

MARKETBEAT

Land Snapshot Q1 2016

Metropolitan Phoenix



PHOENIX LAND

Economic Indicators*

	Q1 15	Q1 16	12-Month Forecast
Phoenix Employment	1,889k	1,956k	▲
Phoenix Unemployment	5.6%	4.6%	▼
U.S. Unemployment	5.6%	4.9%	▼

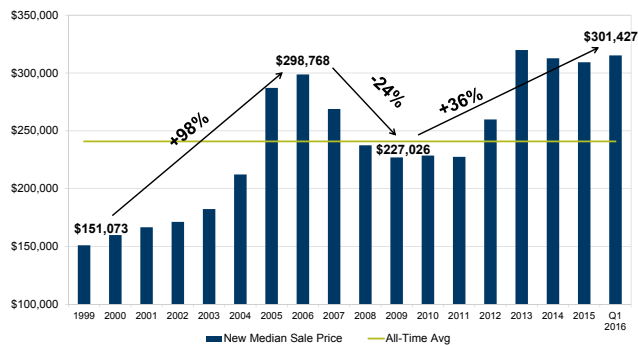
*Q1 data based on the average of January and February values.

Market Indicators

	Q1 15	Q1 16	12-Month Forecast
New and Resale Home Closings	20,100	22,500	▲
Trust Deed Sales (Maricopa County Only)	1,000	900	▼
Single Family Permits	3,300	4,400	▲
Notice of Trust Deed Sales (Maricopa County Only)	2,700	2,300	▼

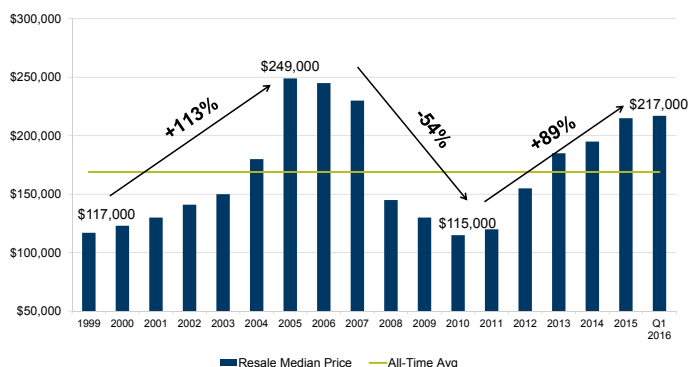
Detached New Home Median Price ⁽¹⁾

MARICOPA COUNTY



Resale Home Median Price ⁽¹⁾

ALL-TIME AVERAGE



Economy

The Metro Phoenix job market continued to show signs of improvement, adding 67,000 jobs year-over-year through February 2016. With an average employment level of 1,955,850 total non-farm jobs for the first two months of 2016, the Valley has recovered all the jobs lost during the Great Recession. During the same time period, the unemployment rate decreased 100 basis points (bps), dropping to 4.6%. Of the 67,000 jobs added, 14,000 were retail trade sector jobs. According to Moody's Analytics, Metro Phoenix is expected to add another 80,000 jobs in 2016.

Market Overview

The average price per square foot (PSF) reached \$2.40, the second highest all time only behind Q2 2007 (\$2.71 PSF). This rate increase equates to an 8% increase quarter-over-quarter, and a staggering 196% increase from the rate that was in place one year ago.

In Q1 2016 there were 4,430 single-family permits issued throughout the region, which is reflective of a 33% increase from the same time period in 2015. Multifamily continues to thrive in the valley, with over 1,460 permits issued during the first quarter, yet this is a 5% drop from the amount issued during Q1 2015.

