



Phoenix, AZ

Office

25Q1

Key Takeaways

- Rental rates in Class A assets increased 2.27% Y-o-Y to \$33.85/SF
- Sublease availability continues to decline, falling 94,928 square feet from the previous quarter
- Direct vacancy increased 50 bps Y-o-Y ending at 15.6 percent



Vacancy Rate
15.60%



Net Absorption
(96)K SF
(in thousands)



Under Construction
647K SF
(in thousands)



Overall Asking Lease Rates (FSG)
\$29.68/SF



Q1 2025

Two underperforming office properties were purchased by developers in the first quarter, to re-develop into industrial assets. Net absorption ended at -96,714 square feet, however Chandler submarket benefitted from healthy leasing velocity with 266,540 square feet net absorption. Showing positive momentum following -627,589 square feet of net absorption in 2024. Direct vacancy increased 50 bps year-over-year to 15.6 percent. Rental rates experienced slight softening, decreasing 0.90 percent compared to the previous quarter, ending at \$29.68 per square foot, while Class A rental rate increased 0.56 percent over the same period ending at \$33.85 per square foot.

Market Indicators



3.6%
Unemployment Rate (Feb-25)



2.92%
GDP - Quarterly % change yr/yr

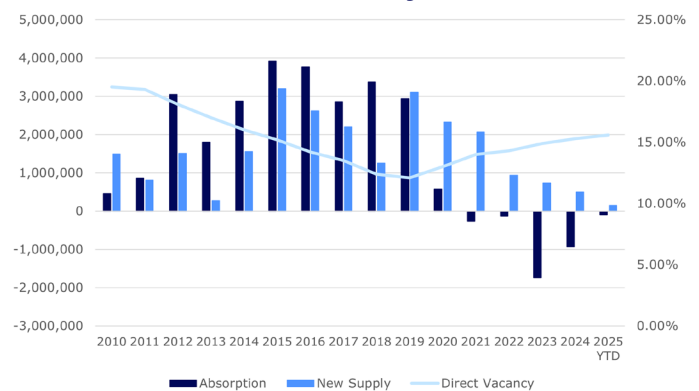


4.330%
U.S. 10 Year Treasury Note

Historic Comparison

	24 Q1	24 Q4	25 Q1
Total Inventory (in Thousands of SF)	164,568	164,626	163,524
New Supply (in Thousands of SF)	39	115	149
Net Absorption (in Thousands of SF)	(572)	358	(96)
Direct Vacancy	15.1%	15.3%	15.6%
Under Construction (in Thousands of SF)	711	789	647
Overall Asking Lease Rates	\$29.87	\$29.95	\$29.68

Historical Absorption, Deliveries and Vacancy Rates



Lease Transactions



Shamrock Farms
Esplanade I
2425 E Camelback Rd
Direct / New
Camelback Corridor | 60k SF



Vensure HR
Allred Park Place 7
1475 S Price Rd
Expansion/Renewal
Chandler | 50k SF



Invitation Homes
Chandler 202
2525 W Frye Rd
Direct / New
Chandler | 47k SF

Sale Transactions

Property Name/Property Address	Submarket	Sale Date	Sale Price	Size SF	Sale Price SF	Class
Copper Point/3530 S Val Vista dr	Gateway Airport/ Loop 202	3/21	\$36,000,000	93,262	\$386	A
The Forum at Gilbert Ranch (5 bldgs)1530 E Williams Field Rd	Gateway Airport/ Loop 202	2/28	\$23,475,000	96,214	\$244	A
Amkor HQ/2045 E Innovation Cir	South Tempe/ Ahwatukee	3/20	\$22,050,000	97,504	\$226	A



Executive Summary

Q1 2025

The Phoenix economy continues to attract multiple historic announcements of capital investments. Shortly after completion of phase I, TSMC and President Trump announced in March an additional expansion of their operations in North Phoenix of \$100 billion to build three additional semiconductor fabs, as well as two advanced packaging facilities. This fell on the heels of Mayo Clinic committing a \$1.9 billion investment to transform its Phoenix campus. The diverse ecosystem of metro Phoenix's economy is strategically positioned to fuel economic growth.

As of February 2025, Phoenix metro had contracted Total Nonfarm jobs by 7,900 employees compared to February 2024, which represents a 0.32 percent decrease. The Information supersector jobs decreased 6.15 percent, Professional and Business Services decreased 2.7 percent during the same period.

The Phoenix office market ended the first quarter of 2025 with strong leasing activity, however expiring sublease space combined with tenant move-outs landed the quarter at negative 96,714 square feet of net absorption. Direct vacancy increased 30 bps quarter-over-quarter and 50 bps year-over-year to 15.6 percent. During the last four consecutive quarters sublease availability decreased, with 6.6 million square feet currently available, declining 1.1 million square feet compared to the first quarter of 2024. Overall rental rates posted a small decrease year-over-year,

declining 0.64 percent ending at \$29.68 per square foot. Class A assets captured the largest gain year-over-year, increasing 2.27 percent to \$33.85 per square foot. New deliveries totaled 149,177 square feet, with an additional 647,164 square feet currently under construction. Investment sales volume declined from the previous quarter, but showed strong growth year-over-year, increasing 21.4 percent, ending at \$229 million, with an average price per square foot \$208.

