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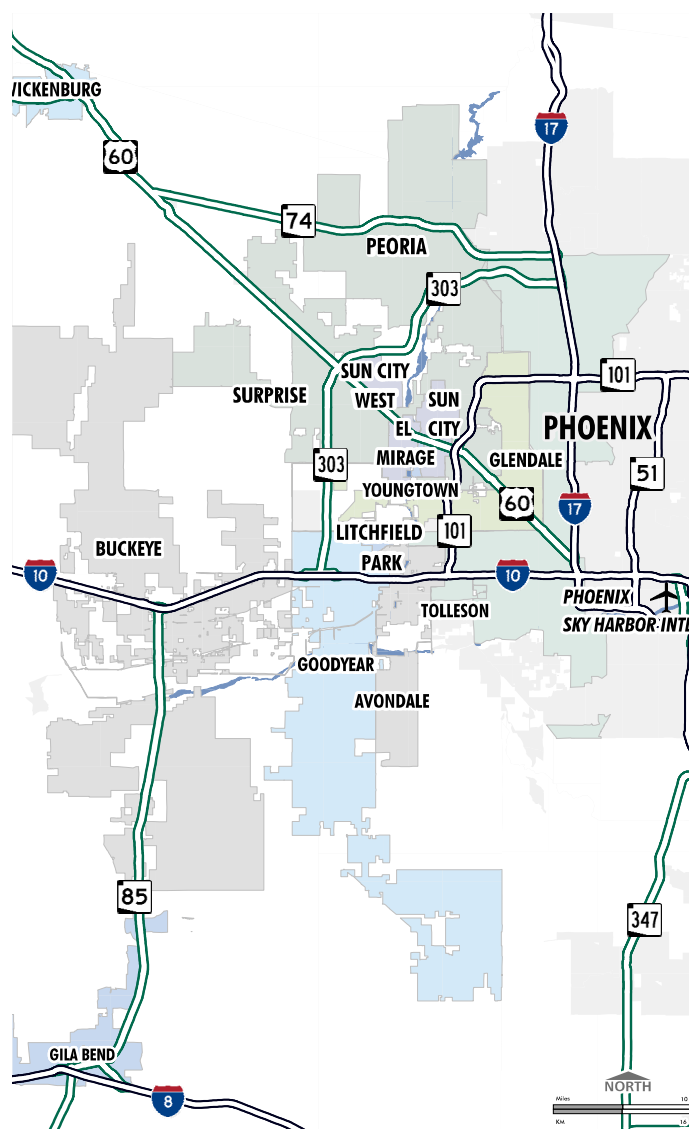
WHY WEST VALLEY METRO PHOENIX



■ INTRODUCTION

Phoenix's West Valley has achieved tremendous growth over the last several decades. An influx of residents and businesses are helping the region shed its image as a bedroom community, earning its reputation as a great place to live, work and play. Today, more than 1.6 million people call the West Valley home, and its population over the next five years is projected to grow at twice the national average rate of growth. The region's mix of luxury and affordable housing contributes to a diverse community that attracts both executives and first-time home buyers. West Valley amenities—including Westgate Entertainment District, State Farm Stadium (home of the Arizona Cardinals), Gila River Arena (home of the Phoenix Coyotes), five spring training stadiums, and continuously expanding dining options—provide an exceptional quality of life for its residents.

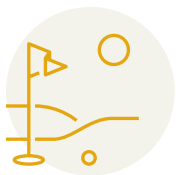
The West Valley's large talent pool, affordable cost of living and doing business, and availability of land has attracted healthcare, distribution and advanced manufacturing companies to the region over the last several years. Recent business announcements in the West Valley from Farmer's Insurance, AKOS Medical Campus, Chewy.com, Conair, Ball Corporation, SK Food Group and UPS are bringing thousands of jobs to the area. Additionally, Luke Air Force Base, headquartered in the West Valley, is a major economic driver in the region, with an economic impact of \$2.2 billion in the state of Arizona. Each year, 450 professionals separate from military service and many stay in the region, adding to the strong workforce. Lastly, numerous educational institutions in the West Valley, including Arizona State University West, Grand Canyon University and Ottawa University, ensure employers that their future labor needs are met.





