



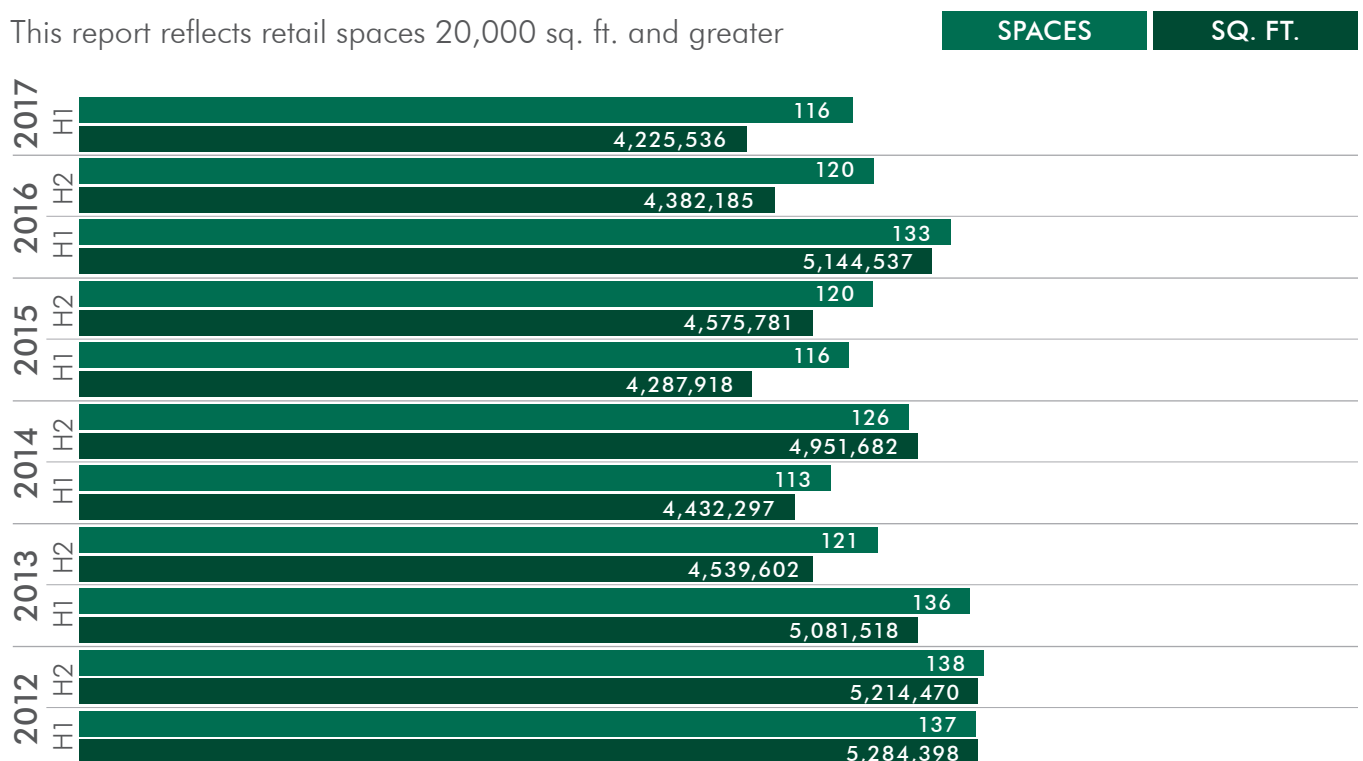
PHOENIX RETAIL BIG BOX REPORT Q2 2017





HISTORICAL SNAPSHOT

This report reflects retail spaces 20,000 sq. ft. and greater



CBRE Research tracks retail shopping centers 30,000 sq. ft. and greater

Source: CBRE Research, Q2 2017.