Outlook

The sentiment around the office environment remains very optimistic. The market continues to see a demand of owner/user occupiers looking to purchase properties, and developers looking to re-purpose properties for an alternative use. Specifically, when the purchase price is under \$100 per square foot, in high employment corridors, that allows potential upside.

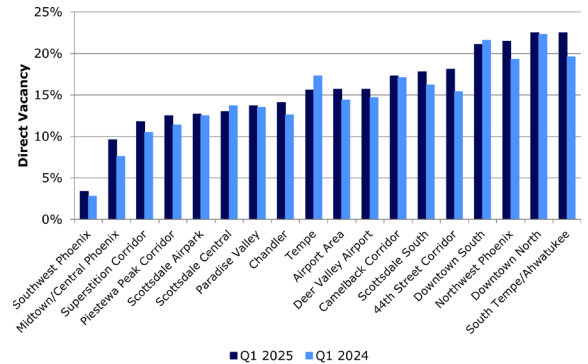
The tenants currently looking in the market require a larger footprint than in the past couple of years, with more requirements over 25,000 square feet, and even a handful of tenants looking for more than 100,000 square feet. However, deal completion is taking longer than before, primarily because of the uncertain environment created around the global implications of Tariffs announced April 2nd.

Vacancy

Vacancy in the first quarter increased 30 bps quarter-over-quarter and 50 bps year-over-year, ending at 15.6 percent. Available sublease space decreased for the quarter, reducing 94,928 square feet compared to the previous quarter. Sublease space represents 4.10 percent of the office inventory, bringing overall availability to 19.7 percent. Sublease availability is concentrated in Class A assets, which represent nearly 70 percent of total sublease space at 4.6 million square feet.

South Tempe/Ahwatukee and 44th Street Corridor had the largest increase in vacancy year-over-year, increasing 290 and 270 bps, ending at 22.5 and 18.1 percent, respectively. Resulting from strong leasing activity, Chandler submarket posted the largest decrease in vacancy from the previous quarter, dropping 150 bps, ending at 14.1 percent.

There are currently 13 office buildings in the market that have over 200,000 square feet of direct vacancy available, totaling 3.3 million square feet. These buildings represent 12.9 percent of total direct vacancy in the market. An additional 11 buildings that have 150,000 square feet of vacancies totaling 5.3 million square feet.



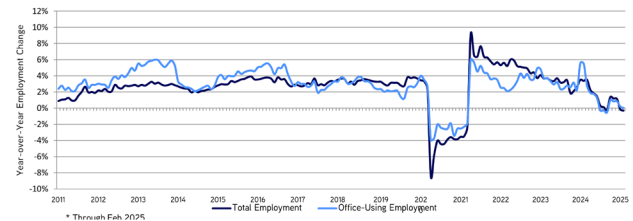
Absorption and Leasing

Despite great leasing activity in the first quarter, net absorption ended at a negative value of -96,714 square feet. This was largely due to two large move-outs in South Tempe/Ahwatukee and 44th Street Corridor totaling 271,465 square feet.

Leasing activity in the Chandler submarket led the entire market, with three new deals signed over 30,000 square feet totaling 137,165 square feet. Vensure Employer Services expanded by 50,496 square feet and now occupies the entire building at Allred Park Place – Building 7, with a 13-year renewal. Invitation Homes signed a lease for 47,435 square feet at Chandler 202, and Progressive Insurance is expanding by 39,234 square feet at The Reserve at San Tan.

The largest lease of the quarter was Shamrock Foods taking 60,855 square feet at The Esplanade I. The tenant is relocating within the Camelback Corridor submarket and downsizing 16,088 square feet. A portion of the space Shamrock Farm's leased was previously occupied by WeWork and the company will take occupancy in 2026.

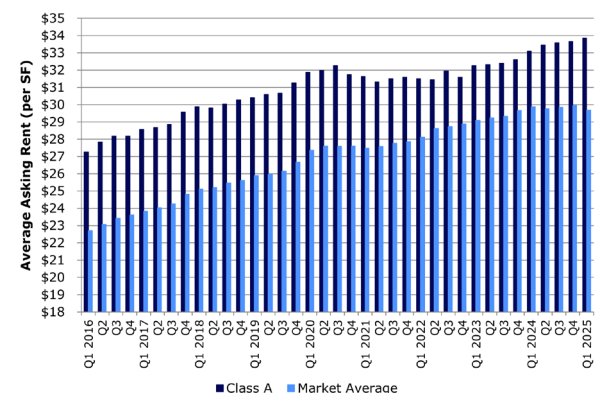
The largest sublease signed of the quarter was expansion by LPL Financial at Marina Heights, taking 42,373 square feet. This is followed by YREFY signing for 38,984 square feet at 6811 E. Mayo Blvd. from Republic Services, and Flexi-Van Leasing signing for 34,057 square feet at 8377 E. Hartford Dr., from PF Changs.



