

# 4Q11 Phoenix Office Market Statistics

MARKET SUMMARY						DIRECT NET ABSORPTION			OVERALL NET ABSORPTION					
Market	Inventory	No. of Bldgs	Direct Vacant	Direct Vacancy Rate	Overall Vacancy Rate	4Q	YTD	Trailing Four Quarters	4Q	YTD	Trailing Four Quarters	YTD SF Delivered	Under Const.	Direct Wtd. Avg. Rental Rate
<b>PHOENIX CBD</b>	<b>16,640,362</b>	<b>125</b>	<b>3,357,299</b>	<b>20.2%</b>	<b>22.2%</b>	<b>(33,978)</b>	<b>179,010</b>	<b>179,010</b>	<b>(90,782)</b>	<b>98,695</b>	<b>98,695</b>	<b>0</b>	<b>0</b>	<b>\$21.16</b>
1 Downtown	6,732,200	40	928,825	13.8%	16.4%	4,235	421,735	421,735	(25,815)	393,190	393,190	0	0	\$25.33
2 Midtown	9,908,162	85	2,428,474	24.5%	26.2%	(38,213)	(242,725)	(242,725)	(64,967)	(294,495)	(294,495)	0	0	\$19.54
<b>PHOENIX NON-CBD</b>	<b>61,477,011</b>	<b>1,222</b>	<b>15,732,312</b>	<b>25.6%</b>	<b>27.0%</b>	<b>314,356</b>	<b>900,243</b>	<b>900,243</b>	<b>144,968</b>	<b>738,002</b>	<b>738,002</b>	<b>622,070</b>	<b>0</b>	<b>\$20.68</b>
<b>Central Phoenix</b>	<b>11,624,106</b>	<b>208</b>	<b>3,462,490</b>	<b>29.8%</b>	<b>30.6%</b>	<b>(105,084)</b>	<b>(313,994)</b>	<b>(313,994)</b>	<b>(75,507)</b>	<b>(308,751)</b>	<b>(308,751)</b>	<b>0</b>	<b>0</b>	<b>\$22.77</b>
3 Camelback Corridor	7,204,351	95	2,163,447	30.0%	31.2%	(103,953)	(225,146)	(225,146)	(68,392)	(238,074)	(238,074)	0	0	\$24.89
4 44th Street / East Phx	3,026,570	58	957,939	31.7%	32.0%	7,212	(35,828)	(35,828)	1,228	(17,657)	(17,657)	0	0	\$20.72
5 Central Phoenix	1,393,185	55	341,104	24.5%	24.5%	(8,343)	(53,020)	(53,020)	(8,343)	(53,020)	(53,020)	0	0	\$15.13
<b>North Phoenix</b>	<b>4,976,413</b>	<b>115</b>	<b>1,451,022</b>	<b>29.2%</b>	<b>30.0%</b>	<b>(98,174)</b>	<b>(210,180)</b>	<b>(210,180)</b>	<b>(88,452)</b>	<b>(154,158)</b>	<b>(154,158)</b>	<b>0</b>	<b>0</b>	<b>\$18.97</b>
6 Piastewa Peak	2,954,471	71	773,532	26.2%	27.1%	(104,115)	(142,967)	(142,967)	(94,098)	(102,143)	(102,143)	0	0	\$17.98
7 North Phoenix	2,021,942	44	677,490	33.5%	34.4%	5,941	(67,213)	(67,213)	5,646	(52,015)	(52,015)	0	0	\$20.09
<b>Scottsdale</b>	<b>16,882,647</b>	<b>330</b>	<b>3,742,430</b>	<b>22.2%</b>	<b>23.1%</b>	<b>321,175</b>	<b>712,979</b>	<b>712,979</b>	<b>340,219</b>	<b>860,605</b>	<b>860,605</b>	<b>0</b>	<b>0</b>	<b>\$21.79</b>
8 Scottsdale Airpark	8,255,900	150	1,896,270	23.0%	24.4%	153,109	415,116	415,116	160,048	439,201	439,201	0	0	\$22.51