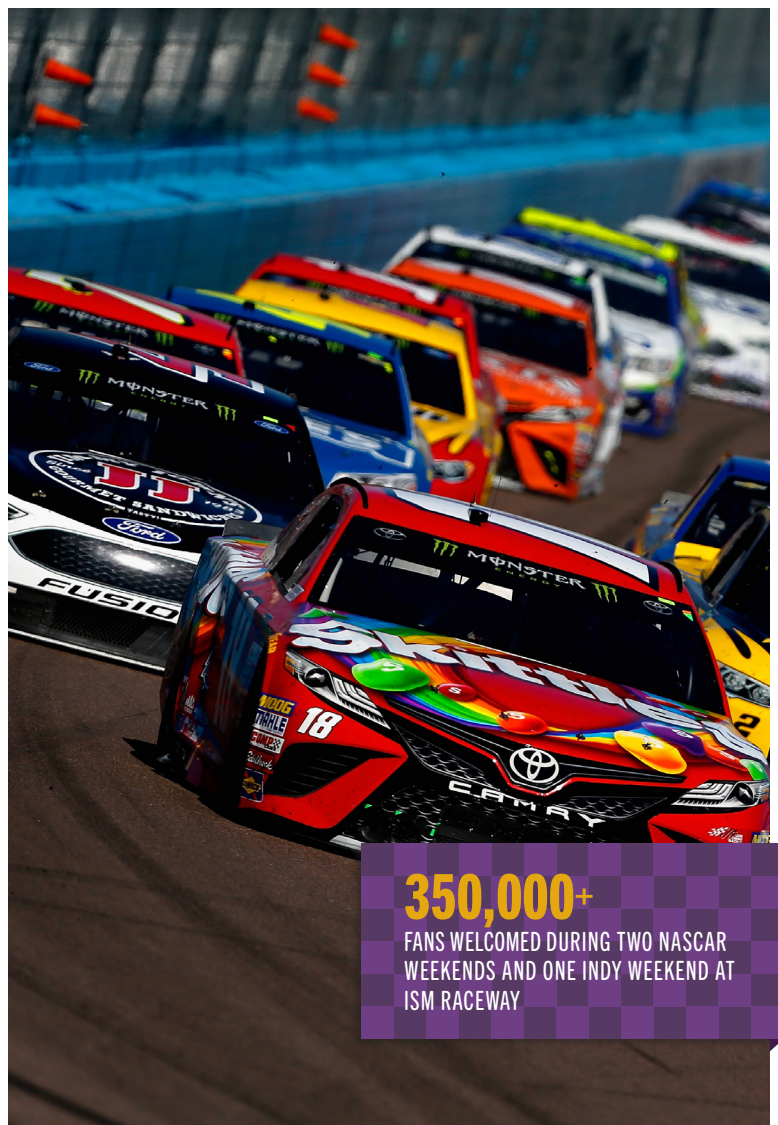
MAJOR ATTRACTIONS

- Westgate Entertainment District
- State Farm Stadium (Arizona Cardinals)
- Gila River Arena (Phoenix Coyotes)
- Five MLB Spring Training Stadiums: Goodyear Ballpark (Indians & Reds), Peoria Sports Complex (Mariners & Padres), Camelback Ranch (White Sox & Dodgers), Surprise Stadium (Rangers & Royals), and Maryvale Baseball Park (Brewers)
- ISM Raceway (host to NASCAR)
- Ak-Chin Pavilion Amphitheater
- Wildlife World Zoo, Aquarium & Safari Park
- Tanger Outlets
- Desert Diamond West Valley Casino
- Vee Quiva Casino
- Wigwam Resort & Spa



PARKS & RECREATION

- Skyline Regional Park
- White Tank Mountain Regional Park
- Estrella Mountain Regional Park
- Lake Pleasant Regional Park
- 50+ Golf Courses



