Phoenix Office Market

Phoenix Chapter Fall Forum on Real Estate Trends

November 12, 2026

PRESENTED BY:

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CBRE

Appraisal Institute™



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Izzy, Nash, Zane, Miles and Twyla





1.2M SF Positive Absorption

PHOENIX | NET ABSORPTION

	Class A	Class B	Class C
Q1 2026	(101,595)	367,756	(39,348)
Q2 2026	79,098	397,525	13,358
Q3 2026	551,841	(45,406)	(11,458)
2026 YTD	529,344	719,875	(14,532)

▼ 18.8%
VACANCY RATE

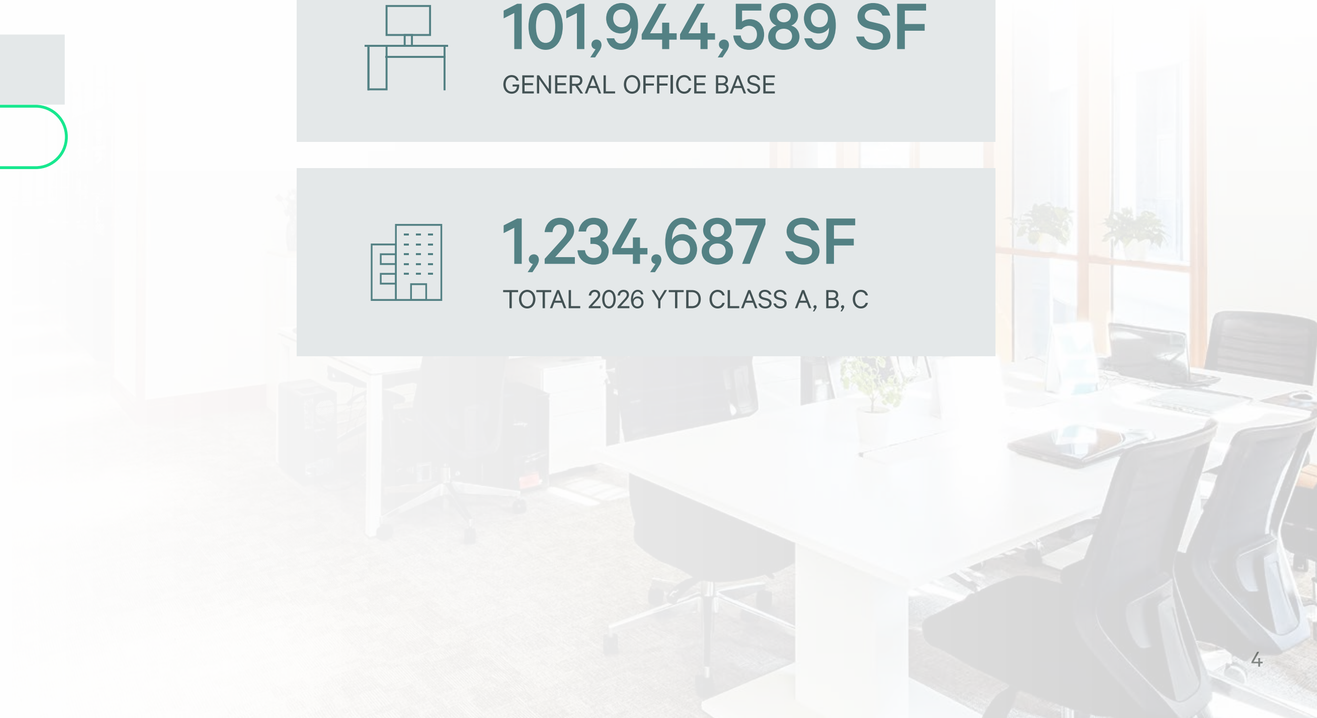
▼ 400,000
SF UNDER CONSTRUCTION

▲ $32.30
FSG / LEASE RATE

1,182
BUILDINGS

101,944,589 SF
GENERAL OFFICE BASE

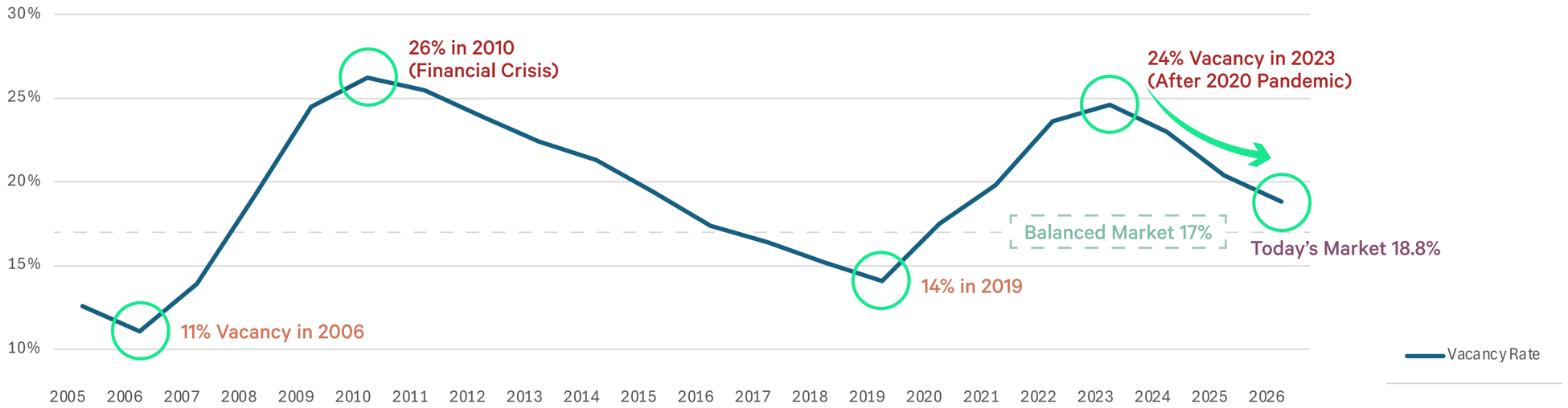
1,234,687 SF
TOTAL 2026 YTD CLASS A, B, C



Footnote: Arrows indicate change from previous quarter. Source: CBRE Research.

Vacancy Rate is Declining ☺

Vacancy 2005 to Q3 2026



	Vacancy
Balanced Market	17%
Today's Market	18.8%

Source: CBRE Research.

Current Rental Rates

ALL BUILDINGS (A, B & C)