9 Scottsdale Ranches	4,905,501	101	1,168,734	23.8%	24.1%	55,755	128,849	128,849	64,140	227,781	227,781	0	0	\$20.94
10 South Scottsdale	3,721,246	79	677,426	18.2%	18.7%	112,311	169,014	169,014	116,031	193,623	193,623	0	0	\$21.22
<b>Southeast Valley</b>	<b>8,618,202</b>	<b>220</b>	<b>2,897,219</b>	<b>33.6%</b>	<b>34.0%</b>	<b>123,806</b>	<b>66,938</b>	<b>66,938</b>	<b>112,335</b>	<b>62,167</b>	<b>62,167</b>	<b>183,000</b>	<b>0</b>	<b>\$19.52</b>
11 South Tempe	1,814,407	46	629,130	34.7%	35.5%	13,196	(29,552)	(29,552)	18,305	(24,443)	(24,443)	0	0	\$17.95
12 Mesa	728,398	27	329,503	45.2%	45.2%	(2,452)	(26,799)	(26,799)	(2,452)	(26,799)	(26,799)	0	0	\$17.48
20 Superstition Corridor	2,376,061	59	808,233	34.0%	34.0%	(23,447)	(6,715)	(6,715)	(23,447)	(15)	(15)	0	0	\$18.03
13 Chandler / Gilbert	3,699,336	88	1,130,353	30.6%	31.0%	136,509	130,004	130,004	119,929	113,424	113,424	183,000	0	\$22.06
<b>Northwest Valley</b>	<b>11,057,086</b>	<b>224</b>	<b>2,908,142</b>	<b>26.3%</b>	<b>27.2%</b>	<b>36,934</b>	<b>184,240</b>	<b>184,240</b>	<b>42,722</b>	<b>213,882</b>	<b>213,882</b>	<b>0</b>	<b>0</b>	<b>\$18.19</b>
14 West County	1,073,190	40	228,778	21.3%	21.9%	53,563	90,981	90,981	53,563	95,426	95,426	0	0	\$21.02
15 Metrocenter	3,847,635	65	1,027,080	26.7%	27.3%	(75,021)	73,683	73,683	(69,233)	65,741	65,741	0	0	\$17.23
16 Black Canyon Corridor	845,803	25	173,800	20.5%	20.5%	(5,337)	7,571	7,571	(5,337)	7,571	7,571	0	0	\$12.60
17 Deer Valley Corridor	3,107,320	44	749,966	24.1%	25.9%	29,002	12,371	12,371	29,002	21,937	21,937	0	0	\$19.30
19 Arrowhead	857,438	28	200,749	23.4%	24.6%	(17,684)	(21,523)	(21,523)	(17,684)	4,390	4,390	0	0	\$20.91
31 Glendale	1,325,700	22	527,769	39.8%	40.0%	52,411	21,157	21,157	52,411	18,817	18,817	0	0	\$18.08
<b>Airport Area</b>	<b>8,318,557</b>	<b>125</b>	<b>1,271,009</b>	<b>15.3%</b>	<b>20.4%</b>	<b>35,699</b>	<b>460,260</b>	<b>460,260</b>	<b>(186,349)</b>	<b>64,257</b>	<b>64,257</b>	<b>439,070</b>	<b>0</b>	<b>\$21.26</b>
32 South Airport	2,021,595	27	285,665	14.1%	14.6%	24,363	(59,727)	(59,727)	14,806	(69,284)	(69,284)	0	0	\$18.72
18 North Tempe	6,296,962	98	985,344	15.6%	22.3%	11,336	519,987	519,987	(201,155)	133,541	133,541	439,070	0	\$21.99
<b>TOTAL</b>	<b>78,117,373</b>	<b>1,347</b>	<b>19,089,611</b>	<b>24.4%</b>	<b>26.0%</b>	<b>280,378</b>	<b>1,079,253</b>	<b>1,079,253</b>	<b>54,186</b>	<b>836,697</b>	<b>836,697</b>	<b>622,070</b>	<b>0</b>	<b>\$20.77</b>