350,000+

FANS WELCOMED DURING TWO NASCAR
WEEKENDS AND ONE INDY WEEKEND AT
ISM RACEWAY

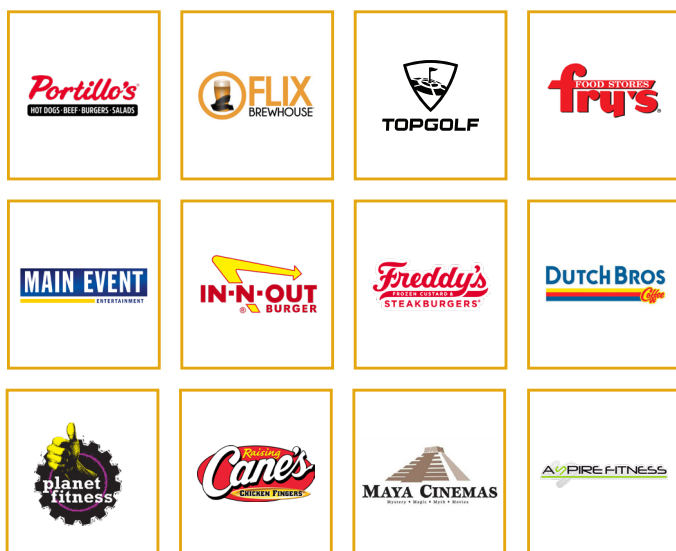
ECONOMIC PROFILE

KEY INDUSTRIES



Source: Maricopa Association of Governments, 2017.

RETAILERS EXPANDING IN THE WEST VALLEY



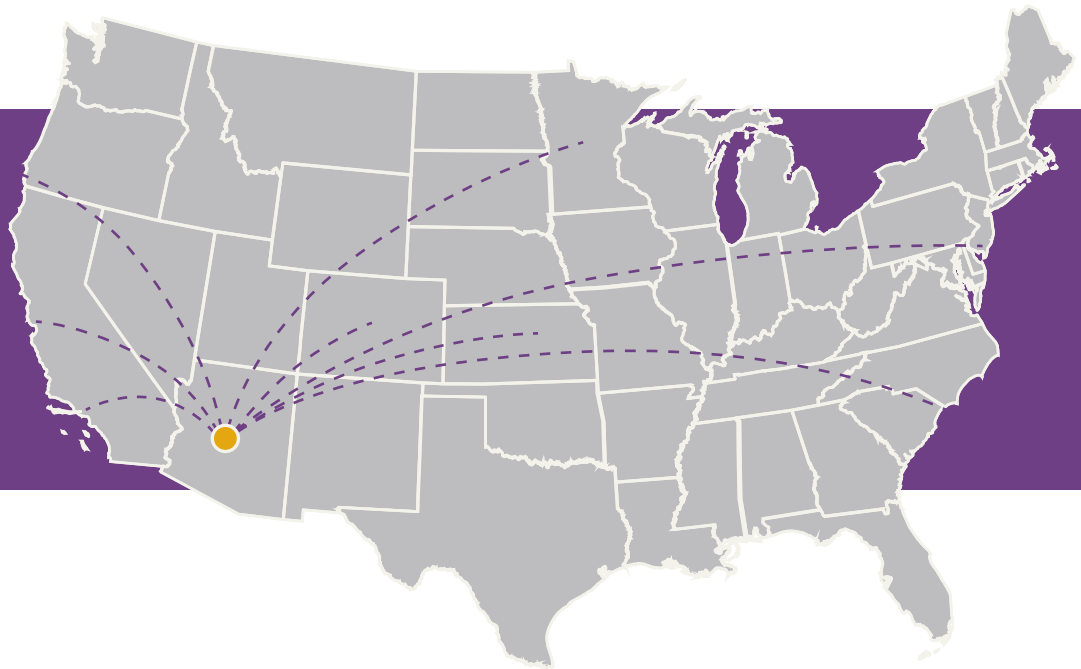
KEY EMPLOYERS

Name	Employees	Name	Employees
Luke Air Force Base	7,840	Macy's	1,320
Banner Health	7,090	AAA Arizona	1,100
Amazon	5,880	UPS	1,040
American Express	3,890	JPMorgan Chase	930
Grand Canyon University	2,800	Consumer Cellular	850
Pinnacle West Capital Corp.	2,510	Shamrock Foods Company	840
Abrazo Healthcare	2,070	Honeywell	830
Petsmart	2,000	Midwestern University	820
JBS Packerland Tolleson	1,540	Kenyon Plastering	800
Marshalls	1,480	Triwest Healthcare Alliance	800
HonorHealth	1,400	Wells Fargo	800
Swift Transportation	1,390	Fed. Reserve Bank of San Francisco	770
Humana	1,340	Western Regional Medical Center	770
Empereon Marketing	1,340	UnitedHealth Group	720

Source: Maricopa Association of Governments, 2017.