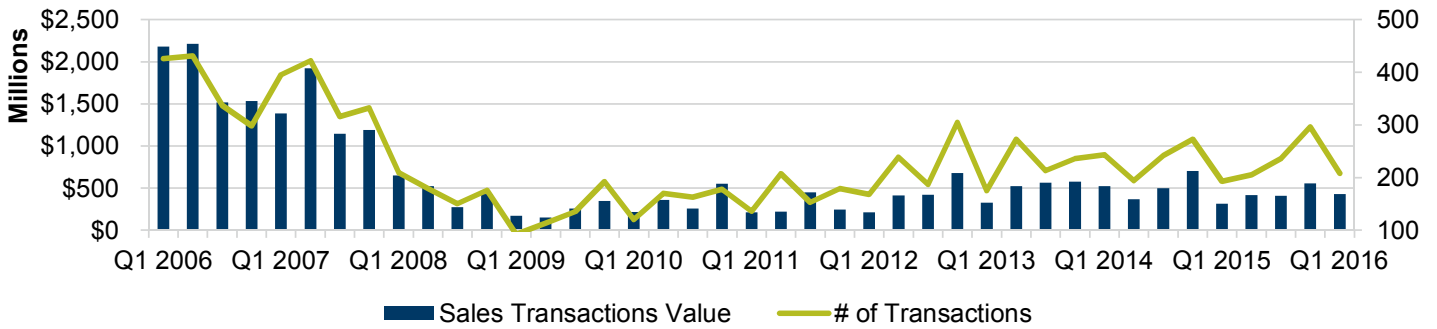
During the first quarter, more than 22,000 homes were sold (19,840 resale homes & 2,670 new homes), equating to a 12% increase from last year. Along with the increasing sales volume, the Metro Phoenix housing market experienced a rise in the total median home price (\$229,000), with this metric increasing 12% in the same 12-month span.

With millennials rising to the top of the homebuyer demographics, the features they are looking for become especially important to homebuilders. Millennials are now making up approximately 36% of home purchases and although their state preference is for urban living, in reality 44% end up buying in the suburbs. The two most important trends to watch in the Valley this year will be the continued growth of rental rates and the moderating trend in home prices. The pattern seen in 2015 was largely characterized by a white-hot rental market, and if this continues, more households will likely choose to rent over buy in 2016.

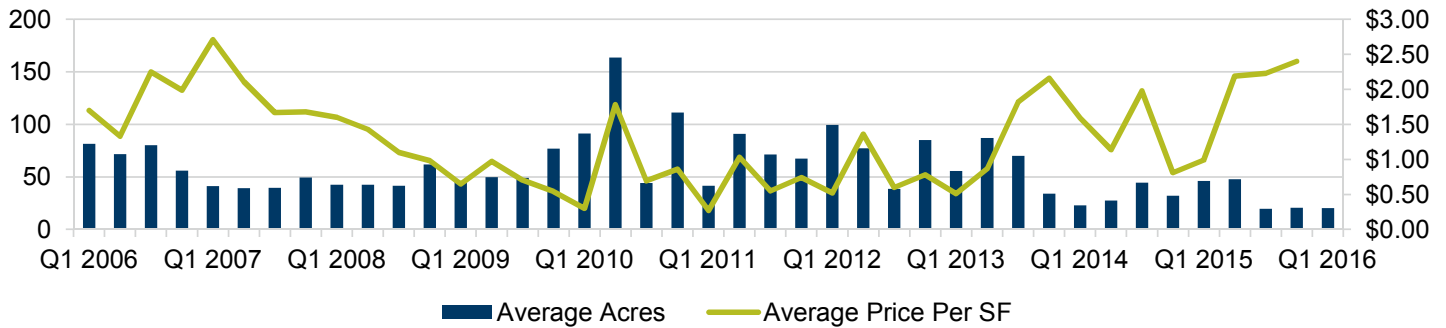
Cushman & Wakefield Land Market Snapshot