Rental Rates

Overall office rental rates moderately softened during the first quarter, posting a decrease of 0.90 percent quarter-over-quarter, and a decrease of 0.64 percent year-over-year, ending at \$29.68 per square foot. However, Class A assets continue to show strong growth, increasing 0.56 percent quarter-over-quarter, and 2.27 percent year-over-year ending at \$33.85 per square foot. Of the 25 submarkets that Colliers monitors, 15 of them ended the first quarter with an increased rental rate year-over-year in Class A assets. Rates in Class B assets declined 1.06 percent quarter-over-quarter and 1.47 percent year-over-year ending at \$26.12 per square foot.

For the seventh consecutive quarter, Class A properties in the Camelback Corridor led the market with the highest rental rates, increasing 2.48 percent year-over-year ending at \$42.12 per square foot. Around the entire market, there are 21 Class A properties with an asking rate of \$45.00 per square foot or higher, 42 percent of which are located in Camelback Corridor.

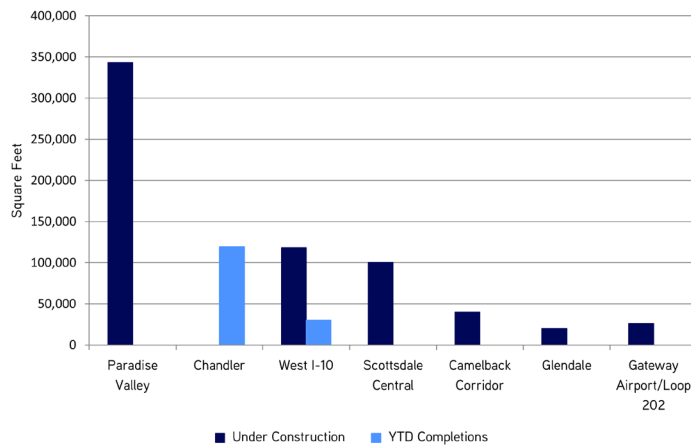


Construction

The first quarter delivered 149,177 square feet of new office inventory. The delivery of Gilbert Spectrum-Building 3 represented the majority of deliveries. The property was 100 percent leased to Northrop Grumman, bringing the company's footprint to over 460,000 square feet in five buildings within the business park.

Office construction remains at a historically low level, with only 647,164 square feet currently underway. Paradise Valley submarket makes up 53 percent of all construction in the market, within two built-to-suit projects. Republic Services' 265,000-square-foot project in City North, and Fender's new Phoenix headquarters at the re-development project at PV.

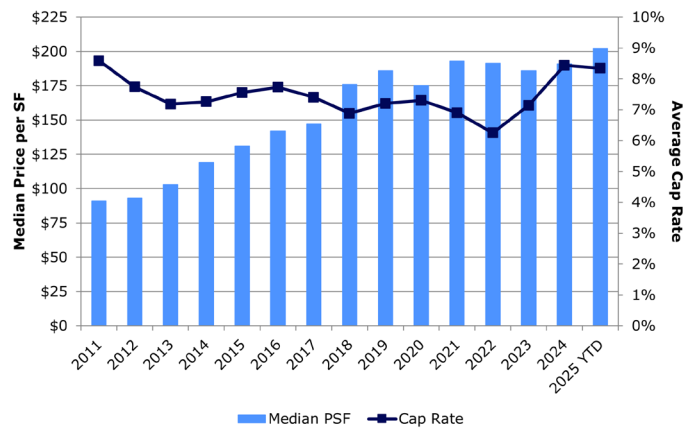
The re-development trend of developers acquiring underperforming office buildings continued during the first quarter. There were two separate acquisitions totaling 321,696 square feet of office space that were purchased by developers to re-develop the sites into industrial properties. The largest was Elliot Center, a vacant 223,392-square-foot building on 16 acres on the southeast corner of Elliot and Hardy. It was acquired by a joint venture between Creation and CrossHarbor Capital Partners with plans to demolish the existing structure to build three industrial buildings totaling 273,341 square feet for a new park called Nexus Commerce Center.



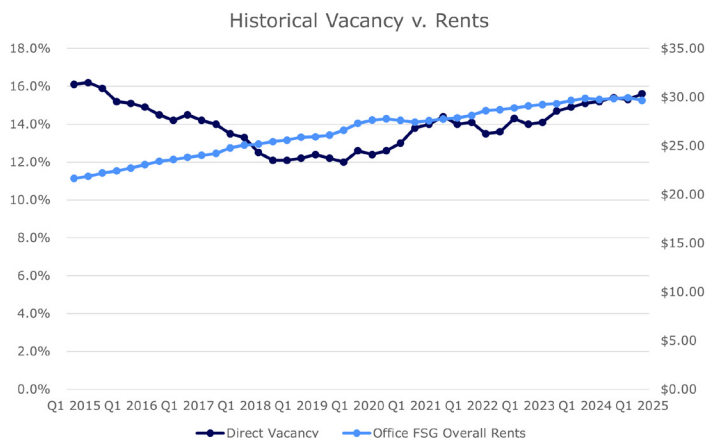
Investment Trends

Investment sales volume during the first quarter fell 58.9 percent compared to the previous quarter, but showed positive growth year-over-year, increasing 21.4 percent, ending at \$229.7 million. Average price per square foot declined 7.01 percent quarter-over-quarter to \$208 per square foot. Gateway Airport/Loop 202 submarket ended the quarter with the highest sales volume at \$59.4 million. This volume was driven by the sale of Copper Point, which sold in March 2025 for \$36 million.