COMPANIES EXPANDING AND MOVING TO THE WEST VALLEY (Q1 2016 - Q4 2018)



■ EXPANSION ● NEW TO MARKET

Company	City	New Jobs	Space Use
■ Farmers Insurance	Phoenix	750	Office
● Chewy	Goodyear	700	Industrial
● SK Food Group	Tolleson	550	Industrial
● UPS	Goodyear	500	Industrial
■ Andersen Corporation	Goodyear	415	Industrial
● AKOS Medical Campus	Avondale	400	Medical Office
■ Conair	Glendale	300	Industrial
● Huhtamaki North America	Goodyear	300	Industrial
■ Southwest Products Corporation	Surprise	265	Industrial
● IRIS USA	Surprise	200	Industrial
■ XPO Logistics	Goodyear	150	Industrial
■ Alaska USA Federal Credit Union	Glendale	136	Office
● Aldi	Goodyear	132	Industrial

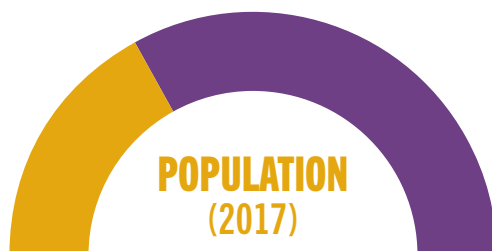
Company	City	New Jobs	Space Use
■ Amazon	Goodyear	130	Industrial
● Ball Corporation	Goodyear	130	Industrial
■ Tyr Tactical	Peoria	125	Industrial
● Trimaco	Surprise	110	Industrial
● The Vitamin Shoppe	Avondale	110	Industrial
● Cardinal IG	Buckeye	100	Industrial
■ Carvana	Tolleson	100	Industrial
● Ring	Glendale	100	Office
■ KPS Global	Goodyear	85	Industrial
● SeaCa Packaging	Surprise	65	Industrial
■ Bravada Yachts	Tolleson	57	Industrial
■ HonorHealth	Peoria	57	Medical Office
● IAC Industries	Goodyear	55	Industrial

Source: CBRE Research, Greater Phoenix Economic Council, Arizona Commerce Authority, Phoenix Business Journal, AZCentral, AZ Big Media.



1,623,473

WEST VALLEY



4,732,910

METRO PHOENIX

More than a third of Phoenix metro residents live in the West Valley

2.1M

The West Valley's population is projected to grow to 2.1 million by 2030

40%

By 2030, 40% of the metro's population growth will occur in the West Valley

Demographics

Median Age

33.9

WEST VALLEY

35.8

PHOENIX METRO

38.2

UNITED STATES

Median Household Income

\$53,400

WEST VALLEY

\$56,081

PHOENIX METRO

\$56,124

UNITED STATES

Average Home Price

\$220,256

WEST VALLEY

\$283,119

PHOENIX METRO

\$286,484

UNITED STATES

West Valley Educational Attainment*

21.0%

BACHELOR'S+

33.5%

SOME COLLEGE

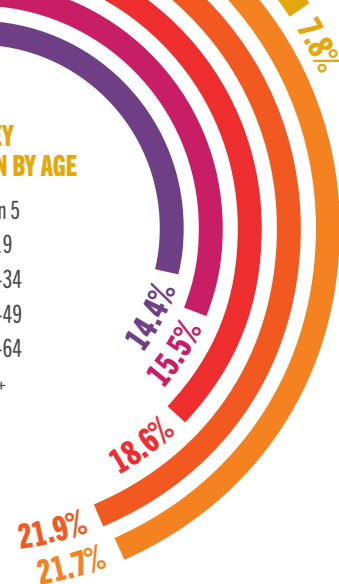
27.9%

HIGH SCHOOL



WEST VALLEY POPULATION BY AGE

- Less than 5
- Ages 5-19
- Ages 20-34
- Ages 35-49
- Ages 50-64
- Ages 65+





EDUCATION



Student Enrollment (Fall 2018)

Grand Canyon University	20,500
Glendale Community College	17,942
Estrella Mountain Community College	9,976
Arizona State University, West	4,445
West Valley Rio Salado College	2,752
Ottawa University	1,434

Source: GCU, ASU, GCC, EMCC, RSC 2018.

