Source: CoStar Property®

# Phoenix Retail Market

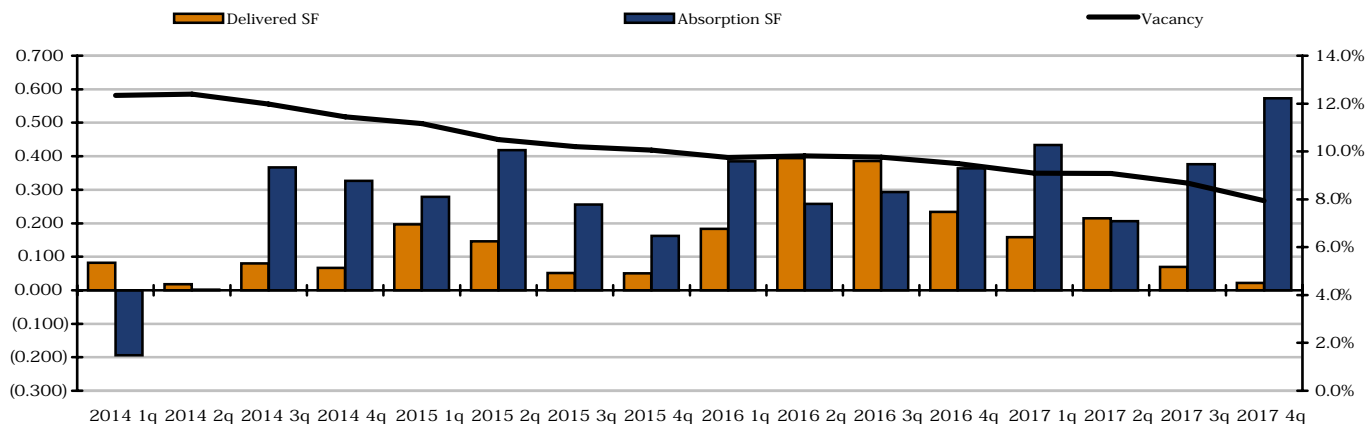


## East Valley Market

Market Highlights - Class "A, B & C"

### Deliveries, Absorption & Vacancy

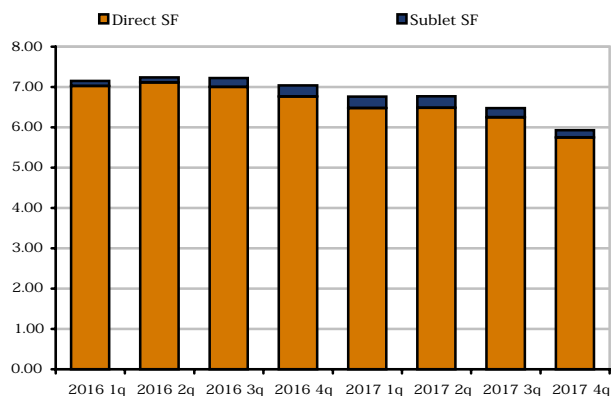
Historical Analysis, All Classes



Source: CoStar Property®

### Vacant Space

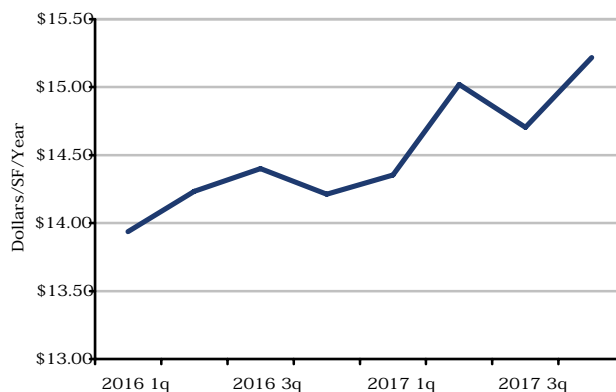
Historical Analysis, All Classes



Source: CoStar Property®

### Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 4q	4,183	74,640,162	5,924,667	7.9%	572,656	5	21,676	31	481,198	\$15.22
2017 3q	4,178	74,618,486	6,475,647	8.7%	375,748	11	69,515	28	415,566	\$14.70
2017 2q	4,165	74,536,096	6,769,005	9.1%	206,187	21	214,980	26	155,950	\$15.02
2017 1q	4,144	74,321,116	6,760,212	9.1%	433,249	13	158,321	38	313,398	\$14.35
2016 4q	4,132	74,165,436	7,037,781	9.5%	364,014	12	233,965	36	391,023	\$14.21
2016 3q	4,123	73,984,927	7,221,286	9.8%	292,899	18	386,209	32	486,067	\$14.40
2016 2q	4,110	73,705,496	7,234,754	9.8%	257,521	23	394,326	37	707,577	\$14.23
2016 1q	4,088	73,362,205	7,148,984	9.7%	384,753	13	182,856	50	934,014	\$13.94
2015 4q	4,078	73,187,436	7,358,968	10.1%	162,209	8	50,549	45	825,108	\$13.67
2015 3q	4,068	73,130,473	7,464,214	10.2%	255,946	7	51,852	32	524,902	\$13.89
2015 2q	4,060	73,077,566	7,667,253	10.5%	417,851	10	145,560	20	230,930	\$13.50
2015 1q	4,054	73,163,502	8,171,040	11.2%	278,903	9	196,774	19	191,050	\$13.20
2014 4q	4,048	73,074,578	8,361,019	11.4%	326,809	9	66,892	19	341,407	\$13.35
2014 3q	4,040	73,149,501	8,762,751	12.0%	366,239	3	79,850	22	371,284	\$13.32
2014 2q	4,038	73,073,887	9,053,376	12.4%	1,567	3	18,500	15	363,224	\$13.29
2014 1q	4,035	73,033,047	9,014,103	12.3%	(193,579)	7	81,788	12	135,579	\$13.10