# Market Summary

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Market	Inventory	No. of Bldgs	Direct Vacant	Direct Vacancy Rate	Overall Vacancy Rate	4Q	YTD	Trailing Four Quarters	4Q	YTD	Trailing Four Quarters	YTD SF Delivered	Under Const.	Direct Wtd. Avg. Rental Rate
<b>PHOENIX CBD</b>	<b>16,640,362</b>	<b>125</b>	<b>3,357,299</b>	<b>20.2%</b>	<b>22.2%</b>	<b>(33,978)</b>	<b>179,010</b>	<b>179,010</b>	<b>(90,782)</b>	<b>98,695</b>	<b>98,695</b>	<b>0</b>	<b>0</b>	<b>\$21.16</b>
1 Downtown	6,732,200	40	928,825	13.8%	16.4%	4,235	421,735	421,735	(25,815)	393,190	393,190	0	0	\$25.33
2 Midtown	9,908,162	85	2,428,474	24.5%	26.2%	(38,213)	(242,725)	(242,725)	(64,967)	(294,495)	(294,495)	0	0	\$19.54
<b>PHOENIX NON-CBD</b>	<b>61,477,011</b>	<b>1,222</b>	<b>15,732,312</b>	<b>25.6%</b>	<b>27.0%</b>	<b>314,356</b>	<b>900,243</b>	<b>900,243</b>	<b>144,968</b>	<b>738,002</b>	<b>738,002</b>	<b>622,070</b>	<b>0</b>	<b>\$20.68</b>
<b>Central Phoenix</b>	<b>11,624,106</b>	<b>208</b>	<b>3,462,490</b>	<b>29.8%</b>	<b>30.6%</b>	<b>(105,084)</b>	<b>(313,994)</b>	<b>(313,994)</b>	<b>(75,507)</b>	<b>(308,751)</b>	<b>(308,751)</b>	<b>0</b>	<b>0</b>	<b>\$22.77</b>
3 Camelback Corridor	7,204,351	95	2,163,447	30.0%	31.2%	(103,953)	(225,146)	(225,146)	(68,392)	(238,074)	(238,074)	0	0	\$24.89
4 44th Street / East Phx	3,026,570	58	957,939	31.7%	32.0%	7,212	(35,828)	(35,828)	1,228	(17,657)	(17,657)	0	0	\$20.72
5 Central Phoenix	1,393,185	55	341,104	24.5%	24.5%	(8,343)	(53,020)	(53,020)	(8,343)	(53,020)	(53,020)	0	0	\$15.13
<b>North Phoenix</b>	<b>4,976,413</b>	<b>115</b>	<b>1,451,022</b>	<b>29.2%</b>	<b>30.0%</b>	<b>(98,174)</b>	<b>(210,180)</b>	<b>(210,180)</b>	<b>(88,452)</b>	<b>(154,158)</b>	<b>(154,158)</b>	<b>0</b>	<b>0</b>	<b>\$18.97</b>
6 Piestewa Peak	2,954,471	71	773,532	26.2%	27.1%	(104,115)	(142,967)	(142,967)	(94,098)	(102,143)	(102,143)	0	0	\$17.98
7 North Phoenix	2,021,942	44	677,490	33.5%	34.4%	5,941	(67,213)	(67,213)	5,646	(52,015)	(52,015)	0	0	\$20.09
<b>Scottsdale</b>	<b>16,882,647</b>	<b>330</b>	<b>3,742,430</b>	<b>22.2%</b>	<b>23.1%</b>	<b>321,175</b>	<b>712,979</b>	<b>712,979</b>	<b>340,219</b>	<b>860,605</b>	<b>860,605</b>	<b>0</b>	<b>0</b>	<b>\$21.79</b>
8 Scottsdale Airpark	8,255,900	150	1,896,270	23.0%	24.4%	153,109	415,116	415,116	160,048	439,201	439,201	0	0	\$22.51
9 Scottsdale Ranches	4,905,501	101	1,168,734	23.8%	24.1%	55,755	128,849	128,849	64,140	227,781	227,781	0	0	\$20.94
10 South Scottsdale	3,721,246	79	677,426	18.2%	18.7%	112,311	169,014	169,014	116,031	193,623	193,623	0	0	\$21.22
<b>Southeast Valley</b>	<b>8,618,202</b>	<b>220</b>	<b>2,897,219</b>	<b>33.6%</b>	<b>34.0%</b>	<b>123,806</b>	<b>66,938</b>	<b>66,938</b>	<b>112,335</b>	<b>62,167</b>	<b>62,167</b>	<b>183,000</b>	<b>0</b>	<b>\$19.52</b>
11 South Tempe	1,814,407	46	629,130	34.7%	35.5%	13,196	(29,552)	(29,552)	18,305	(24,443)	(24,443)	0	0	\$17.95
12 Mesa	728,398	27	329,503	45.2%	45.2%	(2,452)	(26,799)	(26,799)	(2,452)	(26,799)	(26,799)	0	0	\$17.48
20 Superstition Corridor	2,376,061	59	808,233	34.0%	34.0%	(23,447)	(6,715)	(6,715)	(23,447)	(15)	(15)	0	0	\$18.03
13 Chandler / Gilbert	3,699,336	88	1,130,353	30.6%	31.0%	136,509	130,004	130,004	119,929	113,424	113,424	183,000	0	\$22.06
<b>Northwest Valley</b>	<b>11,057,086</b>	<b>224</b>	<b>2,908,142</b>	<b>26.3%</b>	<b>27.2%</b>	<b>36,934</b>	<b>184,240</b>	<b>184,240</b>	<b>42,722</b>	<b>213,882</b>	<b>213,882</b>	<b>0</b>	<b>0</b>	<b>\$18.19</b>
14 West County	1,073,190	40	228,778	21.3%	21.9%	53,563	90,981	90,981	53,563	95,426	95,426	0	0	\$21.02
15 Metrocenter	3,847,635	65	1,027,080	26.7%	27.3%	(75,021)	73,683	73,683	(69,233)	65,741	65,741	0	0	\$17.23
16 Black Canyon Corridor	845,803	25	173,800	20.5%	20.5%	(5,337)	7,571	7,571	(5,337)	7,571	7,571	0	0	\$12.60
17 Deer Valley Corridor	3,107,320	44	749,966	24.1%	25.9%	29,002	12,371	12,371	29,002	21,937	21,937	0	0	\$19.30
19 Arrowhead	857,438	28	200,749	23.4%	24.6%	(17,684)	(21,523)	(21,523)	(17,684)	4,390	4,390	0	0	\$20.91
31 Glendale	1,325,700	22	527,769	39.8%	40.0%	52,411	21,157	21,157	52,411	18,817	18,817	0	0	\$18.08
<b>Airport Area</b>	<b>8,318,557</b>	<b>125</b>	<b>1,271,009</b>	<b>15.3%</b>	<b>20.4%</b>	<b>35,699</b>	<b>460,260</b>	<b>460,260</b>	<b>(186,349)</b>	<b>64,257</b>	<b>64,257</b>	<b>439,070</b>	<b>0</b>	<b>\$21.26</b>
32 South Airport	2,021,595	27	285,665	14.1%	14.6%	24,363	(59,727)	(59,727)	14,806	(69,284)	(69,284)	0	0	\$18.72
18 North Tempe	6,296,962	98	985,344	15.6%	22.3%	11,336	519,987	519,987	(201,155)	133,541	133,541	439,070	0	\$21.99
<b>TOTAL</b>	<b>78,117,373</b>	<b>1,347</b>	<b>19,089,611</b>	<b>24.4%</b>	<b>26.0%</b>	<b>280,378</b>	<b>1,079,253</b>	<b>1,079,253</b>	<b>54,186</b>	<b>836,697</b>	<b>836,697</b>	<b>622,070</b>	<b>0</b>	<b>\$20.77</b>