BIG BOX RETAIL

AVAILABLE

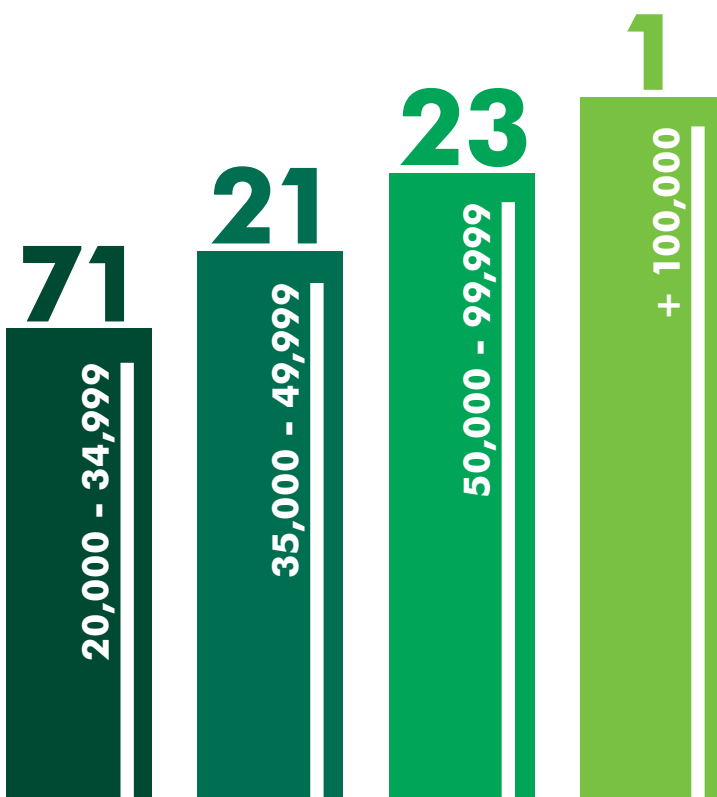
SPACES SQ. FT.
116 **4,225,536**

ABSORBED

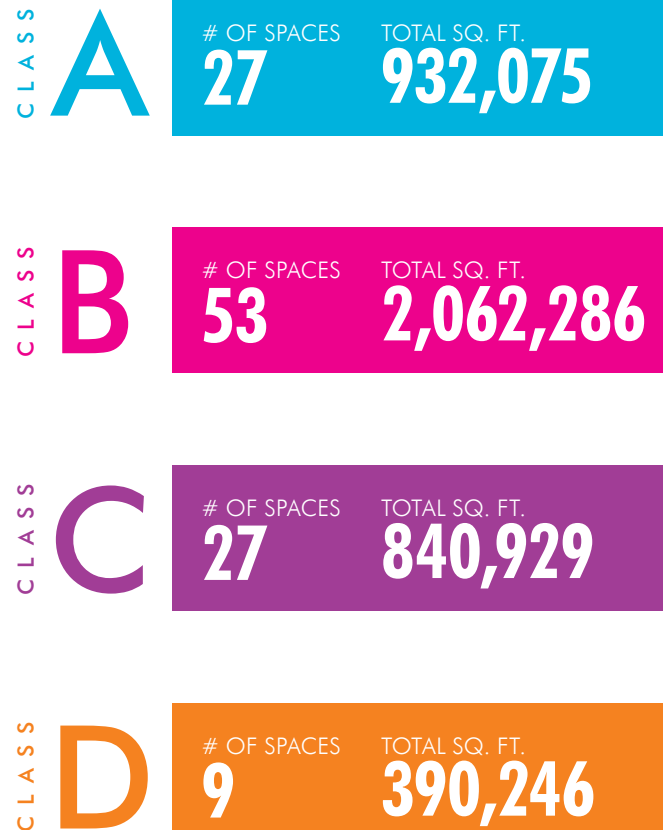
SPACES SQ. FT.
14 **487,900**

Source: CBRE Research, Q2 2017.

SPACES BY SIZE (SQ. FT.)