Source: CoStar Property®



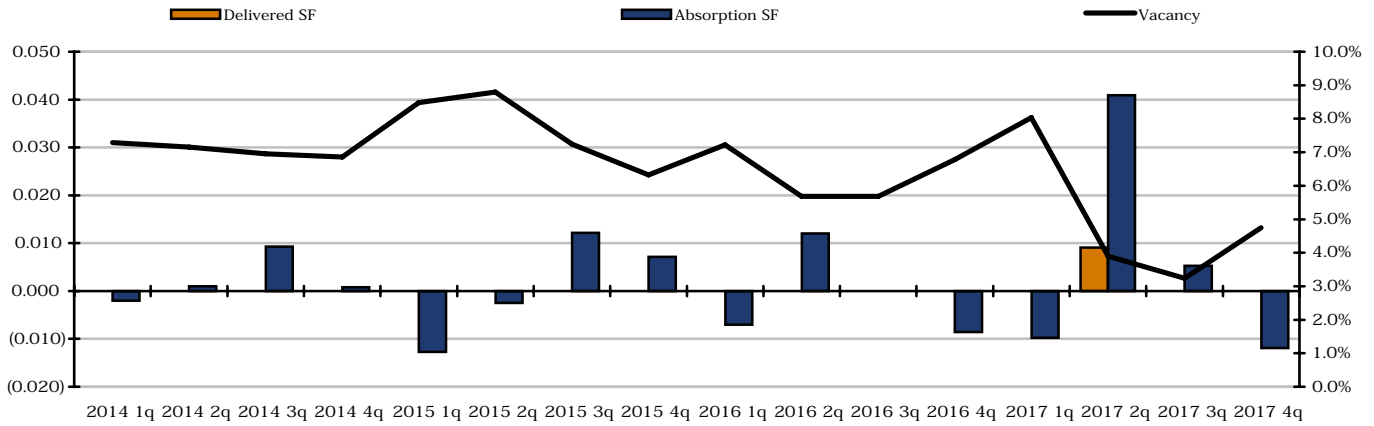
# Phoenix Retail Market

## Maricopa County Market

Market Highlights - Class "A, B & C"

### Deliveries, Absorption & Vacancy

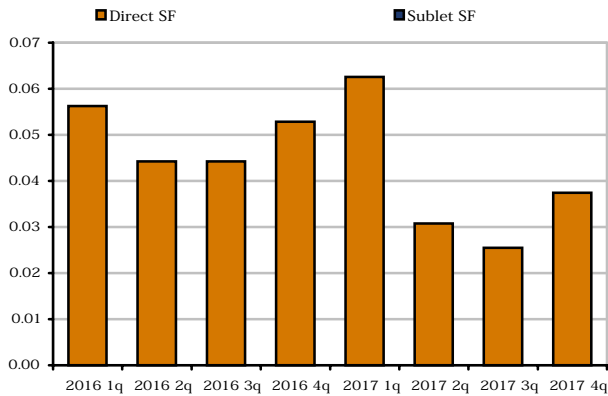
Historical Analysis, All Classes



Source: CoStar Property®

### Vacant Space

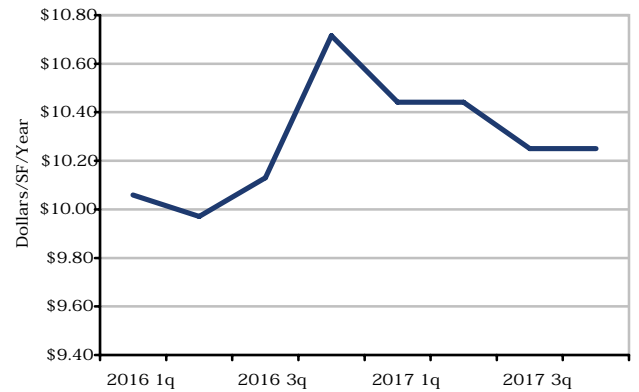
Historical Analysis, All Classes



Source: CoStar Property®

### Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 4q	125	787,998	37,424	4.7%	(11,925)	0	0	0	0	\$10.25
2017 3q	125	787,998	25,499	3.2%	5,242	0	0	0	0	\$10.25
2017 2q	125	787,998	30,741	3.9%	40,937	1	9,100	0	0	\$10.44
2017 1q	124	778,898	62,578	8.0%	(9,750)	0	0	1	9,100	\$10.44
2016 4q	124	778,898	52,828	6.8%	(8,600)	0	0	1	9,100	\$10.72
2016 3q	124	778,898	44,228	5.7%	0	0	0	0	0	\$10.13
2016 2q	124	778,898	44,228	5.7%	12,000	0	0	0	0	\$9.97
2016 1q	124	778,898	56,228	7.2%	(7,000)	0	0	0	0	\$10.06
2015 4q	124	778,898	49,228	6.3%	7,140	0	0	0	0	\$14.69
2015 3q	124	778,898	56,368	7.2%	12,176	0	0	0	0	\$9.47
2015 2q	124	778,898	68,544	8.8%	(2,450)	0	0	0	0	\$9.48
2015 1q	124	778,898	66,094	8.5%	(12,705)	0	0	0	0	\$11.18
2014 4q	124	778,898	53,389	6.9%	800	0	0	0	0	\$8.39
2014 3q	124	778,898	54,189	7.0%	9,276	0	0	0	0	\$8.39
2014 2q	123	770,578	55,145	7.2%	979	0	0	1	8,320	\$8.39
2014 1q	123	770,578	56,124	7.3%	(2,000)	0	0	1	8,320	\$8.39

Source: CoStar Property®

# Phoenix Retail Market

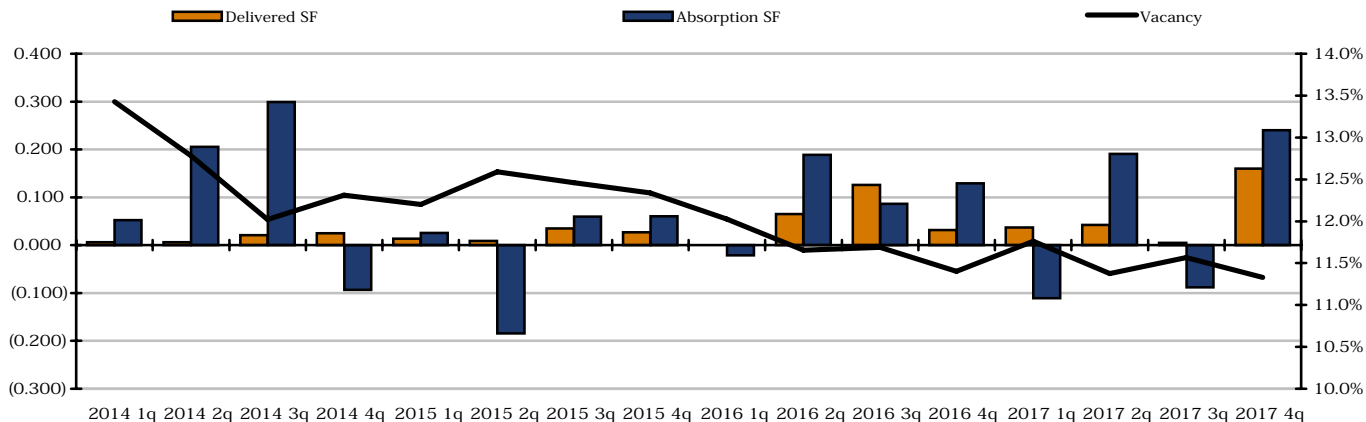


## North Phoenix Market

Market Highlights - Class "A, B & C"