West Valley Educational Institutions:

PUBLIC

- ASU West Campus
- NAU at Glendale
- NAU at Estrella Mountain
- NAU at North Valley

COMMUNITY COLLEGES

- Estrella Mountain Community College
- Estrella Mountain Community College-Buckeye Educational Center
- Glendale Community College
- Phoenix College
- Rio Salado Community College

PRIVATE

- Arizona College
- Carrington College
- Columbia College
- DeVry University
- Embry Riddle
- Franklin Pierce University
- Grand Canyon University
- Huntington University
- Midwestern University
- Ottawa University
- University of Phoenix
- Webster University

CAREER & TECHNICAL PROGRAMS

- Arizona Automotive Institute
- Universal Technical Institute
- West-MEC
 - Central Campus
 - Northeast Campus
 - Southwest Campus
 - Northwest Campus
 - Diesel Campus
 - Start@WEST-MEC



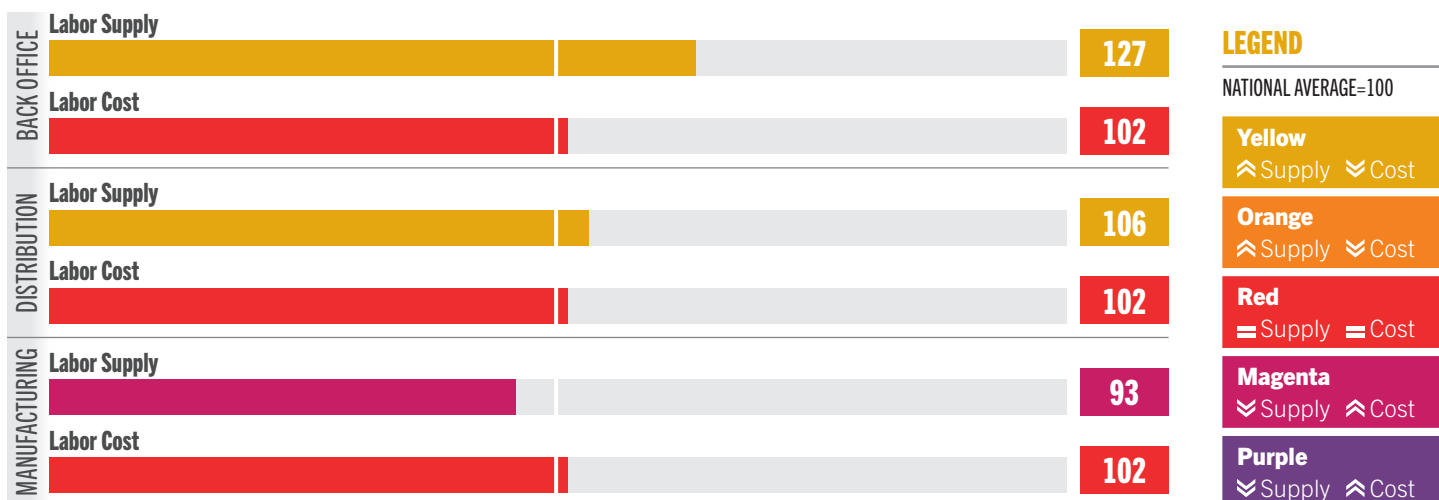
LABOR SUPPLY

LABOR HIGHLIGHTS

- 62%** of the West Valley's workforce commutes to jobs in other parts of Maricopa County.
- 35%** of healthcare workers in Maricopa County live in the West Valley, yet only 21% of the jobs are located here.
- 32%** of finance and insurance workers in Maricopa County live in the West Valley compared to 13% of jobs located here.
- 33%** of the manufacturing workers in Maricopa County live in the West Valley, yet only 22% of the jobs are located here.

Sources: U.S. Census Bureau; 2017 MAG Employer Database.

WEST VALLEY LABOR SUPPLY & COST INDEX



Source: CBRE Labor Analytics, 2018.

*Indices based on a 20-mile radius of Litchfield Park, AZ. The supply and cost scores are indicative of the overall market, but are not specific to a company/occupier.



PROFESSIONAL SERVICES LABOR COST COMPARISON

A typical professional services firm can save 5.0% on labor costs in Phoenix's West Valley compared to the national average. This compares to markets like Dallas and Los Angeles, where the same labor costs 2.0% and 9.8% above the national average.