RATE	TOTAL # OF BLDGS	AVAILABLE SF
$32.30	1,182	18,810,902

CLASS A

RATE	TOTAL # OF BLDGS	AVAILABLE SF
$41.45	144	4,857,072

CLASS B

RATE	TOTAL # OF BLDGS	AVAILABLE SF
$30.75	739	11,588,286

CLASS C

RATE	TOTAL # OF BLDGS	AVAILABLE SF
$22.16	299	2,365,544



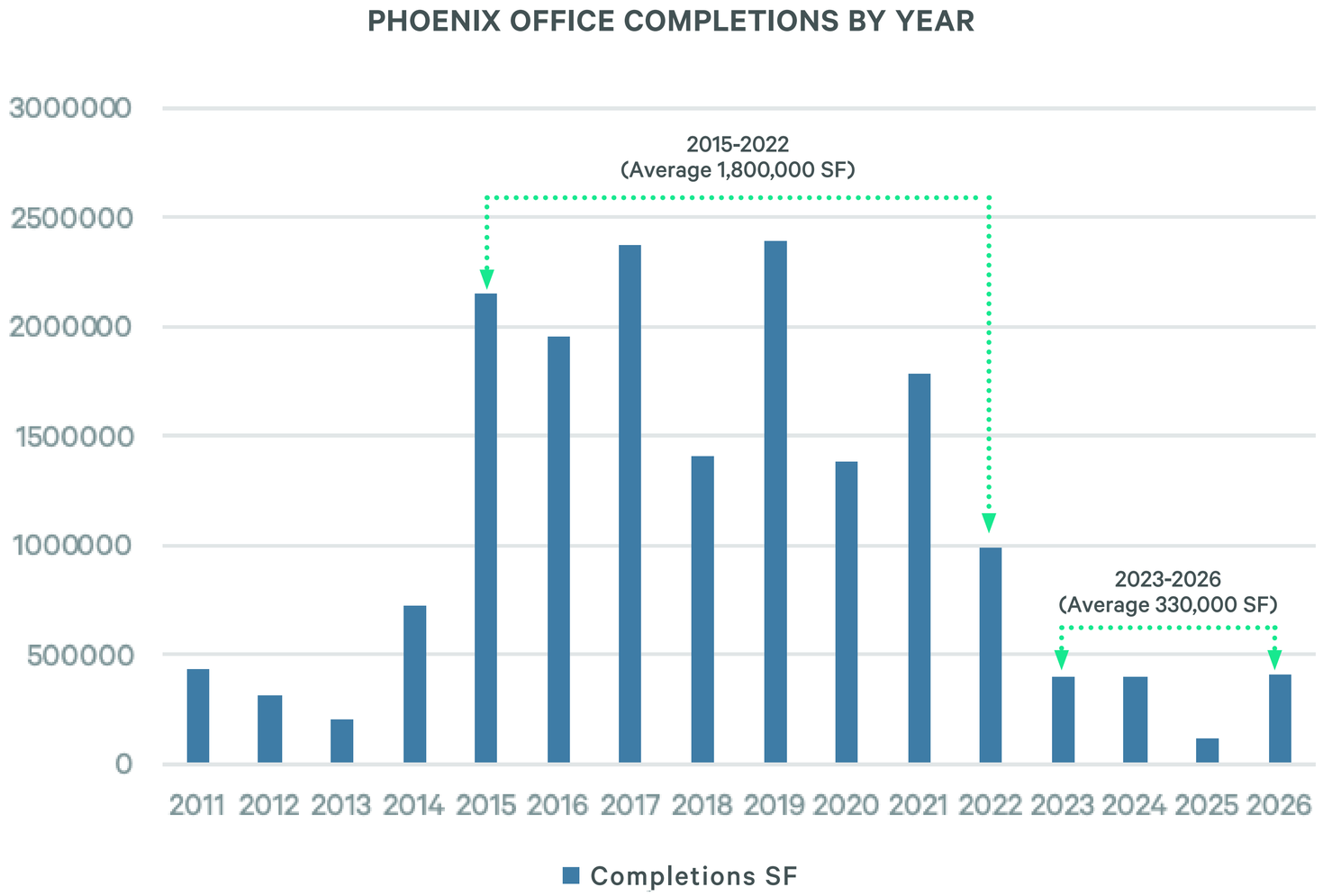
*rates are full service gross

Rent Growth Since 2020

DISTRICT	2020 RATE	2026 RATE	% CHANGE	AVERAGE PER YEAR
Williams Gateway	$25.60	$34.94	36.48%	6.1%
Camelback	$35.20	$44.18	25.51%	4.3%
Deer Valley	$24.75	$30.99	25.21%	4.2%
Tempe	$33.43	$41.27	23.45%	3.9%
N Scottsdale	$30.16	$35.02	16.11%	2.7%
Metro Phoenix	$28.11	$32.30	14.90%	2.5%
Midtown	$23.41	$26.58	13.54%	2.3%
Chandler	$31.69	$33.92	7.04%	1.2%
Downtown	$32.00	$32.49	1.53%	0.3%

Source: CBRE Research.

New Construction ↓



Source: CBRE Research.

Office Cap Rates Remain High

Class-A Stabilized to Value-Add



Multi-Family
5-5.5%



Retail
5.5-6.5%



Industrial
6-7.5%



Office
8-10.5%

Investment Sale



CAMELBACK ESPLANADE III

2415 E CAMELBACK ROAD

Price	$86,000,000 ($385/SF)
RBA	±223,550 SF
% Leased	95%
Cap Rate	7%
Buyer	Southwest Value Partners
Seller	Transwestern

Source: CBRE Research.

User Sale | ROSENDIN



ALLRED PARK PLACE

1450 S. SPECTRUM BLVD., CHANDLER

Price	$17,750,000 ($176/SF)
RBA	±100,622 SF
% Leased	0%
Cap Rate	N/A
Buyer	Rosendin Electric
Seller	Douglas Allred Company

Source: CBRE Research.

New Lease | McCARTHY



3131 E CAMELBACK ROAD

PHOENIX

Rate	$48/SF, Full Service
Free Rent	1 Year
Term	11 Years
Increases	3% Annually
TI	$100/SF
Tenant	McCarthy Building Company
Landlord	Reliance Management

Source: CBRE Research.