### Deliveries, Absorption & Vacancy

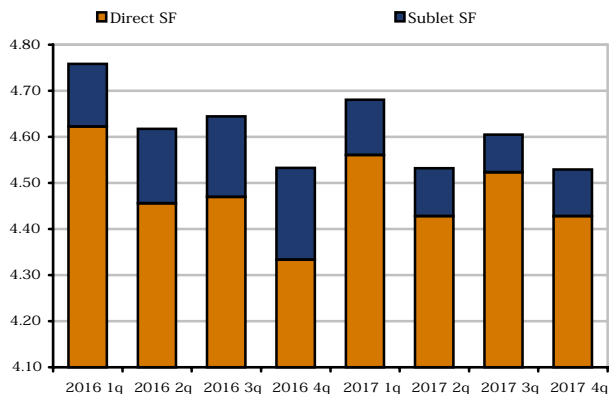
Historical Analysis, All Classes



Source: CoStar Property®

### Vacant Space

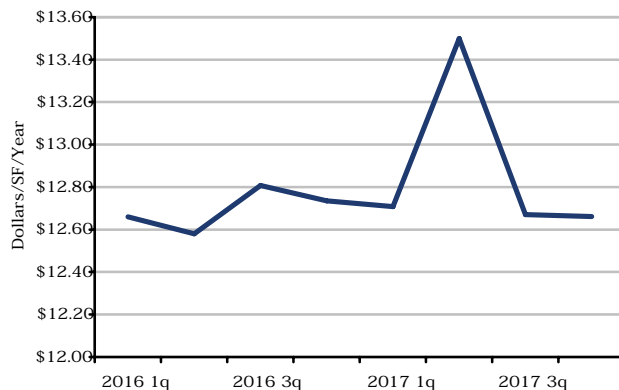
Historical Analysis, All Classes



Source: CoStar Property®

### Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 4q	2,666	39,982,525	4,529,090	11.3%	240,024	3	159,912	2	12,475	\$12.66
2017 3q	2,662	39,818,198	4,604,787	11.6%	(88,075)	2	4,964	6	176,802	\$12.67
2017 2q	2,662	39,833,234	4,531,748	11.4%	190,970	9	42,318	6	169,291	\$13.50
2017 1q	2,653	39,790,916	4,680,400	11.8%	(110,892)	8	37,203	14	204,697	\$12.71
2016 4q	2,645	39,753,713	4,532,305	11.4%	129,205	5	31,786	16	216,683	\$12.73
2016 3q	2,643	39,736,905	4,644,702	11.7%	86,241	3	125,846	15	78,349	\$12.81
2016 2q	2,643	39,623,331	4,617,369	11.7%	188,548	5	64,975	9	163,600	\$12.58
2016 1q	2,641	39,575,645	4,758,231	12.0%	(21,511)	0	0	9	202,092	\$12.66
2015 4q	2,644	39,741,886	4,902,961	12.3%	60,697	2	27,094	6	70,687	\$12.74
2015 3q	2,640	39,728,968	4,950,740	12.5%	59,385	5	34,740	10	127,788	\$12.83
2015 2q	2,636	39,719,145	5,000,302	12.6%	(184,626)	2	8,921	13	127,826	\$12.32
2015 1q	2,637	39,753,444	4,849,975	12.2%	25,612	2	13,816	8	68,056	\$12.22
2014 4q	2,639	39,774,926	4,897,069	12.3%	(93,092)	3	24,778	5	37,557	\$12.21
2014 3q	2,635	39,748,396	4,777,447	12.0%	299,148	2	20,755	6	40,346	\$12.29
2014 2q	2,636	39,752,056	5,080,255	12.8%	205,359	1	6,000	5	45,785	\$12.81
2014 1q	2,637	39,811,544	5,345,102	13.4%	52,403	1	6,300	4	32,955	\$12.71

Source: CoStar Property®





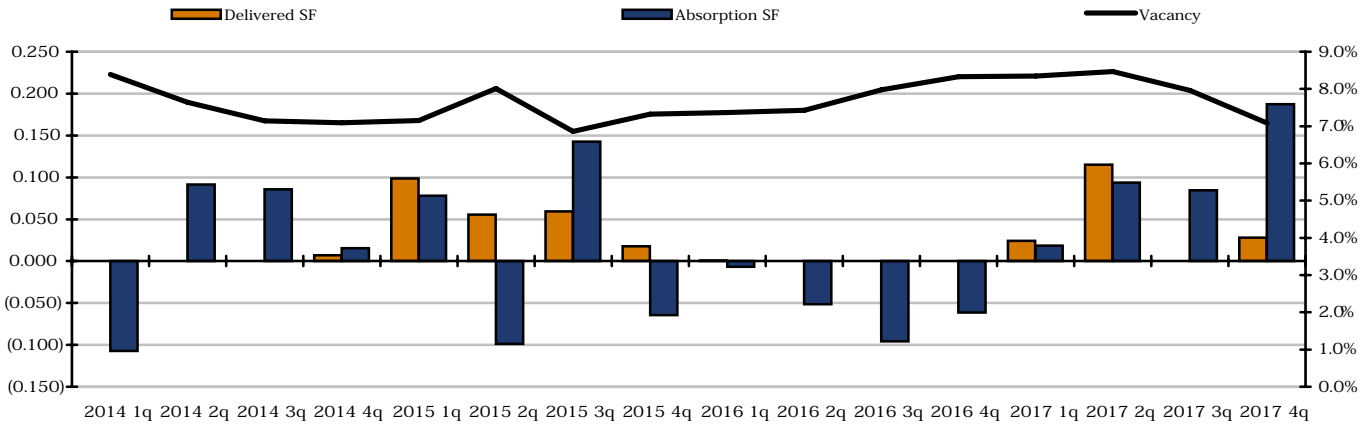
# Phoenix Retail Market

## North Scottsdale Market

Market Highlights - Class "A, B & C"