# Class A Summary

CLASS A SUMMARY						DIRECT NET ABSORPTION			OVERALL NET ABSORPTION					
Market	Inventory	No. of Bldgs	Direct Vacant	Direct Vacancy Rate	Overall Vacancy Rate	4Q	YTD	Trailing Four Quarters	4Q	YTD	Trailing Four Quarters	YTD SF Delivered	Under Const.	Direct Wtd. Avg. Rental Rate
<b>PHOENIX CBD</b>	<b>4,987,118</b>	<b>13</b>	<b>920,350</b>	<b>18.5%</b>	<b>21.0%</b>	<b>(40,999)</b>	<b>242,909</b>	<b>242,909</b>	<b>(59,868)</b>	<b>263,687</b>	<b>263,687</b>	<b>0</b>	<b>0</b>	<b>\$27.17</b>
1 Downtown	3,658,864	10	573,230	15.7%	18.5%	0	343,705	343,705	(18,869)	362,574	362,574	0	0	\$28.52
2 Midtown	1,328,254	3	347,120	26.1%	27.8%	(40,999)	(100,796)	(100,796)	(40,999)	(98,887)	(98,887)	0	0	\$24.94
<b>PHOENIX NON-CBD</b>	<b>24,612,193</b>	<b>215</b>	<b>5,729,588</b>	<b>23.3%</b>	<b>25.6%</b>	<b>268,496</b>	<b>616,803</b>	<b>616,803</b>	<b>38,877</b>	<b>923,566</b>	<b>923,566</b>	<b>622,070</b>	<b>0</b>	<b>\$23.85</b>
<b>Central Phoenix</b>	<b>4,292,954</b>	<b>25</b>	<b>1,249,748</b>	<b>29.1%</b>	<b>29.6%</b>	<b>18,917</b>	<b>64,484</b>	<b>64,484</b>	<b>17,165</b>	<b>39,975</b>	<b>39,975</b>	<b>0</b>	<b>0</b>	<b>\$27.54</b>
3 Camelback Corridor	2,824,819	13	778,622	27.6%	28.2%	20,828	33,592	33,592	19,076	24,447	24,447	0	0	\$30.23
4 44th Street / East Phx	1,468,135	12	471,126	32.1%	32.2%	(1,911)	30,892	30,892	(1,911)	15,528	15,528	0	0	\$23.10
5 Central Phoenix	0	0	0	N/A	N/A	0	0	0	0	0	0	0	0	N/A
<b>North Phoenix</b>	<b>1,461,882</b>	<b>14</b>	<b>478,887</b>	<b>32.8%</b>	<b>34.0%</b>	<b>9,645</b>	<b>(26,097)</b>	<b>(26,097)</b>	<b>9,645</b>	<b>(36,118)</b>	<b>(36,118)</b>	<b>0</b>	<b>0</b>	<b>\$21.70</b>
6 Piestewa Peak	287,394	2	54,774	19.1%	19.1%	841	(15,519)	(15,519)	841	(20,519)	(20,519)	0	0	\$21.00
7 North Phoenix	1,174,488	12	424,113	36.1%	37.6%	8,804	(10,578)	(10,578)	8,804	(15,599)	(15,599)	0	0	\$21.79
<b>Scottsdale</b>	<b>6,576,904</b>	<b>61</b>	<b>1,276,022</b>	<b>19.4%</b>	<b>20.6%</b>	<b>93,395</b>	<b>269,756</b>	<b>269,756</b>	<b>104,156</b>	<b>224,220</b>	<b>224,220</b>	<b>0</b>	<b>0</b>	<b>\$24.33</b>
8 Scottsdale Airpark	4,056,330	38	856,575	21.1%	22.7%	53,478	185,627	185,627	55,854	173,422	173,422	0	0	\$24.61
9 Scottsdale Ranches	1,005,227	9	179,347	17.8%	18.7%	3,228	23,988	23,988	11,613	1,848	1,848	0	0	\$23.91
10 South Scottsdale	1,515,347	14	240,100	15.8%	16.3%	36,689	60,141	60,141	36,689	48,950	48,950	0	0	\$23.65
<b>Southeast Valley</b>	<b>2,641,414</b>	<b>25</b>	<b>905,519</b>	<b>34.3%</b>	<b>34.9%</b>	<b>51,887</b>	<b>14,936</b>	<b>14,936</b>	<b>35,307</b>	<b>31,516</b>	<b>31,516</b>	<b>183,000</b>	<b>0</b>	<b>\$22.26</b>
11 South Tempe	78,000	1	30,993	39.7%	39.7%	10,368	(3,368)	(3,368)	10,368	(3,368)	(3,368)	0	0	\$21.95
12 Mesa	166,000	2	166,000	100.0%	100.0%	0	0	0	0	0	0	0	0	\$21.00
20 Superstition Corridor	875,683	7	306,820	35.0%	35.0%	(31,257)	(27,822)	(27,822)	(31,257)	(27,822)	(27,822)	0	0	\$21.18
13 Chandler / Gilbert	1,521,731	15	401,706	26.4%	27.5%	72,776	46,126	46,126	56,196	62,706	62,706	183,000	0	\$23.63
<b>Northwest Valley</b>	<b>5,302,421</b>	<b>59</b>	<b>1,234,847</b>	<b>23.3%</b>	<b>23.8%</b>	<b>79,724</b>	<b>241,955</b>	<b>241,955</b>	<b>79,724</b>	<b>213,589</b>	<b>213,589</b>	<b>0</b>	<b>0</b>	<b>\$20.47</b>
14 West County	559,979	10	128,304	22.9%	22.9%	50,520	57,203	57,203	50,520	54,328	54,328	0	0	\$22.49
15 Metrocenter	1,196,529	10	226,893	19.0%	19.9%	(55,845)	79,015	79,015	(55,845)	90,341	90,341	0	0	\$20.32
16 Black Canyon Corridor	0	0	0	N/A	N/A	0	0	0	0	0	0	0	0	N/A
17 Deer Valley Corridor	2,477,579	28	588,185	23.7%	24.4%	26,287	19,138	19,138	26,287	13,563	13,563	0	0	\$19.64
19 Arrowhead	449,866	5	98,670	21.9%	21.9%	1,498	23,485	23,485	1,498	(10,097)	(10,097)	0	0	\$21.96
31 Glendale	618,468	6	192,795	31.2%	31.6%	57,264	63,114	63,114	57,264	65,454	65,454	0	0	\$21.04
<b>Airport Area</b>	<b>4,336,618</b>	<b>31</b>	<b>584,565</b>	<b>13.5%</b>	<b>22.7%</b>	<b>14,928</b>	<b>51,769</b>	<b>51,769</b>	<b>(207,120)</b>	<b>450,384</b>	<b>450,384</b>	<b>439,070</b>	<b>0</b>	<b>\$25.50</b>
32 South Airport	925,698	7	97,189	10.5%	11.5%	13,248	(35,994)	(35,994)	3,691	(26,437)	(26,437)	0	0	\$23.54
18 North Tempe	3,410,920	24	487,376	14.3%	25.7%	1,680	87,763	87,763	(210,811)	476,821	476,821	439,070	0	\$25.89
<b>TOTAL</b>	<b>29,599,311</b>	<b>228</b>	<b>6,649,938</b>	<b>22.5%</b>	<b>24.8%</b>	<b>227,497</b>	<b>859,712</b>	<b>859,712</b>	<b>(20,991)</b>	<b>1,187,253</b>	<b>1,187,253</b>	<b>622,070</b>	<b>0</b>	<b>\$24.32</b>