Renewal Lease | amazon



HAYDEN FERRY LAKESIDE III

Rate	$50.00 / SF, Full Service
Free Rent	5 Months
Term	5 Years and 5 Months
Increases	2.5%
TI	$30/SF
Tenant	Amazon
Landlord	Cousins

Source: CBRE Research.

Sublease | Amkor Technology®



CONCORD COMMERCE CENTER

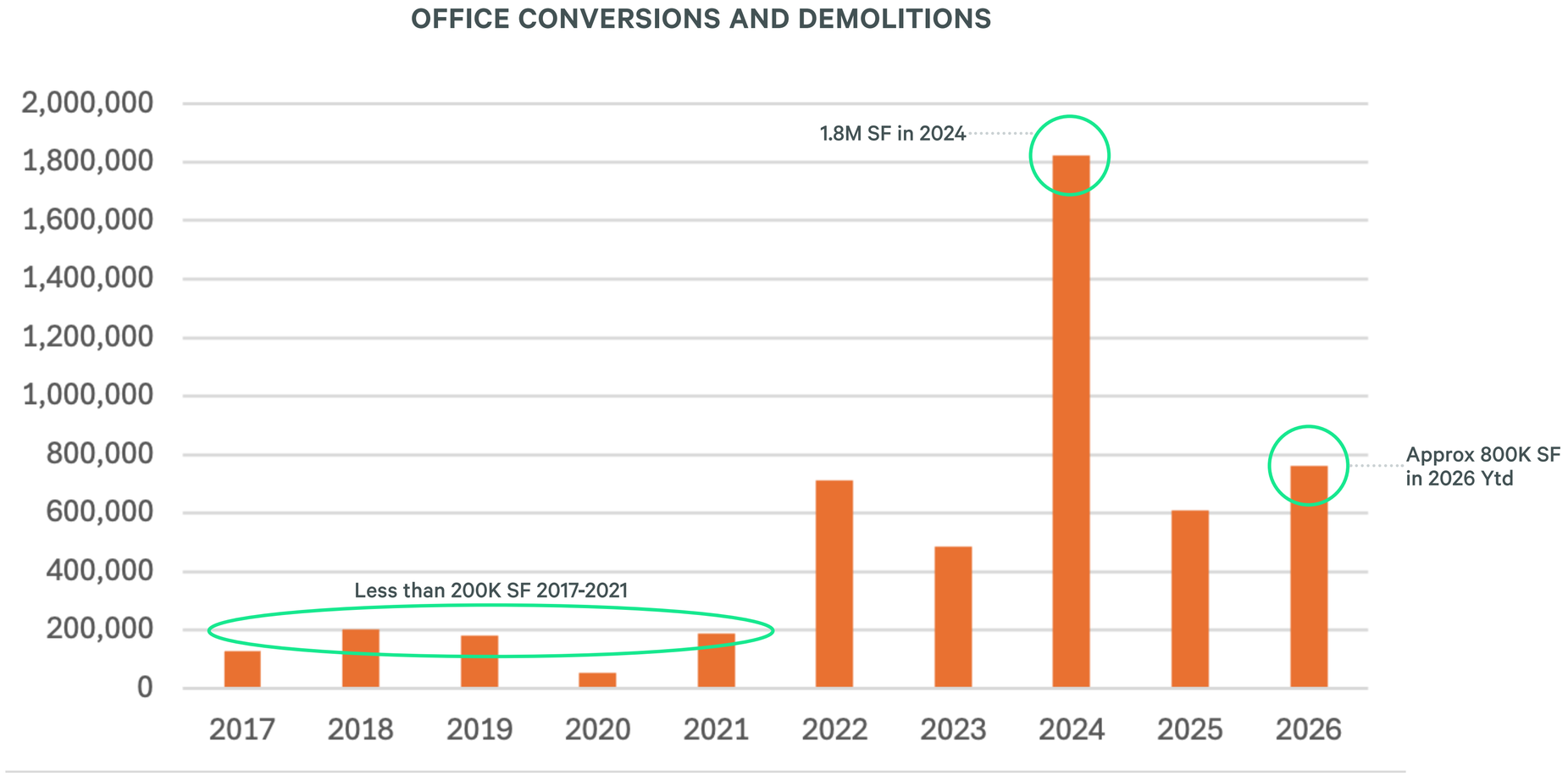
2222 W. DUNLAP AVE., PHOENIX

Rate	$19.50/SF, Full Service
SF	±46,720 SF
Term	20 Months
Increases	None
TI	None
Tenant	Amkor Technology
Landlord	Stafford Holdings

Source: CBRE Research.