### Deliveries, Absorption & Vacancy

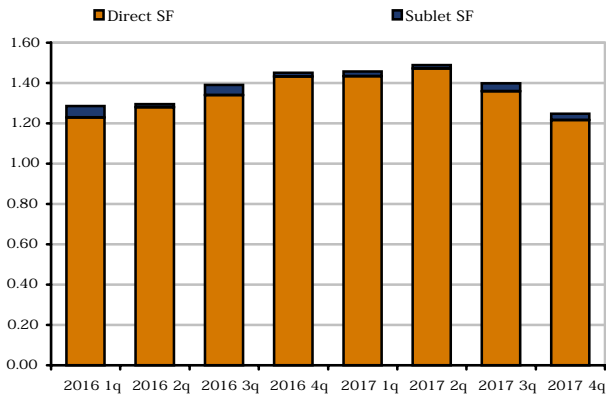
Historical Analysis, All Classes



Source: CoStar Property®

### Vacant Space

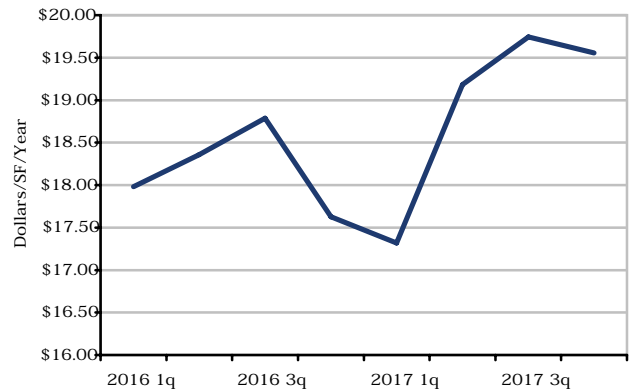
Historical Analysis, All Classes



Source: CoStar Property®

### Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 4q	825	17,599,560	1,246,954	7.1%	187,372	2	27,931	2	59,728	\$19.56
2017 3q	823	17,571,629	1,398,615	8.0%	84,434	0	0	3	72,055	\$19.74
2017 2q	824	17,577,129	1,488,549	8.5%	93,805	9	114,994	3	72,055	\$19.18
2017 1q	814	17,452,135	1,457,360	8.4%	18,396	3	24,281	13	197,049	\$17.32
2016 4q	811	17,427,854	1,451,475	8.3%	(61,348)	0	0	14	157,275	\$17.63
2016 3q	811	17,427,854	1,390,127	8.0%	(95,633)	0	0	10	91,048	\$18.79
2016 2q	811	17,427,854	1,294,494	7.4%	(51,379)	0	0	5	42,316	\$18.36
2016 1q	812	17,471,231	1,286,492	7.4%	(6,921)	1	600	3	24,281	\$17.98
2015 4q	811	17,470,631	1,278,971	7.3%	(64,434)	2	17,613	2	12,261	\$17.84
2015 3q	809	17,453,018	1,196,924	6.9%	142,455	1	59,500	4	29,874	\$18.89
2015 2q	810	17,516,989	1,403,350	8.0%	(98,764)	7	55,685	4	88,774	\$18.25
2015 1q	803	17,461,304	1,248,901	7.2%	78,262	5	98,639	9	119,785	\$18.66
2014 4q	799	17,366,197	1,232,056	7.1%	15,466	2	6,939	13	196,722	\$18.85
2014 3q	797	17,359,258	1,240,583	7.1%	85,682	0	0	13	189,733	\$19.23
2014 2q	797	17,359,258	1,326,265	7.6%	91,363	0	0	11	125,033	\$18.25
2014 1q	798	17,401,098	1,459,468	8.4%	(107,341)	0	0	2	44,118	\$17.69

Source: CoStar Property®

# Phoenix Retail Market

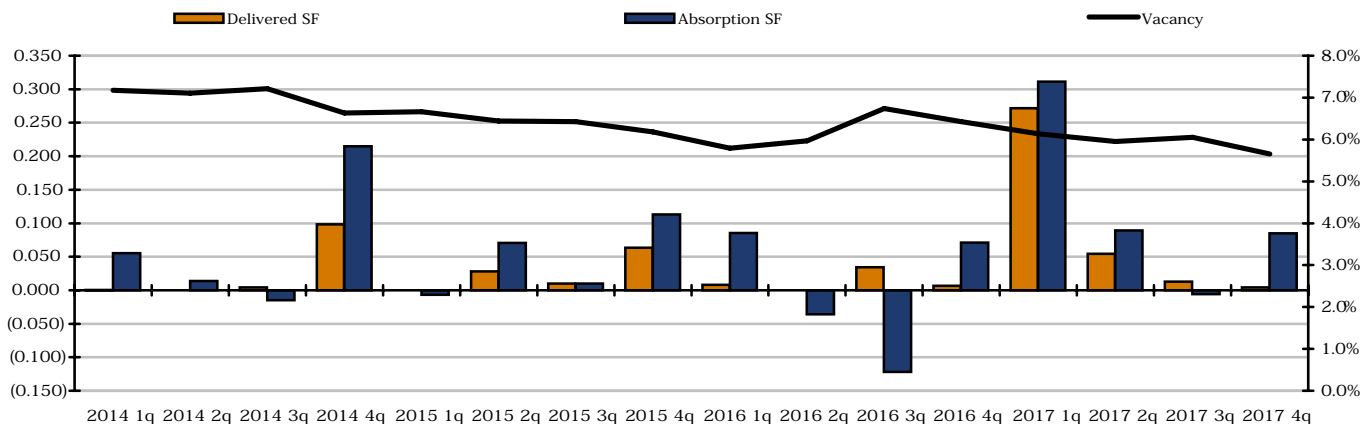


## Northwest Phoenix Market

Market Highlights - Class "A, B & C"