# Class B Summary

CLASS B SUMMARY						DIRECT NET ABSORPTION			OVERALL NET ABSORPTION						
Market	Inventory	No. of Bldgs	Direct Vacant	Direct Vacancy Rate	Overall Vacancy Rate	4Q	YTD	Trailing Four Quarters	4Q	YTD	Trailing Four Quarters	YTD SF Delivered	Under Const.	Direct Wtd. Avg. Rental Rate	
<b>PHOENIX CBD</b>	<b>9,224,411</b>	<b>53</b>	<b>1,970,548</b>	<b>21.4%</b>	<b>23.8%</b>	<b>(67,692)</b>	<b>(111,046)</b>	<b>(111,046)</b>	<b>(105,627)</b>	<b>(170,583)</b>	<b>(170,583)</b>	<b>0</b>	<b>0</b>	<b>\$19.60</b>	
1 Downtown	2,298,332	14	295,604	12.9%	16.1%	2,439	86,451	86,451	(8,742)	76,775	76,775	0	0	\$21.28	
2 Midtown	6,926,079	39	1,674,944	24.2%	26.3%	(70,131)	(197,497)	(197,497)	(96,885)	(247,358)	(247,358)	0	0	\$19.30	
<b>PHOENIX NON-CBD</b>	<b>28,161,129</b>	<b>619</b>	<b>7,866,300</b>	<b>27.9%</b>	<b>28.8%</b>	<b>44,916</b>	<b>(16,690)</b>	<b>(16,690)</b>	<b>104,752</b>	<b>126,744</b>	<b>126,744</b>	<b>0</b>	<b>0</b>	<b>\$19.78</b>	
<b>Central Phoenix</b>	<b>4,959,356</b>	<b>74</b>	<b>1,624,587</b>	<b>32.8%</b>	<b>34.2%</b>	<b>(130,322)</b>	<b>(350,656)</b>	<b>(350,656)</b>	<b>(95,963)</b>	<b>(371,247)</b>	<b>(371,247)</b>	<b>0</b>	<b>0</b>	<b>\$21.56</b>	
3 Camelback Corridor	3,481,818	46	1,163,489	33.4%	35.2%	(130,897)	(274,448)	(274,448)	(90,554)	(293,491)	(293,491)	0	0	\$22.62	
4 44th Street / East Phx	1,045,259	16	341,008	32.6%	33.4%	(1,715)	(33,433)	(33,433)	(7,699)	(34,981)	(34,981)	0	0	\$19.25	
5 Central Phoenix	432,279	12	120,090	27.8%	27.8%	2,290	(42,775)	(42,775)	2,290	(42,775)	(42,775)	0	0	\$17.83	
<b>North Phoenix</b>	<b>2,139,959</b>	<b>40</b>	<b>673,193</b>	<b>31.5%</b>	<b>32.0%</b>	<b>(92,240)</b>	<b>(166,918)</b>	<b>(166,918)</b>	<b>(82,223)</b>	<b>(120,227)</b>	<b>(120,227)</b>	<b>0</b>	<b>0</b>	<b>\$18.14</b>	
6 Piestewa Peak	1,708,715	27	529,066	31.0%	31.6%	(96,463)	(129,309)	(129,309)	(86,446)	(93,485)	(93,485)	0	0	\$18.51	
7 North Phoenix	431,244	13	144,127	33.4%	33.4%	4,223	(37,609)	(37,609)	4,223	(26,742)	(26,742)	0	0	\$16.78	
<b>Scottsdale</b>	<b>9,038,332</b>	<b>208</b>	<b>2,182,151</b>	<b>24.1%</b>	<b>24.9%</b>	<b>220,364</b>	<b>435,771</b>	<b>435,771</b>	<b>224,927</b>	<b>534,141</b>	<b>534,141</b>	<b>0</b>	<b>0</b>	<b>\$20.61</b>	
8 Scottsdale Airpark	3,756,208	89	984,800	26.2%	27.6%	93,695	211,341	211,341	98,258	223,221	223,221	0	0	\$20.68	
9 Scottsdale Ranches	3,376,424	71	807,634	23.9%	24.1%	57,030	130,821	130,821	57,030	207,613	207,613	0	0	\$20.80	
10 South Scottsdale	1,905,700	48	389,717	20.5%	21.0%	69,639	93,609	93,609	69,639	103,307	103,307	0	0	\$20.05	
<b>Southeast Valley</b>	<b>5,198,034</b>	<b>161</b>	<b>1,761,311</b>	<b>33.9%</b>	<b>34.2%</b>	<b>65,346</b>	<b>73,192</b>	<b>73,192</b>	<b>70,455</b>	<b>85,001</b>	<b>85,001</b>	<b>0</b>	<b>0</b>	<b>\$18.85</b>	
11 South Tempe	1,490,880	37	488,066	32.7%	33.7%	1,715	5,513	5,513	6,824	10,622	10,622	0	0	\$18.44	
12 Mesa	427,133	17	116,183	27.2%	27.2%	(2,452)	(23,172)	(23,172)	(2,452)	(23,172)	(23,172)	0	0	\$14.72	
20 Superstition Corridor	1,252,885	42	462,148	36.9%	36.9%	2,716	21,412	21,412	2,716	28,112	28,112	0	0	\$16.22	
13 Chandler / Gilbert	2,027,136	65	694,914	34.3%	34.3%	63,367	69,439	69,439	63,367	69,439	69,439	0	0	\$21.57	
<b>Northwest Valley</b>	<b>3,842,006</b>	<b>88</b>	<b>1,152,457</b>	<b>30.0%</b>	<b>31.7%</b>	<b>(24,260)</b>	<b>(5,498)</b>	<b>(5,498)</b>	<b>(18,472)</b>	<b>(955)</b>	<b>(955)</b>	<b>0</b>	<b>0</b>	<b>\$17.92</b>	
14 West County	284,143	15	45,260	15.9%	18.1%	1,633	25,594	25,594	1,633	25,882	25,882	0	0	\$20.98	
15 Metrocenter	2,037,181	32	624,856	30.7%	31.1%	(9,944)	(2,097)	(2,097)	(4,156)	5,836	5,836	0	0	\$16.90	
16 Black Canyon Corridor	377,991	5	57,333	15.2%	15.2%	0	4,398	4,398	0	4,398	4,398	0	0	\$15.83	
17 Deer Valley Corridor	474,720	9	131,989	27.8%	35.8%	3,233	(3,641)	(3,641)	3,233	350	350	0	0	\$19.11	
19 Arrowhead	360,231	20	88,922	24.7%	27.6%	(19,182)	(14,523)	(14,523)	(19,182)	(22,192)	(22,192)	0	0	\$19.89	
31 Glendale	307,740	7	204,097	66.3%	66.3%	0	(15,229)	(15,229)	0	(15,229)	(15,229)	0	0	\$19.32	
<b>Airport Area</b>	<b>2,983,442</b>	<b>48</b>	<b>472,601</b>	<b>15.8%</b>	<b>16.4%</b>	<b>6,028</b>	<b>(2,581)</b>	<b>(2,581)</b>	<b>6,028</b>	<b>31</b>	<b>31</b>	<b>0</b>	<b>0</b>	<b>\$19.29</b>	
32 South Airport	908,984	10	127,147	14.0%	14.0%	5,602	(11,265)	(11,265)	5,602	(11,265)	(11,265)	0	0	\$17.56	
18 North Tempe	2,074,458	38	345,454	16.7%	17.4%	426	8,684	8,684	426	11,296	11,296	0	0	\$19.93	
<b>TOTAL</b>	<b>37,385,540</b>	<b>672</b>	<b>9,836,848</b>	<b>26.3%</b>	<b>27.6%</b>	<b>(22,776)</b>	<b>(127,736)</b>	<b>(127,736)</b>	<b>(875)</b>	<b>(43,839)</b>	<b>(43,839)</b>	<b>0</b>	<b>0</b>	<b>\$19.74</b>	



