

MARKETBEAT

Metropolitan Phoenix

Land Q3 2016



PHOENIX LAND

Economic Indicators*

	Q3 15	Q3 16	12-Month Forecast
Phoenix Employment	1,922	1,973	▲
Phoenix Unemployment	5.1%	5.1%	▼
U.S. Unemployment	5.2%	4.9%	▼

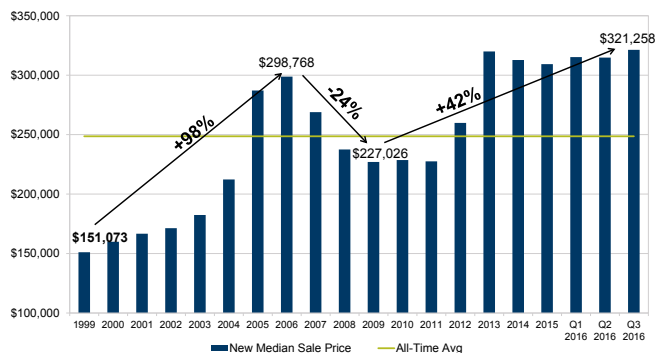
Q3 data based on the average of July, August and September values.

Market Indicators

	Q3 15	Q3 16	12-Month Forecast
New and Resale Home Closings	25,200	26,900	▲
Trust Deed Sales (Maricopa County Only)	1,000	800	▼
Single Family Permits	4,600	4,500	▲
Notice of Trust Deed Sales (Maricopa County Only)	2,200	1,900	▼

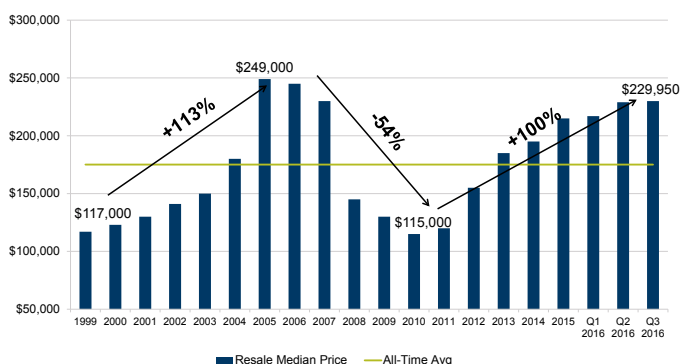
Detached New Home Median Price ⁽¹⁾

MARICOPA COUNTY



Resale Home Median Price ⁽¹⁾

ALL-TIME AVERAGE



Economy

The Metro Phoenix job market continued to show signs of improvement, adding just under 51,000 jobs year-over-year through September 2016. During the same time period, the unemployment rate stood still at 5.1%. However, out of the 51,000 jobs added over 17% (±8,800 jobs) can be attributed to the construction sector, a 9% increase year-over-year.

Market Overview

The Metro Phoenix land sector ended the third quarter of 2016 with an average of \$2.13 price per square foot (PSF). This marks a 7.2% decrease from Q2 2016 (\$2.30 PSF) and a 2.7% decrease since Q3 2015 (\$2.19 PSF).

In Q3 2016, there were 4,486 single-family permits issued throughout Metro Phoenix, which is reflective of a 2.9% decrease from the same time period in 2015 (4,620 permits). Multifamily remains on the rise in Metro Phoenix, with 2,260 permits issued during the third quarter of 2016 and bringing the year to date (YTD) total to 7,328 permits. This marks a 31.5% increase from one year ago.