### Deliveries, Absorption & Vacancy

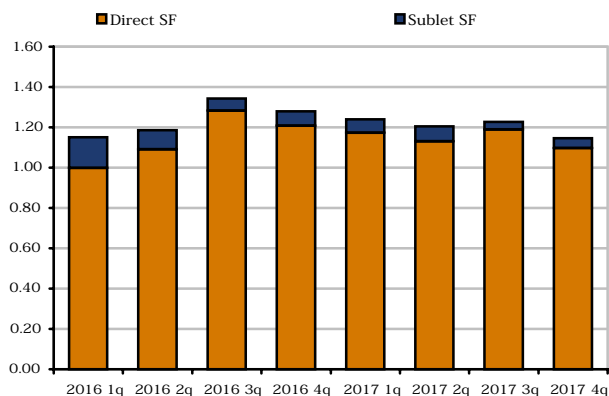
Historical Analysis, All Classes



Source: CoStar Property®

### Vacant Space

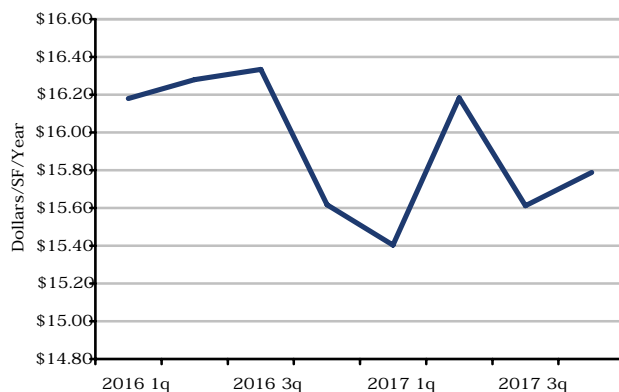
Historical Analysis, All Classes



Source: CoStar Property®

### Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 4q	1,008	20,261,755	1,145,695	5.7%	84,965	1	4,024	4	31,179	\$15.79
2017 3q	1,007	20,257,731	1,226,636	6.1%	(5,963)	3	13,014	4	27,724	\$15.61
2017 2q	1,003	20,241,517	1,204,459	6.0%	89,250	8	54,455	6	30,238	\$16.18
2017 1q	995	20,187,062	1,239,254	6.1%	311,483	6	271,623	12	71,979	\$15.40
2016 4q	989	19,915,439	1,279,114	6.4%	71,111	2	6,600	15	333,578	\$15.62
2016 3q	988	19,907,535	1,342,321	6.7%	(121,985)	4	34,111	9	297,635	\$16.33
2016 2q	984	19,873,424	1,186,225	6.0%	(35,729)	0	0	10	307,595	\$16.28
2016 1q	984	19,873,424	1,150,496	5.8%	85,274	2	8,060	3	26,169	\$16.18
2015 4q	982	19,865,364	1,227,710	6.2%	113,078	3	63,657	2	8,060	\$16.10
2015 3q	979	19,796,144	1,271,568	6.4%	9,745	3	9,812	5	79,625	\$16.18
2015 2q	977	19,789,421	1,274,590	6.4%	70,705	2	28,047	6	80,122	\$15.86
2015 1q	975	19,761,374	1,317,248	6.7%	(6,524)	0	0	5	37,859	\$16.22
2014 4q	975	19,761,374	1,310,724	6.6%	214,944	2	98,500	3	29,797	\$16.37
2014 3q	972	19,652,874	1,417,168	7.2%	(14,775)	1	4,100	4	110,250	\$16.59
2014 2q	971	19,646,140	1,395,659	7.1%	13,905	0	0	3	103,979	\$16.73
2014 1q	971	19,646,140	1,409,564	7.2%	55,258	1	425	3	103,979	\$16.40

Source: CoStar Property®



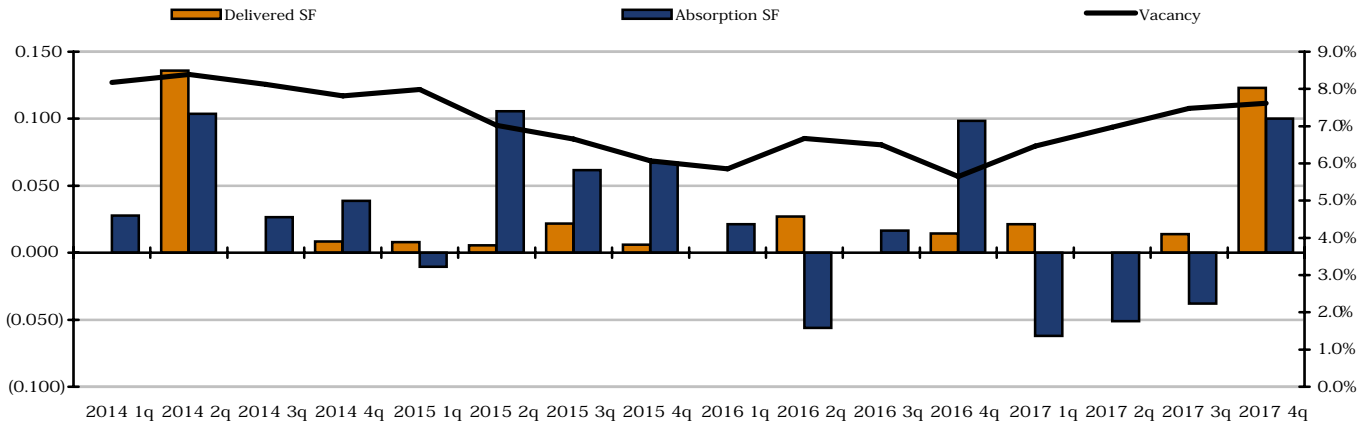
# Phoenix Retail Market

## Pinal County Market

Market Highlights - Class "A, B & C"