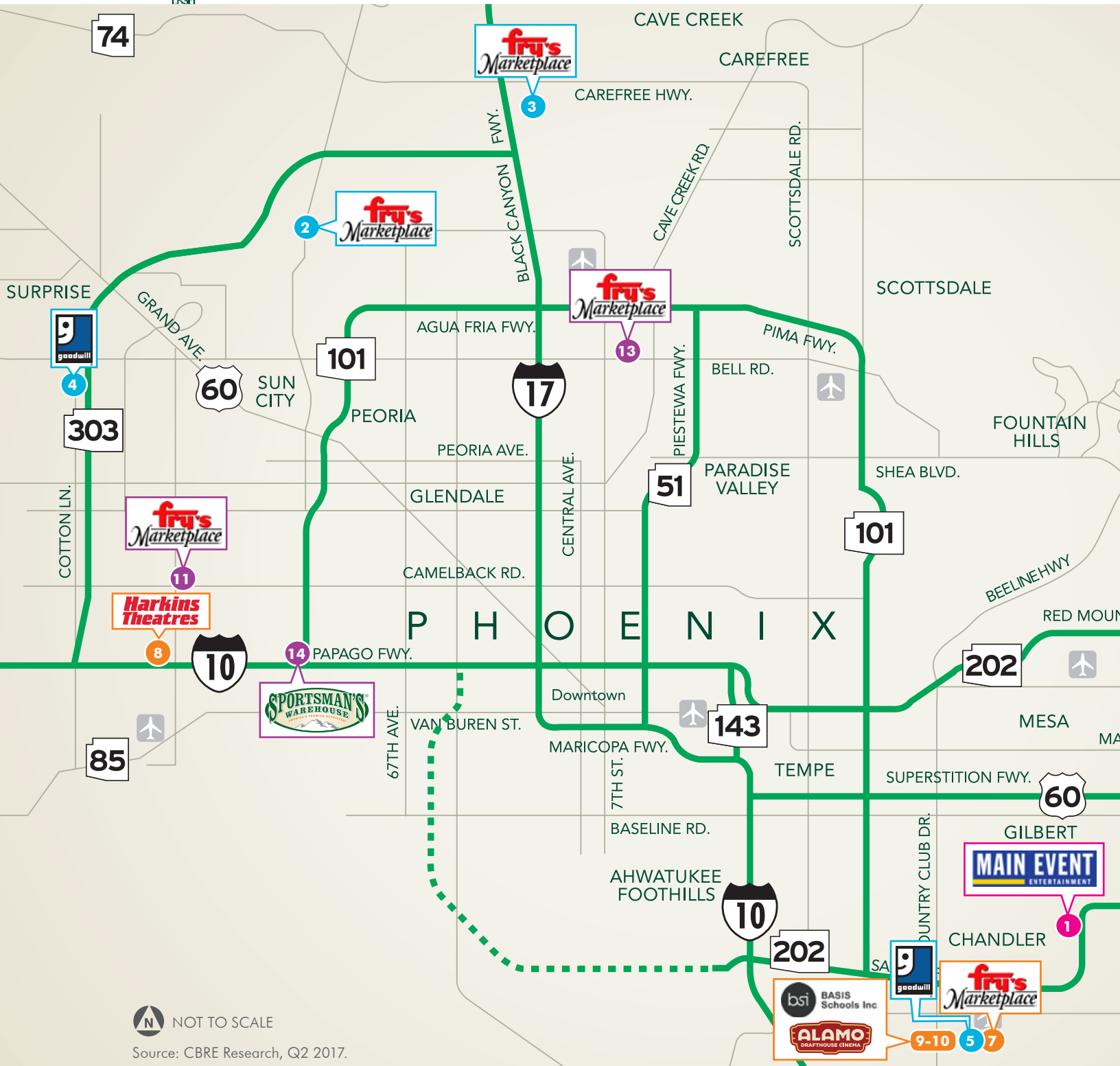
Source: CBRE Research, Q2 2017.



Source: CBRE Research, Q2 2017.