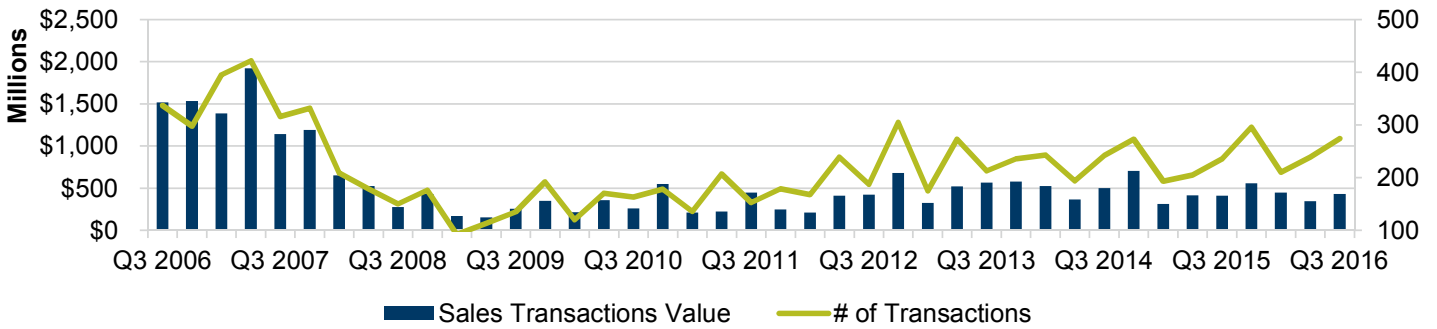
During the third quarter of 2016, nearly 27,000 homes were sold (23,478 resale homes and 3,469 new homes) bringing the YTD total to over 79,000 homes sold. While this is a 9.7% decrease from the 30,000 homes sold in Q2 2016, it signifies a 7.0% increase from the 25,000 homes sold in Q3 2015. As total number of home sales continue to grow, so does the total median home sale price which reached \$242,925 at the close of Q3 2016. This metric increased 8.4% in the same 12-month span.

As the average age of Millennials increases so does the average age of marriage. Many couples with young children gravitate towards areas that are more affordable, have better schools and offer more space. Given that Millennials are nearing their prime marital years and prime home buying years, we expect a “resuburbanization trend”, which has already begun, to gradually occur over the next several years. This factor will surely cause an increase in new home construction and median home sales prices throughout the valley.

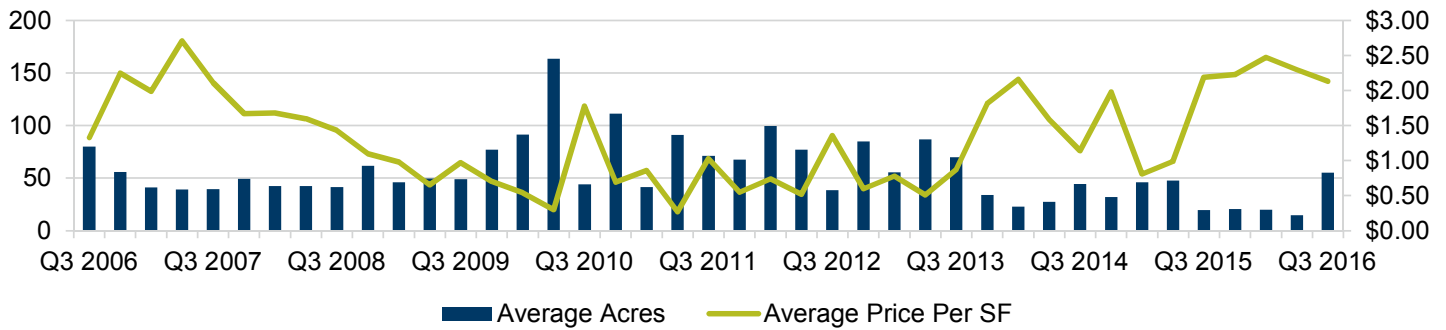
Cushman & Wakefield Land Market Snapshot

