

SCOTTSDALE INDUSTRIAL MARKET REPORT

LEVROSE
COMMERCIAL REAL ESTATE

TCN
WORLDWIDE
REAL ESTATE SERVICES



Third Quarter 2015

INDUSTRIAL OVERVIEW

The Scottsdale Industrial (Northeast Ind) submarket ended the third quarter 2015 with a vacancy rate of 9.0%. The vacancy rate decreased since the previous quarter, with net absorption totaling a positive 92,647 square feet in the second quarter. Rental rates ended the third quarter at \$6.60. A total of 13 buildings were delivered to the market in the quarter totaling 979,167 square feet, with 2,845,434 square feet still under construction at the end of the quarter.

SCOTTSDALE | VACANCY

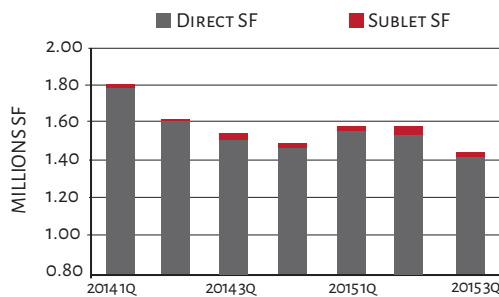
PERIOD	TOTAL SF	VACANCY SF	VACANCY %	NET ABSORPTION
2011 4 Q	16,615,996	2,325,086	14.0%	88,233
2012 4Q	16,615,996	2,048,921	12.3%	112,900
2013 4Q	16,615,996	1,808,433	10.9%	(15,231)
2014 4Q	16,481,574	1,470,690	8.9%	58,069
2015 1Q	16,481,574	1,525,087	9.3%	(54,397)
2015 2Q	16,481,574	1,560,218	9.5%	(35,131)
2015 3Q	16,478,783	1,477,311	9.0%	92,647

MARKET INDICATOR SCOTTSDALE

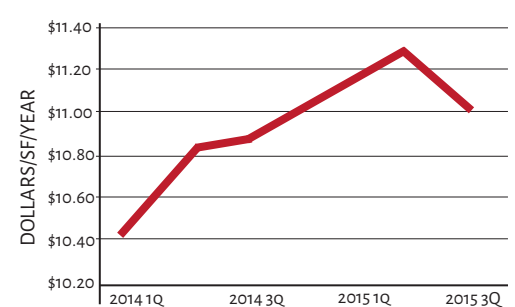
Indicator	Q3 2015	Projection
VACANCY RATE	↓	
NET ABSORPTION	↑	
AVG. LEASE RATE	↑	

Avg. Effective Rate	Q3 2015	Change
AIRPORT IND	\$ 7.29	↓
NORTHEAST IND	\$11.02	↓
NORTHWEST IND	\$ 7.47	↓
SOUTHEAST IND	\$ 7.65	↓
SOUTHWEST IND	\$ 4.49	↑
TOTAL	\$ 6.60	↓

Vacant Space (Historical Analysis, Flex & Warehouse)



Quoted Rental Rates (Historical Analysis, Flex & Warehouse)



ABOUT LEVROSE/TCN WORLDWIDE

Since 1992, LevRose Real Estate has been a full service real estate company servicing Scottsdale and the Greater Phoenix area. We provide services for commercial leasing, sales and commercial property management. LevRose handles the leasing, sales and/or management of over 200 commercial properties encompassing over three million square feet of office and retail space within the Greater Phoenix and Scottsdale areas. Our team is dedicated to providing our clients with the highest level of service through industry knowledge of the marketplace. Our goal is to represent you, our client, in a professional manner while maintaining high expectations and standards for our performance.

LEVROSE COMMERCIAL REAL ESTATE

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MAIN CONTRIBUTING SOURCES: COSTAR

This information has been secured from sources believed to be reliable, but no representations or warranties are made, expressed or implied, as to the accuracy of the information. References to square footage are approximate.