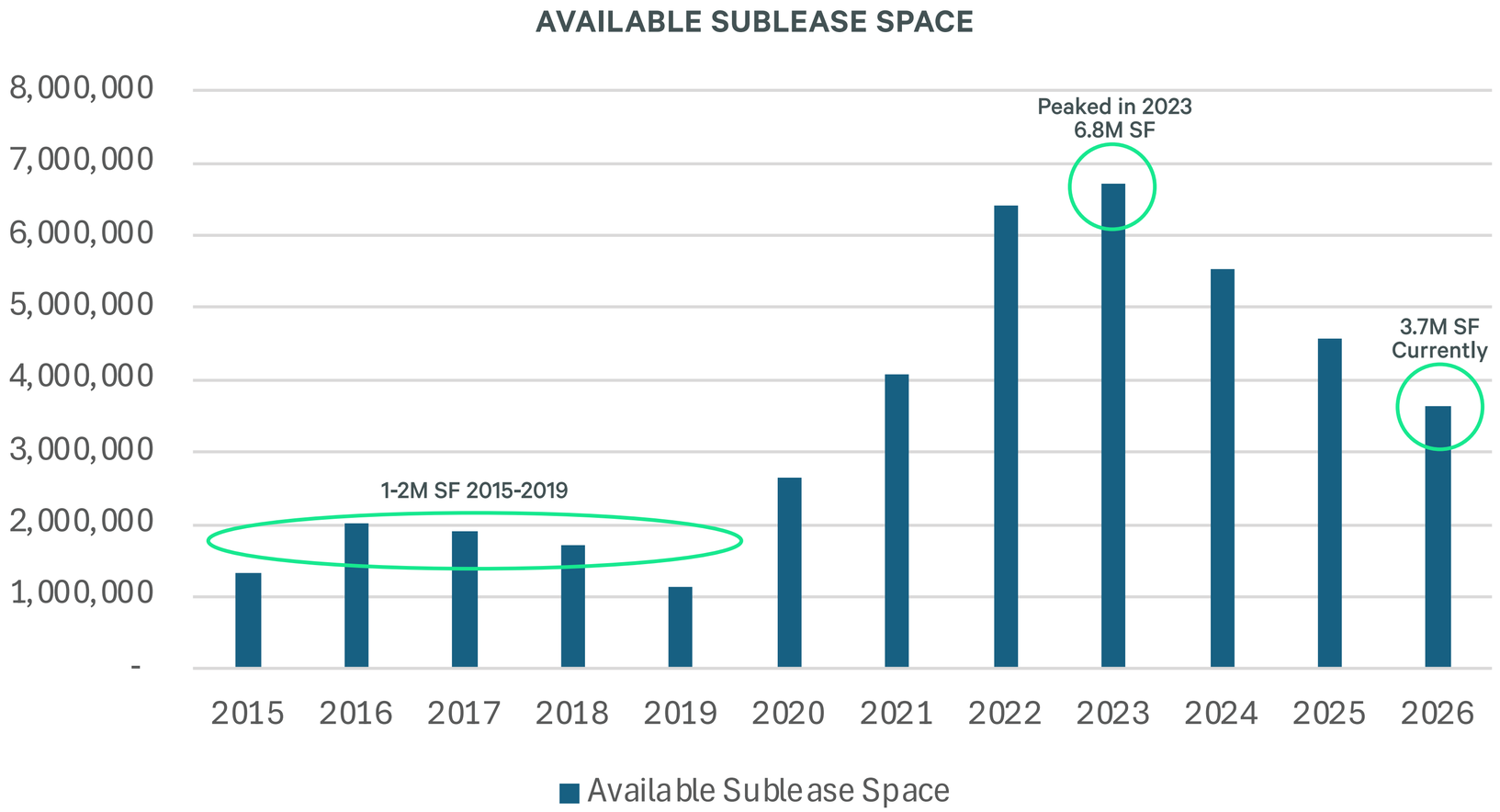
Over 4M SF Converted, Last 5 Years

Conversions will continue at a modest pace.