### Deliveries, Absorption & Vacancy

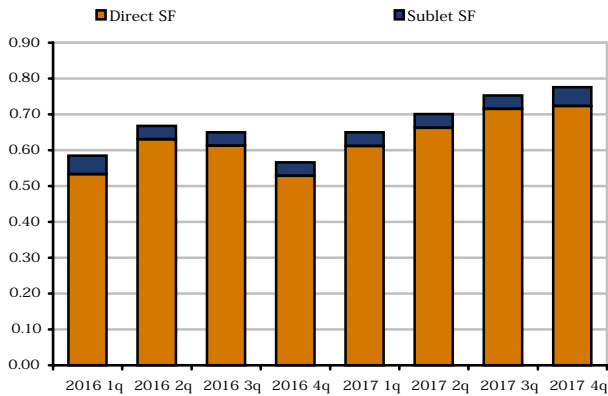
### Historical Analysis, All Classes



Source: CoStar Property®

### Vacant Space

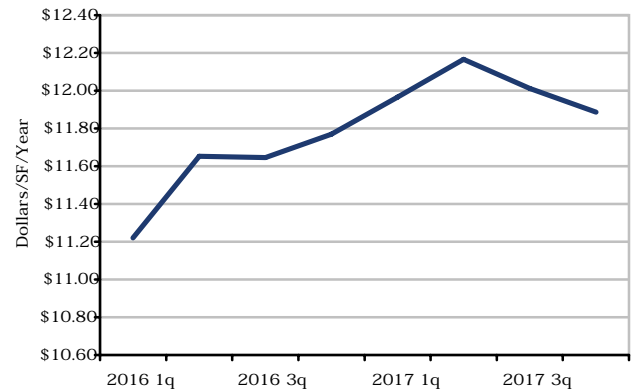
### Historical Analysis, All Classes



Source: CoStar Property®

### Quoted Rental Rates

### Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 4q	977	10,186,646	775,448	7.6%	100,022	1	123,000	3	139,750	\$11.89
2017 3q	976	10,063,646	752,470	7.5%	(37,915)	1	14,000	3	256,750	\$12.01
2017 2q	975	10,049,646	700,555	7.0%	(50,941)	0	0	2	137,000	\$12.17
2017 1q	975	10,049,646	649,614	6.5%	(62,115)	4	21,231	2	137,000	\$11.97
2016 4q	971	10,028,415	566,268	5.6%	98,485	2	14,400	4	21,231	\$11.77
2016 3q	969	10,014,015	650,353	6.5%	16,445	0	0	5	29,608	\$11.65
2016 2q	970	10,015,095	667,878	6.7%	(55,958)	2	26,970	2	12,206	\$11.65
2016 1q	968	9,988,125	584,950	5.9%	21,377	0	0	2	26,970	\$11.22
2015 4q	968	9,988,125	606,327	6.1%	67,233	1	6,100	1	11,370	\$10.84
2015 3q	967	9,978,791	664,226	6.7%	61,729	1	21,702	2	12,834	\$11.46
2015 2q	965	9,951,827	698,991	7.0%	105,550	2	5,616	3	33,698	\$11.41
2015 1q	962	9,941,487	794,201	8.0%	(10,545)	1	7,844	5	37,304	\$10.61
2014 4q	961	9,933,643	775,812	7.8%	38,747	1	8,320	3	14,568	\$10.73
2014 3q	960	9,925,323	806,239	8.1%	26,498	0	0	2	16,164	\$9.84
2014 2q	960	9,925,323	832,737	8.4%	103,652	1	136,000	0	0	\$10.30
2014 1q	959	9,789,323	800,389	8.2%	27,839	0	0	1	136,000	\$10.38

Source: CoStar Property®

# Phoenix Retail Market

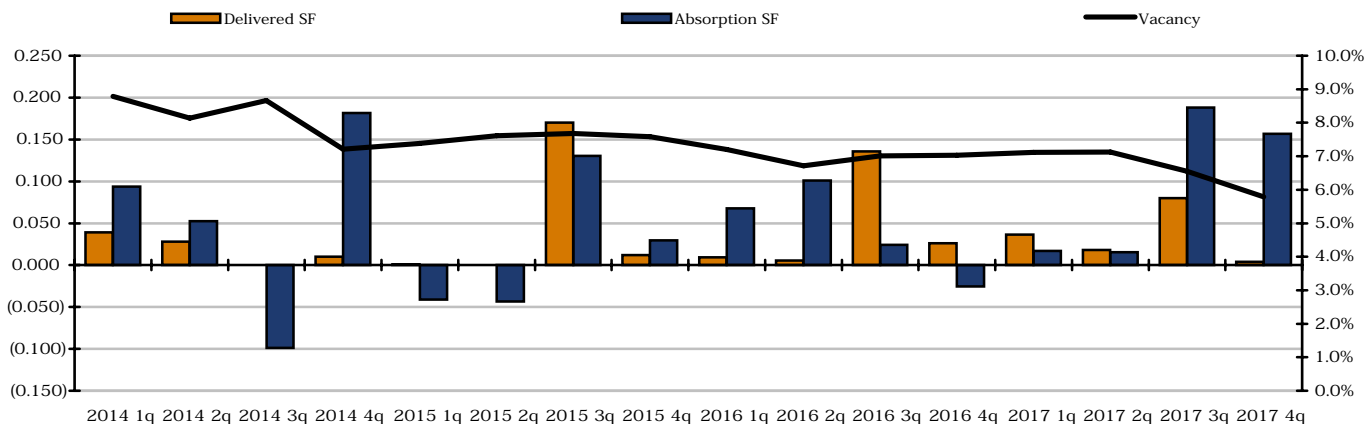


## Scottsdale Market

Market Highlights - Class "A, B & C"