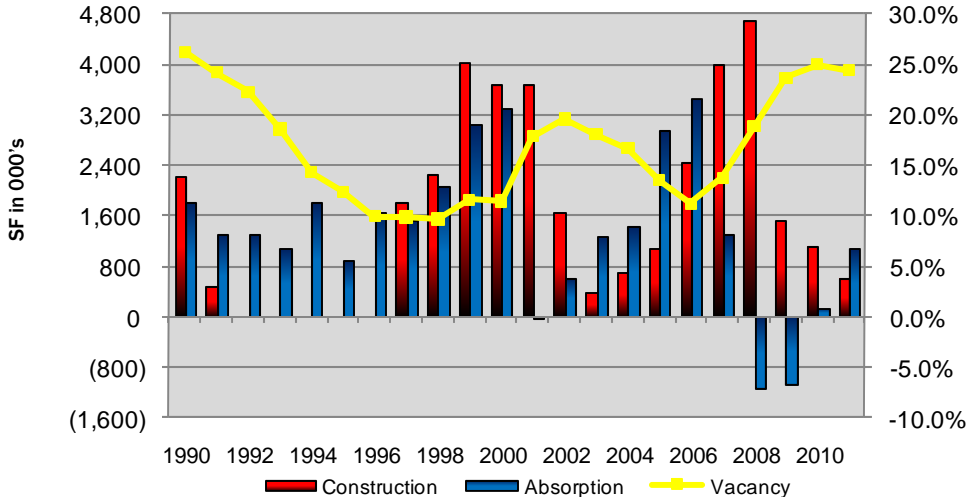
# Class C Summary

CLASS C SUMMARY						DIRECT NET ABSORPTION			OVERALL NET ABSORPTION					
Market	Inventory	No. of Bldgs	Direct Vacant	Direct Vacancy Rate	Overall Vacancy Rate	4Q	YTD	Trailing Four Quarters	4Q	YTD	Trailing Four Quarters	YTD SF Delivered	Under Const.	Direct Wtd. Avg. Rental Rate
<b>PHOENIX CBD</b>	<b>2,428,833</b>	<b>59</b>	<b>466,401</b>	<b>19.2%</b>	<b>19.2%</b>	<b>74,713</b>	<b>26,369</b>	<b>26,369</b>	<b>74,713</b>	<b>26,369</b>	<b>26,369</b>	<b>0</b>	<b>0</b>	<b>\$15.39</b>
1 Downtown	775,004	16	59,991	7.7%	7.7%	1,796	(27,290)	(27,290)	1,796	(27,290)	(27,290)	0	0	\$14.79
2 Midtown	1,653,829	43	406,410	24.6%	24.6%	72,917	53,659	53,659	72,917	53,659	53,659	0	0	\$15.49
<b>PHOENIX NON-CBD</b>	<b>8,703,689</b>	<b>388</b>	<b>2,136,424</b>	<b>24.5%</b>	<b>25.0%</b>	<b>944</b>	<b>(6,633)</b>	<b>(6,633)</b>	<b>1,339</b>	<b>(5,545)</b>	<b>(5,545)</b>	<b>0</b>	<b>0</b>	<b>\$15.12</b>
<b>Central Phoenix</b>	<b>2,371,796</b>	<b>109</b>	<b>588,155</b>	<b>24.8%</b>	<b>24.9%</b>	<b>6,321</b>	<b>(3,313)</b>	<b>(3,313)</b>	<b>3,291</b>	<b>(1,988)</b>	<b>(1,988)</b>	<b>0</b>	<b>0</b>	<b>\$15.50</b>
3 Camelback Corridor	897,714	36	221,336	24.7%	25.0%	6,116	24,855	24,855	3,086	21,825	21,825	0	0	\$16.68
4 44th Street / East Phx	513,176	30	145,805	28.4%	28.4%	10,838	(17,923)	(17,923)	10,838	(13,568)	(13,568)	0	0	\$16.39
5 Central Phoenix	960,906	43	221,014	23.0%	23.0%	(10,633)	(10,245)	(10,245)	(10,633)	(10,245)	(10,245)	0	0	\$13.74
<b>North Phoenix</b>	<b>1,374,572</b>	<b>61</b>	<b>298,942</b>	<b>21.7%</b>	<b>22.9%</b>	<b>(15,579)</b>	<b>(7,144)</b>	<b>(7,144)</b>	<b>(15,874)</b>	<b>(7,834)</b>	<b>(7,834)</b>	<b>0</b>	<b>0</b>	<b>\$16.08</b>
6 Piestewa Peak	958,362	42	189,692	19.8%	21.4%	(8,493)	6,861	6,861	(8,493)	6,861	6,861	0	0	\$15.29
7 North Phoenix	416,210	19	109,250	26.2%	26.4%	(7,086)	(14,005)	(14,005)	(7,381)	(14,695)	(14,695)	0	0	\$17.45
<b>Scottsdale</b>	<b>1,267,411</b>	<b>61</b>	<b>284,257</b>	<b>22.4%</b>	<b>22.4%</b>	<b>7,416</b>	<b>52,988</b>	<b>52,988</b>	<b>11,136</b>	<b>56,708</b>	<b>56,708</b>	<b>0</b>	<b>0</b>	<b>\$18.46</b>
8 Scottsdale Airpark	443,362	23	54,895	12.4%	12.4%	5,936	30,353	30,353	5,936	30,353	30,353	0	0	\$18.02