Metro Phoenix • Third Quarter • 2016

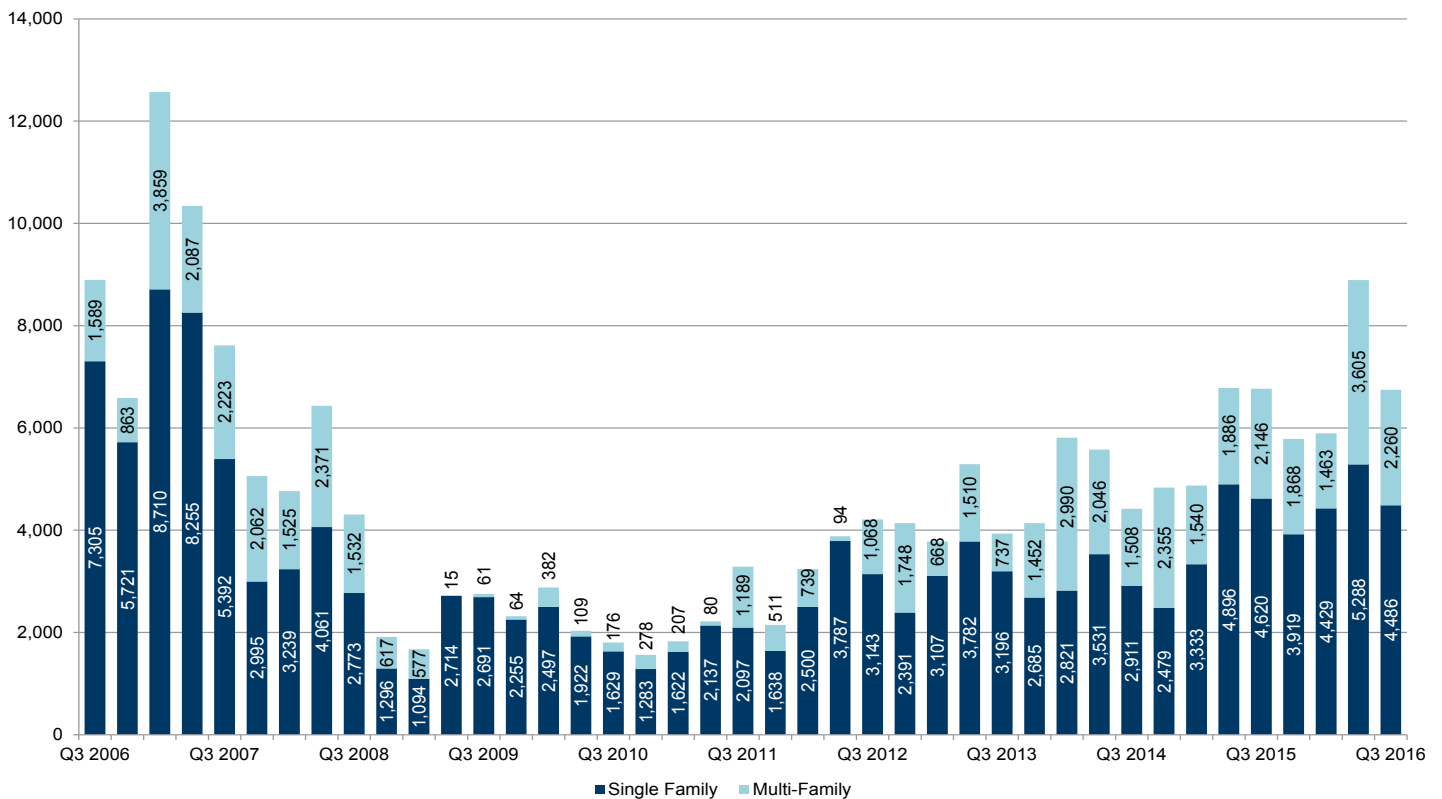
Total Sales Volume Vs. Number of Transactions ⁽⁸⁾