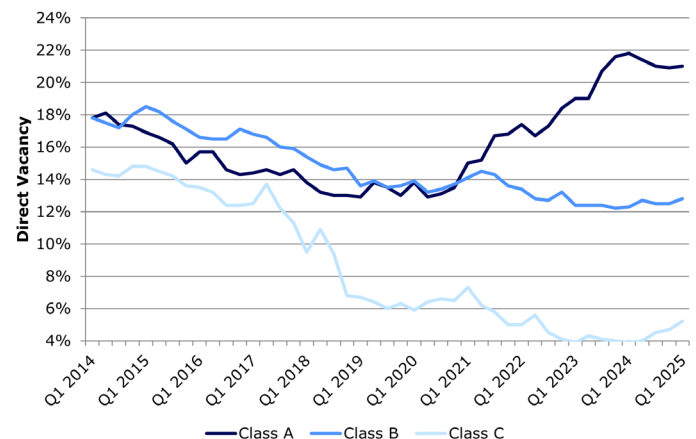
The 93,262-square-foot asset was traded from RX Health & Science Trust to Transwestern Investment Group, and was 87 percent leased at the time of sale. This was followed by South Tempe/Ahwatukee submarket, which ended the quarter at \$49.9 million in sales volume. Sales volume in this submarket was led by the acquisition of Amkor Technologies headquarters at ASU Research Park. The 97,504-square-foot property sold for \$22.05 million from Strategic Office Partners to Newstreet Properties on a ground lease. In 2024 Amkor renewed its lease for 10 years.



Vacancy vs. Rental Rate



Vacancy by Class





Existing Properties		Direct Vacancy		Sublease Availability		Total Vacancy		Net Absorption - SF		New Supply - SF		Under Constr.	Average Rent
Building Class	Total Inventory SF	SF	Rate	SF	Rate	Q1-25 Availability	Q1-24 Direct Vacancy	Current Period	YTD	Current Period	YTD	SF	Rate (fs)
CENTRAL BUSINESS DISTRICT													
Downtown North													
A	6,508,284	1,912,433	29.4%	84,425	1.3%	30.7%	25.7%	39,608	39,608	-	-	-	\$26.98
B	5,061,354	744,534	14.7%	18,675	0.4%	15.1%	13.3%	(12,552)	(12,552)	-	-	-	\$22.59
C	874,670	148,360	17.0%	-	0.0%	17.0%	7.4%	(40,209)	(40,209)	-	-	-	\$24.10
TOTAL	12,444,308	2,805,327	22.5%	103,100	0.8%	23.4%	19.4%	(13,153)	(13,153)	-	-	-	\$26.04
Downtown South													
A	5,999,856	1,975,117	32.9%	343,647	5.7%	38.6%	35.1%	(1,259)	(1,259)	-	-	-	\$32.69
B	3,387,342	221,772	6.5%	-	0.0%	6.5%	6.0%	29,540	29,540	-	-	-	\$27.92
C	1,011,121	605	0.1%	-	0.0%	0.1%	0.1%	1,285	1,285	-	-	-	\$21.05
TOTAL	10,398,319	2,197,494	21.1%	343,647	3.3%	24.4%	23.1%	29,566	29,566	-	-	-	\$32.60
SUBURBAN													
44th St. Corridor													
A	2,058,957	493,564	24.0%	130,799	6.4%	30.3%	18.2%	(142,205)	(142,205)	-	-	-	\$27.83
B	1,544,861	189,546	12.3%	8,156	0.5%	12.8%	13.4%	20,902	20,902	-	-	-	\$26.13
C	268,061	16,804	6.3%	-	0.0%	6.3%	5.0%	250	250	-	-	-	\$21.65
TOTAL	3,871,879	699,914	18.1%	138,955	3.6%	21.7%	14.0%	(121,053)	(121,053)	-	-	-	\$27.23
Airport Area													
A	2,225,045	189,536	8.5%	560,459	25.2%	33.7%	10.2%	(36,617)	(36,617)	-	-	-	\$26.41
B	3,894,503	827,946	21.3%	13,968	0.4%	21.6%	10.8%	(8,189)	(8,189)	-	-	-	\$23.00
C	410,447	8,433	2.1%	-	0.0%	2.1%	2.0%	868	868	-	-	-	\$13.02
TOTAL	6,529,995	1,025,915	15.7%	574,427	8.8%	24.5%	12.7%	(43,938)	(43,938)	-	-	-	\$24.10
Arrowhead													
A	573,983	39,164	6.8%	1,800	0.3%	7.1%	6.4%	(11,035)	(11,035)	-	-	-	\$34.25
B	2,588,791	244,790	9.5%	34,104	1.3%	10.8%	7.4%	(32,177)	(32,177)	-	-	-	\$29.44
C	219,348	23,653	10.8%	-	0.0%	10.8%	10.4%	3,452	3,452	-	-	-	\$22.34
TOTAL	3,382,122	307,607	9.1%	35,904	1.1%	10.2%	7.5%	(39,760)	(39,760)	-	-	-	\$30.12
Camelback Corridor													
A	6,473,970	1,230,172	19.0%	214,258	3.3%	22.3%	18.5%	5,497	5,497	-	-	40,000	\$42.12
B	2,032,865	316,352	15.6%	13,859	0.7%	16.2%	17.0%	4,079	4,079	-	-	-	\$28.53
C	448,004	5,690	1.3%	-	0.0%	1.3%	1.5%	(760)	(760)	-	-	-	\$18.03
TOTAL	8,954,839	1,552,214	17.3%	228,117	2.5%	19.9%	16.6%	8,816	8,816	-	-	40,000	\$38.37
Chandler													
A	4,931,283	722,444	14.7%	435,316	8.8%	23.5%	11.9%	200,408	200,408	119,177	119,177	-	\$32.95
B	6,231,163	859,146	13.8%	545,393	8.8%	22.5%	11.6%	66,653	66,653	-	-	-	\$25.54
C	163,964	19,547	11.9%	-	0.0%	11.9%	8.2%	(521)	(521)	-	-	-	\$20.47
TOTAL	11,326,410	1,601,137	14.1%	980,709	8.7%	22.8%	11.3%	266,540	266,540	119,177	119,177	-	\$28.88
Deer Valley Airport													
A	4,819,395	734,620	15.2%	423,507	8.8%	24.0%	11.1%	21,750	21,750	-	-	-	\$28.24
B	5,789,984	940,969	16.3%	380,629	6.6%	22.8%	12.7%	(47,168)	(47,168)	-	-	-	\$25.60
C	113,493	4,462	3.9%	-	0.0%	3.9%	1.8%	(1,707)	(1,707)	-	-	-	\$22.13
TOTAL	10,722,872	1,680,051	15.7%	804,136	7.5%	23.2%	9.0%	(27,125)	(27,125)	-	-	-	\$27.05