OCCUPATION	U.S. Average	Salt Lake City	West Valley	Austin	Dallas	Denver	Los Angeles
Human Resources Generalist - 1 Year Experience	\$61,604	\$57,214	\$58,522	\$61,040	\$64,104	\$64,900	\$67,557
Financial Analyst - 1 Year Experience	\$69,250	\$64,506	\$65,767	\$68,021	\$72,054	\$72,412	\$76,768
Accounts Payable & Receivable Clerk - 1 Year Experience	\$33,332	\$31,586	\$33,076	\$32,415	\$33,252	\$35,617	\$36,315
Call Center Rep Specialized - 1 Year Experience	\$29,147	\$27,536	\$24,468	\$27,723	\$28,570	\$30,765	\$31,204
Administrative Assistant - 1 Year Experience	\$36,985	\$35,110	\$37,068	\$36,051	\$37,027	\$40,141	\$41,145
Average Annual Wage	\$46,064	\$43,190	\$43,780	\$45,050	\$47,001	\$48,767	\$50,598
% SAVING OVER U.S. AVERAGE	0.0%	6.2%	5.0%	2.2%	-2.0%	-5.9%	-9.8%

Source: CBRE Labor Analytics, ERI Economic Research Institute, 2018.

MANUFACTURING LABOR COST COMPARISON