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

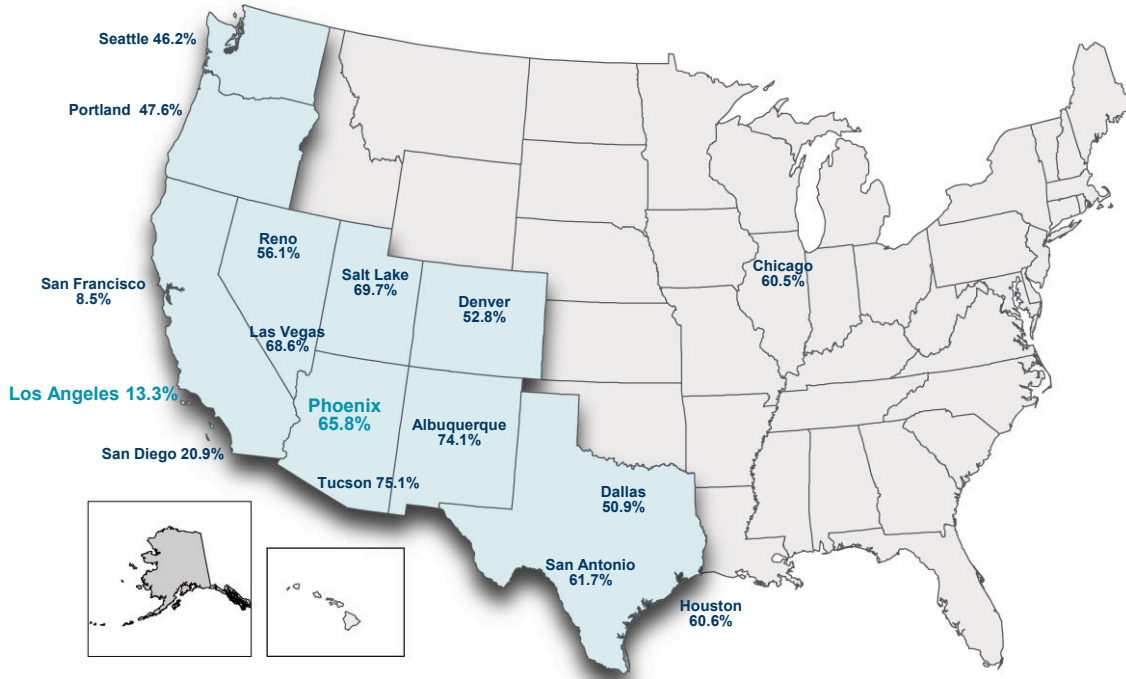


Single Family Permits vs. Multifamily Permits ⁽⁷⁾



Cushman & Wakefield Land Market Snapshot

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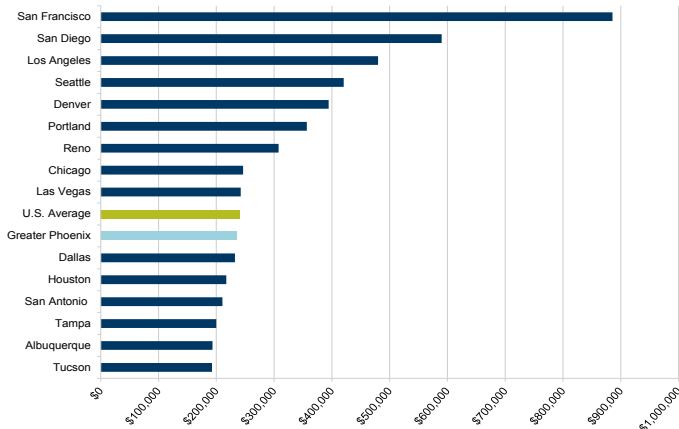
Housing Opportunity Index^{(5)*}

Percentage of new and existing homes that were sold during the second quarter of 2016 that were affordable to families earning the area's median income.

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

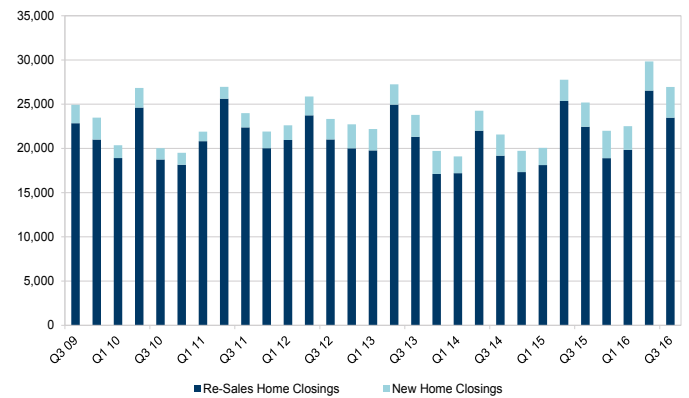
3RD QUARTER 2016

Metro Phoenix Median price of existing homes has increased 8.2% percent year-over-year