### Deliveries, Absorption & Vacancy

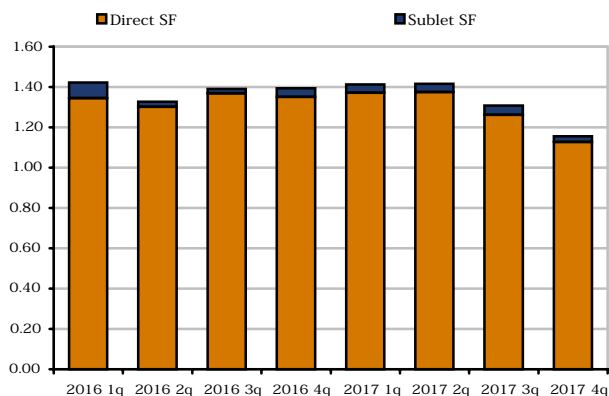
Historical Analysis, All Classes



Source: CoStar Property®

### Vacant Space

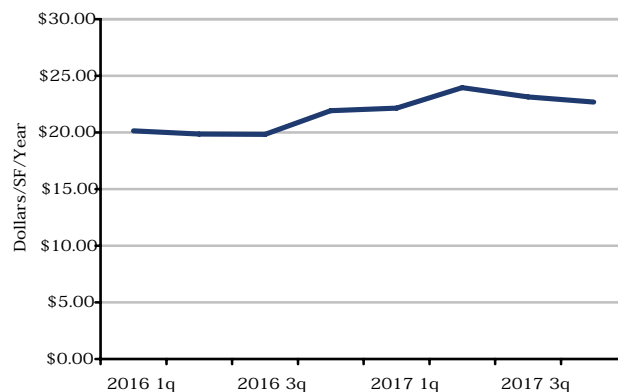
Historical Analysis, All Classes



Source: CoStar Property®

### Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 4q	1,276	19,948,540	1,154,772	5.8%	156,625	1	4,046	15	166,940	\$22.68
2017 3q	1,275	19,944,494	1,307,351	6.6%	188,128	1	80,000	16	170,986	\$23.13
2017 2q	1,274	19,864,494	1,415,479	7.1%	15,610	2	18,286	16	241,986	\$23.95
2017 1q	1,272	19,846,208	1,412,803	7.1%	16,803	7	36,492	6	144,406	\$22.14
2016 4q	1,265	19,809,716	1,393,114	7.0%	(25,409)	3	26,247	11	138,824	\$21.92
2016 3q	1,265	19,832,588	1,390,577	7.0%	24,392	5	135,916	12	81,025	\$19.84
2016 2q	1,262	19,744,032	1,326,413	6.7%	100,930	1	5,400	10	178,163	\$19.87
2016 1q	1,261	19,738,632	1,421,943	7.2%	67,750	3	9,404	8	164,316	\$20.14
2015 4q	1,261	19,745,640	1,496,701	7.6%	29,609	2	11,802	7	132,359	\$20.82
2015 3q	1,259	19,733,838	1,514,508	7.7%	130,243	3	170,189	6	44,706	\$20.57
2015 2q	1,259	19,578,659	1,489,572	7.6%	(43,269)	0	0	5	181,991	\$20.27
2015 1q	1,259	19,578,659	1,446,303	7.4%	(41,071)	1	760	3	170,189	\$19.92
2014 4q	1,260	19,586,731	1,413,304	7.2%	181,492	2	10,092	1	760	\$19.84
2014 3q	1,267	19,698,244	1,706,309	8.7%	(98,744)	0	0	3	10,852	\$21.84
2014 2q	1,267	19,694,107	1,603,428	8.1%	52,587	3	28,188	3	16,560	\$21.40
2014 1q	1,268	19,775,325	1,737,233	8.8%	93,689	3	39,257	4	34,656	\$21.04

Source: CoStar Property®



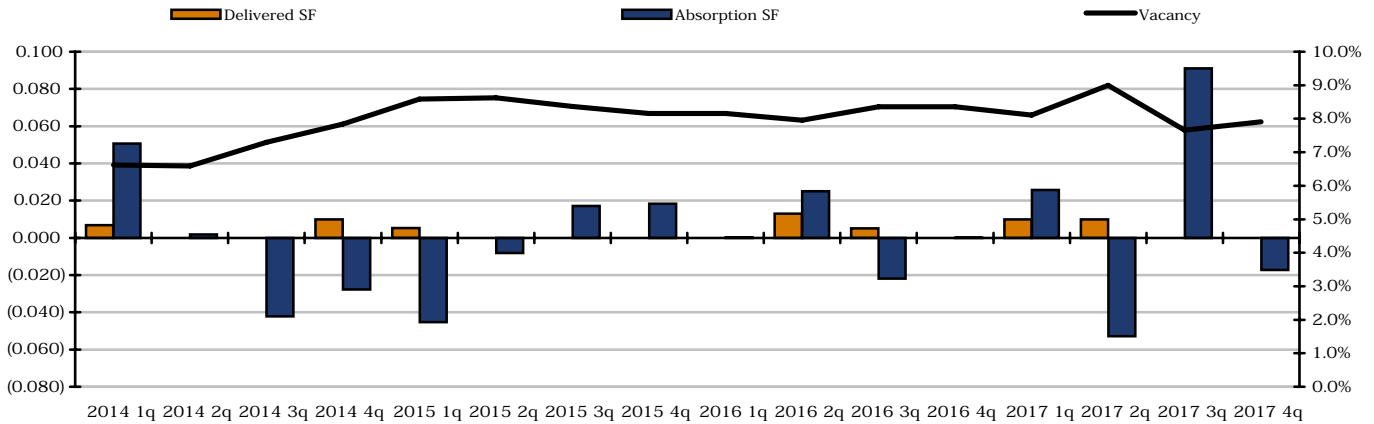
# Phoenix Retail Market

South Mountain Market

Market Highlights - Class "A, B & C"

## Deliveries, Absorption & Vacancy

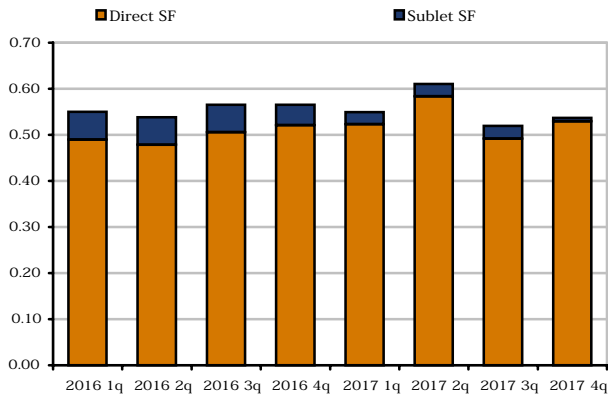
Historical Analysis, All Classes



Source: CoStar Property®

## Vacant Space

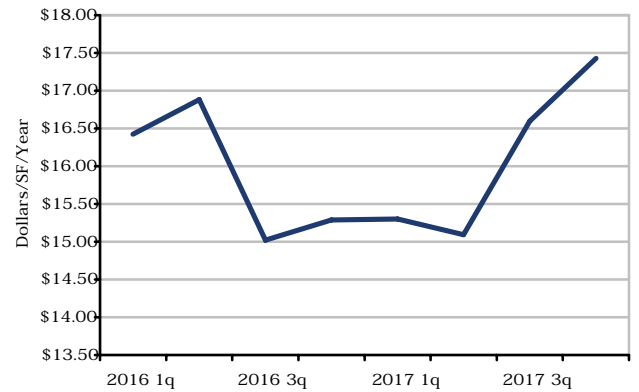
Historical Analysis, All Classes



Source: CoStar Property®

## Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 4q	359	6,782,707	536,617	7.9%	(17,207)	0	0	2	11,500	\$17.43
2017 3q	359	6,782,707	519,410	7.7%	91,019	0	0	1	4,500	\$16.60
2017 2q	359	6,782,707	610,429	9.0%	(52,839)	1	10,000	0	0	\$15.09
2017 1q	359	6,774,432	549,315	8.1%	25,650	3	9,929	1	10,000	\$15.30
2016 4q	356	6,764,503	565,036	8.4%	166	0	0	4	19,929	\$15.29
2016 3q	356	6,764,503	565,202	8.4%	(21,949)	2	5,157	2	4,774	\$15.02
2016 2q	354	6,759,346	538,096	8.0%	25,067	2	12,993	2	5,157	\$16.88
2016 1q	352	6,746,353	550,170	8.2%	204	0	0	4	18,150	\$16.42
2015 4q	352	6,746,353	550,374	8.2%	18,422	0	0	2	12,993	\$16.39
2015 3q	351	6,741,665	564,108	8.4%	17,064	0	0	2	12,176	\$17.23
2015 2q	351	6,741,665	581,172	8.6%	(8,197)	0	0	2	12,176	\$16.89
2015 1q	352	6,748,165	579,475	8.6%	(45,232)	1	5,241	0	0	\$16.44
2014 4q	351	6,742,924	529,002	7.8%	(27,761)	2	9,961	1	5,241	\$17.05
2014 3q	349	6,732,963	491,280	7.3%	(42,250)	0	0	3	15,202	\$17.21
2014 2q	348	6,727,191	443,258	6.6%	1,893	0	0	2	8,733	\$17.61
2014 1q	348	6,727,191	445,151	6.6%	50,658	2	6,894	2	8,733	\$16.78

