

### Phoenix, AZ

The Phoenix Metropolitan Area, known as the Valley of the Sun, includes Phoenix, the fifth largest city in the United States, plus much of the rest of Maricopa County, a large section of Pinal County and small parts of southern Yavapai County. The population of the metropolitan area increased by 45% from 1990 through 2000, helping to make Arizona the second fastest growing state in the nation (after Nevada) during the 1990's. Currently the population of the metropolitan area is estimated to be approximately 4.3 million. Phoenix is the Maricopa county seat, Arizona's state capital, the business capital of the state and is also the hub of the rapidly growing Southwest.

Demographics

#### Population

Phoenix Metro: 4.5 Million

▲ 2.2%

Source: NPA

#### Unemployment Rate

Phoenix Metro: 8.4% ▼

United States: 10.0% ▼

Arizona: 9.1% ▲

Source: U.S. Department of Labor

#### Avg. Household Income

Phoenix Metro: \$56,511

United States: \$53,154

Arizona: \$49,923

Source: U.S. Department of Labor

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## Metro Area Vital Signs

<b>Inventory</b>	69.3M SF	↑
<b>Vacancy Rate</b>	24.7%	↑
<b>Rental Rate Per SF</b>	\$18.05	↓
<b>YTD Absorption</b>	(3,479,000) SF	↓
<b>Discount Rate</b>	10.0%	↑
<b>Cap Rate</b>	8.0% to 9.5%	↑

<b>Inventory</b>	255.2 K	↑
<b>Vacancy Rate</b>	12.3%	↑
<b>Average Monthly Rent</b>	\$674	↓
<b>Annual Absorption</b>	1,798 Units	↑
<b>Cap Rate</b>	7.5% to 9.5%	↑

<b>Inventory</b>	68.7 M SF	↑
<b>Vacancy Rate</b>	10.2%	↑
<b>Avg. Rental Rate Per SF</b>	\$16.25	↓
<b>Annual Absorption</b>	(-970,000) SF	↓
<b>Cap Rate</b>	9.0% to 10.0%	↑

<b>Inventory</b>	192.4 M SF	↑
<b>Vacancy Rate</b>	13.7%	↑
<b>Rental Rate Per SF</b>	\$4.64	↓
<b>Annual Absorption Rate</b>	(2,493,000) SF	↓
<b>Cap Rate</b>	8.0% to 9.5%	↑

Office

Multi-Family

Retail

Industrial