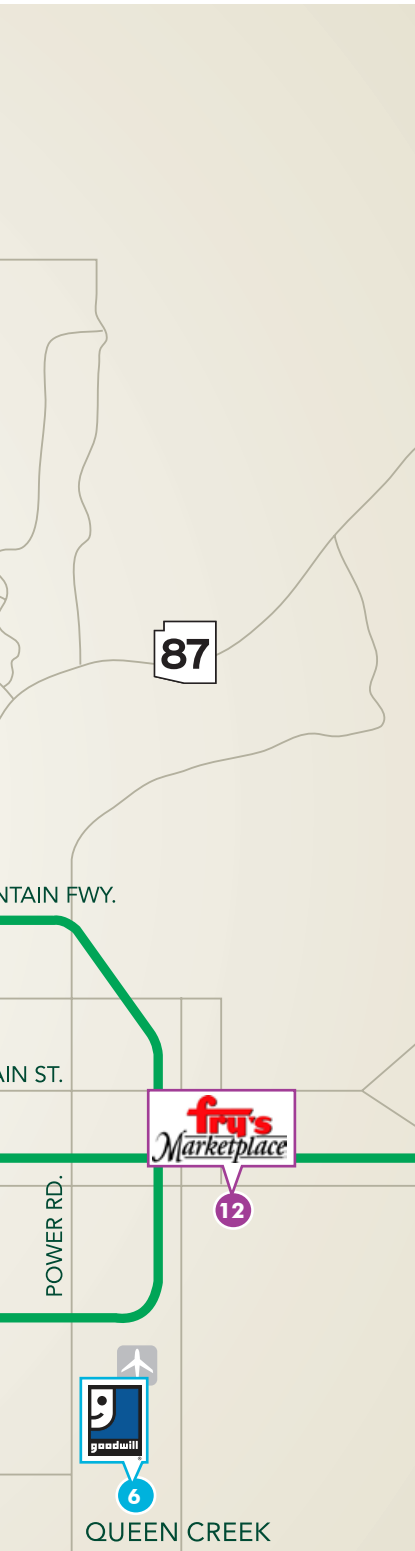


CONSTRUCTION SNAPSHOT



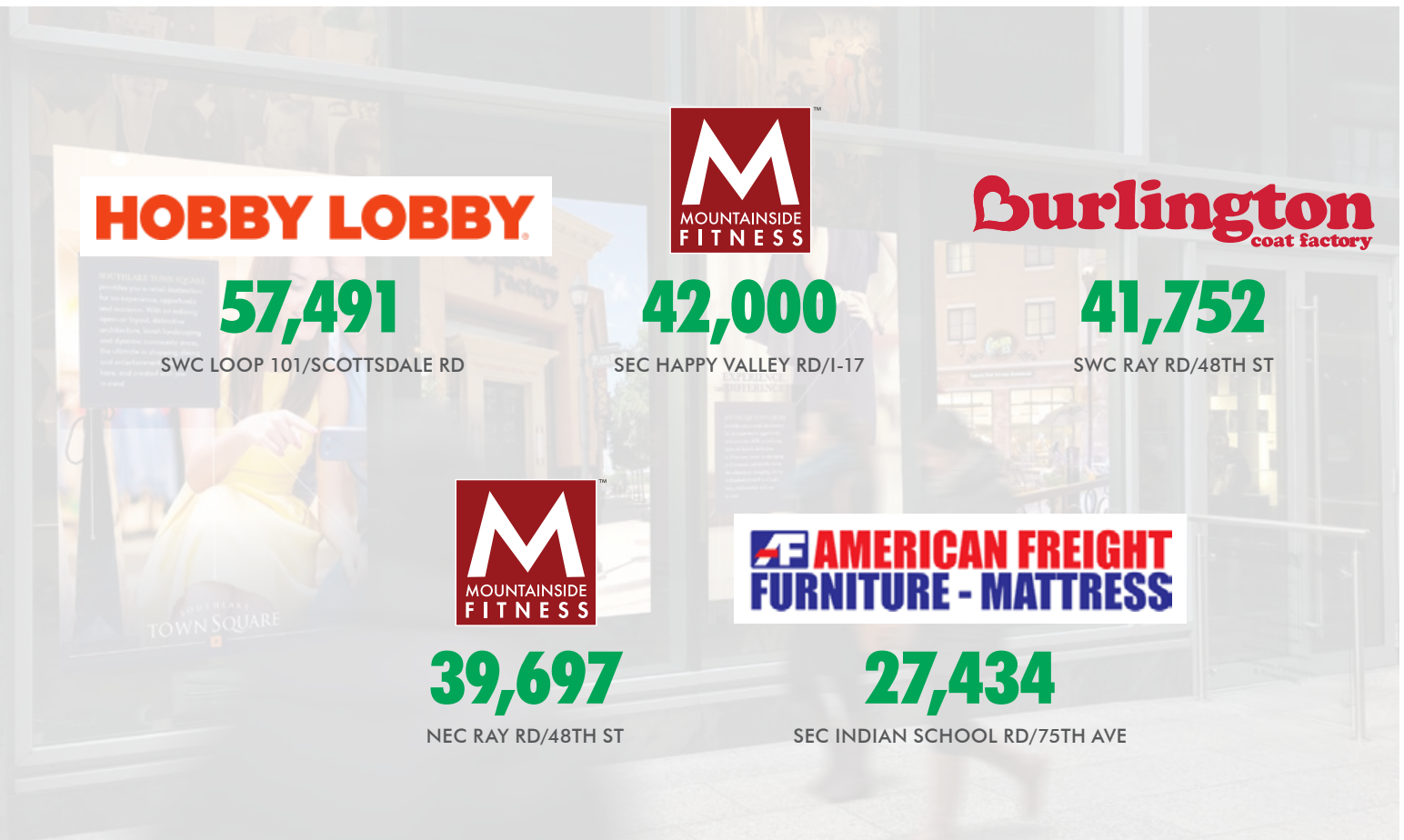
 NOT TO SCALE
 Source: CBRE Research, Q2 2017.