Source: CBRE Research.

Sublease Space Peaked



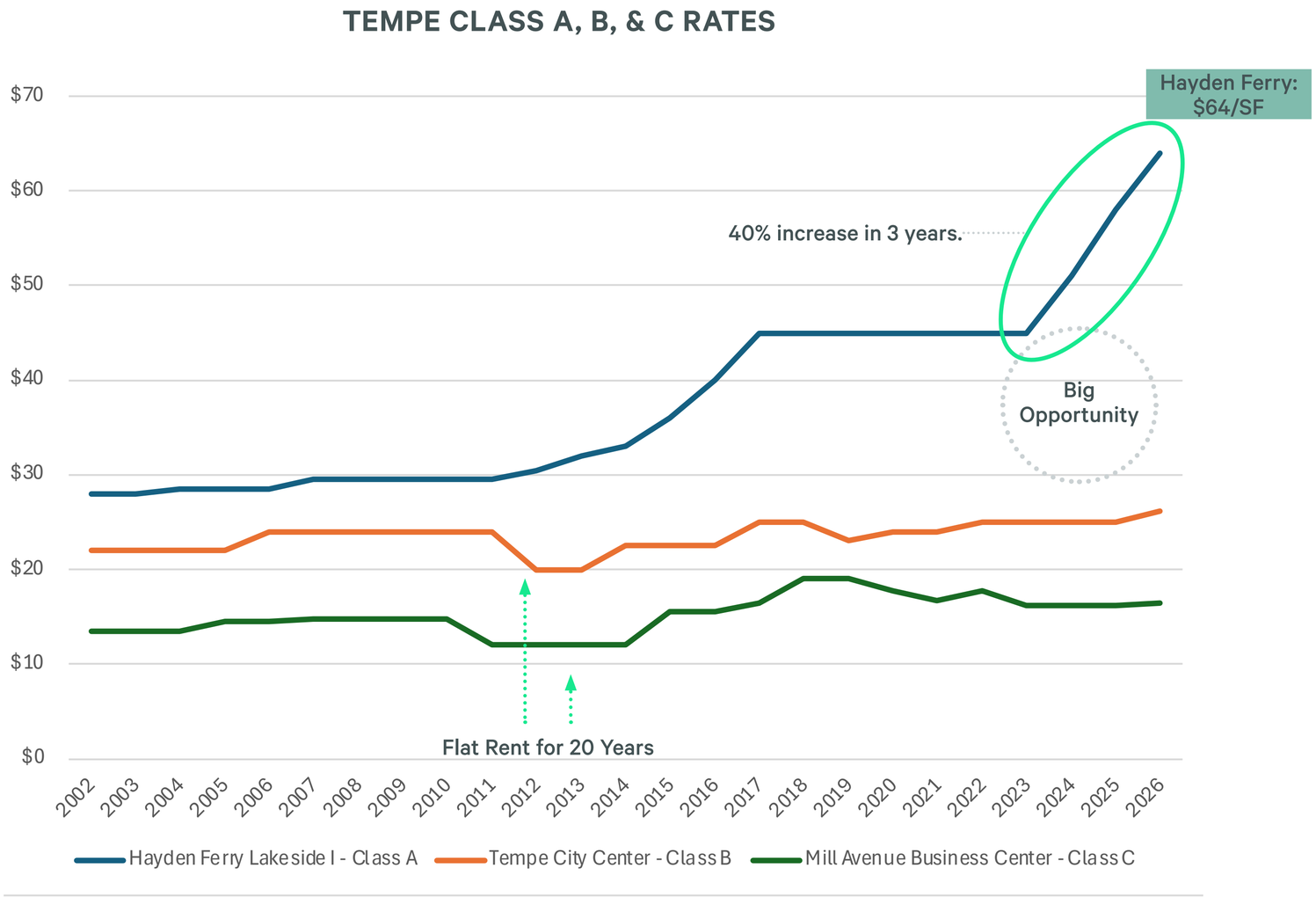
Source: CBRE Research.