9 Scottsdale Ranches	523,850	21	181,753	34.7%	34.7%	(4,503)	(3,820)	(3,820)	(4,503)	(3,820)	(3,820)	0	0	\$18.65
10 South Scottsdale	300,199	17	47,609	15.9%	15.9%	5,983	26,455	26,455	9,703	30,175	30,175	0	0	\$18.27
<b>Southeast Valley</b>	<b>778,754</b>	<b>34</b>	<b>230,389</b>	<b>29.6%</b>	<b>29.6%</b>	<b>6,573</b>	<b>(37,770)</b>	<b>(37,770)</b>	<b>6,573</b>	<b>(37,770)</b>	<b>(37,770)</b>	<b>0</b>	<b>0</b>	<b>\$13.45</b>
11 South Tempe	245,527	8	110,071	44.8%	44.8%	1,113	(31,697)	(31,697)	1,113	(31,697)	(31,697)	0	0	\$14.80
12 Mesa	135,265	8	47,320	35.0%	35.0%	0	(3,627)	(3,627)	0	(3,627)	(3,627)	0	0	\$11.93
20 Superstition Corridor	247,493	10	39,265	15.9%	15.9%	5,094	(305)	(305)	5,094	(305)	(305)	0	0	\$12.01
13 Chandler / Gilbert	150,469	8	33,733	22.4%	22.4%	366	(2,141)	(2,141)	366	(2,141)	(2,141)	0	0	\$12.88
<b>Northwest Valley</b>	<b>1,912,659</b>	<b>77</b>	<b>520,838</b>	<b>27.2%</b>	<b>27.5%</b>	<b>(18,530)</b>	<b>(23,851)</b>	<b>(23,851)</b>	<b>(18,530)</b>	<b>(27,118)</b>	<b>(27,118)</b>	<b>0</b>	<b>0</b>	<b>\$13.60</b>
14 West County	229,068	15	55,214	24.1%	24.1%	1,410	11,059	11,059	1,410	12,341	12,341	0	0	\$17.61
15 Metrocenter	613,925	23	175,331	28.6%	29.3%	(9,232)	(14,561)	(14,561)	(9,232)	(19,110)	(19,110)	0	0	\$13.91
16 Black Canyon Corridor	467,812	20	116,467	24.9%	24.9%	(5,337)	3,173	3,173	(5,337)	3,173	3,173	0	0	\$10.82
17 Deer Valley Corridor	155,021	7	29,792	19.2%	19.2%	(518)	2,449	2,449	(518)	2,449	2,449	0	0	\$14.06
19 Arrowhead	47,341	3	13,157	27.8%	27.8%	0	3,097	3,097	0	3,097	3,097	0	0	\$19.95
31 Glendale	399,492	9	130,877	32.8%	32.8%	(4,853)	(29,068)	(29,068)	(4,853)	(29,068)	(29,068)	0	0	\$13.22
<b>Airport Area</b>	<b>998,497</b>	<b>46</b>	<b>213,843</b>	<b>21.4%</b>	<b>22.7%</b>	<b>14,743</b>	<b>12,457</b>	<b>12,457</b>	<b>14,743</b>	<b>12,457</b>	<b>12,457</b>	<b>0</b>	<b>0</b>	<b>\$13.63</b>
32 South Airport	186,913	10	61,329	32.8%	32.8%	5,513	(22,025)	(22,025)	5,513	(22,025)	(22,025)	0	0	\$12.80
18 North Tempe	811,584	36	152,514	18.8%	20.4%	9,230	34,482	34,482	9,230	34,482	34,482	0	0	\$13.96
<b>TOTAL</b>	<b>11,132,522</b>	<b>447</b>	<b>2,602,825</b>	<b>23.4%</b>	<b>23.7%</b>	<b>75,657</b>	<b>19,736</b>	<b>19,736</b>	<b>76,052</b>	<b>20,824</b>	<b>20,824</b>	<b>0</b>	<b>0</b>	<b>\$15.17</b>