FOR MORE INFORMATION

Phillip Hernandez
Research Director
Arizona
+1 602 222 5066
phillip.hernandez@colliers.com

Bev Jensen
Regional Operations Manager
Arizona
+1 602 222 5022
bev.jensen@colliers.com



Existing Properties		Direct Vacancy		Sublease Availability		Total Vacancy		Net Absorption - SF		New Supply - SF		Under Constr.	Average Rent
Building Class	Total Inventory SF	SF	Rate	SF	Rate	Q1-25 Availability	Q124 Direct Vacancy	Current Period	YTD	Current Period	YTD	SF	Rate (fs)
SUBURBAN													
Gateway Airport/Loop 202													
A	445,294	26,857	6.0%	-	0.0%	6.0%	7.4%	4,828	4,828	-	-	-	\$37.02
B	1,185,272	60,143	5.1%	5,952	0.5%	5.6%	7.5%	(6,269)	(6,269)	-	-	26,032	\$34.29
C	37,873	-	0.0%	-	0.0%	0.0%	0.0%	2,496	2,496	-	-	-	\$16.80
TOTAL	1,668,439	87,000	5.2%	5,952	0.4%	5.6%	7.4%	1,055	1,055	-	-	26,032	\$35.54
Glendale													
A	739,337	134,408	18.2%	7,976	1.1%	19.3%	24.8%	11,948	11,948	-	-	-	\$29.41
B	1,899,939	213,138	11.2%	37,122	2.0%	13.2%	13.2%	(477)	(477)	-	-	20,000	\$26.13
C	463,450	46,731	10.1%	-	0.0%	10.1%	12.3%	7,663	7,663	-	-	-	\$19.89
TOTAL	3,102,726	394,277	12.7%	45,098	1.5%	14.2%	15.2%	19,134	19,134	-	-	20,000	\$28.17
Loop 303/Surprise													
A	416,636	-	0.0%	-	0.0%	0.0%	0.0%	0	0	-	-	-	\$34.36
B	1,469,707	126,653	8.6%	2,703	0.2%	8.8%	10.7%	15,735	15,735	-	-	-	\$29.66
C	115,130	-	0.0%	-	0.0%	0.0%	12.3%	0	0	-	-	-	-
TOTAL	2,001,473	126,653	6.3%	2,703	0.1%	6.5%	8.5%	15,735	15,735	-	-	-	\$27.90
Mesa Downtown													
A	-	-	0.0%	-	0.0%	0.0%	0.0%	0	0	-	-	-	\$-
B	743,199	46,016	6.2%	972	0.0%	6.3%	7.9%	163	163	-	-	-	\$22.75
C	254,324	15,940	6.3%	-	0.0%	6.3%	5.0%	771	771	-	-	-	\$16.60
TOTAL	997,523	61,956	6.2%	972	0.0%	6.3%	6.7%	934	934	-	-	-	\$20.76
Mesa East													
A	666,362	273,408	41.0%	10,082	1.5%	42.5%	46.5%	0	0	-	-	-	\$40.29
B	2,113,446	121,780	5.8%	19,277	0.9%	6.7%	8.0%	10,889	10,889	-	-	-	\$24.81
C	649,931	44,062	6.8%	-	0.0%	6.8%	5.0%	(13,044)	(13,044)	-	-	-	\$21.32
TOTAL	3,429,739	439,250	12.8%	29,359	0.0%	13.7%	14.7%	(2,155)	(2,155)	-	-	-	\$34.12
Midtown/Central Phoenix													
A	-	-	0.0%	-	0.0%	0.0%	0.0%	0	0	-	-	-	\$-
B	2,957,339	362,572	12.3%	32,222	1.1%	13.3%	10.3%	(19,705)	(19,705)	-	-	-	\$25.26
C	1,638,041	78,400	4.8%	18,970	0.0%	5.9%	3.4%	(2,330)	(2,330)	-	-	-	\$21.80
TOTAL	4,595,380	440,972	9.6%	51,192	1.1%	10.7%	7.2%	(22,035)	(22,035)	-	-	-	\$24.92
Northwest Phoenix													
A	1,159,264	551,959	47.6%	93,440	8.1%	55.7%	48.1%	14,653	14,653	-	-	-	\$24.74
B	5,600,346	1,197,840	21.4%	17,574	0.3%	21.7%	19.2%	(42,575)	(42,575)	-	-	-	\$21.83
C	1,958,559	120,396	6.1%	-	0.0%	6.1%	4.2%	3,096	3,096	-	-	-	\$20.54
TOTAL	8,718,169	1,870,195	21.5%	111,014	1.3%	22.7%	18.8%	(24,826)	(24,826)	-	-	-	\$23.15
Paradise Valley													
A	2,163,140	439,726	20.3%	82,642	3.8%	24.1%	23.3%	8,322	8,322	-	-	343,032	\$33.58
B	2,051,347	160,953	7.8%	8,590	0.4%	8.3%	9.9%	(767)	(767)	-	-	-	\$28.74
C	350,511	26,861	7.7%	-	0.0%	7.7%	1.3%	3,581	3,581	-	-	-	\$22.56
TOTAL	4,564,998	627,540	13.7%	91,232	2.0%	15.7%	14.3%	11,136	11,136	-	-	343,032	\$32.36