Wide Range Between Class A, B, & C in Core Districts







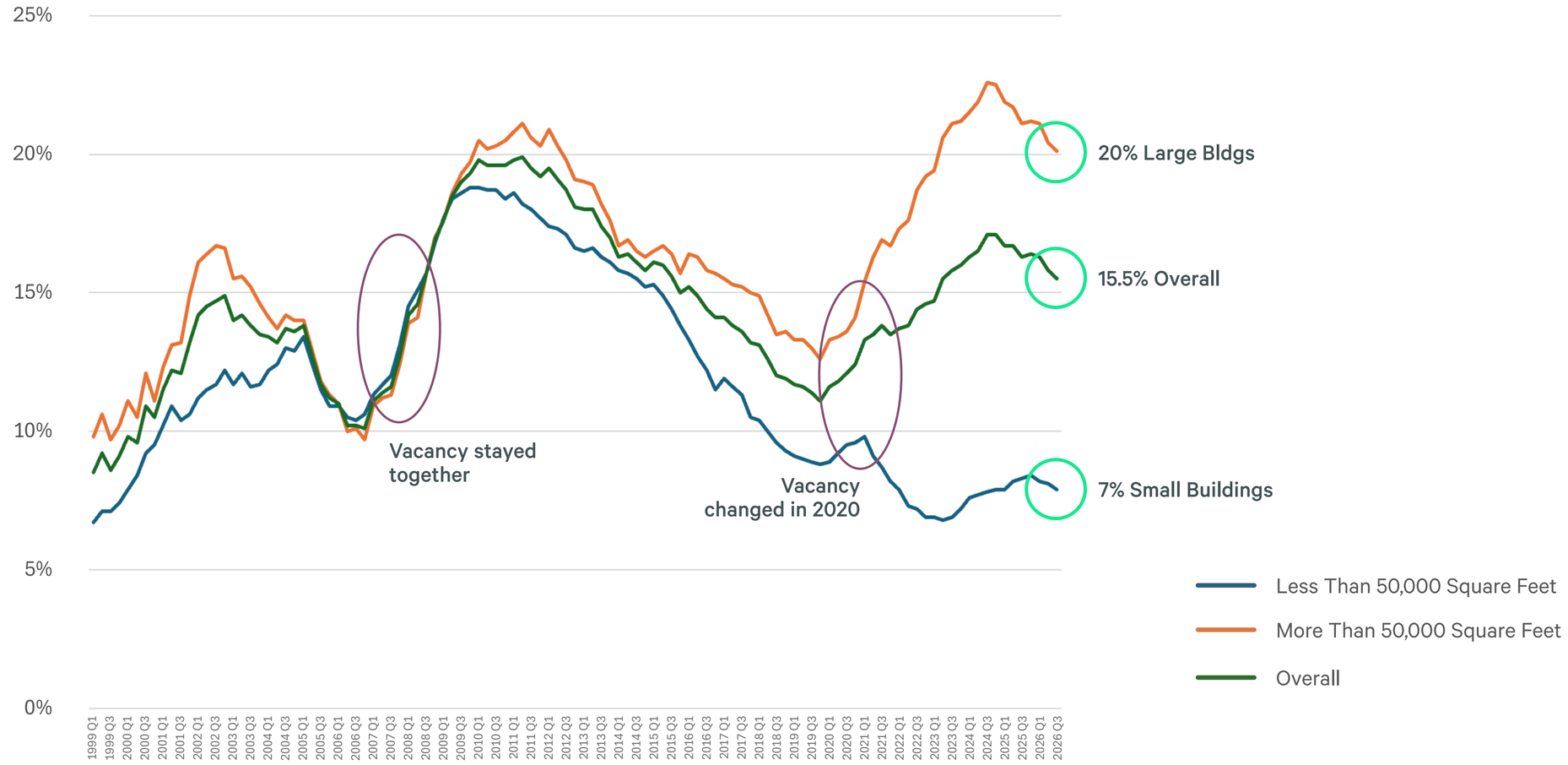


Source: CBRE Research.

Smaller Buildings Performing Better Since 2020

Inventory Based on All-Sized Office and Medical Buildings: 193,000,000 RBA Across 9,013 Buildings

VACANCY OF PHOENIX'S SMALLER OFFICE BUILDINGS HAS IMPROVED SINCE THE ONSET OF THE PANDEMIC



Source: CBRE Research, CoStar.

George Oliver - A+ Renovations











Source: CBRE Research.