A typical manufacturing firm can save 2.6% on labor costs in Phoenix's West Valley compared to the national average. This compares to markets like Las Vegas and Los Angeles, where the same labor costs 0.9% and 7.2% above the national average.

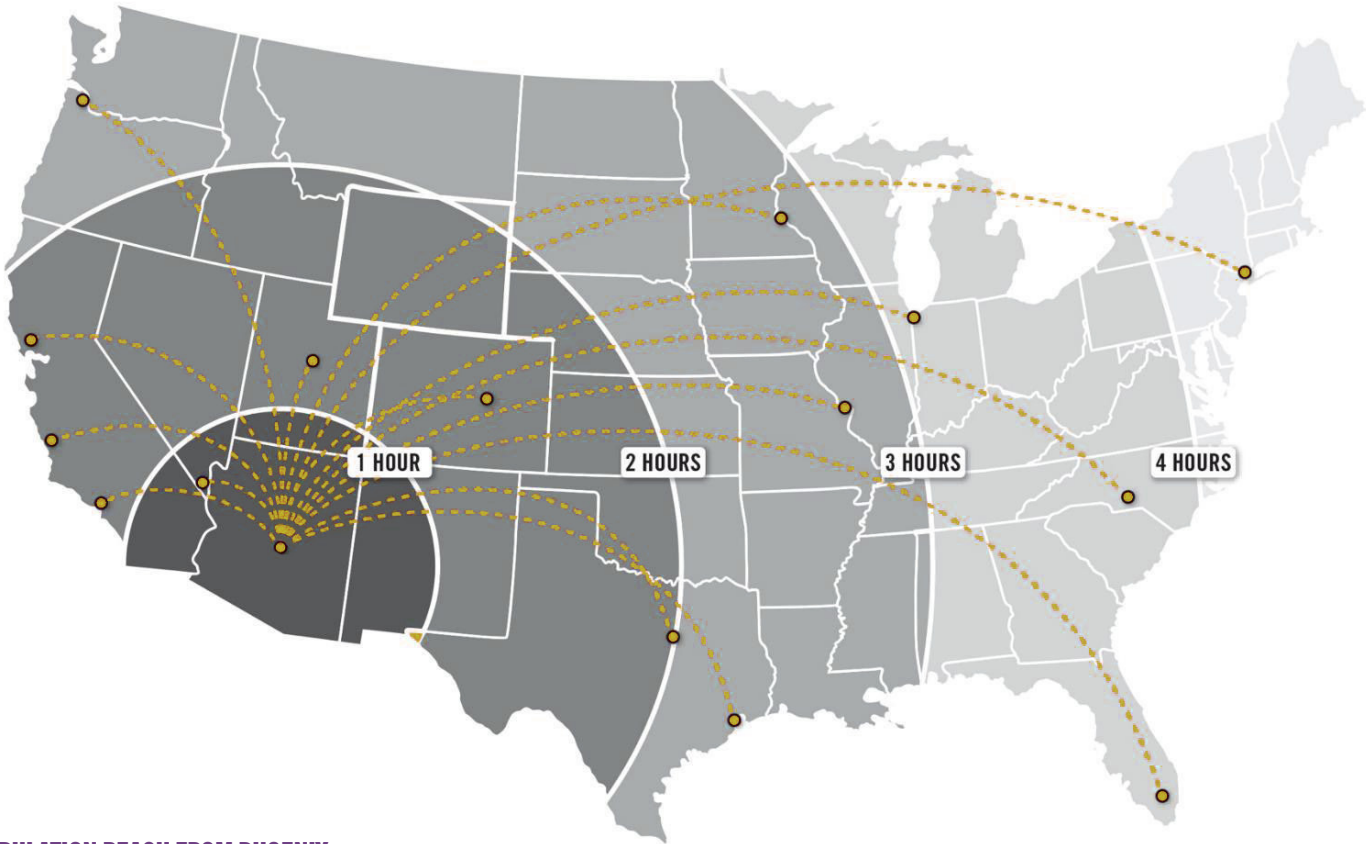
OCCUPATION	U.S. Average	West Valley	Atlanta	Dallas	Columbus	Las Vegas	Los Angeles
Manufacturing Worker - 1 Year	\$12.50	\$12.24	\$11.95	\$11.63	\$12.63	\$12.76	\$12.75
Machine Operator - 1 Year	\$16.15	\$15.88	\$15.57	\$15.28	\$16.51	\$16.66	\$16.83
Assembly Line Foreman - 1 Year	\$20.82	\$20.60	\$20.33	\$20.40	\$20.83	\$21.43	\$22.05
Product Assembler Machine - 1 Year	\$16.62	\$16.43	\$16.07	\$15.79	\$17.03	\$17.19	\$17.44
Manager Production - 3 year	\$44.69	\$42.72	\$45.54	\$48.06	\$44.40	\$43.77	\$49.67
Average Annual Wage	\$22.16	\$21.57	\$21.89	\$22.23	\$22.28	\$22.36	\$23.75
% SAVING OVER U.S. AVERAGE	0.0%	2.6%	1.2%	-0.3%	-0.6%	-0.9%	-7.2%