12-MONTH BIG BOX COMPLETIONS



Quarter	Rank	Brand	Location	Size (sq. ft.)
Q2 2017	1		Main Event Entertainment SEC Ray Rd/Santan Village Pkwy	±50,131 sq. ft.
	2		Lake Pleasant Crossing NEC Happy Valley Rd/Lake Pleasant Pkwy	±123,000 sq. ft.
Q1 2017	3		Canyon Crossroads NWC Dove Valley Rd/North Valley Pkwy	±120,084 sq. ft.
	4		Sierra Montana Crossing SWC Greenway Rd/Cotton Ln	±25,000 sq. ft.
	5		Artesian Marketplace SWC Ocotillo Rd/Gilbert Rd	±25,000 sq. ft.
	6		Heritage Square SEC Rittenhouse Rd/Ellsworth Rd	±25,000 sq. ft.
Q4 2016	7		Artesian Marketplace SWC Ocotillo Rd/Gilbert Rd	±123,000 sq. ft.
	8		Estrella Falls NWC McDowell Rd/Bullard Ave	±78,000 sq. ft.
	9		Chandler Crossings NEC Arizona Ave/Chandler Heights Blvd	±69,533 sq. ft.
Q3 2016	10		Chandler Crossings NEC Arizona Ave/Chandler Heights Blvd	±35,467 sq. ft.
	11		Litchfield Marketplace NEC Camelback Rd/Litchfield Rd	±123,000 sq. ft.
	12		Mulberry Marketplace NWC Guadalupe Rd/Signal Butte Rd	±123,000 sq. ft.
	13		SEC Bell Rd/12th St	±123,000 sq. ft.
	14		Gateway Village SEC McDowell Rd/103rd Ave	±30,400 sq. ft.

TOP BIG BOX ABSORPTION (SQ. FT.)