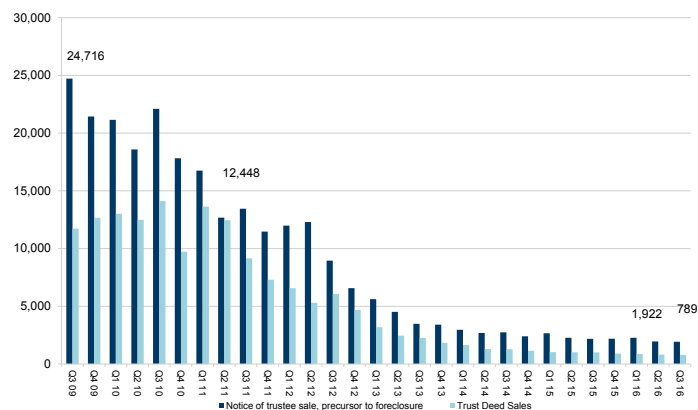


Quarterly Home Closings ⁽¹⁾

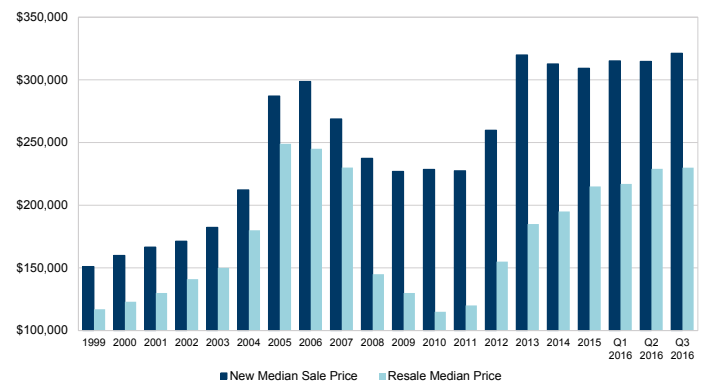
MARICOPA COUNTY



Maricopa County Quarterly Residential Foreclosures ⁽¹⁾



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



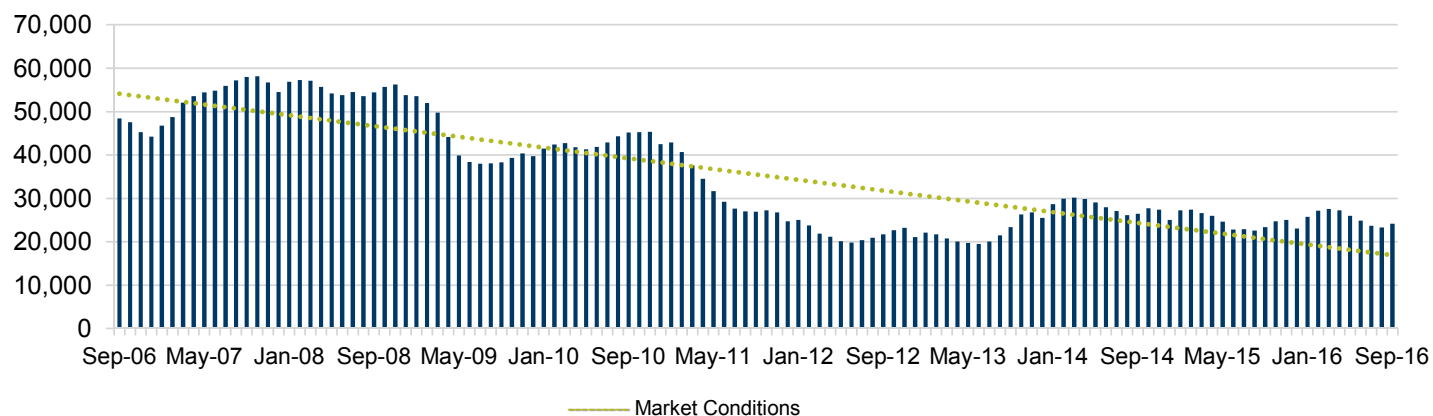
MARKETBEAT

Metropolitan Phoenix

Land Q3 2016



Active Listings ⁽²⁾



Q3 2016 Top Land Sale Transactions ⁽⁸⁾

Property Address	Property City	Sale Date	Sale Price	Proposed Use Type	Acreage	\$ Per SF	Seller	Buyer
Bella Vista & Skyline Rd	Queen Creek	8/31/2016	\$37,243,653	Residential	1,083	\$0.79	BVF Land, LLC	El Dorado Holdings, Inc.
NWC 91st & Deer Valley Rd	Peoria	7/21/2016	\$30,808,991	Residential	142	\$4.98	Communities Southwest	Maracay Homes
SW Ray Rd & Recker Rd	Gilbert	9/20/2016	\$16,000,000	Residential	79	\$4.64	Atlas Development II, LLC	Shea Homes
NE Price Rd & Mockingbird Dr	Chandler	9/29/2016	\$10,428,000	Commercial	30	\$7.92	Southwest Value Partners Enterprises	CyrusOne, Inc.
W Alabama Ln	Queen Creek	7/14/2016	\$9,710,040	Residential	22	\$10.01	Saratoga Meadow Inc	D.R. Horton, Inc.
N Noreen Rd & N Bajada Dr	Maricopa	7/15/2016	\$7,565,325	Residential	8	\$23.16	Elliott Homes, Inc.	D.R. Horton, Inc.
NE Broadway Rd & 83rd Ave	Phoenix	8/29/2016	\$6,198,047	Residential	25	\$5.62	Paulson Property Management LLC	LGI Homes - Arizona LLC
117th Dr	Peoria	9/7/2016	\$6,104,218	Residential	39	\$3.63	Stratford Land	Toll Brothers

Sources:

- (1) The Cromford Report. Data through 09/2016
- (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, 1995-2016 - U.S. Census Bureau
- (8) Cushman & Wakefield Research, CoStar
*Data released is from the previous quarter

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