Metro Phoenix • First Quarter • 2016

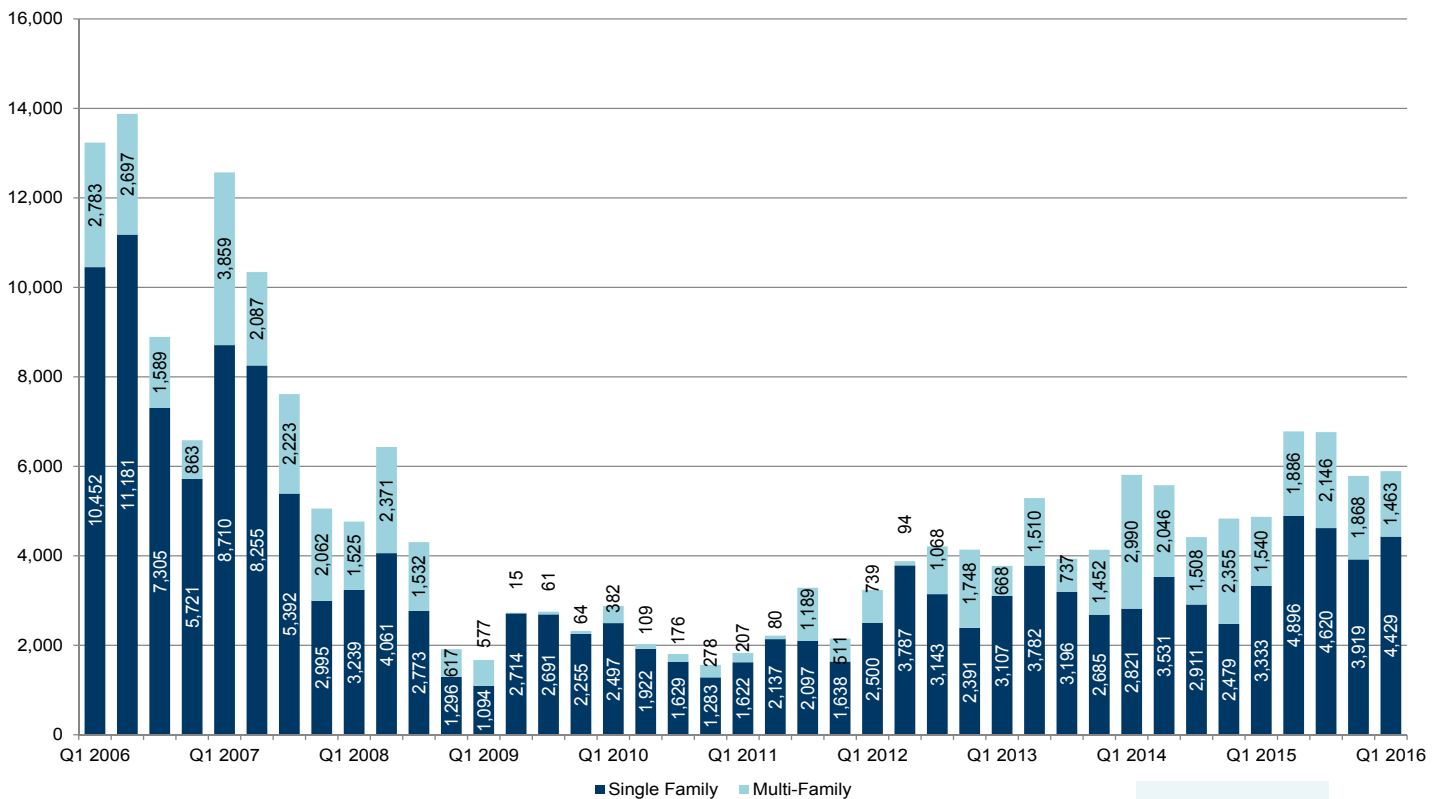
Total Sales Volume Vs. Number of Transactions ⁽⁸⁾