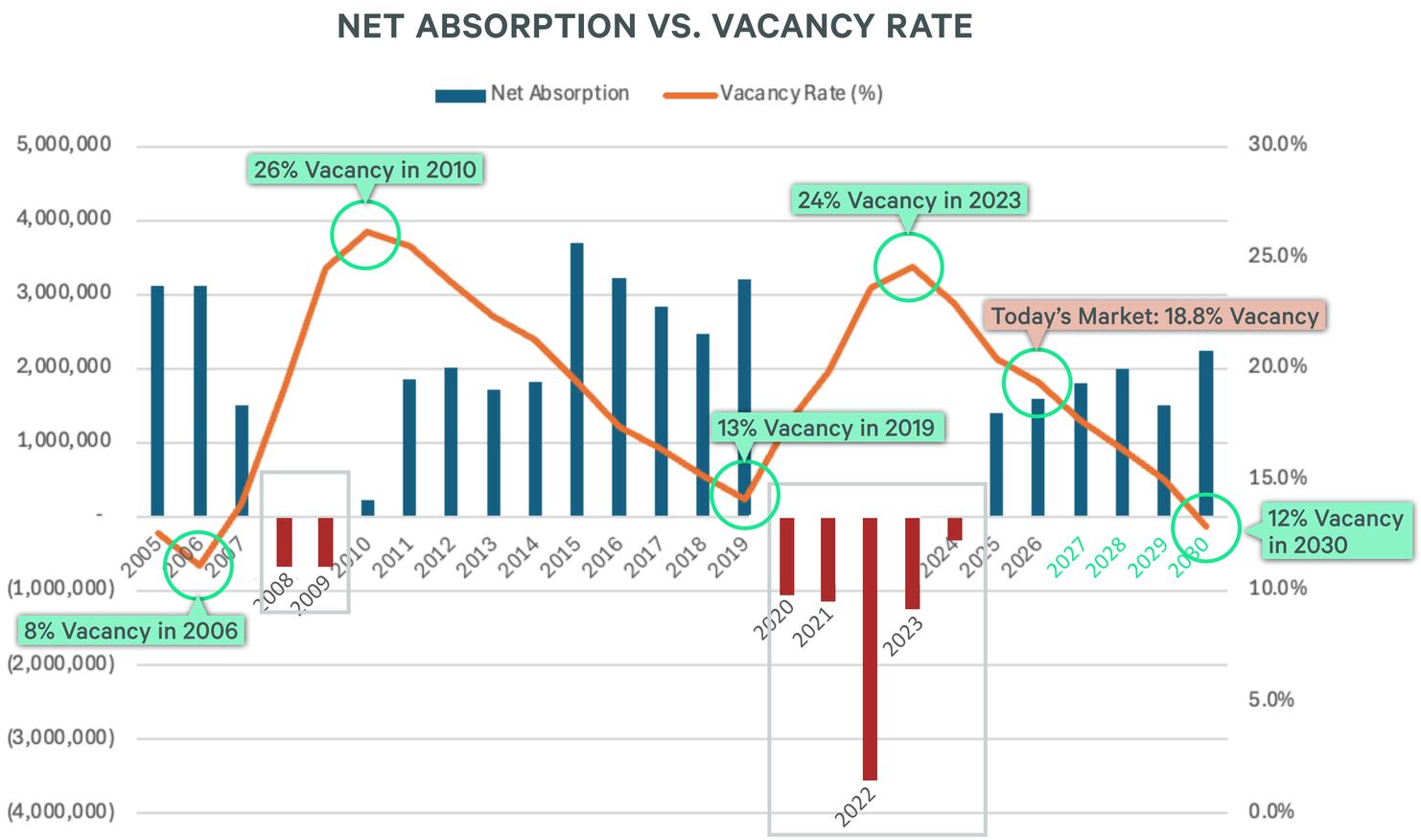
Retail Comparison - - - → Office Forecast

- Retail had no construction and very little rent growth since online shopping (last 10 years). Now they have a shortage of available space. High rent growth and new construction.
- Office will follow this trend in 5 years. once the return to office and conversions have settled.



*Forecasted. Source: CBRE Research.

Market Continues to Improve, Predicting 12% Vacancy in 2030



	Vacancy
Balanced Market	17%
Today's Market	18.8%

Source: CBRE Research.

Thank You!

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