FOR MORE INFORMATION

Phillip Hernandez
Research Director
Arizona
+1 602 222 5066
phillip.hernandez@colliers.com

Bev Jensen
Regional Operations Manager
Arizona
+1 602 222 5022
bev.jensen@colliers.com



Existing Properties		Direct Vacancy		Sublease Availability		Total Vacancy		Net Absorption - SF		New Supply - SF		Under Constr.	Average Rent
Building Class	Total Inventory SF	SF	Rate	SF	Rate	Q1-25 Availability	Q1-24 Direct Vacancy	Current Period	YTD	Current Period	YTD	SF	Rate (fs)
SUBURBAN													
Piestewa Peak Corridor													
A	597,291	109,359	18.3%	110,121	18.4%	36.7%	12.3%	714	714	-	-	-	\$31.99
B	2,054,910	247,273	12.0%	47,805	2.3%	14.4%	13.2%	(11,094)	(11,094)	-	-	-	\$24.89
C	271,582	7,643	2.8%	1,368	0.5%	3.3%	2.0%	(490)	(490)	-	-	-	\$17.88
TOTAL	2,923,783	364,275	12.5%	159,294	5.4%	17.9%	10.8%	(10,870)	(10,870)	-	-	-	\$25.42
Scottsdale Airport													
A	7,065,435	1,265,978	17.9%	529,906	7.5%	25.4%	17.3%	(20,558)	(20,558)	-	-	-	\$35.79
B	6,083,679	429,109	7.1%	81,894	1.3%	8.4%	7.7%	27,457	27,457	-	-	-	\$30.84
C	261,021	6,968	2.7%	11,222	4.3%	7.0%	2.4%	0	0	-	-	-	\$23.03
TOTAL	13,410,135	1,702,055	12.7%	623,022	4.6%	17.3%	12.2%	6,899	6,899	-	-	-	\$32.94
Scottsdale Central													
A	2,718,299	477,215	17.6%	187,166	6.9%	24.4%	22.0%	(10,506)	(10,506)	-	-	100,000	\$33.54
B	5,126,272	560,462	10.9%	151,338	3.0%	13.9%	9.5%	(30,341)	(30,341)	-	-	-	\$29.44
C	165,640	2,602	1.6%	-	0.0%	1.6%	2.2%	(1,977)	(1,977)	-	-	-	\$22.47
TOTAL	8,010,211	1,040,279	13.0%	338,504	4.2%	17.2%	13.4%	(42,824)	(42,824)	-	-	100,000	\$30.64
Scottsdale South													
A	4,075,692	1,008,317	24.7%	136,997	3.4%	28.1%	22.7%	(33,854)	(33,854)	-	-	-	\$39.51
B	2,042,291	164,309	8.0%	6,376	0.3%	8.4%	12.6%	24,009	24,009	-	-	-	\$33.02
C	573,430	17,382	3.0%	-	0.0%	3.0%	5.6%	2,877	2,877	-	-	-	\$28.40
TOTAL	6,691,413	1,190,008	17.8%	143,373	2.1%	19.9%	16.0%	(6,968)	(6,968)	-	-	-	\$36.55
South Tempe/Ahwatukee													
A	1,731,808	636,430	36.7%	226,128	13.1%	49.8%	41.0%	25,509	25,509	-	-	-	\$33.49
B	4,408,538	815,370	18.5%	236,601	5.4%	23.9%	11.7%	(105,628)	(105,628)	-	-	-	\$25.33
C	437,986	30,133	6.9%	15,350	3.5%	10.4%	0.0%	(19,229)	(19,229)	-	-	-	\$20.95
TOTAL	6,578,332	1,481,933	22.5%	478,079	7.3%	29.8%	18.9%	(99,348)	(99,348)	-	-	-	\$30.03
Southwest Phoenix													
A	524,569	103,950	19.8%	-	0.0%	19.8%	19.8%	0	0	-	-	-	\$28.00
B	1,862,090	29,207	1.6%	6,159	0.3%	1.9%	0.9%	11,456	11,456	-	-	-	\$21.39
C	1,558,361	-	0.0%	-	0.0%	0.0%	0.6%	0	0	-	-	-	-
TOTAL	3,945,020	133,157	3.4%	6,159	0.2%	3.5%	3.3%	11,456	11,456	-	-	-	\$27.45
Superstition Corridor													
A	1,274,031	244,254	19.2%	65,028	5.1%	24.3%	6.6%	(31,800)	(31,800)	-	-	-	\$29.08
B	3,410,117	339,126	9.9%	15,108	0.4%	10.4%	10.9%	17,916	17,916	-	-	-	\$24.39
C	598,875	40,068	6.7%	1,295	0.2%	6.9%	7.4%	(9,084)	(9,084)	-	-	-	\$20.38
TOTAL	5,283,023	623,448	11.8%	81,431	1.5%	13.3%	10.1%	(22,968)	(22,968)	-	-	-	\$24.78
Tempe													
A	10,919,119	1,764,038	16.2%	974,202	8.9%	25.1%	20.1%	48,423	48,423	-	-	-	\$40.52
B	5,761,817	976,820	17.0%	195,471	3.4%	20.3%	18.7%	(12,384)	(12,384)	-	-	-	\$26.04
C	1,471,063	84,838	5.8%	142,190	9.7%	15.4%	4.2%	(11,409)	(11,409)	-	-	-	\$21.19
TOTAL	18,151,999	2,825,696	15.6%	1,311,863	7.2%	22.8%	17.6%	24,630	24,630	-	-	-	\$32.73