Average Acres Sold vs. Average Price Per SF ⁽⁸⁾

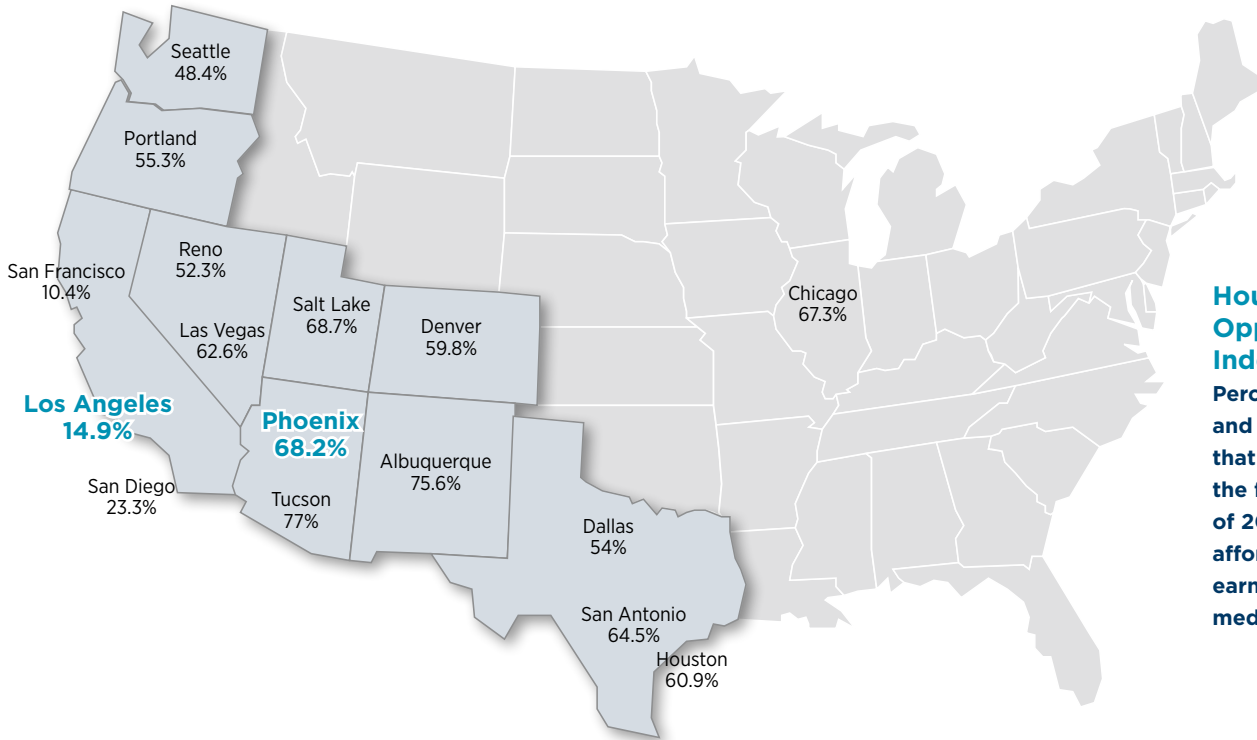


Single Family Permits vs. Multifamily Permits ⁽⁷⁾



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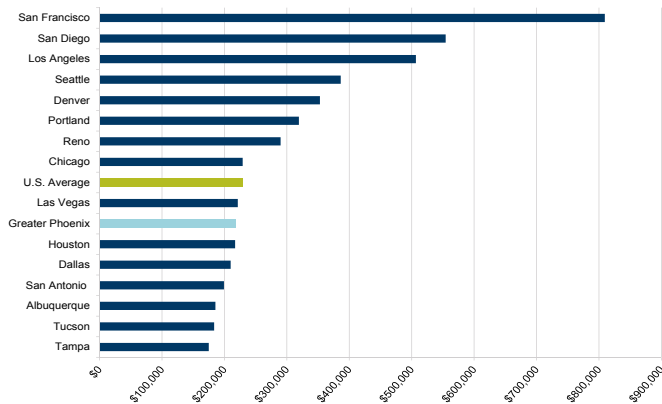


Housing Opportunity Index^{(5)*}
 Percentage of new and existing homes that were sold during the fourth quarter of 2015 that were affordable to families earning the area's median income.

