



COMMERCIAL PROPERTIES INC.

Locally Owned. Globally Connected.



PHOENIX METRO | INDUSTRIAL 4Q 2017

RESEARCH & MARKET REPORT

Transactions

Commercial Properties Incorporated (CPI) completed **202** Industrial transactions for a total of **1.087 million square feet** at the end of fourth quarter 2017. The top CPI Industrial transactions for the quarter were the 151,112 SF sale of a portfolio deal for \$12.3 million in **Tempe, AZ**, and the 34,470 SF sale of 2210 S. Roosevelt Street, for \$3.375 million in Tempe, AZ.

Vacancy Rate & Absorption

The Phoenix Industrial market ended fourth quarter 2017 with a vacancy rate of **7.8%**. This is a **12.3% decrease** from the 8.9% vacancy rate reported last quarter. Net absorption ended up at a positive **2,684,912 square feet** at the end of fourth quarter 2017. Absorption was up compared to last quarter's net absorption previously reported at positive 2,414,335 square feet. The vacant sublease space in the Phoenix market ended the fourth quarter 2017 at 1,076,489 square feet. This is an increase from last quarter which was previously reported at 858,139 square feet of vacant sublease space.

The figures above include buildings that are owner occupied as well, which affects the actual vacancy numbers. Check with your CPI broker for an accurate representation of the vacancy rates in the submarket around your properties.

Rental Rates

The Industrial rental rates for fourth quarter 2017 averaged out at **\$7.21**, which is a slight decrease of **0.277%** from the \$7.23 average previously quoted for third quarter 2017. The Flex rental rate average was **\$12.65** with the average Warehouse rental rates at **\$6.47** at the end of fourth quarter. Last quarter, the average rates were \$12.70 for Flex and \$6.43 for Warehouse.



Vacancy

DOWN to **7.8%**
from 8.9% in Q3
Net Absorption
+2,684,912 SF



Rental Rates

DOWN to **\$7.21** Avg
Compared to \$7.23 Q3



CAP Rates

UP - Averaging **6.90%**
Compared to 6.85%
Avg Q3 2017

Visit Our Property Search
Page Online:

[SEARCH PROPERTIES](#)