FOR MORE INFORMATION

Phillip Hernandez
Research Director
Arizona
+1 602 222 5066
phillip.hernandez@colliers.com

Bev Jensen
Regional Operations Manager
Arizona
+1 602 222 5022
bev.jensen@colliers.com

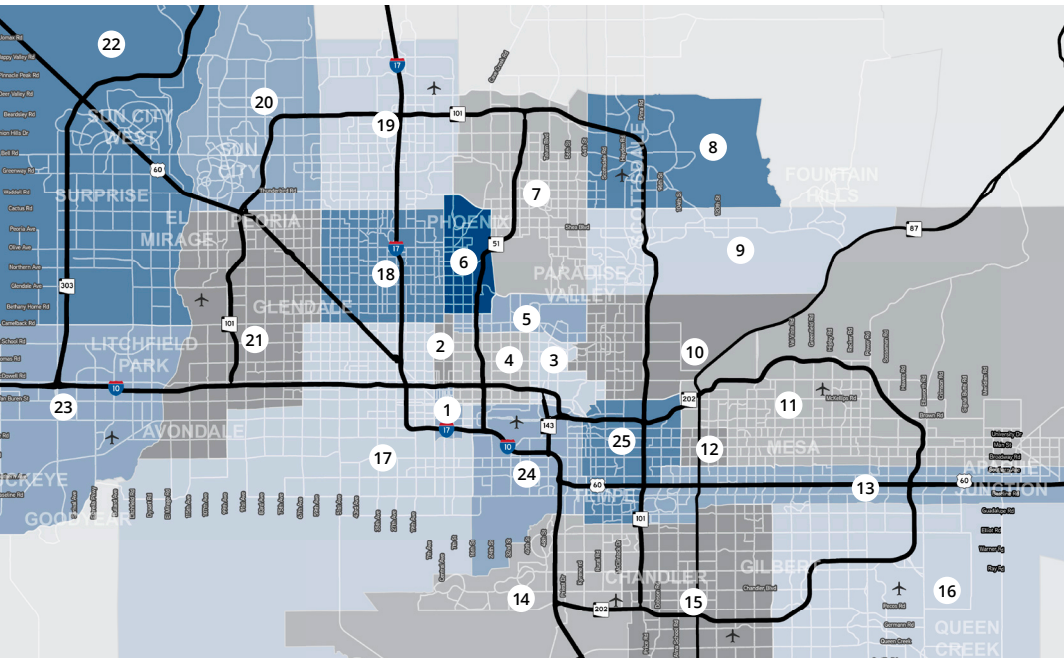
Existing Properties		Direct Vacancy		Sublease Availability		Total Vacancy		Net Absorption - SF		New Supply - SF		Under Constr.	Average Rent
Building Class	Total Inventory SF	SF	Rate	SF	Rate	Q1-25 Availability	Q1-24 Direct Vacancy	Current Period	YTD	Current Period	YTD	SF	Rate (fs)
SUBURBAN													
West I-10													
A	522,277	83,159	15.9%	3,897	15.9%	16.7%	16.4%	1,506	1,506	-	-	60,000	\$36.58
B	1,183,420	99,972	8.4%	6,006	0.5%	9.0%	5.6%	(17,098)	(17,098)	30,000	30,000	58,100	\$31.93
C	115,444	7,957	6.9%	-	0.0%	6.9%	10.0%	0	0	-	-	-	\$22.55
TOTAL	1,821,141	191,088	10.5%	9,903	0.5%	11.0%	9.5%	(15,592)	(15,592)	30,000	30,000	118,100	\$34.44