Median Sales Price of Existing Single-Family Homes ^{(6)*}

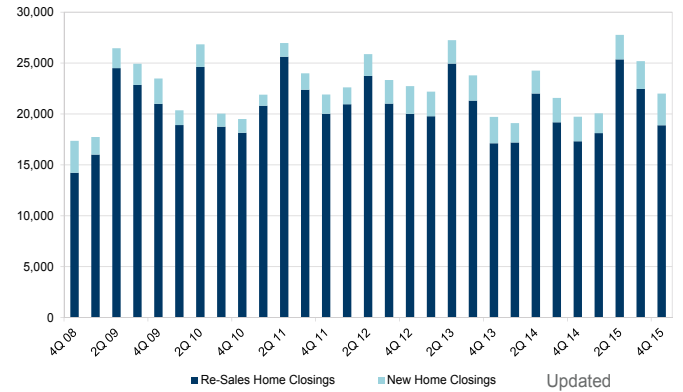
4TH QUARTER 2015

Metro Phoenix median price of existing homes has increased 9.1% percent year-over-year

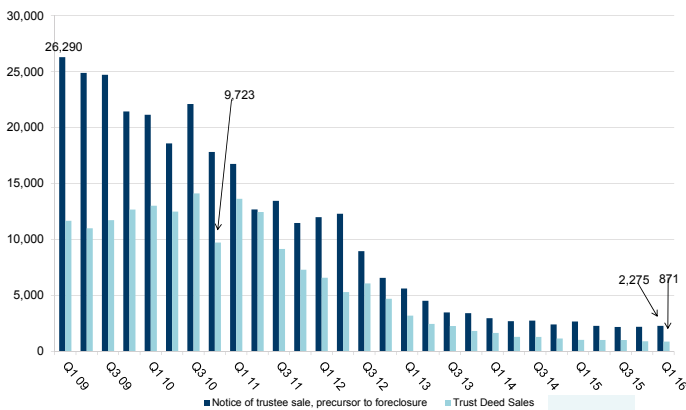


Quarterly Home Closings ⁽¹⁾

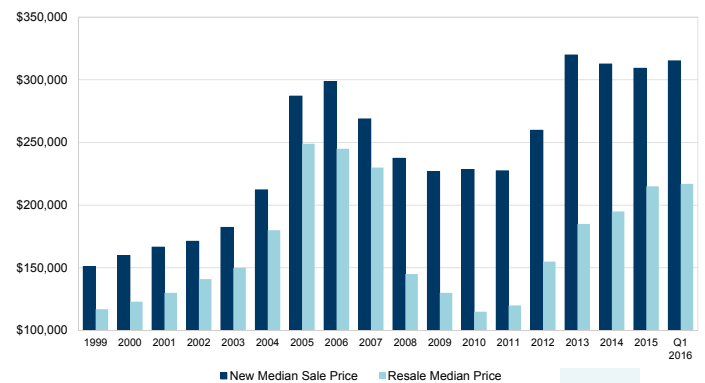
MARICOPA COUNTY



Maricopa County Quarterly Residential Foreclosures ⁽¹⁾



Resale Home Median Price vs. New Home Median Price ⁽¹⁾



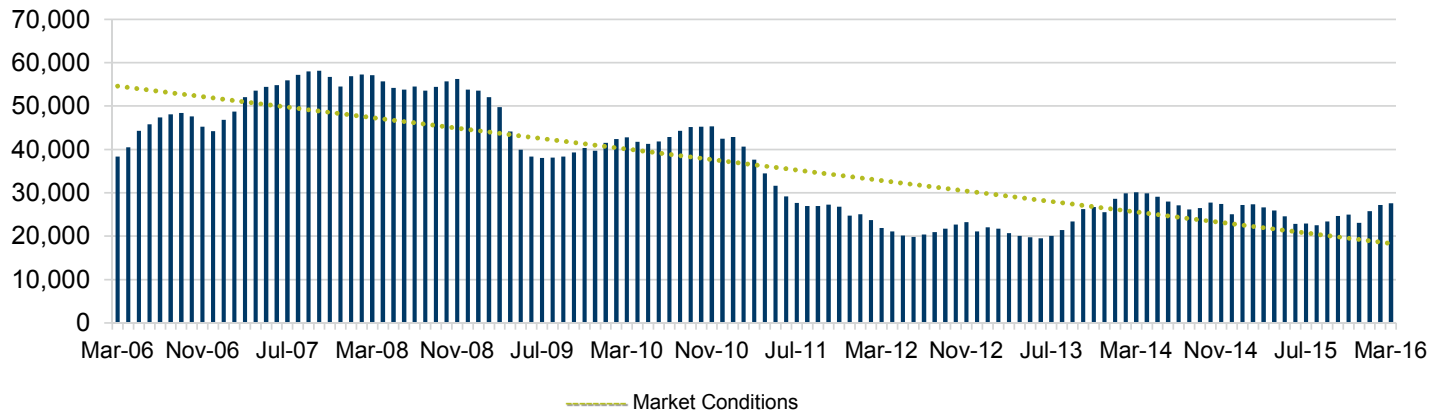
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Land Snapshot Q1 2016

Metropolitan Phoenix



Active Listings



Q1 2016 Top Land Sale Transactions ⁽⁸⁾

Property Address	Property City	Sale Date	Sale Price	Proposed Use Type	Acreage	\$ Per SF	Seller	Buyer
SW 56th St & Lincoln Dr	Paradise Valley	1/15/2016	\$39,750,000	Residential	10.3	\$88.65	The New Home Company	Crown Realty & Development, Inc.
S Recker & E Williams Fie Rd	Gilbert	3/30/2016	\$20,667,865	Residential	92.7	\$5.12	Fulton Homes	JLC Family Investments LLC
Indian School Rd & AZ Loo	Goodyear	2/23/2016	\$12,864,139	Commercial	78.3	\$3.77	First Industrial Realty Trust, Inc.	Sunbelt Holdings