Source: CoStar Property®

# Phoenix Retail Market

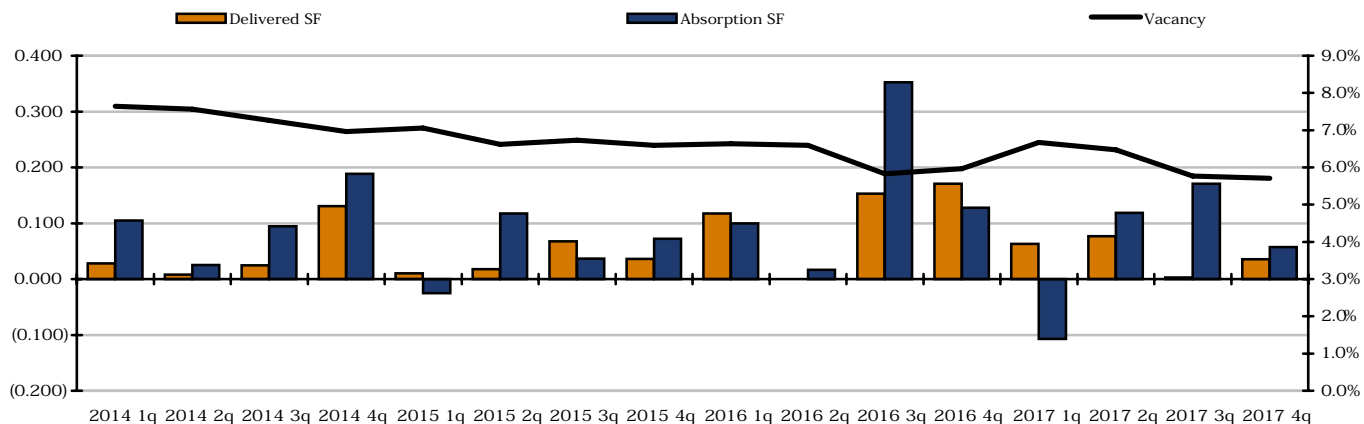


## West Phoenix Market

Market Highlights - Class "A, B & C"

### Deliveries, Absorption & Vacancy

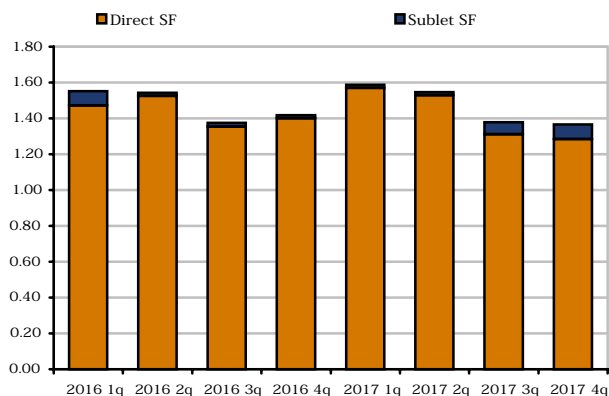
Historical Analysis, All Classes



Source: CoStar Property®

### Vacant Space

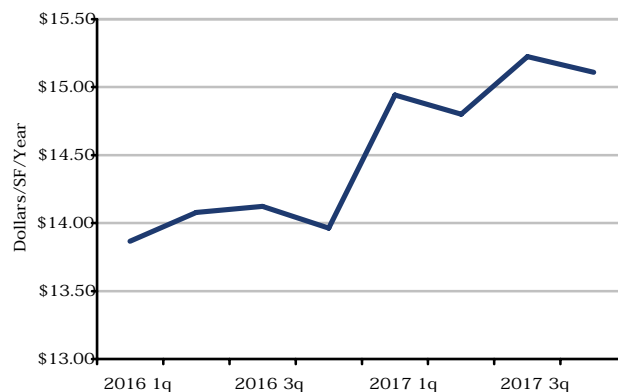
Historical Analysis, All Classes



Source: CoStar Property®

### Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 4q	1,501	23,936,910	1,366,349	5.7%	57,393	5	35,623	2	142,570	\$15.11
2017 3q	1,495	23,891,437	1,378,269	5.8%	170,491	1	3,000	8	188,043	\$15.23
2017 2q	1,494	23,888,437	1,545,760	6.5%	118,715	4	76,940	8	66,973	\$14.80
2017 1q	1,490	23,811,497	1,587,535	6.7%	(107,035)	6	63,202	9	128,303	\$14.94
2016 4q	1,484	23,748,295	1,417,298	6.0%	127,632	11	170,809	8	110,142	\$13.96
2016 3q	1,473	23,577,486	1,374,121	5.8%	352,355	6	152,798	17	275,004	\$14.12
2016 2q	1,466	23,394,071	1,543,061	6.6%	16,529	0	0	18	403,019	\$14.08
2016 1q	1,464	23,385,811	1,551,330	6.6%	99,801	4	117,541	12	324,028	\$13.87
2015 4q	1,460	23,268,270	1,533,590	6.6%	71,987	5	36,327	8	276,056	\$13.70
2015 3q	1,454	23,226,538	1,563,845	6.7%	36,745	4	67,558	11	185,528	\$13.40
2015 2q	1,450	23,158,980	1,533,032	6.6%	117,438	3	17,802	9	172,097	\$12.68
2015 1q	1,447	23,141,178	1,632,668	7.1%	(25,098)	3	10,487	9	169,844	\$12.68
2014 4q	1,447	23,145,359	1,611,751	7.0%	188,401	6	130,849	6	56,602	\$12.85
2014 3q	1,442	23,017,236	1,672,029	7.3%	94,552	2	24,716	10	172,762	\$13.13
2014 2q	1,439	22,990,495	1,739,840	7.6%	25,125	2	8,061	9	183,157	\$13.34
2014 1q	1,437	22,982,434	1,756,904	7.6%	104,655	2	28,002	5	86,793	\$13.32

Source: CoStar Property®