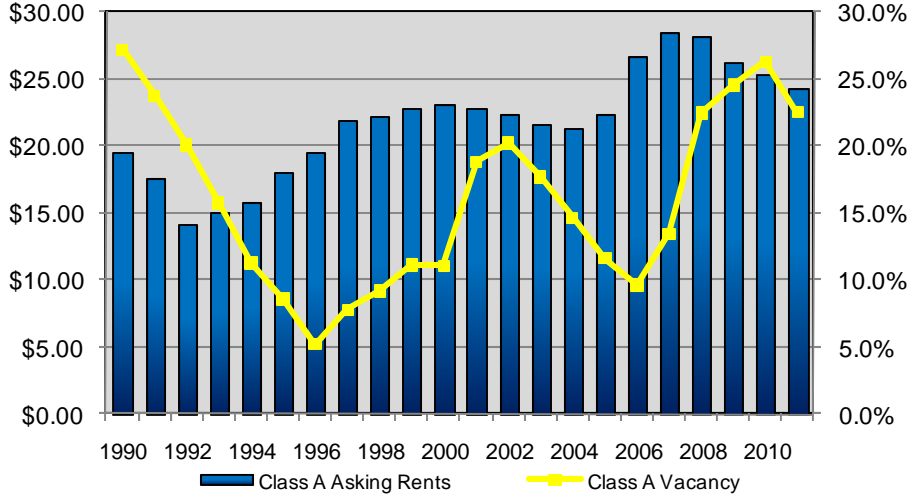
## Historical Office Market Statistics

Year	Inventory	Direct Available SF	Direct Vacancy	YTD Leasing Activity	YTD Direct Net Absorption	Direct Avg. Asking Rent	Under Construction	Completions
2000	55,701,057	6,420,486	11.5%	11,004,285	3,300,152	\$20.63	3,913,007	3,665,526
2001	59,916,445	10,707,600	17.9%	12,221,490	(27,590)	\$21.05	1,030,571	3,695,448
2002	62,590,056	12,240,809	19.6%	9,439,880	633,222	\$20.54	442,500	1,659,437
2003	62,791,193	11,347,531	18.1%	8,604,936	1,280,023	\$19.72	760,505	385,420
2004	63,620,088	10,628,809	16.7%	9,968,075	1,429,983	\$19.20	1,511,131	714,103
2005	60,940,867	8,225,471	13.5%	8,601,177	2,975,037	\$20.26	2,735,795	1,133,494
2006	63,504,260	7,088,458	11.2%	9,383,304	3,457,400	\$23.34	4,871,881	3,061,331
2007	68,187,121	9,417,980	13.8%	6,417,703	1,314,222	\$25.54	4,995,751	4,003,356
2008	73,329,063	13,866,084	18.9%	6,632,081	(641,450)	\$25.89	2,712,195	4,712,090
2009	74,536,978	17,638,684	23.7%	3,619,177	(1,018,802)	\$22.23	1,392,101	1,542,254
2010	76,445,268	19,082,626	25.0%	3,585,750	216,411	\$21.83	533,070	1,114,498
2011	78,117,373	19,089,611	24.4%	4,700,676	1,079,253	\$20.77	0	622,070

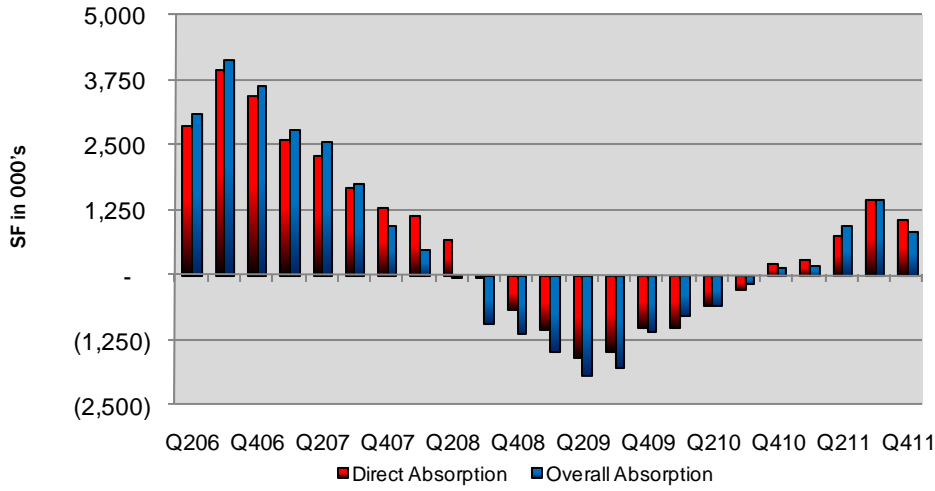
### Completions and Absorption vs. Overall Vacancy



### Average Asking Rental Rates vs. Direct Vacancy



### Trailing Four-Quarter Absorption



### Net Absorption vs. TTM Job Growth