Source: CBRE Labor Analytics, ERI Economic Research Institute, 2018.



STRATEGIC LOCATION

FLIGHT TIMES



POPULATION REACH FROM PHOENIX

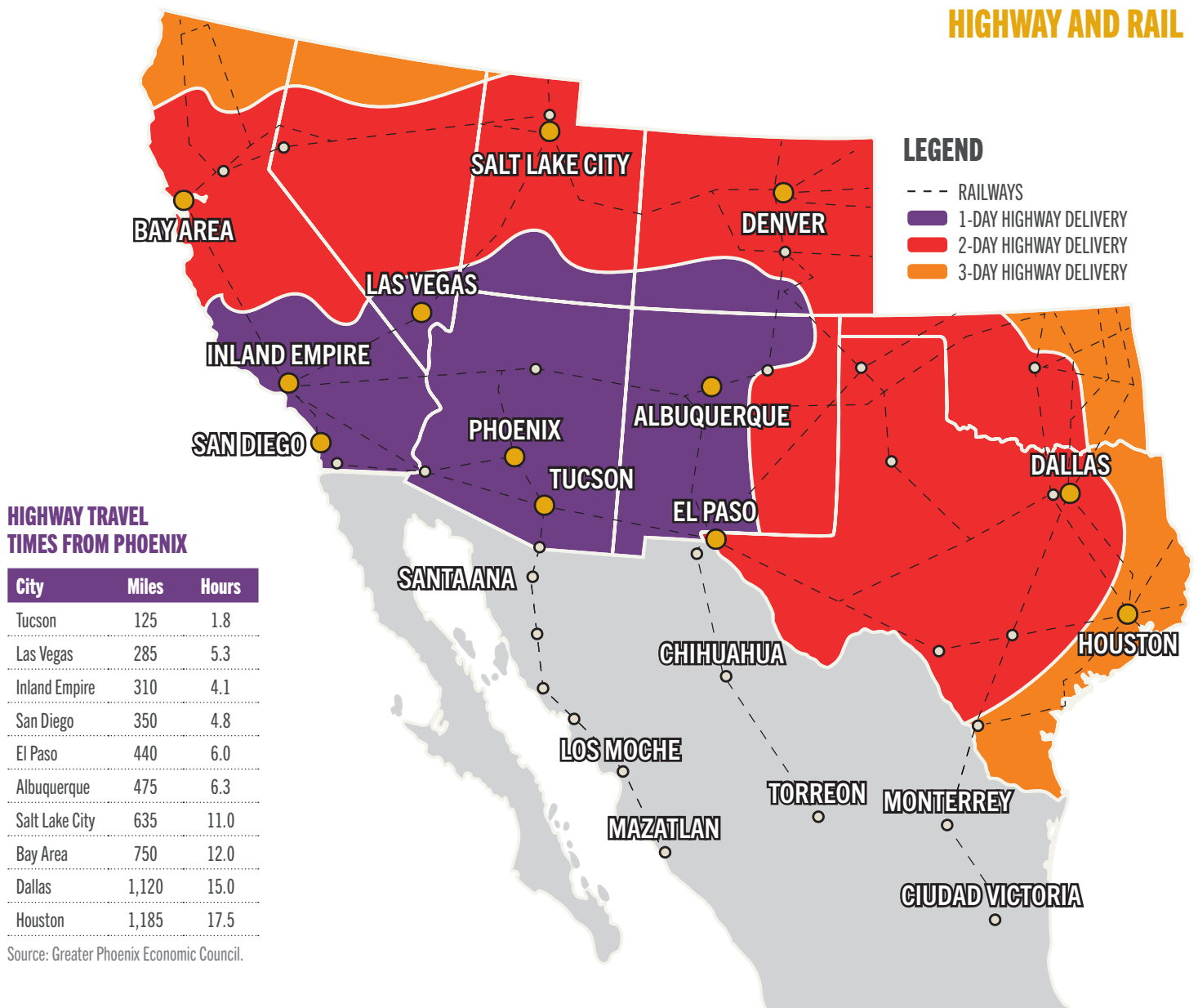
Distance	2018 Population (millions)	2023 Population (millions)
100 miles	5.30	5.75
200 miles	7.08	7.58
300 miles	14.42	15.40
400 miles	34.61	36.30

Distance	2018 Population (millions)	2023 Population (millions)
500 miles	40.33	42.33
600 miles	50.10	52.74
700 miles	63.71	67.02
800 miles	66.64	70.06

Source: Esri.



HIGHWAY AND RAIL



WEST VALLEY COMMERCIAL REAL ESTATE (Q4 2018)

OFFICE

The West Valley's office footprint accounts for less than 13.0% of the metro's total inventory with only 10.7 million sq. ft. of office space. Despite the availability of labor that attracts companies to the West Valley and relatively low vacancy, office developers have remained on the sidelines with only one build-to-suit underway in Q4 2018. Due to limited availability of Class A office inventory in the region, the addition of new high-quality product could attract office tenants to the area.

	West Valley	PHX Metro
Total Base	10.7M	88.9M
Vacancy	15.0%	15.2%
Asking Rent (FSG/Annual)	\$19.98	\$26.55
Under Construction	150,000	2,637,777

INDUSTRIAL

The industrial sector has a strong presence in the West Valley due to the large labor pool, strategic location and relative affordability compared to coastal markets. West Valley industrial space accounts for half of metrowide inventory and an additional 2.7 million sq. ft. of space is currently underway. Developers are trying to keep pace with growing demand from distribution and warehouse users that has kept vacancy low.

	West Valley	PHX Metro
Total Base	159.6M	318.2M
Vacancy	7.2%	6.5%
Asking Rent (NNN/Monthly)	\$0.50	\$0.63
Under Construction	2,688,070	6,084,711

RETAIL

Household growth has attracted retailers to the West Valley, particularly grocers and fitness users. The West Valley's retail base is 52.6 million sq. ft. and new supply is relatively limited with only 136,900 sq. ft. underway. Vacancy is slightly above the metrowide average and average rent is \$15.72 per sq. ft., which also sits below the market average. The continued increase in new households and wage growth is expected to attract new retailers to the area.

	West Valley	PHX Metro
Total Base	52.6M	151.8M
Vacancy	9.4%	8.4%
Asking Rent (NNN/Annual)	\$15.72	\$17.49
Under Construction	136,900	737,950

Source: CBRE Research, Q4 2018.

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