20185 S Ellsworth Rd	Queen Creek	1/19/2016	\$12,000,000	Commercial	120.0	\$2.30	Communities Southwest	ML Manager, LLC
N 95th Ave & Happy Valley Rd	Peoria	3/29/2016	\$11,500,000	Residential	91.7	\$2.88	Pulte Home Corporation	TerraWest Communities
NE Chandler Blvd & McClintock Blvd	Chandler	3/31/2016	\$11,280,000	Commercial	10.8	\$24.00	JPI/TDI	Lennar Multifamily
10424 E Jomax Rd	Scottsdale	2/10/2016	\$10,000,000	Residential	9.2	\$24.98	K. Hovnanian Great Western Homes	Michael A Lieb Ltd.
25311 N Lake Pleasant Pky	Peoria	3/9/2016	\$8,700,000	Commercial	13.7	\$14.61	Gary E. & Judith Schnurr	Cypress Equities
4802 E Van Buren St	Phoenix	1/29/2016	\$8,550,000	Commercial	9.0	\$21.76	IO Capital, LLC	Metal Form Manufacturing Inc.

Sources:

- (1) The Cromford Report. Data through 12/2015
- (2) Arizona Regional Multiple Listing Service
- (3) Moody's
- (4) US Census Bureau - Arizona Department of Administration
- (5) National Association of Home Builders
- (6) National Association of Realtors
- (7) 1988-1994 - Home Builders Association of Central Arizona, 1995-2015 - U.S. Census Bureau
- (8) Cushman & Wakefield Research, CoStar
*Data released is from the previous quarter

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