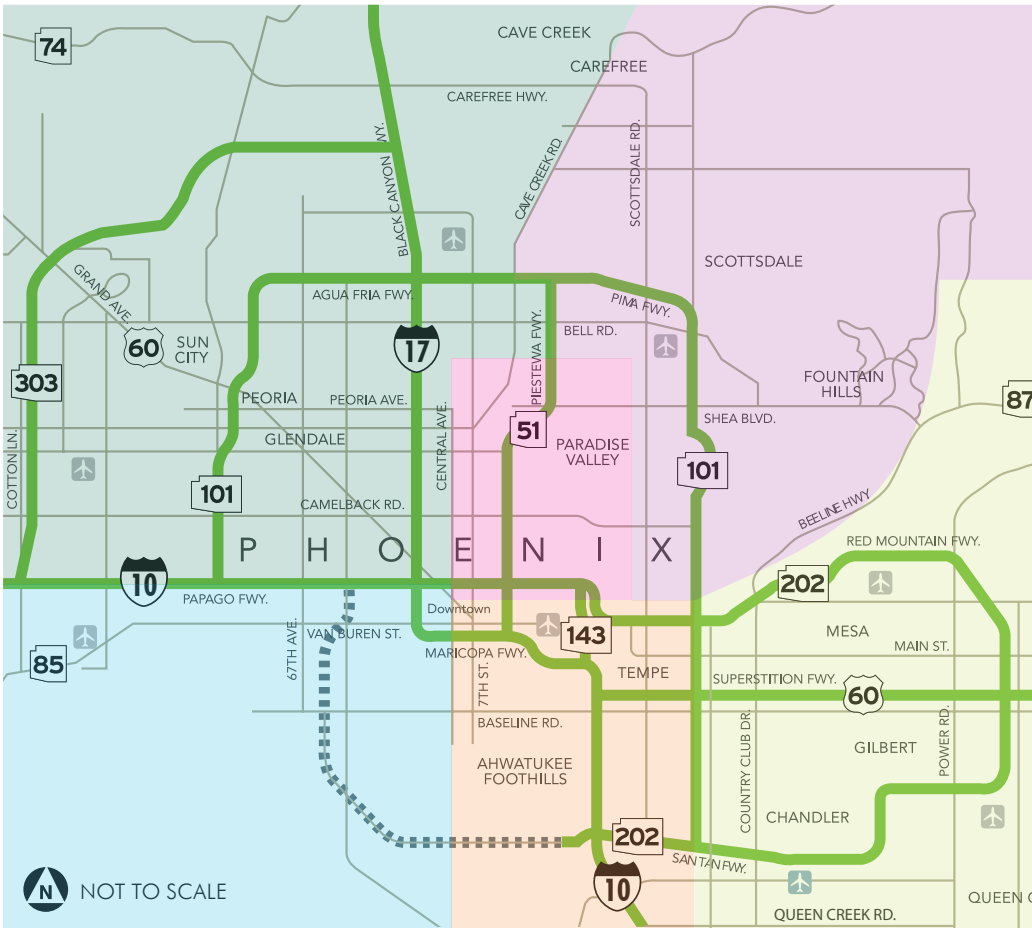
Source: CBRE Research, Q2 2017.

NEW SPACE ON THE MARKET

FORMER TENANT	SQ. FT.	LOCATION
Albertson's	53,888	NWC Bell Rd/Loop 303
Coming Available	35,817	SEC Peoria Ave/107th Ave
Coming Available	35,270	SEC Guadalupe Rd/Gilbert Rd

Source: CBRE Research, Q1 2017.

SUBMARKETS



N/NW PHOENIX
34 SPACES 1,388,784 SQ. FT.

S/SW PHOENIX
12 SPACES 455,194 SQ. FT.

CENTRAL PHOENIX
8 SPACES 211,643 SQ. FT.

SCOTTSDALE
12 SPACES 457,932 SQ. FT.

TEMPE/AHWATUKEE
10 SPACES 373,100 SQ. FT.

SE VALLEY
40 SPACES 1,338,883 SQ. FT.

Source: CBRE Research, Q2 2017.

MARKET RECAP

Led by steady leasing activity, the Phoenix retail big box market remained healthy in Q2 2017. Nearly 500,000 sq. ft. of space was absorbed—sale and leasing transactions accounted for 90% of absorption while build-to-suit move-ins accounted for just 10%. Absorption in Q2 was driven by fitness, off-price, and homegoods/furniture retailers.

- 14 leases over 20,000 sq. ft. were signed in the quarter.
- Main Event Entertainment opened their third build-to-suit location in the Valley near SanTan Regional Mall.



CLASS DEFINITIONS

CLASS A: This space represents the highest quality/most marketable space available, excellent daytime and nighttime demographics, strategic/appealing location and identity, attractive building improvements, likely positioned near key major tenant(s) or retail hub as in the case of regional malls, power centers or community centers.

CLASS B: These spaces are generally located in a neighborhood or community center context and may be older than 20 years in age but offers great identity, stable residential and nighttime demographics.

CLASS C: This product type is generally located in lower income and older areas of cities having less-desirable retail synergy resulting in significantly 'higher-vacancy' blight. This box may represent a more difficult size, a challenging configuration/bay depth, or be part of a project with an inefficient site plan as compared to newer product types.

CLASS D: The lowest/most challenged class can generally be considered functionally obsolete given its much older age, architecture and quality deficiencies. Finding alternative/non-retail uses for or demolition of, this box is warranted.

PHOENIX RETAIL BIG BOX REPORT Q2 2017

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