Grand Total													
A	68,609,327	14,416,108	21.0%	4,621,796	6.7%	27.7%	21.8%	95,332	95,332	119,177	119,177	543,032	\$33.85
B	80,484,592	10,295,798	12.8%	1,885,954	2.3%	15.1%	12.3%	(117,625)	(117,625)	30,000	30,000	104,132	\$26.12
C	14,430,329	757,535	5.2%	190,395	1.3%	6.6%	3.9%	(74,421)	(74,421)	0	0	0	\$22.08
TOTAL	163,524,248	25,469,441	15.6%	6,698,145	4.1%	19.7%	15.1%	(96,714)	(96,714)	149,177	149,177	647,164	\$29.68

Quarterly Comparisons and Totals

2025 Q1	163,524,248	25,469,441	15.6%	6,698,145	4.1%	19.7%	15.1%	(96,714)	(96,714)	149,177	149,177	647,164	\$29.68
2024 Q4	164,626,484	25,237,452	15.3%	6,793,073	4.1%	19.5%	14.9%	358,118	(928,923)	115,136	496,616	789,847	\$29.95
2024 Q3	164,258,011	25,230,150	15.4%	7,107,111	4.3%	19.7%	14.7%	(536,192)	(1,287,041)	268,356	381,480	763,883	\$29.84
2024 Q2	164,388,945	24,926,223	15.2%	7,708,776	4.7%	19.9%	14.1%	(178,095)	(750,849)	74,124	113,124	767,558	\$29.76
2024 Q1	164,568,730	24,908,829	15.1%	7,886,709	4.8%	19.9%	14.0%	(572,754)	(572,754)	39,000	39,000	711,673	\$29.87

*Sublease availability is all sublease space being marketed whether vacant or occupied.



1. Downtown South
2. Downtown North
3. 44th St. Corridor
4. Midtown/Central Phoenix
5. Camelback Corridor
6. Piastewa Peak Corridor
7. Paradise Valley
8. Scottsdale AirPark
9. Central Scottsdale
10. Scottsdale South
11. Mesa East
12. Mesa Downtown
13. Superstition Corridor
14. South Tempe/Ahwatukee
15. Chandler
16. Gateway Airport/Loop 202
17. Southwest Phoenix
18. Northwest Phoenix
19. Deer Valley/Airport
20. Arrowhead
21. Glendale
22. Loop 303/ Surprise
23. West 1-10
24. Airport Area
25. Tempe

FOR MORE INFORMATION

Phillip Hernandez
Research Director
Arizona
+1 602 222 5066
phillip.hernandez@colliers.com

Bev Jensen
Regional Operations Manager
Arizona
+1 602 222 5022
bev.jensen@colliers.com

Copyright © 2025 Colliers

The information contained herein has been obtained from sources deemed reliable. While every reasonable effort has been made to ensure its accuracy, we cannot guarantee it. No responsibility is assumed for any inaccuracies. Readers are encouraged to consult their professional advisors prior to acting on any of the material contained in this report.



\$4.8B+
annual revenue



2B
square feet managed



23,000
professionals



70
countries we operate in



\$99B
assets under management



46,000
lease and sale transactions

Number of countries includes affiliates

About Colliers

Colliers (NASDAQ, TSX: CIGI) is a leading diversified professional services and investment management company. With operations in 70 countries, our 22,000 enterprising professionals work collaboratively to provide expert real estate and investment advice to clients. For more than 28 years, our experienced leadership with significant inside ownership has delivered compound annual investment returns of approximately 20% for shareholders. With annual revenues of \$4.5 billion and \$99 billion of assets under management, Colliers maximizes the potential of property and real assets to accelerate the success of our clients, our investors and our people. Learn more at corporate.colliers.com, Twitter [@Colliers](https://twitter.com/Colliers) or [LinkedIn](https://www.linkedin.com/company/colliers).

Market Contacts:

Phillip Hernandez

Research Director

Phoenix Office

+1 602 222 5066

phillip.hernandez@colliers.com

Bev Jensen

Regional Operations Manager

Phoenix Office

+1 602 222 5022

bev.jensen@colliers.com



2390 E Camelback Rd, Suite 100

Phoenix, AZ 85016

+1 602 222 5000

colliers.com/arizona

